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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

HIGHLIGHTS

- Total sales proceeds were RMB5,735.6 million, representing an increase of 23.9% compared to the corresponding period in the last year
- Total operating revenue was RMB2,288.2 million, representing an increase of 11.1% compared to the corresponding period in the last year
- Operating profit before depreciation and amortisation (net profit before depreciation, amortisation, finance costs, income tax and other gains and losses) was RMB873.8 million, representing an increase of 26.9% compared to the corresponding period in the last year
- The net profit was RMB47.9 million. Without taking into account the effect of non-operating gains and losses, it decreased by 47.4% compared to the corresponding period in the last year, amounting to RMB105.4 million, primarily because finance cost increased
- As basic earnings per share for the period was RMB0.4 cent, consequently, the Board does not recommend the payment of interim dividend for the six months ended 30 June 2016

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Maoye International Holdings Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2016. The unaudited consolidated interim results have been reviewed by the auditors of the Company, Ernst & Young, and the audit committee of the Company (the "**Audit Committee**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2016

	Notes	Six months ended 30 June 2016 *(Unaudited)* *RMB'000*	2015 *(Unaudited)* *RMB'000*
REVENUE	4	**1,802,628**	1,639,004
Other income	5	**485,588**	419,758
Total operating revenue		**2,288,216**	2,058,762
Cost of sales		**(632,116)**	(693,266)
Employee expenses		**(238,380)**	(197,515)
Depreciation and amortisation		**(331,168)**	(206,572)
Operating lease rental expenses		**(110,229)**	(100,648)
Other operating expenses		**(445,539)**	(373,025)
Other (losses)/gains		**(78,900)**	158,726
Operating profit		**451,884**	646,462
Finance costs	6	**(306,265)**	(136,790)
Share of profits and losses of associates		**11,833**	(5,968)
PROFIT BEFORE TAX		**157,452**	503,704
Income tax expense	7	**(109,565)**	(182,748)
PROFIT FOR THE PERIOD		**47,887**	320,956
Attributable to:			
Owners of the parent		**18,430**	316,701
Non-controlling interests		**29,457**	4,255
		47,887	320,956
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		**RMB0.4 cent**	RMB6.1 cents
Diluted		**RMB0.4 cent**	RMB6.1 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**47,887**	320,956
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Identified as impairment loss of available-for-sale equity investments	**3,640**	—
Changes in fair value	**(350,934)**	292,785
Disposal of a partial interest in a subsidiary without losing control	**—**	470,494
Investment revaluation of available-for-sale equity investments	**—**	5,964
Income tax effect	**86,823**	(192,310)
	(260,471)	576,933
Defined benefit retirement plans	**626**	—
Exchange differences on translation of foreign operations	**(25,012)**	2,328
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(284,857)**	579,261
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**(236,970)**	900,217
Attributable to:		
Owners of the parent	**(265,778)**	895,962
Non-controlling interests	**28,808**	4,255
	(236,970)	900,217

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	**30 June 2016** ***(Unaudited)*** ***RMB'000***	31 December 2015 *(Audited)* *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**12,820,080**	7,143,817
Investment properties		**982,455**	942,607
Land lease prepayments		**6,687,877**	4,254,138
Goodwill		**1,592,664**	283,934
Other intangible assets		**51,468**	57,405
Investments in associates		**2,524,093**	2,337,550
Available-for-sale equity investments		**1,354,059**	1,526,180
Prepayments		**416,475**	1,121,792
Deferred tax assets		**567,381**	489,059
Total non-current assets		**26,996,552**	18,156,482
CURRENT ASSETS			
Inventories		**278,553**	195,689
Completed properties held for sale		**1,290,886**	1,294,965
Properties under development		**8,125,828**	7,165,604
Equity investments at fair value through profit or loss		**223,014**	250,535
Trade receivables		**39,378**	20,703
Prepayments and other receivables		**2,725,224**	1,861,797
Loans and receivables		**106,123**	12,219
Pledged deposits		**241,852**	59,488
Cash and cash equivalents		**1,211,879**	1,248,868
Total current assets		**14,242,737**	12,109,868
CURRENT LIABILITIES			
Trade and bills payables	9	**2,466,597**	2,027,391
Deposits received, accruals and other payables		**9,183,519**	5,187,172
Interest-bearing bank loans and other borrowings		**9,663,054**	7,793,180

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 30 JUNE 2016

	30 June 2016 *(Unaudited)* ***RMB'000***	31 December 2015 *(Audited)* *RMB'000*
Tax payable	**218,503**	386,918
Dividend payable	**25,489**	433
Total current liabilities	**21,557,162**	15,395,094
NET CURRENT LIABILITIES	**(7,314,425)**	(3,285,226)
TOTAL ASSETS LESS CURRENT LIABILITIES	**19,682,127**	14,871,256
NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	**8,754,558**	5,122,863
Deferred tax liabilities	**2,120,716**	1,223,440
Other long-term liability	**10,930**	1,893
Provision for retirement benefits	**7,498**	8,052
Total non-current liabilities	**10,893,702**	6,356,248
Net assets	**8,788,425**	8,515,008
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**460,270**	460,270
Equity component of convertible bonds	**55,538**	55,538
Other reserves	**6,687,431**	6,927,159
	7,203,239	7,442,967
Non-controlling interests	**1,585,186**	1,072,041
Total equity	**8,788,425**	8,515,008

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Maoye International Holdings Limited (the "**Company**") 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 Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the operation and management of department stores and property development in Mainland China.

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 interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

3. OPERATING SEGMENT INFORMATION

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

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

(b) the property development segment is principally engaged in the development and sale of commercial and residential properties as well as the leasing out of commercial properties other than for the operation of department stores; and

(c) the "others" segment comprises, principally, operations of hotels, the provision of ancillary services and the 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 based on reportable segment profit attributable to owners of the parent.

Intersegment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Operation of department stores *RMB'000*	**Property development** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Period ended 30 June 2016				
Segment revenue				
Sales to external customers	1,637,866	144,675	20,087	1,802,628
Other income	466,045	4,921	14,622	485,588
Cost of sales	(547,103)	(84,993)	(20)	(632,116)
Employee expenses	(206,616)	(22,563)	(9,201)	(238,380)
Depreciation and amortisation	(311,222)	(14,121)	(5,825)	(331,168)
Operating lease rental expenses	(108,497)	(1,562)	(170)	(110,229)
Other operating expenses	(398,701)	(39,176)	(7,662)	(445,539)
Other gains/(losses)	(55,615)	(23,633)	348	(78,900)
Operating profit/(loss)	476,157	(36,452)	12,179	451,884
Finance costs	(156,683)	(149,582)	—	(306,265)
Share of profits and losses of associates	11,833	—	—	11,833
Segment profit/(loss) before tax	331,307	(186,034)	12,179	157,452
Income tax expense	(103,623)	(4,974)	(968)	(109,565)
Segment profit/(loss) for the period	227,684	(191,008)	11,211	47,887
Attributable to:				
Owners of the parent	198,007	(191,008)	11,431	18,430
Non-controlling interests	29,677	—	(220)	29,457
	227,684	(191,008)	11,211	47,887
Other segment information				
Impairment losses recognised in the statement of profit or loss	3,859	—	—	3,859
Investment in associates	2,524,093	—	—	2,524,093
Capital expenditure*	77,780	1,351,840	717	1,430,337

* 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.

	Operation of department stores	Property development	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Period ended 30 June 2015				
Segment revenue				
Sales to external customers	1,245,396	382,682	10,926	1,639,004
Other income	403,013	15,796	949	419,758
Cost of sales	(448,252)	(244,341)	(673)	(693,266)
Employee expenses	(177,570)	(14,650)	(5,295)	(197,515)
Depreciation and amortisation	(162,310)	(38,326)	(5,936)	(206,572)
Operating lease rental expenses	(99,851)	(719)	(78)	(100,648)
Other operating expenses	(322,149)	(44,951)	(5,925)	(373,025)
Other gains/(losses)	158,983	(189)	(68)	158,726
Operating profit/(loss)	597,260	55,302	(6,100)	646,462
Finance costs	(77,235)	(59,555)	—	(136,790)
Share of profits and losses of associates	(5,968)	—	—	(5,968)
Segment profit/(loss) before tax	514,057	(4,253)	(6,100)	503,704
Income tax expense	(165,550)	(17,689)	491	(182,748)
Segment profit/(loss) for the period	348,507	(21,942)	(5,609)	320,956
Attributable to:				
Owners of the parent	344,969	(22,932)	(5,336)	316,701
Non-controlling interests	3,538	990	(273)	4,255
	348,507	(21,942)	(5,609)	320,956
Other segment information				
Investment in associates	2,349,403	—	—	2,349,403
Capital expenditure*	745,031	601,318	549	1,346,898

* 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.

4. REVENUE

	Six months ended 30 June	
	2016	2015
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Commissions from concessionaire sales	**872,526**	665,361
Direct sales	**614,910**	482,940
Rental income from the leasing of shop premises	**148,309**	94,510
Management fee income from the operation of department stores	**2,121**	2,585
Rental income from investment properties	**41,549**	14,684
Sale of properties	**103,126**	367,998
Others	**20,087**	10,926
	1,802,628	1,639,004

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

Total sales proceeds from concessionaire sales	**5,120,667**	4,146,872
Commissions from concessionaire sales	**872,526**	665,361

5. OTHER INCOME

	Six months ended 30 June	
	2016	2015
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Income from suppliers and concessionaires		
- Administration and management fee income	**262,185**	204,762
- Promotion income	**117,987**	134,780
- Credit card handling fees	**66,092**	55,406
Interest income	**19,781**	8,064
Others	**19,543**	16,746
	485,588	419,758

6. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Total interest expense on financial liabilities not at fair value through profit or loss	**516,840**	349,004
Less: Interest capitalised	**(210,575)**	(212,214)
	306,265	136,790

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	(Unaudited)	*(Unaudited)*
	RMB'000	*RMB'000*
Group:		
Current — Corporate Income Tax	**140,086**	178,383
Current — Land Appreciation Tax	**9,152**	7,053
Deferred	**(39,673)**	(2,688)
Total tax charge for the period	**109,565**	182,748

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2016 attributable to ordinary equity holders of the parent of RMB18,430,000 (Six months ended 30 June 2015: RMB316,701,000) and the weighted average number of ordinary shares of 5,141,635,000 (Six months ended 30 June 2015: 5,181,547,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during those periods.

9. 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:

	30 June 2016	31 December 2015
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Within 90 days	**2,208,654**	1,641,140
91 to 180 days	**67,679**	54,841
181 to 360 days	**36,900**	75,932
Over 360 days	**153,364**	255,478
	2,466,597	2,027,391

The trade payables are non-interest-bearing and are normally settled within 90 days.

10. EVENTS AFTER THE REPORTING PERIOD

(a) Financing activities

As at 15 July 2016, Maoye Shangsha has pledged 0.48 billion restricted tradable shares in Maoye Commercial held by it to Guangdong Finance Trust Co., Ltd. for the purpose of providing financing guarantees to itself with the pledge term of three months. The registration for the pledge has been completed. The funds raised from the pledge of the shares is mainly used for the exchange of borrowings of tradable shares of our Company which has been pledged to other banks by Maoye Shangsha.

As at 15 July 2016, the board of directors of Maoye Commercial resolved to apply for a general credit limit for an amount of RMB0.12 billion from Industrial Bank Co., Ltd. for a term of one year, which is pledged by the self-owned property and the 100% equity of its subsidiary, Nanchong Maoye Co., Ltd..

As at 22 July 2016, Maoye Shangsha was approved to issue financing notes with a maximum amount of RMB1.5 billion which will be issued in the interbank market of the PRC in due course within the effective period.

As at 3 August 2016, Maoye Shangsha obtained a credit limit of current capital with an amount of RMB2 billion from China Zheshang Bank Co., Ltd and the effective term of such relevant credit plan is one year.

As at 3 August 2016, the Company repaid its syndicated loans with the principal amount of USD87,975,000 and paid interest on such syndicated loans in the amount of USD840,081. As at the same date, the syndicated loans of the Company has been fully settled.

As at 10 August 2016, the 2nd meeting of the eighth session of the board of directors Maoye Commercial passed the resolution approving a non-public issuance of shares with total of proceeds not exceeding RMB2.27 billion.

On 16 August 2016, the board of directors of Maoye Commercial resolved to apply for a general credit limit for an amount of RMB 0.25 billion from China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司) for a term of one year, which was pledged by the self-owned property of its subsidiary, Chengshang Group Mianyang Maoye Department Store Co., Ltd.(成商集團綿陽茂業百貨有限公司).

As at 16 August 2016, the application made by Maoye Shangsha in relation to non-public issuance of bonds with an amount of RMB5 billion has been passed by Shanghai Stock Exchange.

(b) **Lease transaction**

As at 7 July 2016, Maoye Commercial resolved to lease the portion of underground Floor 1 to Floor 4 of its subsidiary, Maoye Department Store branch company in high-tech district (茂業百貨高新分公司) at No. 28 Tianfu Avenue North Section, Chengdu (「Chengdu Maoye Center 」) to Guizhou Tongyuan Investment Co., Ltd.(貴州通源投資有限公司) at the sixth session of extraordinary general meeting for a term of 20 years with a total lease expense of about RMB0.9175 billion.

(c) **Other Investments**

As at 14 July 2016, the eighth session of the board of directors of Maoye Commercial resolved to pass the resolution in relation to the establishment of joint venture company, Inner Mongolia Weixiu Business Management Ltd. (內蒙古維秀商業管理有限公司), by its subsidiaries, namely Inner Mongolia Voctory New Town Business Management Ltd. (內蒙古維多利新城商業管理有限公司) and Inner Mongolia Xiupulan Business Management Ltd. (內蒙古秀普藍商業管理有限公司) for the purpose of the development of "Victory Korea Town" project. The joint venture, established on 1 August 2016, has a registered capital of RMB10 million, which is held as to 51% and 49% by each party.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

During the first half of 2016, amidst the general slowdown of the macro economy in China, the PRC government took the expansion of domestic demand and the stimulation of consumption as the strategic focus for its economic transition. With the upgrade and rise of consumption, the implementation of favourable policies such as urbanisation development strategy and allowing couples to have a second child if one parent is a single child, has stimulated the diversification of consumption demand and created a good situation for recovering the domestic consumption market. However, it also led to intensifying competition in the domestic consumption market. The continuous threats to physical retail from online consumption and the diversion of traffic volume from department stores by shopping centers have led to further operation differentiation in the department store sector and a general decline in the results of the industry. Meanwhile, competition among players in the industry became fierce.

In a market with opportunities and challenges, the Group has presented remarkable cost advantage and risk resistance ability by leveraging its unique advantage in the operation model of "department store plus commercial real estate". During the reporting period, while maintaining the leading position in the core market of Southern China, the Group actively organised its layout in major cities in Southwestern China, Eastern China and Northern China by developing major stores in tier 2 and tier 3 cities with consumption potential; strengthened the integration of Chengdu Renhe Chuntian Department Store Ltd. ("**Rendong Department Store**") and Chengdu Qingyang District Renhe Chuntian Department Store Ltd. ("**Guanghua Department Store**") (collectively, "**Renhe**") upon completion of their acquisitions; and captured the opportunity to acquire Inner Mongolia Victoria Commercial (Group) Co., Ltd. ("**Victoria**"), a leading enterprise in Inner Mongolia, in order to establish leading positions in major cities within relevant regions. In addition, the Group further promoted its business transforming and upgrading to deepen its strategy of transforming core stores into shopping centers, provide experiential, interactive, educational and perceptible content for consumption, and satisfy consumers' demand for spiritual consumption. On the other hand, the Group took initiatives to apply network tools in information delivery, payment and goods delivery, achieving an efficient integration of online and offline business and improving consumers' consumption experience.

Total sales proceeds were RMB5,735.6 million, representing an increase of 23.9% compared to the corresponding period in the last year. Total operating revenue was RMB2,288.2 million, representing an increase of 11.1% compared to the corresponding period in the last year. The increase was mainly because Renhe, Victoria and Qinhuangdao Maoye Holdings Co., Ltd. (秦皇島茂業控股有限公司) ("**Qinhuangdao Maoye**") have been accounted into the consolidated statements of the Group's subsidiaries in the current period. Operating profit before depreciation and amortisation (net profit before depreciation, amortisation, finance costs, income tax and other gains and losses) was RMB873.8 million, representing an increase of 26.9% compared to the corresponding period in the last year. Profit attributable to owners of the parent was RMB18.43 million, representing a decrease of 94.2% compared to the corresponding period in the last year.

MAJOR OPERATING HIGHLIGHTS

To facilitate a new business landscape and realisation of an operation model at an internationally advanced level, the Group conducted clear consolidation and reclassification of existing stores, kept promoting the strategy of transforming department stores into shopping centers, and made great efforts in the development and construction of the "Maoye Complex" projects in major areas.

1. **Deepening the strategy of transforming department stores into shopping centers**

   During the reporting period, the Group continued to promote its strategy of transforming department stores into shopping centers. As of 30 June 2016, the Group has completed more than 10 projects for transforming stores into shopping centers, including Huaqiangbei store and Chongqing Jiangbei store. Such projects for transformation have enlarged the areas for food and beverage and entertainment facilities, optimised brand portfolio and satisfied customers' demand for material and spiritual consumption in all aspects through creating a diverse and experiential consumption platform offering a combination of shopping, catering, leisure and entertainment experiences, which have effectively increased the foot traffic. As a result, rental income from the transformed stores increased.

   Shenzhen Huaqiangbei store, the flagship of the Group, was transformed officially from "Maoye Department Store" into "Maoye Complex". In addition to the comprehensive improvement of shopping environment, its positioning was accordingly adjusted for those brands at each floor, among which the cosmetic and affordable luxury brands at the ground floor achieved sales results ranking first in the South China region. Moreover, the subway construction for Huaqiangbei Business Street that caused the road closure nearby for more than three years is expected to be completed in the second half of 2016. The Huaqiangbei Metro Station and the Business Street will be seamlessly connected to the B1 level of Huaqiangbei Complex upon completion, connecting in total four metro lines including metro line No.7. After upgrading revamp and reconstruction, the ancillary catering areas of Huaqiangbei Maoye Complex significantly increased, thus effectively improving the foot traffic and increasing the rental income. Currently, upon the completion of revamp at the B1 level of

Huaqiangbei Complex, the original superstore area has been transformed to a food court that becomes a large catering area for delicious food, with a combination of various recently introduced catering brands and the existing brands, which is conductive to enhance its attraction to consumers.

The Chongqing Jiangbei Maoye Complex located in the bustling Guanyinqiao Business Circle is positioned as a medium to high-end shopping center. It has completed its interior and exterior revamp and reconstruction works in April 2015 and implemented brands and business sector adjustment by introducing international first-tier cosmetic and affordable luxury brands. After the revamp, the proportion of area for catering and entertainment facilities reached 28% of the operating area, which not only boosted its foot traffic of the store, but also significantly increased its rental income. For the six months ended 30 June 2016, its rental income recorded an increase of 51.7% as compared with the same period of last year.

2. **Successive opening of "Maoye Complex" in key areas**

During the reporting period, when capitalising the synergy effect of the existing stores in the region, the Group continued to construct the "Maoye Complex" projects in key cities and actively promoted the business solicitation and opening of the projects to consolidate its leading position in regional market.

Maoye Complex Yibai Store located at the core business circle of Zhongshan Road, Wuxi commenced operation officially in May 2016. The entire Wuxi Yibai project is planned to be a complex comprising shopping mall, grade A office building and high-end apartments, with a total gross floor area of 140,000 square metres, of which the shopping mall area is 78,000 square metres. The area for catering and entertainment facilities, accounting for 60% of the area, properly meets the deficiency in commercial facilities at Zhongshan Road, contributing to its continuous steady increase in its foot traffic since its opening. The opening of Wuxi Maoyi Complex Yibai Store indicated the further increase of the market share of the Group in the Eastern China region and was beneficial for the Group to improve its competitiveness and integration capability in the Group.

The Group's Taiyuan Maoye Complex, a landmark project located at the core business circle of Qinxian Street, Taiyuan, Shanxi Province, is the first large city complex and commercial property project in Taiyuan City, with its general plan integrated with 5A-grade office building, five-star hotel and large shopping mall. Phase I of the shopping mall attracted high customer traffic flow since its opening in November 2014, and created great potential and influence over the consumer market in the Northern China region. Phase II of the shopping mall has begun the stage of soliciting tenants, and is expected to commence operation during the second half of 2016. It has a total gross floor area of approximately 140,000 square metres, and will introduce over 500 domestic and international first-tier and second-tier brands along with more than 60 ancillary projects with the ancillary catering and entertainment area accounting for over 40% of the area. it will also provide the largest carpark that accommodates nearly 2,800 parking spaces in Taiyuan City and designated taxi parking spaces. The opening of Phase II of Maoye Complex will further enhance the market share of the Group in the Northern China region and consolidate the Group's leading position in the industry in the regional market.

3. **Consolidation of two Renhe Stores**

As stores with most first tier well-known international brands in Chengdu, Rendong Department Store and Guanghua Department Store are well recognized in the medium-to-high end consumer market in Chengdu. In February 2016, the Group completed the acquisitions of two Renhe Chuntian Stores, namely Rendong Department Store and Guanghua Department Store, which significantly increased the Group's market share in Chengdu and consolidated the Group's leading position in the Southwestern region.

Upon completion of such acquisitions, the Group made active efforts in consolidating, among other things, management, personnel and information system, and coordinated and managed Renhe Stores and original stores of the Group in the region, resulting in positive interactions and complemental effects between the stores. On one hand, the Group optimised its original supplier resources by integrating with those of Renhe stores, and conducted comprehensive repositioning and brand optimisation in respect of stores in Chengdu. With Renhe stores being positioned at medium-to-high end consumer groups, a differential positioning of merchandise brands of Maoye stores, it will enable the Group to effectively increase its market share in the region. On the other hand, the Group integrated the membership information of Renhe stores with its original membership information, refined membership classification and services, upgraded the Group's CRM system and increased software and hardware facilities auxiliary to membership services in order to improve the membership service level of its stores.

4. **Acquisition of Victoria**

In the first half of 2016, Maoye Commercial Co., Ltd.* (茂業商業股份有限公司) ("**Maoye Commercial**"), a company listed on the Shanghai Stock Exchange (stock code: 600828) and a subsidiary of the Group, underwent a material asset reorganisation to acquire 70% equity interest in Victoria at a cash consideration of RMB1,565.3 million.

Established in 2003, Victoria has 13 years of commercial experience and is the largest commercial group in the Inner Mongolia Autonomous Region. It is principally engaged in owning and operating department stores, supermarkets and commercial real estate in Baotou and Hohhot with extensive brand influence and recognition. It is also a leading enterprise in the store retailing industry in Inner Mongolia. Such acquisition involved the acquisition of 20 stand-alone entities in total, including 6 shopping malls and 14 supermarkets. A number of stores are located at core business circles with heavy consumer traffic and strong consumption power. Moreover, each of such stores has extensive brand portfolio, diversified product offerings and established living facilities.

Upon completion of such transaction, the Group, leveraging on its own resource advantage, extensive management experience and information system advantage throughout the nation, facilitated rapid adjustments to the operational, financial and management strategies of Victoria's stores and improved its overall profitability, which further increased the Group's market share in major cities in Northern China and expanded the Group's operation scope of department stores into the Northern region. Victoria has become an important pillar of the Group in expanding its commercial presence in the Northern region.

5. **Improving operational management efficiency**

During the reporting period, the Group also actively improved operational management efficiency. Firstly, the Group promoted the innovative value marketing model and reduced promotion activities for excessive pursuit of sales, and achieved an increase in both sales revenue and profit. Secondly, the Group's Head Office has established a store value management system for data analysis of each store based on the ERP information system. Through data-based management of merchandises, customers' consumption is classified based on conditions of merchandises, purchase and sale of merchandises are analysed and suppliers are connected, so as to improve stores' merchandise category management capacities and merchandise operation capacities, thereby increasing their efficiency.

In respect of cost and expense control, the Group reduced the levels of supply chain and lowered purchase costs and operation expenses through centralised purchase and unified business invitation at the Group level. Meanwhile, the Group actively improved its employees' efficiency and reduced employee costs through using modernised tools.

In respect of store services, the Group actively promoted the use of internet and mobile internet tools to enhance customers' consumption experience as well as convenience and comfortability of their purchases, such as providing WIFI facilities at stores. As of 30 June 2016, nearly half of stores had WIFI facilities available for connection. At the same time, the Group adopted mobile terminals for cashier purpose and the use of Alipay and WeChat Payment for on-site fast payment. Moreover, the Group promoted the use of WeChat membership card for entitlement to enjoy preferential benefits and exchange for gifts by using reward points. As of 30 June 2016, the number of WeChat members of the Group rapidly increased to 260,000, representing a multiplied growth as compared to the same period of last year. On the other hand, the Group actively improved its membership service level and conducted membership management and analysis by using the CRM system, achieving precise marketing to and retention of members. As of 30 June 2016, the number of members amounted to 2.21 million, representing a rapid growth of 39% as compared to the same period of last year.

6. **Financing activities - optimising the debt structure and broadening financing channels**

   In the first half of 2016, the Group continued its financing activities actively and stably to develop financing channels while reducing finance costs. In January 2016, the Group's wholly-owned subsidiary, Maoye Shangsha, issued corporate bonds with an aggregate principal amount of RMB2.8 billion in the PRC. Among them, 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 liquidity for the development of the Group and were instrumental to the Group for its acquisition and consolidation transactions. A portion of such funds was used for replacing the existing debts that would improve the Group's debt structure while lowering comprehensive finance costs, and thereby allocating its assets and liabilities well.

7. **Capital management - non-public placing**

   In June 2016, Maoye Commercial, the Group's subsidiary, implemented a restructuring of material assets and intended to raise funds through non-public placing. Part of the proceeds from the issue will be applied to acquire equity interests in two companies, including Qinhuangdao Maoye and Chongqing Maoye Department Store Co., Ltd. (重慶茂業百貨有限公司), from Zhongzhao Investment Management Co., Ltd. (中兆投資管理有限公司) ("**Zhongzhao**") and Maoye Department Stores (China) Limited (茂業百貨(中國) 有限公司) ("**Maoye China**"). Department stores of the target companies involved in this proposed acquisition are located at primary business areas in Qinhuangdao and Chongqing and enjoy strong profitability. Inclusion of the stores stated above to Maoye Commercial will enable the Group to enhance the economy of scale, with strong presence in the retail business across Southwestern China and Northern China, to integrate and share resources and to avoid potential cannibalisation.

Part of the proceeds raised from this non-public placing is intended for repaying bank loans to lower the Group's gearing ratio, optimise its debt structure and develop solvency and the capability of fending off risks, to a certain extent.

It is expected that the proceeds raised from the non-public placing amounts to no more than RMB2.27 billion in aggregate, with not more than 372,874,200 shares issued at a minimum price of RMB6.08 each. Upon completion of the non-public placing, the Group and its persons acting in concert are expected to hold equity interests in Maoye Commercial with a change from 89.48% to 73.63%, and remain as the controlling shareholder of the latter.

8. **Property development segment**

As of 30 June 2016, the Group had projects under construction and on sale at Taiyuan City in Shanxi Province, Taizhou City and Wuxi City in Jiangsu Province, Shenyang City and Jinzhou City in Liaoning Province, Baoding City in Hebei Province and Baotou City in Inner Mongolia. Type of projects includes residences, apartments, offices and stores. As of 30 June 2016, more than 10 projects under construction including Taizhou Maoye Complex, Wuxi Oriental Times, Taiyuan Maoye Complex were on pre-sale, and the remaining projects are almost completed, recording an aggregated pre-sale amount of RMB410 million received in the first half of 2016, representing an increase of 76% respectively over the same period of last year. In the first half of 2016, sales revenue of RMB103 million was recognised. It is expected that various projects including those in Taizhou City and Taiyuan City will be reaching inspection delivery standard and the pre-sale amount will be recognised as the sales revenue during 2016. (As of 30 June 2016, aggregated pre-sales amount not carried over amounted to RMB1,654 million.) The Group will procure completion of its projects under construction as scheduled and related inspection, and launch the same to the market by means of sale, lease, etc., accelerating the cash collection from the projects.

PERFORMANCE OF MAJOR DEPARTMENT STORES[1]

Store Name		Total sales proceeds (RMB'000)	Rental income (RMB'000)	Operation Period[2] (Years)	Gross Floor Area (m^2)
1	Shenzhen Huaqiangbei	747,474	18,151	12.7	63,243
2	Taizhou Yibai	402,838	972	6.8	40,358
3	Shenzhen Dongmen	369,457	8,827	19.3	47,436
4	Shenzhen Nanshan	329,284	7,617	6.8	44,871
5	Renhe Chuntian Guanghua	305,352	2,542	6.6	62,498
6	Chengdu Yanshikou	297,966	5,055	11.1	97,946
7	Chongqing Jiangbei	224,831	7,667	11.7	68,138
8	Qinhuangdao Xiandai Shopping Plaza	220,834	3,364	6.1	36,897
9	Qinhuangdao Jinyuan Supermarket	195,955	4,505	7.8	46,610
10	Taiyuan Liuxiang	191,883	1,289	7.7	31,448
11	Nanchong Wuxing	186,843	1,482	11.1	25,195
12	Renhe Chuntian Rendong	177,458	1,198	17.8	38,278
13	Shenzhen Outlet	154,384	3,741	16.8	23,048
14	Qinhuangdao Department Store	139,874	1,168	6.1	26,696
15	Zibo Maoye Time Square	138,138	3,464	5.6	88,923
16	Zhuhai Xiangzhou	135,921	4,599	14.7	36,343
17	Mianyang Xingda	132,461	1,731	7.8	27,535
18	Taiyuan Maoye Complex	130,957	7,159	1.6	86,504
19	Chengdu Chunxi	114,862	281	2.6	29,900

Notes:

1 Major department stores are stores with sales proceeds in half year of over RMB100 million.

2 Operation period was calculated till 30 June 2016.

OUTLOOK

According to data from Department of Commerce, total retail sales of consumer goods from January to June 2016 experienced a year-on year growth of 10.3% and the general economic level in China remained stable, indicating a positive trend for the economic fundamentals. As such, it is expected that following the further implementation of favorable policies to the respective industries, the consumer market in China will be facing a stable and positive development trend in general. Along with the rise of emerging middle class, the upgraded consumption needs is going to provide a broad development prospect. The Group will actively explore goods and service models that meets the personalised consumption needs of the major consumer group and create a diversified experiential consumption platform in order to gain sustainable sales growth and profit margin.

In the second half of 2016, the Group will uphold its strategies to grow moderately and healthily. On business structure:

Firstly, it will promote the transformation of existing stores to shopping malls, and focus much effort on markets in major cities across Southern China, Southwestern China, Eastern China and Northern China, leading the industry in regions.

Secondly, it will focus on the consolidation of acquired stores and increase efforts on the consolidation of acquirees in terms of, among other things, management, systems and employees, and capitalise on the synergies generated from acquisition.

Thirdly, it will actively promote the opening and development of the "Maoye Complex" project, prepare for the opening of major projects such as Nanjing Fuzimiao Maoye Complex, Taiyuan Maoye Complex Phase II and Baotou Maoye Complex in order to generate interaction and complementary effect with existing department store layout.

Fourthly, it will increase its efforts on the realisation of non-core assets and adjustments to loss-making stores and improvement of their operations in order to optimise assets structure and lower gearing ratio.

On operation strategies:

Firstly, it will unify the management of suppliers through the integration of group resources in order to lower purchase costs and operation expenses.

Secondly, it will utilise the information system to manage the conditions of merchandises on a database basis and through analysing the conditions of merchandises optimise the purchases and sales of merchandises in order to enhance stores' operational management level and area efficiency of shopping malls.

Thirdly, it will improve service capacities, especially service upgrading in respect of members. It will continuously improve and upgrade functions and application of the CRM system and conduct more refined establishment of membership system and classification of grade and achieve precise marketing to members through member-exclusive promotion activities, points discount, member-exclusive restrooms, customized membership services and shopping advisory services.

Fourthly, it will continue to develop and apply internet and mobile internet tools, provide intelligent user services, create intelligent shopping space, establish O2O service platform with sources of profit growth, provide intelligent carpark functions such as car finding and parking payment, convenient functions such as online restaurant queuing up, intelligent consumption services such as electronic coupons, points checking and points rebate for consumption as well as intelligent methods such as VR experience, in order to enhance customers' consumption experience.

Fifthly, it will actively explore the development of proprietary business, deepen cooperation with domestic and foreign brands and agents and increase the proportion of featured brands purchased in order to gradually achieve differential operation through providing personalised merchandise items.

On financing arrangements, it will actively promote the various financing activities and adjust debt structure in order to achieve reasonable allocation of assets and liabilities and lower overall financing costs.

FINANCIAL REVIEW

Total Sales Proceeds and Revenue

For the six months ended 30 June 2016, total sales proceeds of the Group were RMB5,735.6 million, representing an increase of 23.9% compared to the same period of 2015. The increase of total sales proceeds was primarily because Qinhuangdao Maoye, Renhe and Victoria, being the subsidiaries of the Company, have been consolidated into the interim financial results of the Group. Setting aside the effect, the total sales proceeds of the Group were RMB4,308.5 million, representing a decrease of 6.9% compared to the same period of 2015.

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
Total sales proceeds from concessionaire sales	**5,120,667**	4,146,872
Direct Sales	**614,910**	482,940
Total Sales Proceeds	**5,735,577**	4,629,812

Among the total sales proceeds of the Group in the first half of 2016, total sales proceeds derived from concessionaire sales accounted for 89.3% and those derived from direct sales accounted for 10.7%. For the six months ended 30 June 2016, same-store sales proceeds from concessionaire sales decreased to RMB3,789.5 million, representing a decrease of 6.6% compared to the same period last year. The Group's commission rate from concessionaire sales was 17.0%, representing an increase of 1.0 percent point compared with 16.0% for the same period last year. The increase of same-store commission rate from concessionaire was primarily due to the relatively high commission rate from concessionaires' sales in the stores owned by Renhe and Victoria.

The total sales proceeds of the Group in the four regions are set out as follows:

	Total sales proceeds *RMB'000*	Contribution to the total sales proceeds of the Group %	growth of the total sales proceeds %
Southern China	1,794,482	31.3	-8.2
South-western China	1,508,225	26.3	39.4
Eastern China	1,019,213	17.8	-8.5
Northern China	1,413,657	24.6	195.2
Total	5,735,577	100.0	23.9

Sales of apparels (including men's and ladies' apparels) accounted for 37.5% (first half of 2015: 36.4%), shoes and leather goods accounted for 11.8% (first half of 2015: 12.5%), jewelries accounted for 17.4% (first half of 2015: 18.6%), cosmetics accounted for 6.0% (first half of 2015: 5.4%), leisure and sports goods accounted for 12.4% (first half of 2015: 11.4%), others (including branded merchandise, children's items, bedroom and household goods, home appliances, supermarket and accessories) accounted for 14.9% (first half of 2015: 15.7%). Apparels, cosmetics, sports and branded categories have all achieved growth compared to the corresponding period of last year.

For the six months ended 30 June 2016, revenue of the Group amounted to RMB1,802.6 million, representing an increase of 10.0% compared with RMB1,639.0 million for the same period last year. The increase of revenue was mainly because the total revenue of Qinhuangdao Maoye, Renhe and Victoria recorded RMB486.4 million and has been consolidated into the interim financial results of the Group.

Other Income

For the six months ended 30 June 2016, other income of the Group amounted to RMB485.6 million, representing an increase of 15.7% compared with the same period. The increase of the other income was primarily because the total other income of Qinhuangdao Maoye, Renhe and Victoria recorded RMB66.5 million and has been consolidated into the interim financial results of the Group.

Cost of Sales

For the six months ended 30 June 2016, cost of sales of the Group amounted to RMB632.1 million, representing a decrease of 8.8% compared with RMB693.3 million for the same period last year. The decrease in cost of sales was primarily due to the falling revenue for the property segment and accordingly the cost of sales for property segment decreased by RMB159.3 million compared with the same period last year.

Employee Expenses

For the six months ended 30 June 2016, employee expenses of the Group amounted to RMB238.4 million, representing an increase of 20.7% compared with the employee expenses of RMB197.5 million for the same period last year. The increase of employee expense was mainly because the total employee expense of Qinhuangdao Maoye, Renhe and Victoria was RMB56.7 million and has been consolidated into the interim financial results of the Group.

Depreciation and Amortisation

For the six months ended 30 June 2016, depreciation and amortisation of the Group amounted to RMB331.2 million, representing an increase of 60.3% compared with RMB206.6 million for the same period last year, which was primarily because the total depreciation and amortisation of Qinhuangdao Maoye, Renhe and Victoria was RMB67.9 million and has been consolidated into the interim financial results of the Group.

Operating Lease Rental Expenses

For the six months ended 30 June 2016, operating lease rental expenses of the Group amounted to RMB110.2 million, representing an increase of 9.5% compared with RMB100.6 million for the same period last year, which was mainly because the total operating lease rental expenses of Qinhuangdao Maoye, Renhe Group and Victoria was RMB17.4 million and has been consolidated into the interim financial results of the Group. The operating lease rental expenses as percentage of total sales proceeds in the first half of 2016 was 1.9%, representing a decrease of 0.3 percent points compared to the first half of 2015.

Other Operating Expenses

For the six months ended 30 June 2016, other operating expenses of the Group amounted to RMB445.5 million, representing an increase of 19.4% compared with RMB373.0 million in the same period last year, which was mainly because the total other operating expenses of Qinhuangdao Maoye, Renhe and Victoria was RMB106.5 million and has been consolidated into the interim financial results of the Group. The other operating expenses as percentage of total sales proceeds decreased to 7.8% compared with 8.1% in the first half of 2015.

Other Gains/(Losses)

For the six months ended 30 June 2016, other loss of the Group was recorded as loss of RMB78.9 million (same period last year: other gains of RMB158.7 million). This was primarily because the Company has disposed 5% shares in Shenyang Commercial City in the same period of last year, resulting of one-off gain amounting RMB162.3 million. At the same time, the Group recorded a foreign exchange loss of RMB47.4 million.

Finance Costs

For the six months ended 30 June 2016, finance costs of the Group amounted to RMB306.3 million, representing an increase of 123.9% compared with RMB136.8 million in the same period last year. The increase of finance costs was primarily due to the average amount of borrowings increased by RMB5,265.0 million compared to the same period in the last year.

Income Tax Expense

For the six months ended 30 June 2016, income tax expense of the Group amounted to RMB109.6 million, representing a decrease of 40.0% compared with RMB182.7 million in the same period last year. The decrease in income tax expense was primarily due to the decrease in the profit before tax compared to the corresponding period in the last year.

Profit Attributable to Owners of the Parent

As a result of the foregoing, for the six months ended 30 June 2016:

— Profit attributable to owners of the parent decreased by 94.2% to RMB18.4 million, primarily due to the fact that finance cost increased by RMB169.5 million and the other gains decreased by RMB237.6 million.

— Without taking into account the effect of non-operating gains and losses, profit attributable to owners of the parent decreased by 65.4 % to RMB68.3 million.

Liquidity and Financial Resources

As at 30 June 2016, the Group's cash and cash equivalents amounted to RMB1,211.9 million, a decrease by RMB37.0 million compared to RMB1,248.9 million as at 31 December 2015. The main cash inflow and cash outflow are set out as follows:

(1) net cash outflow of RMB478.6 million arising from operating activities;

(2) net cash outflow arising from investment activities which amounted to RMB3,197.6 million, which mainly includes payments for properties and equipment amounting to RMB450.9 million, purchase of available-for-sale equity investments amounting to RMB196.9 million, acquisition of subsidiaries amounting to RMB1,642.9 million, settlement of acquisition consideration amounting to RMB755.9 million, acquisition of an additional interest in associates amounting to RMB146.6 million, loans to non-controlling shareholder of a subsidiary amounting to RMB100 million; and

(3) net cash inflow of RMB3,684.5 million arising from financing activities, mainly includes: 1) net increase in cash inflow arising from bank loans and other borrowings of RMB8,791.8 million; 2) cash outflow arising from repayment of bank loans and other borrowings of RMB5,191.2 million; 3) cash outflow arising from repayment of interest of approximately RMB543.8 million; and 4) cash inflow arising from a fellow subsidiary's borrowings of RMB810 million.

Interest-bearing Loans

As at 30 June 2016, total bank loans, medium-term financing notes and short-term financing notes of the Group were approximately RMB18,417.6 million (31 December 2015: RMB12,916.0 million). The gearing ratio[1] and net gearing ratio[2] were 44.7% and 195.8%, respectively (31 December 2015: 42.7% and 137.0%, respectively).

1 Gearing ratio = total debt/total assets = (bank loans + medium-term financing notes + short-term financing notes)/total assets

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

Investment in Listed Shares

The following table sets out the Group's interests in three A share listed companies in the PRC as at 30 June 2016, and relevant summarised information relating to these companies.

Investment	The Group's Shareholding	Principal Business	Geographical Location
Dashang Co., Ltd. (大商股份有限公司)	5%	Owns a number of department stores in Northern China	Dalian City, Liaoning Province
Silver Plaza Group Co., Ltd. (銀座集團股份有限公司)	14.31%	Owns a number of department stores in Northern China	Jinan City, Shandong 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 original cost of the investments in the above company was RMB1,479.4 million, which was financed by the Group's cash inflow from operations.

Pledge of Assets

As at 30 June 2016, the Group's collateral interest-bearing bank loans amounting to RMB7,318.6 million were secured by the Group's land and buildings, investment properties, land lease prepayments, time deposits, and properties under development with net carrying amounts of approximately RMB4,045.8 million, RMB27.8 million, RMB1,790.9 million, RMB80.0 million and RMB2,130.6 million, respectively.

Foreign Currency Risk

The Company issued USD300 million senior guaranteed notes with term of three years in 2014 which is exposed to the effect of foreign exchange fluctuation risks. During the reporting period, the Group recorded a loss of RMB47.4 million on exchange. Since the business of the Group was mainly focused on mainland China, its operation was not exposed to any foreign exchange fluctuation risks.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the six months ended 30 June 2016.

CORPORATE GOVERNANCE

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 six months ended 30 June 2016, except for the following deviation:

Code Provision A.2.1

Currently, Mr. Huang Mao Ru ("**Mr. Huang**") 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 continuous effective management and business development of the Group.

AUDIT COMMITTEE

The Audit Committee, comprising all the independent non-executive directors of the Company, has reviewed the results of the Group for the six months ended 30 June 2016 and discussed with the management on the accounting principles and practices adopted by the Group, risk management and internal control systems and financial reporting matters.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on the information available and to the best of the Board's knowledge, information and belief, the Company has maintained sufficient public float under the Listing Rules and agreed by the Stock Exchange.

INTERIM DIVIDEND

The Board does not recommend to declare an interim dividend for the six months ended 30 June 2016 (2015: HK2.2 cents per share).

PUBLICATION OF INTERIM 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 interim report for the six months ended 30 June 2016 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 Company's 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, 29 August 2016

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi, Mr. Liu Bo and Mr. Wang Bin; and three independent non-executive Directors, namely, Mr. Chow Chan Lum, Mr. Pao Ping Wing and Mr. Leung Hon Chuen.