

For immediate release



Maoye International Announces 2008 Interim Results

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Operating profit rose 56.7% to RMB416.7 million
Profit attributable to equity holders surged 54.4% to RMB300.6 million

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Continuous Network Expansion Capture Opportunities from the Growing Retail Industry

Financial Highlights

(RMB Mil)	1H 2008	1H 2007	Change
Total sales proceeds from concessionaire sales	1,724.6	1,548.6	11.4%
Revenue	740.5	820.9	(9.8%)
Operating profit	416.7	265.9	56.7%
Profit attributable to equity holders of the parent	300.6	194.7	54.4%
Earnings per share (RMB cents)	6.6	4.6	43.5%

(29 August 2008 – Hong Kong)– Maoye International Holdings Limited (“Maoye” or the “Company”, HKSE stock code: 848), a leading department store chain in the affluent regions of southern and south-western China, today announces its interim results for the six months ended 30 June 2008.

During the period under review, driven by the 12.2% same store sales growth of the concessionaire counters, total proceeds from concessionaire sales increased by 11.4% to RMB1,724.6 million. However, direct sales revenue declined as some areas for direct sales have been altered for car parking spaces. Sale of automobiles decreased due to negative impact of the earthquake and macro austerity measures. As a result, revenue decreased by 9.8% to RMB740.5 million as compared to the corresponding period last year (1H 2007: RMB820.9 million). Thanks to the enhancement of brand portfolio and successful marketing activities, operating profit rose 56.7% to RMB416.7 million (1H 2007: RMB265.9 million), operating profit margin increased to 56.3% from 32.4% in the corresponding period last year. Profit attributable to equity holders of the parent increased by 54.4% to RMB300.6 million (1H 2007: RMB194.7 million). Basic earning per share surged 43.5% to RMB6.6 cents. (1H 2007: RMB4.6 cents).

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Mr. Huang Mao Ru, Chairman and Chief Executive Officer of the Company, expressed, "On the back of the snow storm in Southern China, continuous rain storm in Shenzhen and the Sichuan earthquake, leveraging on our extensive department store network coverage and excellent management team, the Company successfully overcame the market challenges, increased the its operating profit margin and obtained significant profit through product mix enhancement, improvement of shopping experience and efficient cost control."

Maoye International continued to grasp the opportunities for expansion by targeting the affluent cities. During the period, the Company continued to consolidate its leading position in Shenzhen and Sichuan. The Company has successively acquired one piece of land in Nanshan district in Shenzhen, and signed agreements for the acquisition of three properties to establish department stores in Nanchong City in Sichuan Province, Taiyuan City in Shanxi Province and Qinhuangdao City in Hebei Province. Nanshan store is currently in construction and is expected to be finished in the first half of 2009. The acquired property in Nanchong City is currently in renovation and is expected to commence in September 2008, and the properties in Taiyuan City and Qin Huang Dao City are still in handover process at the moment. Upon completion of construction and acquisition, the GFA of the Company's department stores will increase by approximately 165,000 sq.m. and the Company's network will be covering 10 cities with a total of 19 stores. The Company is confident to bring its excellent execution ability into full play and establish Maoye flagship stores in the local area. The Company will operate 2 to 3 stores in one district to make further inroads in the surrounding cities and take advantage of the Company's excellent ability in asset enhancement.

Talking about the Company's future strategies, Mr. Huang Mao Ru said, "China's economy is no longer heavily dependent on investment and export only, the growth is driven by a combined force of export, investment and consumption. The flourishing per capita income of Chinese citizens has boosted the retail market and consumption power of the country. Although uncertainties arise in light of global inflation and economic fluctuation, the Company is still optimistic on the long-term development of China's retail market. The Company will capture the opportunity arising from the booming retail industry to expand its retail network across the nation. Looking ahead, the Company will continue to enhance its core competitiveness and accelerate the network development of department stores by implementing three major expansion strategies: (i) leverage on parent company's edge in property development to open stores in prime locations by replicating the business model of Huaqiangbei store; (ii) continue to seek suitable acquisition opportunities, especially the department stores that have leading position and high reputation in the regional market or the department stores that are located in prime locations; (iii) select suitable properties to open new department stores under lease arrangement. The implementation of these strategies will help the Company to further expand our national presence, strengthen the regional market, and form a synergistic network in the regional market with flagship stores as the core operation mode."

"Besides obtaining growth by expansion, the Company will also enhance the profitability of current department stores by deepening supplier service, implementing reward programmes with concessionaires to form a strategic win-win situation with the core suppliers, strengthening the Company's core supply chain capability, improving product mix and service quality, enhancing experience of customer service while continuing to apply the operating and managing experience of Maoye stores to Chengshang."

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About Maoye International Holdings Limited

Maoye is a leading department store chain in the affluent regions of southern and south-western China, operating 15 stores (including 8 Maoye-branded stores and 7 Chengshang-branded stores) across 7 cities including Shenzhen, Zhuhai, Chengdu and Chongqing. Maoye secures a leading position by pursuing a strategy to establish multiple large-sized department stores in the cities where it has business operations. Most Maoye's revenue is derived from commissions on concessionaire sales. Maoye has positioned itself at the mid to high-end segment of the retail market in China and offers a stylish and diversified merchandize mix suitable for a wide range of customers to cater to their preferences.

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