MAOYE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 848)

MOI

Interim Report 2011

promoter of stylish lifestyle

This interim report, in both English and Chinese versions, is available on the Company's website at www.maoye.cn.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the corporate communications of the Company (including but not limited to annual reports, interim reports and circulars) by sending reasonable prior notice in writing to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

Shareholders who have chosen to receive the Company's corporate communications in either English or Chinese version will receive both English and Chinese versions of this interim report since both languages are bound together into one booklet.

Contents

Corporate Profile

Maoye International Holdings Limited (the "Company") was incorporated in the Cayman Islands with limited liability on 8 August 2007. The Company and its subsidiaries (the "Group") are principally engaged in the operation and management of department stores and property development in the People's Republic of China (the "PRC"). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 May 2008 (the "Listing Date").

The Group is positioned at the medium to high-end department store merchandise and offers a stylish and diversified merchandise mix for well-off urban residents.

As one of the leading domestic operator of department stores, the Group operates department stores in the affluent and regions of China with high economic growth. Currently, the Group is strategically expanding into four regions: Guangdong Province which is economically developed, Sichuan Province which is one of the most densely populated regions, Jiangsu Province and Shandong Province which rank among the top three regions in terms of GDP, and the Bohai Rim region.

As at the publication date of this report, the Group operates and manages 37 stores in 17 cities across the nation with total gross floor area of approximately 1,083,986 square metres, of which self-owned properties accounted for 61.8% in gross floor area (excluding the gross floor area of managed stores). The cities under its coverage include Shenzhen and Zhuhai in Guangdong Province; Chengdu, Nanchong, Mianyang and Luzhou in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou and Changzhou in Jiangsu Province; Zibo in Shandong Province; Qinhuangdao and Baoding in Hebei Province; Shenyang in Liaoning Province and Taiyuan in Shanxi Province. As at the publication date of this report, the distribution of stores of the Group are as follows:

As at 30 June 2011	Southern China	Southwestern China	Eastern China	Northern China	Total
No. of Stores by Region	**7**	**12**	**10**	**8**	**37**
Gross Floor Area (Sq.m.)	**235,523**	**266,939**	**325,362**	**256,162**	**1,083,986**

As at 30 June 2011, total gross floor area of the Group amounted to approximately 1,083,986 square metres, of which 70,350 square metres are managed stores. Excluding the gross floor area of the managed stores, 61.8% of the Group's store properties are owned by the Group, 28.6% are leased from the connected parties of the Group, while 9.6% are leased from independent third parties.

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Mao Ru（黃茂如）
(Chairman and CEO)
Mr. Zhong Pengyi（鍾鵬翼）
(Vice Chairman)
Ms. Wang Fuqin（王福琴）
(Vice President of Administration)
Mr. Wang Bin（王斌）
(CFO)

Independent Non-executive Directors

Mr. Chow Chan Lum（鄒燦林）
Mr. Pao Ping Wing（浦炳榮）
Mr. Leung Hon Chuen（梁漢全）

REGISTERED OFFICE

Scotia Centre, 4th Floor, P.O. Box 2804
George Town, Grand Cayman KY1-1112
Cayman Islands

HEAD OFFICE IN THE PRC

38/F, World Finance Centre
4003 Shennan East Road, Shenzhen
PRC

PLACE OF BUSINESS IN HONG KONG

Room 3301, 33/F
Office Tower Convention Plaza
No.1 Harbour Road, Wanchai, Hong Kong

COMPANY SECRETARY

Ms. Soon Yuk Tai (ACS, ACIS)

AUDIT COMMITTEE

Mr. Chow Chan Lum *(Chairman)*
Mr. Pao Ping Wing
Mr. Leung Hon Chuen

REMUNERATION COMMITTEE

Mr. Pao Ping Wing *(Chairman)*
Mr. Chow Chan Lum
Ms. Wang Fuqin

AUTHORIZED REPRESENTATIVES PURSUANT TO THE LISTING RULES

Ms. Wang Fuqin
Mr. Wang Bin

AUTHORIZED REPRESENTATIVES PURSUANT TO THE HONG KONG COMPANIES ORDINANCE

Mr. Wang Bin
Ms. Soon Yuk Tai (ACS, ACIS)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Offshore Incorporations (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China
China Construction Bank
Agricultural Bank of China
The Bank of East Asia (China) Limited

COMPANY WEBSITE

www.maoye.cn

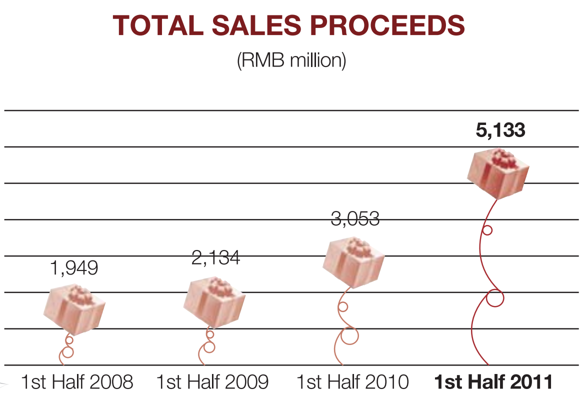
STOCK CODE

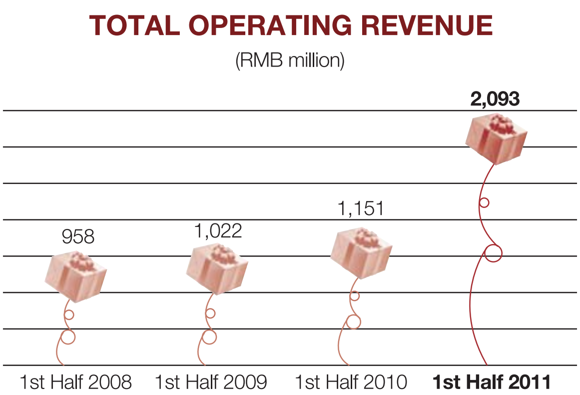
848

Financial Highlights

The summary of the Group's results for the six months ended 30 June 2011 and 2010 is set out below:

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
		(Restated)
Total sales proceeds[1]	**5,133,327**	3,052,845
Total operating revenue[2]	**2,092,790**	1,150,875
Operating profit	**610,261**	418,405
Profit for the period	**353,314**	306,187
Attributable to:		
– Owners of the parent	**300,583**	285,815
– Non–controlling interests	**52,731**	20,372
Basic earnings per share attributable to ordinary equity holders of the parent (RMB cents)[3]	**5.8**	5.6
Interim dividend per share (HK cents)	**–**	1.8





Notes:

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

2. Total operating revenue refers to the sum of the Group's revenue and other income.

3. The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2011 attributable to ordinary equity holders of the parent of approximately RMB300,583,000 (six months ended 30 June 2010: approximately RMB285,815,000) and the weighted-average number of ordinary shares of 5,203,784,257 in issue during the period (six months ended 30 June 2010: 5,139,856,000 ordinary shares).

INDUSTRY OVERVIEW

During the first half of 2011, as domestic consumer price index continued to rise, as well as real estate market remained at an unrelentingly high price level, the Chinese government began to tighten its monetary policies. It raised the statutory deposit reserve ratio six times and interest rate three times within 6 months, which dampened consumer expectations and confidence. Since March 2011, the consumer confidence index has been declining for three consecutive months. Confronted with emerging challenges in domestic economy as well as a complex and volatile international environment, the Chinese government continued to strengthen and refine macroeconomic regulations and controls. As a result, the overall economy has been progressing well and developing in the expected direction.

According to the statistics of the National Bureau of Statistics of China, domestic GDP for the first six months of 2011 increased by 9.6% compared to the previous corresponding period based on comparable prices; total retail sales of consumer goods increased by 16.8% compared to the same period last year; and contribution of final consumption to domestic GDP growth was 47.5%, which led to an increase of domestic GDP by 4.6 percentage points. Apart from these increases, beneficial factors such as stable growth in wages, adjustment in personal income tax threshold, the accelerated urbanization process and the expansion of middle class continued to provide the momentum for growth in the department store and retail industry.

OPERATION REVIEW

During the first half of 2011, the Group adopted a series of effective measures with the concerted efforts of all levels of employees, to achieve a steady increase in sales. These measures included tier structure to allocate resources effectively, target oriented operation and budget management, as well as innovative marketing methods. For the six months ended 30 June 2011, the Group achieved the following results:

Total sales proceeds increased to RMB5,133.3 million, representing an increase of 68.1% as compared with the previous corresponding period, with the growth of same store sales proceeds from concessionaire sales amounting to 27.4%. Profit attributable to owners of the parent amounted to RMB300.6 million, representing an increase of 5.2% over the previous corresponding period, or an increase of 16.9% without taking into account the effect of non-operating gains and losses and share option expenses.

In respect of the operation of department stores segment, profit attributable to owners of the parent increased to RMB359.3 million, representing an increase of 20.9% compared with RMB297.1 million in the same period last year. Without taking into account the effect of share option expenses, profit attributable to owners of the parent from the operation of department stores segment increased to RMB383.7 million, representing an increase of 27.6%, compared with RMB300.8 million in the same period last year. While without taking into account the effect of share option expenses and non-operating gains and losses, profit attributable to owners of the parent from the operation of department stores segment increased to RMB375.6 million, representing an increase of 27.8%, compared with RMB294.0 million in the same period last year.

During the first half of 2011, the Group continued its strategy of prudent operation and proactive expansion and successively opened Yangzhou Store and Shandong Heze Store, further expanding the Group's store network. On 6 April 2011, the Group's Taiyuan Qinxianjie Complex (also known as "茂業天地") was recognized as a "Major Project" (重點工程) in Shanxi province.

Following the successful offering of convertible bonds in October 2010, the Group successfully placed another 273 million shares through top-up placing to raise approximately HK$1.04 billion in May 2011, for the support of the "Great Development" (大發展) strategy of the Group.

The Group took active measures to further develop innovative marketing. During the first half of 2011, the Group continued to actively promote creative activities such as the "Staff Shopping Day"（員工購物日）, the "Joint Shopping Day"（聯購日）and "Special Promotions"（專場）, during which most of the Group's stores broke records in terms of sales achieved on a single day. In addition, the Group took initiatives to pursue cultural marketing. By virtue of the 15th anniversary of the Group, all of the Group's stores simultaneously carried out the "15th Anniversary Celebrations"（十五週年慶）. The event, coordinated with widespread media coverage, stirred up a series of cultural and promotional activities across the nation. During the course of these activities, the Group also launched intermittent unique promotional events which were well-received by consumers. This not only refined the management of promotional activities to enhance their effectiveness, but also contributed to the Group's brand cohesion.

PERFORMANCE OF MAJOR SAME STORES[1]

(For the six months ended 30 June 2011)

	Store	Sales Proceeds from Concessionaire Sales (RMB'000)	Increase by Year %	Operation Period (Years)	Gross Floor Area (Sq.m.)	Operation Area (Sq.m.)	Average Value per Transaction (RMB)
1	Shenzhen Huaqiangbei	885,731	21.3	7.8	59,787	45,677	681
2	Shenzhen Dongmen	385,968	17.5	14.4	47,436	33,680	558
3	Chengdu Yanshikou	313,121	16.2	6.1	53,873	40,674	593
4	Chongqing Jiangbei	290,106	39.2	6.8	53,542	36,276	468
5	Taizhou First Department Store	298,408	33.5	1.8	40,358	28,795	842
6	Taiyuan Liuxiang	196,459	29.1	2.6	30,616	22,105	500
7	Mianyang Xingda	146,713	27.6	2.8	27,617	19,884	576
8	Nanchong Wuxing	140,427	25.2	6.1	25,994	19,530	508
9	Zhuhai Xiangzhou	147,786	42.5	9.7	23,715	17,549	405
10	Qinhuangdao Jindu	125,025	26.6	2.8	46,610	33,606	384
11	Shenzhen Heping	79,909	55.4	11.8	23,078	17,309	366
12	Mianyang Linyuan	38,352	36.2	3.5	21,731	13,780	321
13	Nanchong Mofanjie	16,584	28.3	2.8	24,035	21,124	317
14	Shenzhen Nanshan	180,454	67.9	1.8	45,000	37,215	861

Note:

1 Major same stores refer to same stores with a gross floor area of over 20,000 square metres.

MARKET PERFORMANCE

Southern China Region

The Southern China region remained the Group's biggest profit contribution segment with a number of mature stores with stable growth, and is also the Group's key development region. During the first half of 2011, the stores of the Group in the Southern China region actively adjusted their operation and marketing strategies and continuously developed new marketing models, achieving steady improvement in the regional performance. During the first half of 2011, contribution of total sales proceeds from the Southern China region to the Group's total sales proceeds reached 36.6%, with same-store sales growth of 27.2% of sales proceeds from concessionaire sales.

Shenzhen Huaqiangbei Store, the flagship store of the Group, has remained popular in the industry with its comprehensive product offering and plentiful brands, and in the past two years has further enhanced the shopping experience for its customers with the introduction of various complementary facilities such as cinemas, thematic restaurants and children's playgrounds. As a number of high end brands were introduced at the store and overall store image continued to be upgraded, ticket per sales steadily rose. In March 2011, the "Premium International Cosmetics Festival" (一線國際化妝品節) organized by the store achieved unprecedented success, with sales reaching RMB10 million within ten days and at the same time establishing a positive marketing image. The opening up of the Shenzhen metro lines 2 and 3 in June 2011 also brought more customer traffic to the store. During the first half of 2011, Huaqiangbei Store recorded same-store sales growth of 21.3% of sales proceeds from concessionaire sales.

In addition, Huaqiangbei Store has become well known for its flexible and diversified marketing initiatives. In recent years, Huaqingbei Store concentrated its efforts on members' marketing, as is evident from the successful organization of four sessions of the "Members' Privilege Day" (會員尊享日). The "Members' Privilege Day" has become a marketing and service brand well recognized by consumers as well as the industry.

Shenzhen Dongmen Store, the first store of the Group, has been actively changing its business concepts and strategies and is apt at implementing innovative marketing strategies. Between late April and early May 2011, Dongmen Store conducted storefront upgrade to launch new brand concessionaires. Taking this opportunity, the store made use of the theme "2011 Opening of New Concessionaires" (2011新櫃開業) to coincide with the promotional activities during the May 1st Golden Week, capitalizing on the discount season between spring and summer to launch a "Gift on Purchase" (買送) promotional activity and achieving great results. In addition, as a result of persistent adjustments in branding, product mix and floor layouts of the store, sales of Dongmen Store increased steadily. During the first half of 2011, Dongmen Store recorded same-store growth of 17.5% of sales proceeds from concessionaire sales.

Shenzhen Nanshan Store, the Group's third-generation boutique department store (第三代精品百貨店), has achieved satisfactory operating results since commencement of business in September 2009. Not only did the store realize its objective of 'making profit in the opening year', but it also speeded up the fostering of a business climate by strengthening brand adjustment and increasing efforts in innovations in marketing activities. During the slack season of summer, targeting the unique features of the Nanshan business circle and taking advantage of its own rich resources of external alliances, Nanshan Store launched a 100-day Maoye Babies' MBA Summer Camp entitled "Sunshine 100 - More Wonderful With You"(陽光100，有你更精彩), which was widely acclaimed by parents in the area. This not only brought increased customer traffic to the Nanshan Store, but also enhanced the awareness of the store in the Nanshan business circle as well as in Shenzhen. During the first half of 2011, Nanshan Store recorded same-store growth of 67.9% of sales proceeds from concessionaire sales.

Southwestern China Region

The Group continued to implement the dual-brand development strategy of "Maoye Department Store" and "People's Department Store" in the Southwestern China region, devising marketing strategies to suit different customer groups in line with the positioning of different brands and their respective features. The Group also continued to raise operation standards and service quality of its stores, optimizing merchandise categories and brand mix and actively launching innovative marketing activities. During the first half of 2011, contribution of total sales proceeds from the Southwestern China region to the Group's total sales proceeds reached 24.4%, with same-store sales growth of 25.9% of sales proceeds from concessionaire sales.

Chengdu Yanshikou Store, one of our flagship stores in the Southwestern China region, continued its brand adjustment and upgrade as well as focused on marketing innovation. It organized a "VIP Day" (VIP尊享會員日) on 17 June 2011 with great success, which, though lasting only for 15 hours, brought customers an immensely enjoyable shopping experience and the store achieved sales which are several times higher than that of a normal day. This event not only greatly stimulated consumption demand but also further enhanced Yanshikou Store's position and influence in the Yanshikou business circle. During the first half of 2011, despite the adverse impact of surrounding road works and the starting up of construction of the Yanshikou Phase II Project, Yanshikou Store recorded same-store growth of 16.2% of sales proceeds from concessionaire sales.

Chongqing Jiangbei Store, another flagship store of the Group in the Southwestern China region, continued its brand upgrade and adjustment and its focus on marketing innovation. Even during low season, it still proactively sought breakthrough and, adopting the marketing concept of "Targeting Sales in Peak Season and Attracting Customer Traffic in Low Season" (旺季做銷售，淡季聚人氣), conducted promotional activities via multiple channels and formats. On 30 June 2011, Jiangbei Store organized the event of "630 VIP" during the short holiday of the "Red Song" (紅歌) contest in Chongqing, which attracted nearly 60,000 customers and set the whole city a stir, recording increased sales which are nearly 4 times above the usual level. As a result of a series of effective measures, Jiangbei Store grew rapidly and recorded same-store growth of 39.2% of sales proceeds from concessionaire sales during the first half of 2011.

The four stores that the Group acquired in 2008 in Sichuan, i.e., Mianyang Linyuan Store, Mianyang Xingda Store, Nanchong Wuxing Store and Nanchong Mofanjie Store, are all situated in prime commercial locations. Through continuous adjustments in brand upgrading, brand mix and floor layouts, the overall shopping environment of the four stores has been substantially enhanced, with the result that these stores have become the best and largest department stores locally with the most comprehensive merchandise offerings and best ambience. After nearly three years' development, Mianyang Linyuan Store, Mianyang Xingda Store and Nanchong Wuxing Store have become the Group's high growth anchor stores. The sales of Nanchong Mofanjie Store are expected to increase with the improvement of its surrounding road infrastructure. During the first half of 2011, Mianyang Linyuan Store, Mianyang Xingda Store and Nanchong Wuxing Store recorded same-store growth in sales proceeds from concessionaire sales of 36.2%, 27.6% and 25.2% respectively.

Eastern China Region

The Eastern China region is the Group's key strategic development area. During the first half of 2011, the Group opened another new store "Shandong Heze Store" in this area through acquisition. At present, the Group is operating and managing 10 stores in the Eastern China region, located respectively in Wuxi, Changzhou, Taizhou, Zibo, Yangzhou, Heze and elsewhere. The Group also plans to open new stores in Linyi and Huaian. During the first half of 2011, total sales proceeds generated by the Eastern China region accounted for 17.6% of total sales proceeds of the Group, and sales proceeds from concessionaire sales recorded same-store growth of 33.5%.

Taizhou First Department Store Co., Ltd. ("Taizhou First Department Store") has achieved outstanding performance since it was acquired in October 2009. After a brief fostering period of one and a half years, this store has progressively been transformed into the Group's flagship store in the Eastern China region. The second "Staff Shopping Day" launched by Taizhou First Department Store on 30 June 2011 achieved sensational results in Taizhou city, recording remarkable sales performance of RMB15.0 million within merely 6 hours of the activity. During the first half of 2011, sales proceeds from concessionaire sales in Taizhou First Department Store recorded same-store growth of 33.5%.

Since the completion of acquisition of Zibo Dongtai Building Co., Ltd.（淄博東泰商廈有限公司）("Dongtai Shangsha") in January 2011 which owns and/or operates 4 stores comprising of Dongtai Shopping Plaza（東泰廣場店）, Dongtai Building（東泰商廈店）, Taikerong Store（泰客榮店）and Dongtai Shangcheng Store（東泰商城店）, the Group has achieved good results through optimized management, upgrading of the stores and adjustment of the merchandise mix, by utilizing its excellent new store integration capabilities and extensive supplier resources. Dongtai Shangsha, actively learning the operational experience from other stores in the Group, successfully launched a variety of large-scale innovative promotional activities during the first half of 2011 and received wide acclaim from consumers. Taikerong Store launched a large-scale, unprecedented marketing reward activity at the end of May this year prior to overall expansion and upgrading of brands, recording a daily customer flow of over 20,000 on average, which achieved a substantial growth by comparison even with the sales peak during the Spring Festival Golden Week, and hitting a record in sales volume. This activity strengthened consumer loyalty and heightened their expectations and also enhanced suppliers' confidence in collaborating with the Group towards a bright future, marking the successful convergence and integration of Dongtai Shangsha with the Group.

Northern China Region

The Northern China region is also a key development region of the Group. At present, the Group successfully operates eight department stores in Northern China and will open more stores in the future, including Shenyang Tiexi Store, Taiyuan Qinxianjie Store, Baoding Yanzhao Store and others. During the first half of 2011, total sales proceeds generated in the Northern China region accounted for 21.4% of total sales proceeds of the Group and sales proceeds from concessionaire sales recorded same-store growth of 28.1%.

Qinhuangdao Jindu Store and Taiyuan Liuxiang Store, the two stores in Northern China acquired by the Group in 2008, are both located in the prime commercial area of the local core business district. After the acquisitions, the Group continuously made adjustments in brand upgrading, merchandise mix and store layout in the two stores. The operating results of the two stores improved substantially as a result of meticulous upgrading and adjustments carried out by the Group as compared with the results prior to the acquisitions. The two stores currently have become major promising stores with high growth potential of the Group. During the first half of 2011, proceeds from concessionaire sales in Qinhuangdao Jindu Store and Tiayuan Liuxiang Store recorded same-store growth of 26.6% and 29.1% respectively. During the first half of 2011, the profit generated from Liuxiang Store recorded a substantial growth of 73.9%, as compared with the same period last year.

Since successfully obtaining the effective control of Qinhuangdao Bohai Logistics Holding Corporation Ltd. ("Bohai Logistics", a company listed on the Shenzhen Stock Exchange, stock code: 000889) on 30 June 2010, the Group has actively redistributed various resources in the Northern China region and transferred its advanced management concepts and strong new store integration capabilities to Bohai Logistics in order to create a new situation for Bohai Logistics in various areas such as management, operation and finance. During the first half of 2011, Bohai Logistics recorded a substantial increase in its net profit compared with the same period last year, please refer to the announcement dated 16 August 2011 made by Bohai Logistics for the detailed information.

The Opening of New Stores and Network Expansion

Yangzhou Wenchang Store successfully acquired by the Group was officially re-launched in May 2011. This store, located in the Wenchang business circle of Guangling District, the core business circle of Yangzhou City of Jiangsu Province, covered an aggregate gross floor area of 21,485 sq.m. The store, together with a number of successfully run stores and stores to be opened in the Eastern China region, will generate synergies that will further enhance the Group's market position and influence in the Yangtze River Delta and even the economic circle in the Eastern China region.

In March 2011, Chengshang Group Co., Ltd (成商集團股份有限公司) ("Chengshang Group", a subsidiary of the Company listed on the Shanghai Stock Exchange, stock code: 600828) acquired 90% equity interests in Heze Huihe Commercial Centre Co., Ltd. in Shandong (荷澤惠和商業中心有限公司) ("Heze Huihe") at a total consideration of RMB134.1 million. Heze Huihe owns Huihe Commercial Plaza (惠和商業廣場) with gross floor area of approximately 29,426 sq.m. and also leases and operates Dongfanghong Supermarket (東方紅超市) with gross floor area of approximately 12,000 sq.m. and three community convenience stores with gross floor area of approximately 200 sq.m.. Huihe Commercial Plaza is the first department store shopping mall in Heze City and is located in the major department store business circle in Heze City. This acquisition is a major breakthrough in expansion into the Shandong area for the Group, facilitating the Group's business development in Shandong Province and further consolidating its market position in the Eastern China region.

During the first half of 2011, the Group's newly opened stores had a total gross floor area of approximately 50,731 sq.m. As of 30 June 2011, the Group operated and managed 37 stores in 17 cities, covering the four regions of Southern China, Southwestern China, Northern China and Eastern China, with an gross floor area of approximately 1.084 million sq.m., of which approximately 70,350 sq.m. are managed stores (the Group ceased to manage Chongqing Jiefangbei Store after the termination of its operation in February 2011). In terms of gross floor area of the stores operated by the Group (excluding that of managed stores), self-owned properties accounted for 61.8%, properties leased from connected parties accounted for 28.6% and properties leased from independent third parties accounted for 9.6%.

Property Development Segment

To better facilitate the development of our core operations of department stores and to strengthen and expand the market, the Company acquired Taizhou East Plaza project (for details please refer to the announcement in relation to the acquisition of land in Taizhou City dated 16 December 2010), Shanxi Qinxianjie project (for details please refer to the announcement in relation to the acquisition of land in Taiyuan dated 23 October 2008), Jiangsu Huaian project (for details please refer to the announcement in relation to the acquisition of land in Huaian, Jiangsu Province dated 8 July 2010), Liaoning Jinzhou project (for details please refer to the announcement in relation to the acquisition of land in Jinzhou, Liaoning Province dated 2 July 2010), Baoding Lingchuang project (for details please refer to the announcement in relation to the acquisition of Baoding Lingchuang Real Estate Development Company Limited (保定領創房地產開發有限公司) dated 25 October 2010), Shenyang Tiexi project, Wuxi Yibai project (for details please refer to the announcement in relation to the acquisition of Wuxi Yibai Property Limited (無錫億百置業有限公司) dated 19 November 2009), and Chengshang Maoye Centre project (for details please refer to the announcement in relation to the acquisition of land in Chengdu by Chengshang dated 5 August 2009) respectively in early period.

For the six months ended 30 June 2011, operating revenue of external property development segment amounted to RMB78.7 million, among which, RMB48.7 million was attributable to the sales of properties, RMB24.9 million was attributable to leasing of non-department stores operating investment property and other main businesses, and RMB5.1 million was attributable to other income such as property management fees.

For the six months ended 30 June 2011, operating cost of external property development segment amounted to RMB34.7 million, which corresponded to the revenue for sales of properties of RMB 48.7 million, while cost on sale of properties was nil during the corresponding period last year. Depreciation and amortisation on property development segment amounted to RMB11.4 million, which were related to non-department stores operating investment property, and represented an increase of 109.6% over the corresponding period last year.

For the six months ended 30 June 2011, net profit after tax attributable to the property development segment was a net loss of RMB61.7 million, representing a decrease of net profit after tax of 154.0% compared with the corresponding period of last year, among which the loss attributable to parent company amounted to RMB58.9 million, representing a decrease of net profit after tax of 149.9% as compared with the corresponding period of last year. The decrease in the net profit after tax as compared with the corresponding period last year was due to the fact that as the property development projects were still at their early stages of development and construction by the end of the reporting period, no delivery of property upon completion and sales revenue was recognized while various costs and expenses had been incurred. The Group believes that the condition will be improved when the property development projects are available for sales and delivery upon completion.

Outlook

In June 2011 during the visit to Europe, Premier Wen Jiabao of the State Council of China conveyed to the world that China's inflation had been put under control. We believe that Premier Wen's high-profile statement will help to stabilize domestic inflation expectations and raise China's economic development to a higher level.

Between 2005 and 2010, the compound growth rates of per capita income of urban and rural population were 12.7% and 12.6% respectively, sustaining a fast rate of growth. Meanwhile, consumer demand continued to rise. While consumers paid attention to pricing, they also began to place emphasis on non-pricing factors such as brand and shopping experience. With the continual improvement of the social security system and the deepening of reform of the income distribution system, development scope for the consumer market will continue to expand. In addition, due to the acceleration of urbanization and the growth in numbers of emerging consumer groups of the post-80s and post-90s, the level of consumption will be greatly enhanced. The current macroeconomic and microeconomic environment poses opportunities for the retail industry.

Looking ahead, the Group will effectively seize opportunities and continue to implement its "Great Development" strategy to speed up strategic coverage of business nationally. In addition to consolidating and developing in the southern and southwestern regions of China, the Group will make strenuous efforts to expand into the eastern and Bohai rim economic circle of China. The Group will extend its geographical reach throughout the country through multiple channels including acquisition, construction of self-owned stores and leasing.

Meanwhile, the Group will flexibly adjust operational strategies, increase innovative marketing activities and reduce the frequencies and occurrences of price marketing to improve the gross margin of the stores; and actively foster new stores by effectively transferring successful operation and management concepts of mature stores to new stores to enhance profitability.

In terms of internal management, in order to cater to the strategic needs of "Great Development", the Group will speed up the transition of its headquarter management from affair management to strategic management; and consolidate regional store resources and development regions to optimize support for the development of the stores. The Group has established the Southern China Regional Company to effectively consolidate resources, and reinforce capabilities of the region in operational planning, responsiveness and support of the stores, thus attaining optimum effectiveness in resources allocation. The Group will establish regional companies in the Eastern, Northern and Southwestern Regions of China on the basis of the establishment of the Southern China Regional Company. Regional companies are being positioned as the centre to consolidate and share resources, and the center of management. As a result, this will facilitate highly effective operational decisions, steady improvement of the performance of stores within the region, and a win-win operational model in collaboration with suppliers. The Group will focus on the implementation of management reform and transition to further strengthen the development of company processes and systems; improve the standardized guide to opening a chain store, chain store operation manual and project acquisition manual, and standardize store operation as well as the workflow of project acquisition; and continue to refine management, reinforce store management by tier and enhance the operational management of stores.

The Group will proactively speed up the opening of new stores through accelerating project construction and the recruitment of suppliers. In the second half of 2011, the Group expects to open more stores including Shenyang Tiexi Store and Shangdong Linyi Store. In the future, the Group will continue to expand its stores network and will be steadily heading towards our goal of developing into the leading department store operator in China.

FINANCIAL REVIEW

Total Sales Proceeds and Revenue (excluding the total sales proceeds and revenue of a discontinued operation)

For the six months ended 30 June 2011, total sales proceeds of the Group increased to RMB5,133.3 million, representing an increase of 68.1% as compared to the same period in 2010.

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Total sales proceeds from concessionaire sales	**4,386,125**	2,722,664
Direct sales	**747,202**	330,181
Total Sales Proceeds	**5,133,327**	3,052,845

Among the total sales proceeds of the Group in the first half of 2011, total sales proceeds derived from concessionaire sales accounted for 85.4% and those derived from direct sales accounted for 14.6%. Same-store sales proceeds from concessionaire sales increased to RMB3,436.3 million, representing an increase of 27.4% as compared to the same period in 2010, of which total same-store sales proceeds from concessionaire sales in Southern China region increased by 27.2%, total same-store sales proceeds from concessionaire sales in the Southwestern China region increased by 25.9%, total same-store sales proceeds from concessionaire sales in the Northern China region increased by 28.1%, and total same-store sales proceeds from concessionaire sales in the Eastern China region increased by 33.5%. For the six months ended 30 June 2011, the Group's commission rates from concessionaire was 17.3%, representing a decrease of 0.8% for the same period last year. The decrease was mainly due to the lower commission rate of new stores during the initial opening period and the reduction of brands with higher commission rate but low sales contribution with the introduction of brands with high sales but lower commission rate during the period under review. The Group will strive to enhance the integration of the new acquisitions and the new stores, in order to increase the commission rate of the new stores to the level of mature stores as soon as possible. Regarding promotion strategies, the Group will gradually lower the proportion of price marketing and introduce innovative marketing modes to ensure steady growth in sales and commissions simultaneously.

Total sales proceeds in the first half of 2011 comprised sales of apparel (44.5%) (first half of 2010: 46.7%), cosmetics and jewelry (21.5%) (first half of 2010: 19.9%), shoes and leather goods (13.4%) (first half of 2010: 13.0%) and others such as children's wear and toys, household and electronic appliances, etc. (20.6%) (first half of 2010: 20.4%). The percentage attributable to each product category to total sales proceeds was similar to that of the first half of 2010.

For the six months ended 30 June 2011, revenue of the Group amounted to RMB1,709.8 million, representing an increase of 86.3% as compared with RMB917.6 million for the same period of last year. The commissions from concessionaire sales and revenue from direct sales increased by RMB266.4 million and RMB417.0 million respectively.

Other Income (excluding the other income from a discontinued operation)

For the six months ended 30 June 2011, other income of the Group amounted to RMB383.0 million, representing an increase of 64.2% as compared with RMB233.3 million for the same period last year. This was primarily resulted from the increase of sales proceeds of concessionaire sales.

Cost of Sales (excluding the cost of sales from a discontinued operation)

For the six months ended 30 June 2011, cost of sales of the Group amounted to RMB707.7 million, representing an increase of 135.3% as compared with RMB300.8 million for the same period last year. This was primarily due to the direct sale business increased by 126.3% as compared with the same period last year.

Employee Expenses (excluding the employee expenses of a discontinued operation)

For the six months ended 30 June 2011, employee expenses of the Group amounted to RMB197.0 million, representing an increase of 134.0% as compared with the employee expenses of RMB84.2 million for the same period last year. The increase was primarily attributable to the inclusion of staff costs for the new stores opened in the second half of 2010 and the first half of 2011 and the share option expenses and the annual adjustments on employees' wages, among which, employee expenses incurred due to the share option expenses increased by RMB21.3 million, staff costs for the new stores increased by RMB51.3 million, and same-store staff costs increased by RMB23.3 million, and other employee expenses increased by RMB16.9 million. The employee expenses as percentage of total sales proceeds in the first half of 2011 increased to 3.8% as compared with 2.8% for the first half of 2010.

Depreciation and Amortisation (excluding the depreciation and amortisation of a discontinued operation)

For the six months ended 30 June 2011, depreciation and amortisation of the Group amounted to RMB152.5 million, representing an increase of 63.3% as compared with RMB93.4 million for the same period last year. The increase was primarily due to the depreciation of properties acquired for the new stores from the second half of 2010 to the first half of 2011. The depreciation and amortisation as percentage of total sales proceeds in the first half of 2011 decreased to 3.0% as compared with 3.1% for the first half of 2010.

Operating Lease Rental Expenses

For the six months ended 30 June 2011, operating lease rental expenses of the Group amounted to RMB109.1 million, representing an increase of 40.6% as compared with RMB77.6 million for the same period last year. This was primarily due to the increase in newly leased area during the second half of 2010 and the first half of 2011. The operating lease rental expenses as percentage of total sales proceeds in the first half of 2011 decreased to 2.1% as compared with 2.5% for the first half of 2010.

Other Operating Expenses (excluding the other operating expenses of a discontinued operation)

For the six months ended 30 June 2011, other operating expenses of the Group amounted to RMB354.7 million, representing an increase of 92.0% as compared with RMB184.7 million for the same period last year. This was primarily due to the launch of new stores in the second half of 2010 and the first half of 2011. The other operating expenses as percentage of total sales proceeds in the first half of 2011 increased to 6.9% as compared with 6.0% for the first half of 2010.

Other Gains

For the six months ended 30 June 2011, other gains of the Group amounted to RMB38.5 million, representing an increase of 367.9% as compared with RMB8.2 million in the same period last year. This was primarily due to the 80% loss (which amounted to RMB23.6 million) recorded at the Shenyang Jinlang Store borne by Shenyang Maoye Property Company Limited ("Maoye Property") (瀋陽茂業置業有限公司), a connected person of the Company, pursuant to the Joint Operation Agreement entered into between Shenyang Maoye Department Store Limited (瀋陽茂業百貨有限公司) (a wholly-owned subsidiary of the Group) and Maoye Property dated 15 July 2011 in relation to joint operation of the Jinlang Store. Among them, other gains in the first half of 2010 was arrived at after deducting the gain of RMB22.2 million from disposal of a subsidiary in the first half of 2010, which was shown separately in the item of discontinued operation in the interim condensed consolidated income statement due to its nature of a discontinued operation (details are set out in Note 12 to the Interim Condensed Consolidated Financial Statements).

Operating Profit (excluding the operating profit of a discontinued operation)

For the six months ended 30 June 2011, operating profit of the Group amounted to RMB610.3 million, representing an increase of 45.9% as compared with RMB418.4 million for the same period last year. This was primarily due to the contribution from strong growth in total sales proceeds of the Group, resulting in significant increase in commissions from sale proceeds of concessionaires, the margin of direct sales as well as other income derived from concessionaire sales as compared to the same period in 2010.

Finance Costs

For the six months ended 30 June 2011, finance costs of the Group amounted to RMB 104.4 million, representing an increase of 161.3% as compared with RMB40.0 million for the same period last year. This was due to the increase in average balance of bank loans and the interests on convertible bonds issued in October 2010 being included as compared to the same period of last year.

Income Tax Expense (excluding the income tax expenses of a discontinued operation)

For the six months ended 30 June 2011, income tax expense of the Group amounted to RMB153.5 million, representing an increase of 67.3% as compared with RMB91.7 million for the same period last year. For the six months ended 30 June 2011, the effective tax rate applicable to the Group was 30.3% (for the six months ended 30 June 2010: 24.1%), which was mainly due to that the loss incurred by offshore companies caused by share option expenses and finance costs arising from the issuance of convertible bonds which was not deductible in calculating the income tax of onshore companies, and the increase in the enterprise income tax rate applicable to Shenzhen and Zhuhai regions from 22.0% in 2010 to 24.0% in 2011.

Profit Attributable to Owners of the Parent

As a result of the foregoing, for the six months ended 30 June 2011:

— Profit attributable to owners of the parent increased to RMB300.6 million, representing an increase of 5.2%, while without taking into account the effect of the discontinued operation in the same period last year, profit attributable to owners of the parent increased by 9.4%.

— Without taking into account the effect of share option expenses, profit attributable to owners of the parent increased to RMB325.7 million, representing an increase of 12.5%, and while also without taking into account the effect of the discontinued operation in the same period last year, such profit attributable to owners of the parent increased by 16.9%.

— Without taking into account the effect of share option expenses and non-operating gains and losses, profit attributable to owners of the parent increased by 16.9% to RMB317.5 million, and while also without taking into account the effect of the discontinued operation, such profit attributable to owners of the parent increased by 16.8%.

Among them, the results of the operation of department stores segment are as follows: Profit attributable to owners of the parent increased to RMB359.3 million, representing an increase of 20.9%, compared with RMB297.1 million in the same period last year; Without taking into account the effect of share option expenses, profit attributable to owners of the parent increased to RMB383.7 million, representing an increase of 27.6%, compared with RMB300.8 million in the same period last year; While without taking into account the effect of share option expenses and non-operating gains and losses, profit attributable to owners of the parent increased to RMB375.6 million, representing an increase of 27.8%, compared with RMB294.0 million in the same period last year.

Detailed analysis is as follows:

	Six months ended 30 June		
	2011 (RMB'000)	2010 (RMB'000)	Growth rate
Profit attributable to owners of the parent	**300,583**	285,815	5.2%
Adjustment items:			
1. Without taking into account non-operating gains and losses*	**(8,166)**	(17,921)	
2. Without taking into account share option expenses	**25,074**	3,771	
Profit attributable to owners of the parent after adjustment	**317,491**	271,665	16.9%
Without taking into account the effect of the discontinued operation in the same period last year			
Profit attributable to owners of the parent	**300,583**	274,802	9.4%
Adjustment items:			
1. Without taking into account non-operating gains and losses*	**(8,166)**	(6,808)	
2. Without taking into account share option expenses	**25,074**	3,771	
Profit attributable to owners of the parent after adjustment	**317,491**	271,765	16.8%
Results of the department stores segment			
Profit attributable to owners of the parent	**359,258**	297,110	20.9%
Adjustment items:			
1. Without taking into account non-operating gains and losses*	**(8,102)**	(6,809)	
2. Without taking into account share option expenses	**24,442**	3,676	
Profit attributable to owners of the parent after adjustment	**375,598**	293,977	27.8%

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

Liquidity and Financial Resources

As at 30 June 2011, the Group's cash and cash equivalents amounted to RMB1,668.3 million, increased by RMB644.2 million as compared to RMB1,024.1 million as at 31 December 2010. The main cash inflow and cash outflow are set out as following:

(1) net cash inflow of RMB375.3 million arising from operating activities;

(2) net cash outflow arising from investing activities amounted to RMB1,003.0 million, mainly included payments and prepayments for properties, plant and equipment amounting to RMB224.7 million, payments for land lease prepayment amounting to RMB476.4 million, and payments for acquisition of subsidiaries amounting to RMB220.4 million, and

(3) net cash inflow of RMB1,275.0 million from financing activities mainly due to the increase in bank loans and placing of new shares.

As at 30 June 2011, total bank loans of the Group were RMB3,033.8 million (31 December 2010: RMB2,415.8 million), of which RMB1,537.7 million will mature within one year.

The debt to total assets ratio of the Group, expressed as a percentage of interest-bearing bank loans over total assets, increased from 20.0% as at 31 December 2010 to 20.7% as at 30 June 2011.

Investment in Listed Shares

The Group currently owns minority interests in companies with department store operation 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 two A share and B share companies listed in the PRC as at 30 June 2011, and relevant summary information relating to these companies.

Investment	The Group's Shareholding	Principal Business	Geographical Location
Shenzhen International Enterprises Co., Ltd. (深圳市國際企業股份有限公司)	13.18%	The first listed retail enterprise in Shenzhen	Shenzhen City, Guangdong Province
Shenyang Commercial City Co., Ltd. (瀋陽商業城股份有限公司)	10.67%	Owns a number of department stores in Shenyang	Shenyang City, Liaoning Province

The total original cost of the investments in the above companies was RMB206.7 million, which was financed by the Group's cash inflow from operations.

Contingent Liabilities

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

Pledge of Assets

As at 30 June 2011, the Group's interest-bearing bank loans amounting to RMB2,653.8 million were secured by the Group's land and buildings, investment properties, land lease prepayments, completed properties held for sale and properties under development with net carrying amounts of approximately RMB562.4 million, RMB153.9 million, RMB1,446.8 million, RMB182.5 million and RMB206.7 million respectively.

As at 30 June 2011, the Group's bills payables amounting to RMB2.9 million were secured by the Group's investment properties and land lease prepayments with net carrying amounts of approximately RMB9.8 million and RMB19.0 million respectively, and the Group's time deposits amounting to RMB3.8 million.

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 period under review, the Group recorded a net gain in foreign currency of approximately RMB0.5 million.

For the six months ended 30 June 2011, the Group had not entered into any arrangements to hedge foreign currency risk. The Group's operating cash flow is not exposed to any foreign exchange fluctuation risks.

INTERIM DIVIDEND

The Board does not recommend to declare an interim dividend for the six months ended 30 June 2011 (for the six months ended 30 June 2010: interim dividend of 1.8 HK cents per share).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2011, the interests of the directors of the Company in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(1) Long position in the shares of the Company

Name of director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
Mr. Huang Mao Ru	Interest of controlled corporations	4,200,000,000 (Note)	76.99%
	Beneficial owner	50,000,000	0.92%
		4,250,000,000	77.91%
Mr. Zhong Pengyi	Beneficial owner	198,000	0.004%
Ms. Wang Fuqin	Beneficial owner	792,000	0.01%

Note: These shares were held by Maoye Department Store Investment Limited, a wholly-owned subsidiary of MOY International Holdings Limited, which in turn was wholly owned by Mr. Huang Mao Ru.

(2) Long position in the underlying shares of the Company - physically settled unlisted equity derivatives

Name of director	Capacity	Number of underlying shares in respect of share options granted	Approximate percentage of the Company's issued share capital
Mr. Zhong Pengyi	Beneficial owner	402,000	0.01%
Ms. Wang Fuqin	Beneficial owner	1,608,000	0.03%
Mr. Wang Bin	Beneficial owner	480,000	0.01%
Mr. Chow Chan Lum	Beneficial owner	402,000	0.01%
Mr. Pao Ping Wing	Beneficial owner	402,000	0.01%
Mr. Leung Hon Chuen	Beneficial owner	402,000	0.01%

Details of the above share options as required to be disclosed by the Listing Rules have been disclosed under the heading "Share Option Scheme" and note 30 to the Interim Condensed Consolidated Financial Statements.

(3) Long position in the shares of associated corporations

(3.1) Maoye Department Store Investment Limited, the immediate holding company of the Company

Name of director	Capacity	Number of ordinary shares interested	Percentage of the issued share capital in such associated corporation
Mr. Huang Mao Ru	Interest of controlled corporation	2 (Note)	100%

Note: These shares were held by MOY International Holdings Limited, which was wholly owned by Mr. Huang Mao Ru.

(3.2) MOY International Holdings Limited, the ultimate holding company of the Company

Name of director	Capacity	Number of ordinary shares interested	Percentage of the issued share capital in such associated corporation
Mr. Huang Mao Ru	Beneficial owner	100	100%

Save as disclosed above, as at 30 June 2011, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2011, the following persons (other than the directors of the Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations") had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the shares of the Company

Name	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital
Mrs. Huang Jingzhang	Interest of spouse	4,250,000,000 (Note (a))	77.91%
Maoye Department Store Investment Limited	Beneficial owner	4,200,000,000 (Note (b))	76.99%
MOY International Holdings Limited	Interest of controlled corporation	4,200,000,000 (Note (b))	76.99%

Notes:

(a) Mrs. Huang Jingzhang was deemed to be interested in these shares through the interest of her spouse, Mr. Huang Mao Ru.

(b) Maoye Department Store Investment Limited was a wholly-owned subsidiary of MOY International Holdings Limited. Such interests were also disclosed as the interests of Mr. Huang Mao Ru in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations".

Save as disclosed above, as at 30 June 2011, no person (other than the directors of the Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations") had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

On 20 January 2010, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group. The Scheme is managed by the Share Option Incentive Scheme Committee, a committee duly authorized by the Board to administer the Scheme.

Movements of the Scheme during the six months ended 30 June 2011 are as follows:

Category	Date of grant	Exercise period	Exercise price (HK$ per share)	As at 1 January 2011	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	As at 30 June 2011
Director									
Mr. Zhong Pengyi	11 Jun 2010	A	2.81	198,000	–	(198,000)	–	–	–
	11 Jun 2010	B	2.81	198,000	–	–	–	–	198,000
	11 Jun 2010	C	2.81	204,000	–	–	–	–	204,000
				600,000	–	(198,000)	–	–	402,000
Ms. Wang Fuqin	11 Jun 2010	A	2.81	792,000	–	(792,000)	–	–	–
	11 Jun 2010	B	2.81	792,000	–	–	–	–	792,000
	11 Jun 2010	C	2.81	816,000	–	–	–	–	816,000
				2,400,000	–	(792,000)	–	–	1,608,000
Mr. Wang Bin	30 Dec 2010	A	3.43	270,000	–	(270,000)	–	–	–
	30 Dec 2010	B	3.43	225,000	–	–	–	–	225,000
	30 Dec 2010	C	3.43	255,000	–	–	–	–	255,000
				750,000	–	(270,000)	–	–	480,000
Mr. Chow Chan Lum	11 Jun 2010	A	2.81	198,000	–	(198,000)	–	–	–
	11 Jun 2010	B	2.81	198,000	–	–	–	–	198,000
	11 Jun 2010	C	2.81	204,000	–	–	–	–	204,000
				600,000	–	(198,000)	–	–	402,000
Mr. Pao Ping Wing	11 Jun 2010	A	2.81	198,000	–	(198,000)	–	–	–
	11 Jun 2010	B	2.81	198,000	–	–	–	–	198,000
	11 Jun 2010	C	2.81	204,000	–	–	–	–	204,000
				600,000	–	(198,000)	–	–	402,000
Mr. Leung Hon Chuen	11 Jun 2010	A	2.81	198,000	–	(198,000)	–	–	–
	11 Jun 2010	B	2.81	198,000	–	–	–	–	198,000
	11 Jun 2010	C	2.81	204,000	–	–	–	–	204,000
				600,000	–	(198,000)	–	–	402,000
				5,550,000	–	(1,854,000)	–	–	3,696,000

Category	Date of grant	Exercise period	Exercise price (HK$ per share)	As at 1 January 2011	Granted during the period	Exercised during the period	Expired during the period	Forfeited during the period	As at 30 June 2011
Employees in aggregate	11 Jun 2010	A	2.81	35,092,200	–	(34,045,000)	(1,047,200)	–	–
	11 Jun 2010	B	2.81	35,092,200	–	–	–	(1,208,200)	33,884,000
	11 Jun 2010	C	2.81	36,155,600	–	–	–	(1,374,600)	34,781,000
	30 Dec 2010	A	3.43	1,693,000	–	(1,693,000)	–	–	–
	30 Dec 2010	B	3.43	1,673,000	–	–	–	–	1,673,000
	30 Dec 2010	C	3.43	1,734,000	–	–	–	–	1,734,000
				111,440,000	–	(35,738,000)	(1,047,200)	(2,582,800)	72,072,000
Others in aggregates	11 Jun 2010	A	2.81	4,752,000	–	(4,752,000)	–	–	–
	11 Jun 2010	B	2.81	4,752,000	–	–	–	(3,000)	4,749,000
	11 Jun 2010	C	2.81	4,896,000	–	–	–	(3,000)	4,893,000
	30 Dec 2010	A	3.43	139,000	–	(139,000)	–	–	–
	30 Dec 2010	B	3.43	139,000	–	–	–	–	139,000
	30 Dec 2010	C	3.43	142,000	–	–	–	–	142,000
				14,820,000	–	(4,891,000)	–	(6,000)	9,923,000
				131,810,000	–	(42,483,000)	(1,047,200)	(2,588,800)	85,691,000

Notes:

Exercise period:-
A: 1st trading date to 30th trading date after the publication date of the 2010 annual report
B: 1st trading date to 30th trading date after the publication date of the 2011 annual report
C: 1st trading date to 30th trading date after the publication date of the 2012 annual report

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

The closing prices of the shares of the Company immediately before the date of grant on 11 June 2010 and 30 December 2010 were HK$2.73 and HK$3.44, respectively. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK$3.66.

No share options have been cancelled during the six months ended 30 June 2011. Further details relating to the Scheme and share options granted thereunder are set out in note 30 to the Interim Condensed Consolidated Financial Statements.

EMPLOYEES

As at 30 June 2011, the Group had a total of approximately 8,508 employees. Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of individual employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2011, except for the issue of 42,483,000 shares of the Company under the Scheme and the top-up placing of an aggregate of 273,000,000 new ordinary shares to investors as set out in the Company's announcements dated 22 May 2011 and 2 June 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct governing the directors' dealings in the Company's securities. The Company has made specific enquiries with all of its directors, who have confirmed their compliance with the required standard set out in the Model Code throughout the six months ended 30 June 2011.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices as contained in Appendix 14 of the Listing Rules, except for the following deviation:

Code Provision A.2.1

This code provision stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. 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 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 2011 and discussed with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

DEED OF NON-COMPETITION

Under the deed of non-competition dated 17 April 2008 given by Mr. Huang Mao Ru, Maoye Holdings Limited and Richon Holdings Limited (collectively known as the "Controlling Shareholder Group") in favour of the Company, details of which were stated in the prospectus of the Company dated 21 April 2008, the Controlling Shareholder Group has undertaken to use its best endeavour within three years to (i) resolve the existing litigation between Chongqing Jiefangbei Maoye Department Store Co., Ltd.（重慶解放碑茂業百貨有限公司）("Chongqing Jiefangbei Store") and Chongqing Xin Long Da Real Estate Development Company Limited（重慶鑫隆達房地產開發有限公司）("Xin Long Da"), (ii) obtain all necessary consents and approvals for the transfer of the interest of the Controlling Shareholder Group in Chongqing Jiefangbei Store and Wuxi Maoye Department Store Company Limited（無錫茂業百貨有限公司）and Wuxi Maoye Baifu Supermarket Company Limited（無錫茂業百福超級市場有限公司）(the latter two collectively known as "Maoye Wuxi Store") to the Group, and (iii) obtain all necessary consents and approvals for the transfer of the Controlling Shareholder Group's interest in Guiyang Friendship Group Holdings Company Limited（貴陽友誼（集團）股份有限公司）("Guiyang Friendship Group"), to serve a notice on the Group within ten business days of any of the issues in clauses (i) through (iii) above having been resolved, and to use his/its best endeavour to transfer the interest in Chongqing Jiefangbei Store, Maoye Wuxi Store and Guiyang Friendship Group to the Group as soon as practicable once the relevant issues impeding such transfer have been resolved. The Controlling Shareholder Group has further undertaken to keep the Company informed every six months from the Listing Date as regards the progress on the matters described above.

Since the Supreme People's Court has adjudged that the leasing agreement entered into between Chongqing Jiefangbei Store and Xin Long Da was valid and binding, the litigation between Chongqing Jiefangbei and Xin Long Da has been resolved. However, the Group is still considering as to whether to acquire the interests of the Controlling Shareholder Group in the Chongqing Jiefangbei Store and Maoye Wuxi Store. As the existing Master Management Agreement has expired on 4 May 2011, the Company entered into the New Master Management Agreement with Maoye Holdings Limited on 10 June 2011 to govern the terms upon which the Group will provide store management services to the Controlling Shareholder Group with respect to the Chongqing Jiefangbei Store, Maoye Wuxi Store and/or department stores owned by the Controlling Shareholder Group in order to avoid conflict of interests between the Group and the Controlling Shareholder Group. The New Master Management Agreement has a term of three years with retrospective effect from 5 May 2011. As Chongqing Jiefangbei Store has ceased operation since February 2011, the Group will not manage Chongqing Jiefangbei Store thereafter. Approval from the relevant government departments has not been obtained in relation to the Group's application for transfer of interest in Guiyang Friendship Group.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of directors of the company are set out below:

(A) Mr. Wang Bin, an executive director of the Company, has resigned as the director of Huafu Top Dyed Melange Yarn Co.,Ltd.（華孚色紡股份有限公司） (a company listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange, stock code: 002042) in March 2011.

(B) Mr. Leung Hon Chuen, an independent non-executive director of the Company, has resigned as the non-executive director of EPI (Holdings) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 689) with effect from 17 March 2011.

ERNST & YOUNG
安 永

To the Board of Directors of
Maoye International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 28 to 72, which comprise the interim condensed consolidated statement of financial position of Maoye International Holdings Limited and its subsidiaries as at 30 June 2011 and the related interim condensed consolidated income statement, comprehensive income, changes in equity and cash flows for the six months then ended, and the explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards, or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants
16 August 2011

Interim Condensed

Consolidated Income Statement

For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	4	**1,709,813**	917,606
Other income	5	**382,977**	233,269
Total operating revenue		**2,092,790**	1,150,875
Cost of sales	6	**(707,729)**	(300,812)
Employee expenses	7	**(197,003)**	(84,178)
Depreciation and amortisation		**(152,535)**	(93,435)
Operating lease rental expenses		**(109,089)**	(77,586)
Other operating expenses	8	**(354,665)**	(184,686)
Other gains	9	**38,492**	8,227
Operating profit		**610,261**	418,405
Finance costs	10	**(104,415)**	(39,954)
Share of profits and losses of associates		**948**	2,972
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**506,794**	381,423
Income tax expense	11	**(153,480)**	(91,747)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**353,314**	289,676
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	12	**–**	16,511
PROFIT FOR THE PERIOD		**353,314**	306,187
Attributable to:			
Owners of the parent		**300,583**	285,815
Non-controlling interests		**52,731**	20,372
		353,314	306,187
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14		
Basic			
- For profit for the period		**RMB5.8 cents**	RMB5.6 cents
- For profit from continuing operations		**RMB5.8 cents**	RMB5.4 cents
Diluted			
- For profit for the period		**RMB5.8 cents**	RMB5.6 cents
- For profit from continuing operations		**RMB5.8 cents**	RMB5.4 cents

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	**353,314**	306,187
Available-for-sale equity investments:		
Changes in fair value	**292,382**	(11,674)
Income tax effect	**(69,815)**	3,052
	222,567	(8,622)
Exchange differences on translation of foreign operations	**10,216**	(601)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**232,783**	(9,223)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**586,097**	296,964
Attributable to:		
Owners of the parent	**533,366**	276,592
Non-controlling interests	**52,731**	20,372
	586,097	296,964

Interim Condensed Consolidated
Statement of Financial Position

30 June 2011

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**3,177,492**	2,437,213
Investment properties	16	**323,012**	292,199
Land lease prepayments	17	**4,063,289**	3,657,010
Goodwill	18	**641,680**	537,050
Other intangible assets	19	**5,900**	4,148
Investments in associates	20	**12,707**	11,904
Available-for-sale equity investments	21	**972,306**	635,398
Other asset		**2,458**	2,458
Prepayments	24	**924,182**	1,115,458
Deferred tax assets		**69,275**	61,647
Total non-current assets		**10,192,301**	8,754,485
CURRENT ASSETS			
Inventories	22	**241,759**	166,419
Completed properties held for sale		**489,091**	485,287
Properties under development	23	**1,506,777**	1,177,562
Equity investments at fair value through profit or loss		**11,181**	11,271
Trade receivables		**49,463**	15,794
Prepayments, deposits and other receivables	24	**484,266**	402,778
Due from related parties	34(b)	**33,144**	9,919
Pledged deposits	25	**3,750**	1,350
Cash and cash equivalents	25	**1,668,284**	1,024,073
Total current assets		**4,487,715**	3,294,453
CURRENT LIABILITIES			
Trade and bills payables	26	**1,852,992**	1,688,373
Deposits received, accruals and other payables	27	**1,446,307**	1,611,369
Interest-bearing bank loans and other borrowings	28	**1,537,735**	851,024
Due to related parties	34(b)	**54,442**	4,249
Tax payable		**116,331**	115,076
Total current liabilities		**5,007,807**	4,270,091
NET CURRENT LIABILITIES		**(520,092)**	(975,638)
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,672,209**	7,778,847

continued/...

Statement of Financial Position

30 June 2011

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,672,209**	7,778,847
NON-CURRENT LIABILITIES			
Convertible bonds	28	**853,056**	860,441
Interest-bearing bank loans and other borrowings	28	**1,496,040**	1,564,776
Deferred tax liabilities		**663,243**	413,079
Total non-current liabilities		**3,012,339**	2,838,296
Net assets		**6,659,870**	4,940,551
EQUITY			
Equity attributable to owners of the parent			
Issued capital	29	**487,923**	461,587
Equity component of convertible bonds		**119,125**	119,125
Reserves		**4,802,346**	3,318,872
		5,409,394	3,899,584
Non-controlling interests		**1,250,476**	1,040,967
Total equity		**6,659,870**	4,940,551

Director:
Huang Mao Ru

Director:
Wang Bin

Interim Condensed Consolidated

Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the parent											
	Issued capital RMB'000 (note 29)	Share premium account RMB'000	Share option reserve RMB'000 (note 30)	Equity component of convertible bonds RMB'000	Contributed surplus RMB'000	Statutory surplus reserve RMB'000	Available-for-sale equity investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)												
At 1 January 2011	461,587	1,875,369	39,469	119,125	77	192,505	233,035	(57,112)	1,035,529	3,899,584	1,040,967	4,940,551
Profit for the period	–	–	–	–	–	–	–	–	300,583	300,583	52,731	353,314
Other comprehensive income for the period:												
Changes in fair value of available-for-sale investments, before tax	–	–	–	–	–	–	292,382	–	–	292,382	–	292,382
Exchanges differences on translation of foreign operations	–	–	–	–	–	–	–	10,216	–	10,216	–	10,216
Tax effect of components of other comprehensive income	–	–	–	–	–	–	(69,815)	–	–	(69,815)	–	(69,815)
Total comprehensive income for the period	–	–	–	–	–	–	222,567	10,216	300,583	533,366	52,731	586,097
Acquisition of subsidiaries (note 31)	–	–	–	–	–	–	–	–	–	–	160,423	160,423
Profit appropriated to reserve	–	–	–	–	–	15,683	–	–	(15,683)	–	–	–
Equity-settled share option arrangement (note 30)	–	–	25,074	–	–	–	–	–	–	25,074	–	25,074
Issue of shares (note 29)	26,336	963,422	(20,040)	–	–	–	–	–	–	969,718	–	969,718
Share issue expenses (note 29)	–	(18,348)	–	–	–	–	–	–	–	(18,348)	–	(18,348)
Dividend paid by a subsidiary	–	–	–	–	–	–	–	–	–	–	(3,645)	(3,645)
At 30 June 2011	487,923	2,820,443	44,503	119,125	77	208,188	455,602	(46,896)	1,320,429	5,409,394	1,250,476	6,659,870

continued/...

Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the parent											
	Issued capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Statutory surplus reserve RMB'000	Available-for-sale equity investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Proposed final dividend RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)												
At 1 January 2010	461,587	1,875,369	–	77	154,710	335,319	(55,290)	577,754	67,800	3,417,326	338,261	3,755,587
Profit for the period	–	–	–	–	–	–	–	285,815	–	285,815	20,372	306,187
Other comprehensive income for the period:												
Changes in fair value of available-for-sale investments, before tax	–	–	–	–	–	(11,674)	–	–	–	(11,674)	–	(11,674)
Exchanges differences on translation of foreign operations	–	–	–	–	–	–	(601)	–	–	(601)	–	(601)
Tax effect of components of other comprehensive income	–	–	–	–	–	3,052	–	–	–	3,052	–	3,052
Total comprehensive income for the period	–	–	–	–	–	(8,622)	(601)	285,815	–	276,592	20,372	296,964
Reverting to original cost of an available-for-sale investment at the date it becomes an associate	–	–	–	–	–	(185,199)	–	–	–	(185,199)	–	(185,199)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	579,886	579,886
Non-controlling interests arising from investment in a subsidiary	–	–	–	–	–	–	–	–	–	–	17,350	17,350
Final 2009 dividend declared	–	–	–	–	–	–	–	–	(67,800)	(67,800)	–	(67,800)
Dividend paid by a subsidiary	–	–	–	–	–	–	–	(10,092)	–	(10,092)	–	(10,092)
Equity-settled share option arrangements	–	–	3,771	–	–	–	–	–	–	3,771	–	3,771
At 30 June 2010	461,587	1,875,369	3,771	77	154,710	141,498	(55,891)	853,477	–	3,434,598	955,869	4,390,467

Interim Condensed Consolidated

Statement of Cash Flows

For the six months ended 30 June 2011

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net cash flows from operating activities	**375,329**	554,009
Net cash flows used in investing activities	**(1,002,988)**	(488,954)
Net cash flows from financing activities	**1,275,006**	75,196
NET INCREASE IN CASH AND CASH EQUIVALENTS	**647,347**	140,251
Effect of foreign exchange rate changes, net	**(3,136)**	(601)
Cash and cash equivalents at beginning of period	**1,024,073**	461,769
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,668,284**	601,419
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**1,668,284**	581,419
Non-pledged time deposits with original maturity of less than three months when acquired	**–**	20,000
	1,668,284	601,419

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 is located at Scotia Centre, 4th Floor, P.O. Box 2804,George Town, 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.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2011 have been prepared in accordance with International Accounting Standard ("IAS") 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 as at 31 December 2010.

As at 30 June 2011, the Group had net current liabilities of approximately RMB520,092,000. 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 not withstanding the net current liabilities position.

2.2 IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of the new and revised standards and interpretations as of 1 January 2011, noted below.

IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*
IAS 24 (Revised)	*Related Party Disclosures*
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to IFRSs	Amendments to a number of IFRSs issued in May 2010

The adoption of these new amendments and revised standards and interpretations has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

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, direct sales of merchandise and 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 leasing out of commercial properties other than for the operation of department stores; and

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

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.

3. OPERATING SEGMENT INFORMATION (continued)

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	Adjustments and eliminations RMB'000	Total RMB'000
Period ended 30 June 2011					
Segment revenue:					
Sales to external customers	1,632,483	73,607	3,723	–	1,709,813
Intersegment revenue	–	9,493	–	(9,493)	–
Other income	374,698	5,079	3,200	–	382,977
	2,007,181	88,179	6,923	(9,493)	2,092,790
Cost of sales	(672,508)	(34,672)	(549)	–	(707,729)
Employee expenses	(186,375)	(8,493)	(2,135)	–	(197,003)
Depreciation and amortisation	(140,358)	(11,373)	(804)	–	(152,535)
Operating lease rental expenses	(109,089)	–	–	–	(109,089)
Other operating expenses	(331,470)	(28,730)	(3,958)	9,493	(354,665)
Other gains	38,704	(207)	(5)	–	38,492
Operating profit	606,085	4,704	(528)	–	610,261
Finance costs	(25,790)	(78,625)	–	–	(104,415)
Share of profits and losses of associates	–	–	948	–	948
Segment profit before tax from continuing operations	580,295	(73,921)	420	–	506,794
Income tax expense	(165,605)	12,230	(105)	–	(153,480)
Segment profit for the period from continuing operations	414,690	(61,691)	315	–	353,314

3. OPERATING SEGMENT INFORMATION (continued)

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Total RMB'000
Attributable to:					
Owners of the parent	359,258	(58,886)	211	–	300,583
Non-controlling interests	55,432	(2,805)	104	–	52,731
	414,690	(61,691)	315	–	353,314
Other segment information					
Impairment losses recognised in the income statement	177	–	–	–	177
Depreciation and amortisation	140,358	11,373	804	–	152,535
Investments in associates	–	–	12,707	–	12,707
Capital expenditure	1,403,763	365,191	–	–	1,768,954*

* 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.

3. OPERATING SEGMENT INFORMATION (continued)

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
Period ended 30 June 2010				
Segment revenue:				
Sales to external customers	908,857	2,500	6,249	917,606
Other income	232,424	—	845	233,269
	1,141,281	2,500	7,094	1,150,875
Cost of sales	(300,608)	—	(204)	(300,812)
Employee expenses	(82,380)	(184)	(1,614)	(84,178)
Depreciation and amortisation	(87,292)	(5,426)	(717)	(93,435)
Operating lease rental expenses	(77,494)	—	(92)	(77,586)
Other operating expenses	(181,182)	(1,280)	(2,224)	(184,686)
Other gains	8,227	—	—	8,227
Operating profit	420,552	(4,390)	2,243	418,405
Finance costs	(11,986)	(27,968)	—	(39,954)
Share of profits and losses of associates	2,708	—	264	2,972
Segment profit before tax from continuing operations	411,274	(32,358)	2,507	381,423
Income tax expense	(99,185)	8,066	(628)	(91,747)
Segment profit for the period from continuing operations	312,089	(24,292)	1,879	289,676
Attributable to:				
Owners of the parent	297,110	(23,568)	1,260	274,802
Non-controlling interests	14,979	(724)	619	14,874
	312,089	(24,292)	1,879	289,676
Other segment information				
Impairment losses reversed in the income statement	(1,114)	—	—	(1,114)
Depreciation and amortisation	87,292	5,426	717	93,435
Investments in associates	—	—	13,217	13,217
Capital expenditure	1,332,176	469,544	—	1,801,720*

* Capital expenditure consists of additions to property, plant and equipment, land lease prepayments and other intangible assets including assets from the acquisition of subsidiaries.

4. REVENUE

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
		(Restated)
Commissions from concessionaire sales	**760,499**	494,103
Direct sales	**747,202**	330,181
Rental income from the leasing of shop premises	**82,343**	60,610
Management fee income from the operation of department stores	**1,871**	1,710
Rental income from investment properties	**65,427**	24,753
Sale of properties	**48,748**	—
Others	**3,723**	6,249
	1,709,813	917,606
The total sales proceeds and commissions from concessionaire sales are analysed as follows:		
Total sales proceeds from concessionaire sales	**4,386,125**	2,722,664
Commissions from concessionaire sales	**760,499**	494,103

5. OTHER INCOME

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
		(Restated)
Income from suppliers and concessionaires		
– Administration and management fee income	**208,019**	139,917
– Promotion income	**98,388**	52,836
– Credit card handling fees	**57,103**	33,697
Interest income	**3,612**	3,321
Others	**15,855**	3,498
	382,977	233,269

6. COST OF SALES

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
		(Restated)
Purchases of and changes in inventories	**672,508**	300,608
Cost of properties sold	**34,672**	—
Others	**549**	204
	707,729	300,812

7. EMPLOYEE EXPENSES

		Six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Note	**RMB'000**	RMB'000
			(Restated)
Wages and salaries		**153,064**	70,087
Equity-settled share option expense	30	**25,074**	3,771
Retirement benefits		**14,626**	6,799
Other employee benefits		**4,239**	3,521
		197,003	84,178

8. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000 (Restated)
Utility expenses	90,965	60,465
Promotion and advertising	33,080	15,309
Repair and maintenance expenses	36,312	14,458
Entertainment expenses	8,726	4,865
Office expenses	25,683	13,378
Other tax expenses	107,505	50,877
Professional service fees	5,907	2,628
Auditors' remuneration	3,405	3,096
Bank charges	29,309	17,354
Reversal of impairment of inventories	—	(634)
Impairment/(reversal of impairment) of trade receivables	83	(480)
Impairment of other receivables	94	—
Others	13,596	3,370
	354,665	184,686

9. OTHER GAINS

	Six months ended 30 June	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000 (Restated)
Loss on disposal of items of property, plant and equipment	(703)	(303)
Foreign exchange gain/(loss), net	532	(42)
Fair value loss on equity investments at fair value through profit or loss	(83)	(3,839)
Gain on disposal of equity investments at fair value through profit or loss	—	161
Gain on deemed disposal of an investment in an associate	—	7,273
Share of loss of a department store operation by a fellow subsidiary (note 34(a)(1))	23,551	—
Dividend income from available-for-sale equity investments	3,700	2,726
Gain on investing on short term financial products	498	206
Dividend income from equity investments at fair value through profit or loss	121	50
Others	10,876	1,995
	38,492	8,227

10. FINANCE COSTS

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank loans and other borrowings	**104,415**	39,954

11. TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempt from the payment of the Cayman Islands income tax.

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any tax in the British Virgin Islands.

The provision for Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2011 (Six months ended 30 June 2010: 16.5%).

Under the relevant PRC income tax law, the PRC subsidiaries are subject to corporate income tax ("CIT") at a statutory rate of 25% (Six months ended 30 June 2010: 25%) on their respective taxable income, except for certain PRC subsidiaries which are exempted from tax or taxed at a preferential rate of 24%.

Certain PRC subsidiaries of the Group are situated in the Shenzhen and Zhuhai Special Economic Zones and they are entitled to a preferential CIT rate of 24% (Six months ended 30 June 2010: 22%).

PRC Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures. LAT of RMB1,551,000 is charged to the consolidated income statement for the period ended 30 June 2011 (Six months ended 30 June 2010: Nil).

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
		(Restated)
Group:		
Current – CIT	**155,143**	86,633
Current - LAT	**1,551**	—
Deferred	**(3,214)**	5,114
Total tax charge for the period	**153,480**	91,747

12. DISCONTINUED OPERATION

On 12 January 2010, the Group disposed of the entire interest in Chengshang Motor Vehicle Co., Ltd. ("Chengshang Motor")(成都成商汽車有限責任公司)for a cash consideration of RMB23,000,000, resulting in a gain on disposal of a subsidiary of RMB22,188,000. Chengshang Motor was engaged in the sale of automobiles and, together with Chengdu Chengshang United Motor Vehicle Co., Ltd. ("United Motor")(成都成商聯合汽車有限責任公司), accounted for a separate operating segment of the Group. The Group has decided to cease its automobile sales business in the prior year as the Group plans to focus its resources on its core business of department store operations and to optimise its asset structure.

The results of the discontinued operation for the period are presented below:

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Revenue	–	906
Purchases of and changes in inventories	–	(670)
Employee expenses	–	(7)
Depreciation and amortisation	–	(309)
Other operating expenses	–	(50)
Loss of the discontinued operation	–	(130)
Gain on disposal of a subsidiary	–	22,188
Gain before tax from the discontinued operation	–	22,058
Income tax expense	–	(5,547)
Profit for the period from the discontinued operation	–	16,511
Attributable to:		
Owners of the parent	–	11,013
Non-controlling interests	–	5,498
	–	16,511

12. DISCONTINUED OPERATION (continued)

The net cash flows incurred by the discontinued operation are as follows:

	Six months ended 30 June	
	2011	2010
	RMB'000	RMB'000
Operating activities	–	348
Investing activities	–	15,232
Net cash inflow	–	15,580
Earnings per share:		
Basic, from the discontinued operation	–	RMB0.2 cents
Diluted, from the discontinued operation	–	RMB0.2 cents

13. DIVIDENDS

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Proposed interim dividend (not recognised as a liability as at 30 June) - Nil (2010: HK$1.8 cents) per share	–	81,027
	–	81,027

14. 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 2011 attributable to ordinary equity holders of the parent of RMB300,583,000 (Six months ended 30 June 2010: RMB285,815,000) and the weighted average number of ordinary shares of 5,203,784,257(Six months ended 30 June 2010: 5,139,856,000) in issue during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	**300,583**	274,802
From a discontinued operation	**—**	11,013
	300,583	285,815
Interest on convertible bonds	**26,994**	—
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**327,577**	285,815
Attributable to:		
Continuing operations	**327,577**	274,802
Discontinued operation	**—**	11,013
	327,577	285,815

	Number of shares	
	30 June 2011	30 June 2010
Shares		
Ordinary shares in issue during the period used in the basic earnings per share calculation	**5,203,784,257**	5,139,856,000
Effect of dilution – weighted average number of ordinary shares:		
Share option	**4,285,512**	—
Convertible bonds	**276,590,693**	—
	5,484,660,462*	5,139,856,000

* Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share amounts are based on the profit for the period and the profit attributable to continuing operations of RMB300,583,000 and the weighted average number of ordinary shares of 5,208,069,769 in issue during the period.

15. PROPERTY, PLANT AND EQUIPMENT

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Carrying amount at 1 January		**2,437,213**	1,637,471
Additions		**203,670**	535,215
Acquisition of subsidiaries	31	**631,571**	557,059
Disposals		**(2,873)**	(5,161)
Depreciation charge for the period/year		**(89,051)**	(114,203)
Transfer to investment properties	16	**—**	(39,118)
Transfer to completed properties held for sale		**—**	(133,041)
Transfer to properties under development	23	**(2,021)**	—
Exchange realignment		**(1,017)**	(1,009)
Carrying amount at 30 June/31 December		**3,177,492**	2,437,213

Amortisation of land lease payments of approximately RMB12,437,000 during the construction period was capitalised as part of the construction cost of the department stores under construction of the Group, and was included in the above additions.

The Group's land and buildings are held under medium term leases and are situated in Mainland China. Details of the Group's land and buildings pledged to secure the Group's interest-bearing bank loans are set out in note 28(a).

Certificates of ownership in respect of certain buildings of the Group with a net carrying amount of approximately RMB94,296,000 as at 30 June 2011 have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

16. INVESTMENT PROPERTIES

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Cost at 1 January, net of accumulated depreciation		**292,199**	104,103
Acquisition of a subsidiary		**—**	154,047
Additions		**36,984**	9,539
Disposals		**—**	(5,435)
Transfer from property, plant and equipment	15	**—**	39,118
Depreciation provided during the period/year		**(6,171)**	(9,173)
At 30 June/31 December		**323,012**	292,199
At 30 June/31 December:			
Cost		**436,682**	399,698
Accumulated depreciation		**(113,670)**	(107,499)
Net carrying amount		**323,012**	292,199

The Group's investment properties are held under medium term leases and are situated in Mainland China. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 32(a).

Details of the Group's investment properties pledged to secure the Group's bills payable and interest-bearing bank loans are set out in notes 26 and 28(b).

Certificates of ownership in respect of certain investment properties of the Group located in Anhui with a net carrying amount of approximately RMB27,348,000 as at 30 June 2011 have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

17. LAND LEASE PREPAYMENTS

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Carrying amount at 1 January		**3,760,402**	2,364,815
Acquisition of subsidiaries	31	**404,790**	1,080,471
Additions		**162,284**	667,845
Transfer to properties under development	23	**(75,939)**	(60,389)
Transfer to completed properties held for sale		**–**	(184,946)
Disposals		**–**	(5,615)
		4,251,537	3,862,181
Recognised during the period/year		**(68,987)**	(101,779)
Carrying amount at 30 June/31 December		**4,182,550**	3,760,402
Current portion included in prepayments and other receivables		**(119,261)**	(103,392)
Non-current portion		**4,063,289**	3,657,010

The Group's leasehold land is held under a medium term lease and is situated in Mainland China.

Details of the Group's leasehold land pledged to secure the Group's bills payable and interest-bearing bank loans are set out in note 26 and note 28(c).

The Group was in the process of applying for the land use right certificates for land lease prepayments with an aggregate carrying amount of approximately RMB135,785,000 as at 30 June 2011.

Included in the amortisation provided during the period is an amount of approximately RMB12,437,000, which was capitalised as part of the construction cost of the department stores under construction of the Group and included in the additions of property, plant and equipment (note 15).

18. GOODWILL

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
At 1 January, net of accumulated impairment		537,050	95,997
Acquisition of subsidiaries	31	104,630	441,053
At 30 June/31 December		641,680	537,050
At 30 June/31 December:			
Cost		647,449	542,819
Accumulated impairment		(5,769)	(5,769)
Net carrying amount		641,680	537,050

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill is based on a value in use calculation that uses a discounted cash flow projection. The discount rate applied to the cash flow projection ranged from 11% to 17% (2010: 11% to 17%). Cash flows beyond the five-year period are extrapolated using the estimated growth rates ranging from nil to 5% (2010: nil to 5%). The growth rates do not exceed the projected long term average growth rates for the operation of department stores in Mainland China. The other key assumptions used to determine the recoverable amount for the cash-generating units were discussed in the annual financial statements for the year ended 31 December 2010.

19. OTHER INTANGIBLE ASSETS

	Note	Computer software	
		30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Cost at 1 January, net of accumulated depreciation		4,148	3,237
Additions		1,945	1,148
Acquisition of a subsidiary	31	570	662
Amortisation provided during the period/year		(763)	(899)
At 30 June/31 December		5,900	4,148
At 30 June/31 December:			
Cost		7,659	5,144
Accumulated amortisation		(1,759)	(996)
Net carrying amount		5,900	4,148

20. INVESTMENTS IN ASSOCIATES

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Share of net assets	**12,707**	11,904

21. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Listed equity investments, at fair value:		
Shanghai	**334,021**	269,616
Shenzhen	**468,684**	242,587
	802,705	512,203
Unlisted equity investments, at cost	**175,486**	129,080
	978,191	641,283
Provision for impairment	**(5,885)**	(5,885)
	972,306	635,398

During the period, the gross gain in respect of the Group's available-for-sale equity investments recognised in other comprehensive income amounted to RMB292,382,000 (Six months ended 30 June 2010: Loss of RMB11,674,000).

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

The unlisted equity investments are stated at cost less any accumulated impairment losses because there are no quoted market prices for such equity investments. In addition, the variability in the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. Accordingly, a reasonable estimate of the fair value cannot be made.

22. INVENTORIES

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Merchandise for resale	**247,870**	172,591
Provision against slow-moving inventories	**(6,111)**	(6,172)
	241,759	166,419

23. PROPERTIES UNDER DEVELOPMENT

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Land lease prepayments, at cost			
At beginning of period		**875,738**	—
Additions		**125,392**	685,523
Acquisition of a subsidiary		**—**	134,854
Transfer from land lease prepayments	17	**75,939**	60,389
Transfer to completed properties held for sale		**(3,410)**	(5,028)
At 30 June/31 December		**1,073,659**	875,738
Development expenditure, at cost			
At beginning of period		**301,824**	—
Additions		**164,338**	167,021
Acquisition of a subsidiary		**—**	172,979
Transfer from property, plant and equipment	15	**2,021**	—
Transfer to completed properties held for sale		**(35,065)**	(38,176)
At 30 June/31 December		**433,118**	301,824
		1,506,777	1,177,562

The Group's properties under development are held under a medium term lease and are situated in Mainland China.

Details of the Group's properties under development pledged to secure the Group's interest-bearing bank loans are set out in note 28(e).

The Group is in the process of applying for the land use right certificates for land lease prepayments included in properties under development with an aggregate carrying amount of approximately RMB512,141,000 as at 30 June 2011.

24. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Non-current assets		
Prepayments	924,182	1,115,458
Current assets		
Prepayments	245,501	187,908
Other receivables	255,160	231,271
	500,661	419,179
Impairment of other receivables	(16,395)	(16,401)
	484,266	402,778

Included in the Group's prepayments and other receivables under current assets as at 30 June 2011 were prepayments for operating lease rental expenses of RMB24,005,000 covering the period from July to December 2011 (31 December 2010: Nil) and rental deposits of RMB16,027,000 (31 December 2010: RMB16,027,000), which were paid to certain fellow subsidiaries of the Company.

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Cash and bank balances	1,668,284	1,024,073
Time deposits	3,750	1,350
	1,672,034	1,025,423
Less: Pledged time deposits for bills payable	(3,750)	(1,350)
Cash and cash equivalents	1,668,284	1,024,073

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (continued)

The Group's cash and cash equivalents and pledged deposits were denominated in the following currencies:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
RMB	**1,633,788**	970,542
Hong Kong dollar	**32,589**	53,137
United States dollar	**355**	394
EURO	**1,552**	—
	1,668,284	1,024,073

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one month and six months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates.The bank balances and bank deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

26. 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 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Within 90 days	**1,296,324**	1,392,576
91 to 180 days	**364,861**	176,837
181 to 360 days	**100,864**	48,377
Over 360 days	**90,943**	70,583
	1,852,992	1,688,373

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

The Group's bills payable amounting to RMB2,900,000 as at 30 June 2011 (31 December 2010: RMB4,500,000) were secured by the Group's investment properties and land lease prepayments with net carrying amounts of approximately RMB9,847,000 (31 December 2010: RMB10,173,000) and RMB19,015,000 (31 December 2010: RMB20,755,000) respectively, and the Group's time deposits amounting to RMB3,750,000 (31 December 2010: RMB1,350,000).

27. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Deferred income	**769,484**	720,496
Deposits received	**162,601**	134,330
Accrued operating lease rental expenses	**77,736**	56,728
Accrued utilities	**19,372**	12,789
Accrued liabilities	**24,655**	18,182
Accrued staff costs	**40,055**	40,383
Provision for coupon liabilities	**17,580**	20,244
Value-added tax and other tax payables	**(174,860)**	(129,494)
Other payables	**509,684**	737,711
	1,446,307	1,611,369

28. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	30 June 2011 (Unaudited)			31 December 2010 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Interest-bearing bank loans – unsecured	**6.06**	**2011**	**10,000**	–	–	–
Interest-bearing bank loans – secured	**5.31-10.22**	**2011-2012**	**719,000**	5.00-9.47	2011	189,000
Current portion of long term interest-bearing bank loans – secured	**5.13-6.40, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate**	**2011-2012**	**808,735**	5.13-6.40, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2011	662,024
			1,537,735			851,024

28. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (continued)

	30 June 2011 (Unaudited)			31 December 2010 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Non-current						
Long term interest-bearing bank loans – secured	5.13-6.40, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2012-2019	1,496,040	5.13-6.40, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2011-2019	1,564,776
Convertible bonds	6.51	2013-2015	853,056	6.51	2013-2015	860,441
			2,349,096			2,425,217
			3,886,831			3,276,241

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	1,537,735	851,024
In the second year	227,258	372,023
In the third to fifth years, inclusive	679,276	614,197
Beyond five years	589,506	578,556
	3,033,775	2,415,800
Analysed into:		
Convertible bonds:		
In the third to fifth years, inclusive	853,056	860,441

28. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (continued)

The Group's bank loans are secured by:

(a) certain land and buildings of the Group with a net carrying amount of approximately RMB562,440,000 (31 December 2010: approximately RMB534,710,000);

(b) certain investment properties of the Group with a net carrying amount of approximately RMB153,890,000 (31 December 2010: approximately RMB143,310,000);

(c) certain land lease prepayments of the Group with a net carrying amount of approximately RMB1,446,790,000 (31 December 2010: approximately RMB1,323,030,000).

(d) certain completed properties held for sale of the Group with a net carrying amount of approximately RMB182,460,000 (31 December 2010: approximately RMB182,460,000).

(e) certain properties under development of the Group with a net carrying amount of approximately RMB206,720,000 (31 December 2010: approximately RMB14,410,000).

In addition, Shenzhen Maoye (Group) Co., Ltd. ("Shenzhen Maoye Group")（深圳茂業（集團）股份有限公司）,Mr. Huang Mao Ru and Mrs. Huang Jingzhang (Spouse of Mr. Huang Mao Ru) have guaranteed certain of the Group's bank loans up to RMB2,222,329,000 (2010: RMB1,720,176,000) as at the end of the reporting period.

The Group had the following undrawn banking facilities:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
At floating rate	**640,280**	606,880

The carrying amounts of the interest-bearing bank loans approximate to their fair values.

29. ISSUED CAPITAL

	30 June 2011 (Unaudited) HK$'000	31 December 2010 (Audited) HK$'000
Authorised:		
9,000,000,000 (31 December 2010: 9,000,000,000) ordinary shares of HK$0.10 each	**900,000**	900,000
Issued and fully paid:		
5,455,339,000 (31 December 2010: 5,139,856,000) ordinary shares of HK$0.10 each	**545,534**	513,986
Equivalent to RMB'000	**487,923**	461,587

During the period, the movements in share capital were as follows:

(a) The subscription rights attaching to 42,483,000 share options were exercised at the weighted average subscription price of HK$2.841 per share (note 30), resulting in the issue of 42,483,000 shares of HK$0.10 each for a total cash consideration, before expenses, of HK$120,680,470. An amount of HK$23,302,785 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

(b) On 30 May 2011, 273,000,000 shares were issued through a placing and subscription arrangement at HK$3.81 per share, resulting in the issue of 273,000,000 shares of HK$0.1 each for a total cash consideration, before expenses, of approximately HK$1,041,307,000.

29. ISSUED CAPITAL (continued)

A summary of the transactions during the period with reference to the above movements in the Company's issued share capital is as follows:

	Number of shares in issue	Issued capital RMB'000	Share premium account RMB'000	Total RMB'000
At 1 January 2010, 31 December 2010 and 1 January 2011	5,139,856,000	461,587	1,875,369	2,336,956
Share options exercised (a)	42,483,000	3,577	118,064	121,641
Issue of shares through a placing and subscription arrangement (b)	273,000,000	22,759	845,358	868,117
Share issue expenses	—	—	(18,348)	(18,348)
At 30 June 2011	5,455,339,000	487,923	2,820,443	3,308,366

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 30 to the financial statements.

30. SHARE OPTION SCHEME

On 11 June 2010, a total of 126,308,000 share options were granted to 411 eligible participants of the Company at an exercise price of HK$2.81 per share pursuant to a share option scheme (the "Scheme").

On 30 December 2010, a total of 6,270,000 share options were granted to 5 eligible participants of the Company at an exercise price of HK$3.43 per share pursuant to the Scheme.

The following share options were outstanding under the Scheme during the period:

	Six months ended 30 June			
	2011		2010	
	Weighted average exercise price HK$ per share	**Number of options**	Weighted average exercise price HK$ per share	Number of options
At 1 January	**2.839**	**131,810,000**	—	—
Granted during the period	**—**	**—**	2.810	126,308,000
Forfeited	**2.810**	**(2,588,800)**	2.810	(540,000)
Exercised during the period	**2.841**	**(42,483,000)**	—	—
Expired during the period	**2.810**	**(1,047,200)**	—	—
At 30 June	**2.840**	**85,691,000**	2.810	125,768,000

The weighted average closing share price at the date of exercise for share options exercised during the period was HK$3.65 per share (Six months ended 30 June 2010: No share options were exercised).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options*	Exercise price HK$ per share	Exercise period
40,217,000	2.810	1st trading date to 30th trading date after the publication date of the 2011 annual report
2,037,000	3.430	1st trading date to 30th trading date after the publication date of the 2011 annual report
41,306,000	2.810	1st trading date to 30th trading date after the publication date of the 2012 annual report
2,131,000	3.430	1st trading date to 30th trading date after the publication date of the 2012 annual report
85,691,000		

30. SHARE OPTION SCHEME (continued)

* The exercise numbers of the share options for the exercise periods are dependent on the operating results of the Group, details are as follows:

(i) Performance target of the first exercise period: both the Company's total sales proceeds and profit** for the year ended 31 December 2010 are at least 35% higher than the previous financial year;

(ii) Performance target of the second exercise period: both the Company's total sales proceeds and profit** for the year ended 31 December 2011 are at least 35% higher than the previous financial year;

(iii) Performance target of the third exercise period: both the Company's total sales proceeds and profit** for the year ended 31 December 2012 are at least 35% higher than the previous financial year.

** "Profit" is defined as the Company's net profit attributable to the shareholders of the Company, excluding the impact of (1) after-tax employee expenses arising from the grant of the options and (2) non-operating gains and losses.

The Group recognised a share option expense of RMB25,074,000 during the current period.

The 42,483,000 share options exercised during the period resulted in the issue of 42,483,000 ordinary shares of the Company and new share capital of HK$4,248,300 and share premium of HK$139,734,955 (equivalent to RMB118,064,000) (before issue expenses), as further detailed in note 29 to the financial statements.

At 30 June 2011, the Company had 85,691,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 85,691,000 additional ordinary shares of the Company and additional share capital of HK$8,569,100 and share premium of HK$234,806,770 (before issue expenses).

At the date of approval of these financial statements, the Company had 85,691,000 share options outstanding under the Scheme, which represented approximately 1.6% of the Company's shares in issue as at that date.

31. BUSINESS COMBINATION

(i) Acquisition of a 70% equity interest in Yangzhou Yangzi River Department Store Co., Ltd. ("Yangzi River Department Store")（揚州市揚子江百貨有限公司）

On 1 January 2011, the Group completed the acquisition of a 70% equity interest in Yangzi River Department Store. Yangzi River Department Store is engaged in the operation of a department store in Yangzhou City, Jiangsu Province, the PRC. The acquisition was made as part of the Group's strategy to expand its store network in eastern China.The purchase consideration for the acquisition was in the form of cash amounting to RMB174,463,940 which was paid before the acquisition date.

The Group has elected to measure the non-controlling interest in Yangzi River Department Store at the non-controlling interest's proportionate share of Yangzi River Department Store's identifiable net assets.

The fair values of the identifiable assets and liabilities of Yangzi River Department Store at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000	Previous carrying amount RMB'000
Property, plant and equipment	15	101,678	16,753
Land lease prepayments	17	143,790	22,248
Inventories		691	691
Prepayments and other receivables		2,089	2,089
Deferred tax assets		993	993
Cash and cash equivalents		28,494	28,494
Trade payables		(6,927)	(6,927)
Tax payable		(522)	(522)
Deposits received, accruals and other payables		(3,975)	(3,975)
Deferred tax liabilities		(51,617)	—
		214,694	59,844
Non-controlling interests on acquisition		(64,409)	
Total identifiable net assets at fair value		150,285	
Goodwill on acquisition	18	24,179	
Satisfied by:			
Cash		174,464	

31. BUSINESS COMBINATION (continued)

(i) Acquisition of a 70% equity interest in Yangzi River Department Store (continued)

The fair values of the prepayments and other receivables / the gross contractual amounts of prepayments and other receivables as at the date of acquisition amounted to RMB2,089,000.

The Group incurred transaction costs of RMB299,968 for this acquisition. These transaction costs have been expensed and are included in other operating expenses in the consolidated income statement. None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(174,464)
Cash and bank balances acquired	28,494
Net outflow of cash and cash equivalents included in cash flows from investing activities	(145,970)
Transaction costs of the acquisition included in cash flows from operating activities	(300)
	(146,270)

Since its acquisition, Yangzi River Department Store has contributed RMB3,875,000 to the Group's revenue and loss of RMB5,975,000 to the consolidated profit for the period ended 30 June 2011.

31. BUSINESS COMBINATION (continued)

(ii) Acquisition of an 80% equity interest in Zibo Dongtai Shangsha Co., Ltd. ("Dongtai Shangsha") （淄博東泰商廈有限公司）

On 27 January 2011, the Group completed the acquisition of an 80% equity interest in Dongtai Shangsha. Dongtai Shangsha is engaged in the operation of department stores in Zibo City, Shandong Province, the PRC. The purchase consideration for the acquisition was in the form of cash with an aggregate amount of RMB324,446,000 paid on and before the acquisition date and the remaining RMB76,358,000 to be paid subsequently.

The Group has elected to measure the non-controlling interest in Dongtai Shangsha at the non-controlling interest's proportionate share of Dongtai Shangsha's identifiable net assets.

The fair values of the identifiable assets and liabilities of Dongtai Shangsha as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000	Previous carrying amount RMB'000
Property, plant and equipment	15	422,031	155,638
Land lease prepayments	17	217,900	30,811
Other intangible assets	19	570	570
Inventories		106,750	106,750
Trade receivables		4,972	4,972
Prepayments and other receivables		82,840	82,840
Due from a related party		82,643	82,643
Cash and cash equivalents		128,580	128,580
Trade payables		(167,320)	(167,320)
Tax payable		(2,244)	(2,244)
Deposits received, accruals and other payables		(163,267)	(163,267)
Interest-bearing bank loans and other borrowings		(190,400)	(190,400)
Deferred tax liabilities		(113,370)	—
		409,685	69,573
Non-controlling interests on acquisition		(81,936)	
Total identifiable net assets at fair value		327,749	
Goodwill on acquisition	18	73,055	
Satisfied by:			
Cash		400,804	

31. BUSINESS COMBINATION (continued)

(ii) Acquisition of an 80% equity interest in Dongtai Shangsha (continued)

The fair values of the trade receivables and prepayments and other receivables / the gross contractual amounts of trade receivables and prepayments and other receivables as at the date of acquisition amounted to RMB4,972,000 and RMB82,840,000, respectively.

The Group incurred transaction costs of RMB554,888 for this acquisition. These transaction costs have been expensed and are included in other operating expenses in the consolidated income statement.

None of the goodwill recognised is expected to be deductible for income tax purposes.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash paid	(324,446)
Cash and bank balances acquired	128,580
Net outflow of cash and cash equivalents included in cash flows from investing activities	(195,866)
Transaction costs of the acquisition included in cash flows from operating activities	(555)
	(196,421)

Since its acquisition, Dongtai Shangsha has contributed RMB202,984,000 to the Group's revenue and RMB4,255,000 to the consolidated profit for the period ended 30 June 2011.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB1,795,275,000 and RMB354,320,000, respectively, based on the management accounts provided by Dongtai Shangsha.

31. BUSINESS COMBINATION (continued)

(iii) Acquisition of a 90% equity interest in Heze Huihe Commercial Centre Co., Ltd. ("Heze Huihe")（菏澤惠和商業中心有限公司）

On 24 March 2011, the Group, through Chengshang Group Co.,（成商集團股份有限公司）which is 66.78% owned by the Group, completed the acquisition of a 90% equity interest in Heze Huihe. Heze Huihe is principally engaged in the operation of a department store and a supermarket in Heze City, Shandong Province, the PRC. The purchase consideration for the acquisition was in the form of cash with an aggregate amount of RMB100,000,000 paid at the acquisition date and the remaining RMB34,100,000 paid on 9 May 2011.

The Group has elected to measure the non-controlling interest in Heze Huihe at the non-controlling interest's proportionate share of Heze Huihe's identifiable net assets.

The fair values of the identifiable assets and liabilities of Heze Huihe as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000	Previous carrying amount RMB'000
Property, plant and equipment	15	107,862	78,961
Land lease prepayments	17	43,100	31,285
Inventories		2,378	2,378
Prepayments and other receivables		3,276	3,276
Trade payables		(5,402)	(5,402)
Deposits received, accruals and other payables		(253)	(253)
Deferred tax liabilities		(10,179)	—
		140,782	110,245
Non-controlling interests on acquisition		(14,078)	
Total identifiable net assets at fair value		126,704	
Goodwill on acquisition	18	7,396	
Satisfied by:			
Cash		134,100	

The fair values of the prepayments and other receivables / the gross contractual amounts of prepayments and other receivables as at the date of acquisition amounted to RMB3,276,000.

The Group incurred transaction costs of RMB257,401 for this acquisition. These transaction costs have been expensed and are included in other operating expenses in the consolidated income statement.

None of the goodwill recognised is expected to be deductible for income tax purposes.

31. BUSINESS COMBINATION (continued)

(iii) Acquisition of a 90% equity interest in Heze Huihe (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(134,100)
Cash and bank balances acquired	—
Net outflow of cash and cash equivalents included in cash flows from investing activities	(134,100)
Transaction costs of the acquisition included in cash flows from operating activities	(257)
	(134,357)

Since its acquisition, Heze Huihe has contributed RMB10,551,000 to the Group's revenue and loss of RMB2,876,000 to the consolidated profit for the period ended 30 June 2011.

Had the combination taken place at the beginning of the period, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB1,714,912,000 and RMB351,273,000, respectively, based on the management accounts provided by Heze Huihe.

32. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties and subleases its leased assets under operating lease arrangements, with leases negotiated for terms ranging from 1 to 15 years.

The Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Within one year	**142,505**	105,328
In the second to fifth years, inclusive	**174,058**	115,741
After five years	**109,224**	83,333
	425,787	304,402

32. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain of its department stores and office premises under non-cancellable operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 20 years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Within one year	232,522	198,797
In the second to fifth years, inclusive	854,834	771,228
After five years	567,917	546,943
	1,655,273	1,516,968

33. COMMITMENTS

In addition to the operating lease commitments as set out in note32(b) above, the Group had the following capital commitments:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Contracted, but not provided for, in respect of land and buildings	1,343,502	1,339,936

34. RELATED PARTY TRANSACTIONS AND BALANCES

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:

	Six months ended 30 June	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
(1) Recurring transactions		
Operating lease rental expenses charged by:		
Shenzhen Maoye Group(i) & (iv)	11,668	11,041
Zhong Zhao Investment (Group) Limited（中兆投資（集團）有限公司）(i) & (iv)	4,284	4,269
Shenzhen Oriental Times Industry Co., Ltd.（深圳市東方時代廣場實業有限公司）(i) & (iv)	27,345	27,345
Shenzhen Chongde Real Estate Co., Ltd.（深圳市崇德地產有限公司）(i) & (iv)	212	212
Shenzhen Maoye Property Business Co., Ltd.（深圳市茂業物業經營有限公司）(i) & (iv)	3,250	3,152
Chongqing Maoye Real Estate Co., Ltd.（重慶茂業地產有限公司）(i) & (iv)	9,620	9,620
Shenzhen Friendship Trading Centre Co., Ltd. ("Shenzhen Friendship")（深圳友誼貿易中心有限公司）(iii), (iv)&(v)	13,350	4,450
Changzhou Taifu Real Estate Development Co., Ltd.（常州泰富房地產開發有限公司 (i) & (iv)	3,540	3,586
Shenyang Maoye Property Company Limited ("Maoye Property ")（瀋陽茂業置業有限公司）(i) & (iv)	12,048	—
	85,317	63,675
Management fee income from the operation of a department store:		
Wuxi Maoye Department Store Co., Ltd.（無錫茂業百貨有限公司）(i) & (vi)	1,871	1,710
Share of loss of a department store operation by:		
Maoye Property (i) &(vii)	23,551	—

34. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period: (continued)

	Six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
(2) Non-recurring transactions		
Banking facilities guaranteed by:		
Shenzhen Maoye Group (i) & (viii)	**850,000**	500,000
Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally (ii) & (viii)	**1,800,000**	1,600,000
	2,650,000	2,100,000

(i) They are fellow subsidiaries of the Company.

(ii) Mr.Huang Mao Ru is a director of the Company.

(iii) Mr. Zhong Pengyi, an executive director of the Company, is a shareholder of Shenzhen Friendship.

(iv) The operating lease rental expenses charged by the fellow subsidiaries of the Company and Shenzhen Friendship were determined based on the underlying contracts as agreed between the Group and the fellow subsidiaries of the Company or Shenzhen Friendship.

(v) According to the terms of the lease arrangement, Shenzhen Friendship shall compensate any loss incurred by the department store operated by the Group at the leased property during each of the first two years of the lease. The department store operated by the Group at the leased property recorded a loss of RMB2,802,000 for the period ended 30 June 2011. Accordingly, an amount of RMB2,802,000 was recoverable from Shenzhen Friendship in accordance with the terms of the lease.

(vi) The management fee income from the operation of a department store was determined based on the underlying contracts as agreed between the Group and the fellow subsidiaries of the Company.

(vii) According to the terms of the joint operation agreement entered into between Shenyang Maoye Department Store Limited ("Shenyang Maoye")(瀋陽茂業百貨有限公司), a subsidiary of the Group and Maoye Property on 15 July 2011 in relation to a department store jointly operated by Shenyang Maoye and Maoye Property, if Shenyang Maoye suffers a loss during the period from 1 January 2011 to 31 December 2013 in the store operation, Maoye Property will pay to Shenyang Maoye an amount equivalent to 80% of the loss before tax of the store operation to Shenyang Maoye, limited to the maximum amount of RMB38,000,000 per year. If profit is generated in the store operation during the period, Maoye Property is entitled to receive an amount equivalent to 20% of such profit before tax, limited to the maximum amount of RMB10,000,000 per year.

(viii) Certain of the Group's bank loans were guaranteed by a fellow subsidiary of the Company, Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally.

34. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) The Group had the following balances with related parties:

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Due from related parties		
Due from associates	951	1,346
Due from fellow subsidiaries	24,046	1,887
Due from a company significantly influenced by a director of the Company	7,063	6,686
Due from a director	130	—
Due from key management personnel	954	—
	33,144	9,919
Due to related parties		
Due to associates	151	—
Due to a non-controlling shareholder of a subsidiary	30,335	—
Due to fellow subsidiaries	23,956	4,249
	54,442	4,249

Included in the balances due from related parties and due to related parties as at 30 June 2011 were amounts of approximately RMB31,108,000 (31 December 2010: RMB8,573,000) and RMB18,930,000 (31 December 2010: Nil) respectively which are trade in nature, unsecured, interest-free and repayable on demand. The remaining balances with the fellow subsidiaries and other related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts of the remaining balances with related parties that were neither past due nor impaired relate to related parties for whom there was no recent history of default.

The carrying amounts of the balances with related parties approximate to their fair values.

34. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Compensation of key management

	Six months ended 30 June 2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Salaries and allowances	**3,541**	2,423
Retirement benefits	**60**	64
Equity-settled share option expense	**2,022**	205
	5,623	2,692

35. FAIR VALUE HIERARCHY

As at 30 June 2011, the Group held the following financial instruments measured at fair value:

	30 June 2011 (Unaudited) RMB'000	Level 1 (Unaudited) RMB'000	Level 2 (Unaudited) RMB'000	Level 3 (Unaudited) RMB'000
Financial assets at fair value through profit or loss:				
Trading securities	**11,181**	**11,181**	**–**	**–**
Available-for-sale equity investments:				
Equity shares	**802,705**	**802,705**	**–**	**–**

During the six months ended 30 June 2011, there were no transfers of fair value measurements between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3.

36. EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant events taking place subsequent to 30 June 2011.

37. COMPARATIVE AMOUNTS

The comparative income statement has been re-presented as if the operation discontinued had been discontinued at the beginning of the comparative period (note 12). In addition, the comparative operating segment information has been restated to reflect the newly reportable segment, property development, as a separate segment.

38. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 16 August 2011.