

For Immediate Release



Maoye International Announces 2011 Interim Results

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Operating Profit rose 45.9% to RMB610.3 million

Financial Highlights

<i>For the 6 months ended 30 June</i>	2011 RMB Mil	2010 RMB Mil	Change %
Total Sales Proceeds	5,133.3	3,052.8	+68.1
Total Operating Revenue	2,092.8	1,150.9	+81.8
Operating Profit	610.3	418.4	+45.9
Profit attributable to equity holders of the parent	300.6	274.8	+9.4
Profit attributable to equity holders of the parent (excluding share option expense)	325.7	278.6	+16.9
Basic earnings per share (RMB cents)	5.8	5.6	+3.6
Dividend per share (HK cents) - Interim	--	1.8	N/A

(16 August 2011 – Hong Kong) – Maoye International Holdings Limited (“Maoye” or the “Group”, HKSE stock code: 848), a leading department store chain in China, today announces its interim results for the six months ended 30 June 2011.

For the six months ended 30 June 2011, the Group’s total sales proceeds (including the revenue from direct sales and total sales proceeds from concessionaire sales) increased by 68.1% to RMB5,133.3 million as compared to the same period last year. In particular, same-store sales proceeds from concessionaire sales reached 27.4%. Operating profit grew 45.9% to RMB610.3 million. Profit attributable to equity holders of the parent increased 9.4% to RMB300.6 million. Excluding share option expense, profit attributable to equity holders of the parent rose 16.9% to RMB325.7 million. Basic earnings per share amounted to RMB5.8 cents.

Mr. Huang Mao Ru, Chairman and Chief Executive Officer of the Company commented, "During the first half of the year, the overall Chinese economy remained in a solid shape, despite the implementation of credit tightening policies by the Chinese central government to tame rising inflation and soaring asset prices as well as the uncertainties surrounding the economy at home and abroad. With the Group's combined efforts, it adopted a series of effective measures, including store management by tier structure while fostering a results-oriented operational culture, exercising better budget planning management as well as implementing innovative marketing strategies in order to drive steady growth in the Group's sales performance."

During the first half of the year, the Group added gross floor area of 50,731 sq.m.. As at 30 June 2011, the Group operated and managed 37 stores in 17 cities, with gross floor area of 1.084 million sq.m.. In terms of gross floor area (excluding that of managed stores), self-owned properties accounted for 61.8% of stores operated by the Group, properties leased from connected parties accounted for 28.6% and properties leased from independent third parties accounted for 9.6%.

In terms of store performance by regions, the Southern China region, where the Group possesses a number of mature stores with stable growth, remained the biggest profit contributor. During the period, thanks to the Group's proactive adjustment in the operation and marketing strategies for stores across the region as well as continued development of innovative marketing strategies, the Group posted steady growth, with sales proceeds accounting for 36.6% of the Group's total sales proceeds and same-store sales proceeds from concessionaire sales growing at 27.2%. The continued upgrade in Shenzhen Huaqiangbei Store, one of the Group's flagship stores in the region led to steady improvement in average ticket sales. Also, the opening of Shenzhen metro lines 2 and 3 in June 2011 directed more customer traffic to the store. During the period under review, Shenzhen Huaqiangbei Store recorded same-store growth of 21.3% from concessionaire sales. Meanwhile, sales of the Group's first store, Shenzhen Dongmen Store recorded steady increase as a result of persistent adjustment in branding, product mix and floor layout. Shenzhen Dongmen Store recorded same-store growth of 17.5% of sales proceeds from concessionaire sales for the first half of 2011.

The Group continued to implement the dual-brand development strategy of “Maoye Department Store” and “People’s Department Store” in the Southwestern China region, with tailor-made marketing strategies to suit different customer groups. During the first half of the year, contribution of the region’s sales proceeds reached 24.4% of the Group’s total sales proceeds, and same-store growth of sales proceeds from concessionaire sales was 25.9%. Chengdu Yanshikou Store, one of the region’s flagship stores, continued its brand adjustment and upgrade with emphasis on innovation in marketing. Promotion events also yielded effective results. Despite the impact of surrounding roadwork and construction of the Yanshikou Phase II Project, Yanshikou Store managed to record same-store growth of 16.2% of sales proceeds from concessionaire sales. After nearly three years’ development, Mianyang Linyuan Store, Mianyang Xingda Store and Nanchong Wuxing Store have become the Group’s high-growth anchor stores and recorded same-store growth in sales proceeds from concessionaire sales of 36.2%, 27.6% and 25.2% respectively for the first half of the year.

The Eastern China region is the Group’s key strategic development area, where the Group currently operates and manages 10 stores. During the first half of the year, total sales proceeds generated from the Eastern China region contributed 17.6% to the total sales proceeds of the Group, and sales proceeds from the concessionaire sales recorded same-store growth of 33.5%. Acquired in 2009, Taizhou First Department Store Co., Ltd. has progressively transformed into the region’s flagship store, delivering same-store growth of 33.5% in sales proceeds from concessionaire sales for the period under review.

The Northern China region is also a key development region of the Group. At present, the Group successfully operates 8 department stores and will open additional stores including Shenyang Tiexi Store, Taiyuan Qinxianjie Store and Baoding Yanzhao Store in the region. During the period under review, the sales proceeds generated from the Northern China region accounted for 21.4% of the total sales proceeds of the Group, while sales proceeds from concessionaire sales recorded same-store growth of 28.1%. Proceeds from concessionaire sales of the region’s major stores, Qinhuangdao Jindu Store and Taiyuan Liuxiang Store recorded same-store growth of 26.6% and 29.1% respectively. The profit generated from Liuxiang Store recorded substantial growth of 73.9%.

The Group continued to implement its "Mass Development" strategy, and began operating two new projects in the first half of the year. This included the acquiring of 90% equity interests in Shandong Heze Huihe Business Center Co., Ltd. in March which is located in the major department store business circle in Heze City. The project owns the first department store shopping mall - Huihe Commercial Plaza, leases and operates the Dongfanghong Supermarket, and three community convenience stores. In addition, the opening of Yangzhou Wenchang Store in May 2011 is synergistic with a number of existing stores and stores to be opened in the Eastern China region. Shandong Heze Store and Yangzhou Wenchang Store are set to further enhance the Group's market position and influence in the economic circle in the Eastern China region.

Looking ahead, Mr. Huang Mao Ru commented, "The Group will continue to adhere to the "Mass Development" strategy to speed up its national coverage". The Group will continue to expand store network, and is going to open stores including Shenyang Tiexi Store and Shandong Linyi Store in the second half of 2011. In line with the needs of the "Mass Development" strategy, we will endeavour to integrate store resources regionally. With the establishment of the Southern China regional office, we will proceed to establish regional offices in the Eastern, Northern and Southwestern regions with an aim to making these offices as centres to consolidate, share and manage resources, hence facilitating decision-making process, driving sales performance as well as further strengthening logistics and procedural infrastructure. Meanwhile, we will flexibly adjust our operational strategies, drive more innovation in marketing activities and reduce the frequencies and occurrences of promotions so as to improve gross margins of our stores. We will also take active steps to nurture new stores by replicating the successful operation and management concepts of mature stores to enhance profitability, and to maximize returns for our shareholders."

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About Maoye International Holdings Limited

Maoye is a leading department store chain in China, operating 37 stores across 17 cities including Shenzhen, Zhuhai, Chengdu, Chongqing, Taiyuan and Qinhuangdao. The Company's revenues are generated predominantly 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 merchandise mix suitable for a wide range of customers and preferences.

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