



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. HK)

Maoye Announces 2015 Interim Results

Total operating revenue decreased 2.5%. Excluding the effect of Maoye Logistics, total operating revenue increased by 14.2%.

Financial Highlight:

- Total sales proceeds were RMB4,629.8 million, representing a decrease of 17.6% compared to the same period last year; Maoye Logistics was not consolidated as a subsidiary of the Group this year. Excluding the effect of that, total sales proceeds decreased by 1.9%;
- Total operating revenue was RMB2,058.8 million, representing a decrease of 2.5%. Excluding the above effect, total operating revenue increased by 14.2%;
- Same-store sales growth of concessionaire sales declined by 4.3%;
- Profit attributable to owners of the parent was RMB316.7million, representing a decrease of 25.8% compared to the same period last year. The decrease of net profit was primarily because the finance cost for this period increased by RMB73.05 million, and other gains decreased by RMB48.04 million.
- Interim dividend is 2.2 HK cents per share.

(Hong Kong, 20 August 2015) Maoye International Holdings Limited ("Maoye" or the "Company"; Stock Code: 848.HK) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 (the "Period"). During the period, total sales proceeds were RMB4,629.8 million, representing a decrease of 17.6% compared to the same period last year. Maoye Logistics was not consolidated as a subsidiary of the Group this year. Excluding the effect of that, total sales proceeds decreased by 1.9%. Total operating revenue was RMB2,058.8 million, representing a decreased of 2.5%. Excluding the above effect, total operating revenue increased by 14.2%.

Same-store concessionaire sales decreased by 4.3%; profit attributable to owners of the parent was RMB316.7 million, representing an decrease of 25.8% compared to the same period last year. The decrease of net profit was primarily because the finance cost for this period increased by RMB73.05 million, and other gains decreased by RMB48.04 million. Interim dividend is 2.2 HK cents per share.

During the first half of 2015, under the impact of factors such as weak consumer demand, threats from e-commerce and intensified competition in the industry, the traditional retail industry increased slowly, particularly in the department store sector which represented the mid- to high-end consumption segments. During the first half of the current year, the Group achieved a slow but stable development trend in corporate results through adjusting operation strategies and optimizing corporate organizational structure.

To facilitate a new business landscape and realization of operation model at internationally advanced level, the Group keeps promoting the strategy of transforming department stores into shopping centres.

Shenzhen Huaqiangbei, the flagship store of the Group, was transformed officially from “Maoye Department Store” into “Maoye Complex”. After upgrading revamp, reconstruction and brands adjustments, Huaqiangbei Maoye Complex transformed into a shopping centre integrating shopping, lifestyle and entertainment. In addition, the Group’s new shopping centres, Taizhou Maoye Complex and Zibo Maoye Time Square both commenced operation officially in the first half of 2015.

On operational management, firstly, the Group continued to uphold a net profit oriented operational strategy, established a profit oriented management system and evaluated the performance results of each store by using net profit as a crucial indicator, gradually reduced promotion activities for excessive pursuit of sales volume through an innovative marketing model to increase the proportion of value marketing.

As regards capital operation, to reduced potential peer competition and for better consolidation and sharing of retail business resources of the south China region and southwest region of the Group, in June 2015, Chengshang Group Co., Ltd. (成商集團股份有限公司)(stock code: 600828), a subsidiary of the Group, underwent significant asset reorganization, in which it proposed to purchase 100% equity interest in 5 wholly-owned subsidiaries of Shenzhen Maoye Trade Building Co., Ltd.(深圳茂業商廈有限公司) by issuance of shares, including 6 stores in the south China region of the Group.

To further enhance the value of the Group’s associated company, Maoye Logistics Corporation Limited (stock code 000889, “Maoye Logistics”), and optimize the structure of earnings of the Group in April 2015, Maoye Logistics acquired 100% equity interest in Changshi Communication Co., Ltd. (長實通信股份有限公司), a communication network technology service enterprise, for RMB1.2 billion in cash.

In terms of property development, the Group operated and managed 41 stores across 17 cities in China, including Shenzhen, Zhuhai, Chengdu, Chongqing etc. Among the total gross floor area of 1.68 million square metres, self-owned areas accounted for 82% (excluding the gross floor area of managed stores). Save for the above, the Group also has pipeline projects under development in Taiyuan, Nanjing, Wuxi and Baotou.

Looking forward, Mr. Huang Mao Ru, Chairman of the Group said, “For the full year 2015, the Group will continue to maintain the strategy of steady development, and plans to continue opening one to two stores in the regions already developed by the Company each year, more proactive and effective measures will be taken.”

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About Maoye International Holdings Limited

Maoye International is a large investment holding company listed in Hong Kong; Maoye International is one of the largest operators of department stores in China, currently operates 41 department stores across 17 cities including Shenzhen, Zhuhai, Chengdu, Chongqing, Taiyuan and Qinhuangdao, etc. In addition to operating in the medium to high-end department stores and shopping centers, Maoye International is also engaged in information communication services and real estate industry.

This press release is issued by **Wonderful Sky Financial Group Holdings Ltd.** on behalf of **Maoye International Holdings Limited.**

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