茂業國際控股有限公司
Maoye International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 848

Interim Report **2009**

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.

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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 operating and managing the department store business 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").

Our department stores predominantly target China's relatively well-off urban residents. We have positioned ourselves at the medium to high-end segments of the retail market in China and offer a stylish and diversified merchandise portfolio to cater for the preferences of a wide range of customers.

The Group is a leading department store chain in the affluent districts of southern and southwestern China, operating 19 stores (including ten Maoye-branded stores and nine Chengshang-branded stores) across ten cities. The store chain covers four regions, including southern, southwestern, eastern and northern parts of China. The store network in each region is as below:

As at 30 June 2009	Southern China	Southwestern China	Eastern China	Northern China	Total
No. of Stores by Region	5	11	1	2	19
Gross Floor Area (Sq.m.)	164,523	295,533	70,350	77,226	607,632

As at 30 June 2009, 46.9% of the Group's store properties were owned by the Group, 39.7% were rented from the controlling shareholder group of the Company, while 13.4% were rented from independent third parties.

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Mao Ru（黃茂如）
(Chairman and CEO)
Mr. Zou Minggui（鄒明貴）
(General Manager)
Mr. Wang Guisheng（王貴升）
(CFO)
Ms. Wang Fuqin（王福琴）

Non-executive Directors

Mr. Zhong Pengyi（鍾鵬翼）
Mrs. Huang Jingzhang（張靜）

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 1810, 18/F, Hutchison House
10 Harcourt Road
Central, Hong Kong

COMPANY SECRETARY

Ms. Soon Yuk Tai

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
Mrs. Huang Jingzhang

AUTHORIZED REPRESENTATIVES PURSUANT TO THE LISTING RULES

Mr. Zou Minggui
Mr. Wang Guisheng

AUTHORIZED REPRESENTATIVES PURSUANT TO THE HONG KONG COMPANIES ORDINANCE

Mr. Wang Guisheng
Ms. Soon Yuk Tai

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

COMPLIANCE ADVISER

First Shanghai Capital Limited

PRINCIPAL BANKERS

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

COMPANY WEBSITE

www.maoye.cn

STOCK CODE

848

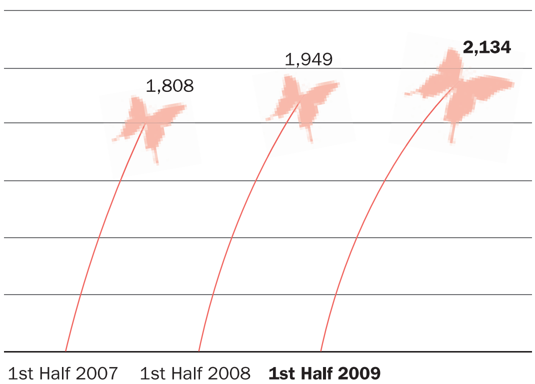
Financial Highlights

The summary of the Group's results for the six months ended 30 June 2009 and 2008 is set out below:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Total sales proceeds[1]	2,133,556	1,949,444
Total operating revenue[2]	1,021,834	958,240
Operating profit	359,438	416,675
Operating profit excluding other gains	314,380	336,949
Profit for the period	260,258	310,952
Attributable to:		
– Equity holders of the parent	243,577	300,556
– Minority interests	16,681	10,396
Basic earnings per share attributable to equity holders of the parent (RMB cents)[3]	4.7	6.6
Interim dividend per share (HK cents)	1.6	3.3

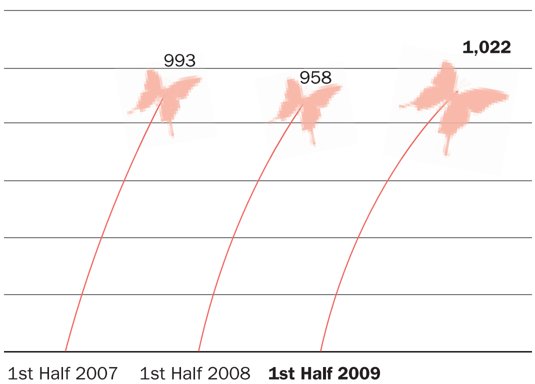
Total Sales Proceeds

(RMB million)



Total Operating Revenue

(RMB million)



Notes:

1. Total sales proceeds represent 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 represents 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 2009 attributable to equity holders of the parent of approximately RMB243,577,000 (six months ended 30 June 2008: approximately RMB300,556,000) and the 5,139,856,000 ordinary shares in issue during the period (six months ended 30 June 2008: the weighted average of 4,525,297,275 ordinary shares deemed to have been in issue).

Management Discussion and Analysis

OPERATION REVIEW

The financial crisis that erupted last year has triggered a global economic recession, drove up unemployment and led to drastic fluctuation of the market. All sectors have been impacted to various extents. However, with the impetus from policies of various governments to stabilise the financial market and promote economic development, the global economy is gradually picking up from the bottom. In the first half of 2009, China's economy gradually stabilised, with domestic demand picking up and consumer confidence returning.

In the first half of the year, the Group made concerted effort to overcome difficulties, with a view to maintaining steady growth of its operations. For the six months ended 30 June 2009, total sales proceeds (referring to the sum of total sales proceeds from concessionaire sales and revenue from direct sales at the Group's department stores) of the Group increased to RMB2,133.6 million, representing an increase of 9.4% compared with the same period last year. Out of this total, same-store sales proceeds from concessionaire sales increased to RMB1,607.8 million, almost same as those of the corresponding period last year. Total operating revenue reached RMB1,021.8 million, representing an increase of 6.6% compared with the same period in 2008. Profit attributable to equity holders of the parent was RMB243.6 million.

MARKET PERFORMANCE

South China Region

The current financial crisis has had much negative impact on the export-oriented economies along the China coast; the Group's operations in the South China region were likewise affected. A slight negative same-store growth was recorded in the first half year for the region. Stores in the South China region set an example in the industry and won community recognition by improving internal store management and customer service quality, leveraging on the signs of recovery in consumer confidence in the second quarter. With respect to the grading and rating of department stores conducted by the Ministry of Commerce, Shenzhen Dongmen Store and Huaqiangbei Store were conferred the title of "Jinding Department Store" which represents the highest honour in the field. The title of "Jinding Department Store" is conferred taking into account a combination of indicators including the enterprise's operating scale, financial benchmarks, merchandize portfolio, operating environment, corporate management, service quality, operation ethics, IT system and energy saving measures. The awards demonstrated once again the leading position of the Group in the Shenzhen market.

Given that the financial crisis has dented consumer confidence, the Group has reinforced the nurturing of customer loyalty, enhanced value-added membership services, and started up innovative and well-received marketing activities such as the "Members Day" event, which boosted loyal members' enthusiasm for consumption. During the period under review, the percentage of membership consumption in sales increased from 23.5% to 30.9%. In the first half of the year, the sales per ticket of stores in the South China region rose steadily to RMB433, representing an increase of 7.4% compared with the same period last year.

Management Discussion and Analysis

Southwest China Region

The Southwest China region has been less hit by the recession compared to the coastal areas and has benefited from an economy driven by post-disaster reconstruction. Accordingly, the Group's operations in the Southwest China region recorded a same-store concessionaire sales growth of 5.6% for the first half of the year.

The Sichuan Province is currently expediting the integration of rural villages and urban cities. The Group is seizing this development opportunity to adjust the operating strategy for its stores in cities around Chengdu to implement the "Maoye Department Store" and "People's Department Store" dual-brand strategy in the Southwest China region. Meanwhile, the two systems operate independently, thus enhancing the teams' focus and professionalism and strengthening the operating efficiency of the stores. Accordingly, the sales per ticket of stores in the Southwest China region increased to RMB335 in the first half of 2009, which is 17.1% higher than that of the corresponding period last year.

The Group has been continuously enhancing the operating standards and service quality of its stores while establishing a leading position in its merchandize portfolio, optimizing merchandise categories and brand mix so as to upgrade its market position. In current period, Yanshikou Store in Chengdu likewise won the title of "Jinding Department Store" which represents the highest honour in the field. In the first half of 2009, sales proceeds from Yanshikou Store grew by 10.4% as compared with the same period last year.

The Group has been consistently pursuing a strategy of focusing on its principal operations while actively seeking opportunities to divest itself of its non-core businesses. On 9 July 2009, Chengshang Group Co., Ltd.（成商集團股份有限公司）("Chengshang Group"), a subsidiary owned by the Group, announced that it has successfully disposed of most of its automobile business. This will optimize the Group's asset structure, and give even greater prominence to its core businesses.

Major Stores Performance

Store City	Huaqiangbei Store Shenzhen	Dongmen Store Shenzhen	Jiangbei Store Chongqing	Yanshikou Store Chengdu
Opening Date	Phase I: October 2003 Phase II: September 2005	March 1997	October 2004	June 2005(1)
Operating Area (sq.m.)	45,677	33,680	36,276	40,674
First Half 2009 Sales Proceeds of Concessionaires (RMB million)	652.4	217.2(2)	163.3	235.4
First Half 2009 Average Sales Per Ticket (RMB)	494	414	337	425
Sales Proceeds Growth of Concessionaires	-5.9%	2.8%(2)	-0.1%	10.7%

Notes:

(1) Acquired in June 2005.

(2) Sales proceeds of concessionaires in Dongmen Store excluded sales in February and March due to the renovation and floor adjustment of the store in these months.

New Store Integration

During the first half of 2009, the operating environment of the department store industry was still affected by the financial crisis. The Group actively adopted various measures in a bid to overcome unfavourable economic factors and make all necessary preparations to capture the opportunities brought about by the recovery of the industry.

During the period under review, the Group committed itself to reinforcing the integration of newly acquired stores. Qinhuangdao Jindu Store, Taiyuan Liuxiang Store and Mianyang Xingda Store simultaneously reopened for operation during the May 1st Holiday after being closed for renovation and restructuring. During the course of restructuring, the Group fully capitalised on its solid operational experience and existing supplier resources for its market positioning, adjusting and upgrading merchandize categories, consumer flow design and brand portfolio. In particular, 40% of the brands were newly introduced in Mianyang Xingda Store; 80% of the brands were newly introduced in Qinhuangdao Jindu Store; and 15% of the brands were newly introduced in Taiyuan Liuxiang Store.

Through the integration of the three stores, the Group has not only consolidated its leading position in Southwest China but also successfully implemented the North China expansion strategy, laying a solid foundation for the future development of the Group in the North China region.

Business Expansion

In accordance with the principle of "rational judgement, prudent development", the Group, through various ways such as acquisition and integration and the establishment of self-owned stores, continues to extend its store network, accelerate geographical expansion and increase market share so as to maintain its influence in the market. In May 2009, the Group acquired the Tiexi Project in one of the three core commercial centers of Shenyang City at a consideration of RMB72,000,000. The project has a total land area of approximately 18,840 square metres. The Group plans to construct a department store occupying approximately 75,000 square metres on the site. This acquisition is an important strategic deployment for further developing the Bohai Rim market following the acquisition of Qinhuangdao store in August last year.

In August 2009, Chengshang Group acquired a site located in the sub-central head office area in the southern region of Chengdu, China, at a consideration of RMB79,630,000. Chengshang Group plans to construct a department store with a total area of approximately 91,505 square metres on the site, comprising a five-storey department store with a gross floor area of approximately 68,300 square metres and an underground car park with an area of approximately 23,205 square metres. Completion of the project will further improve the Group's store network in Chengdu City, consolidate the Group's position and competitiveness in the retail market in Southwest China, and strengthen the profitability of the Group.

In 2009, the Group continues with its established strategy to further expand its store network in cities or regions where the Group has established a presence and secured a leading position as well as in economically developed cities or emerging markets that comply with the site standard of the Group.

OUTLOOK

In the first half of 2009, the "three Pillars" driving economic development, namely, investment, export trade and consumption, were unbalanced. The Chinese government directed its efforts at expanding investment and stimulating domestic demand for steady economic growth. With the support of state policies, it is expected that domestic demand will gradually expand, consumer confidence will continue to increase and China's economy will be the first among world economies to come out of the recession.

The Group is well-prepared to capture the opportunities brought about by the recovery of the economy. The Group will strengthen collaboration with suppliers to adjust its merchandise portfolio from various perspectives on a continued basis, continue to reinforce internal operational management to enhance customer service experience in various aspects, and nurture and increase customer loyalty, so as to enhance the profitability of its existing department stores.

The Group will continue to expand its store network through various channels to further consolidate its leading edge in existing cities. Meanwhile, the Group will also continuously seek opportunities to acquire department stores and department store operators, in a bid to accelerate our expansion pace nationwide, it is expected that the gross floor area of the newly opened stores in the next three years will be no less than 100,000 square metres.

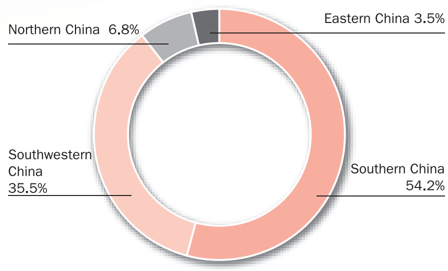
Management Discussion and Analysis

FINANCIAL REVIEW

Total Sales Proceeds

Total sales proceeds of the Group for the six months ended 30 June 2009 (representing the sum of total sales proceeds from concessionaire sales and revenue from direct sales at our department stores) increased to RMB2,133.6 million, representing an increase of 9.4% over the corresponding period in the previous year. Same-store sales proceeds from concessionaire sales increased to RMB1,607.8 million, in line with the same period of the previous year. Among these, same-store concessionaire sales for the South China region decreased by 1.9%, while same-store concessionaire sales for the Southwest China region increased by 5.6%.

Total Sales Proceeds by Region (For the six months ended 30 June 2009)



Revenue

For the six months ended 30 June 2009, revenue of the Group amounted to RMB809.7 million, representing an increase of 9.3% as compared with RMB740.5 million for the same period last year. This is mainly due to the combined effects of the following factors: (1) a decrease of 1.1 percentage points in commission rate of the concessionaire sales to 19.7% while the integrated commission rate of concessionaire sales still maintained at a relatively high level, reaching 29.1% during the period under review; and (2) a 46.9% increase in revenue from sales of automobiles to RMB159.1 million.

Other Income

For the six months ended 30 June 2009, other income of the Group amounted to RMB212.1 million, representing a decrease of 2.6% as compared with RMB217.7 million for the same period last year. This was mainly due to a decrease in interest income.

Purchase of and Changes in Inventories

For the six months ended 30 June 2009, purchase of and changes in inventories of the Group amounted to RMB349.0 million, representing an increase of 14.6% as compared with RMB304.6 million for the same period last year. This was primarily due to an increase in costs corresponding to the increase in sales of automobiles.

Employee Expenses

Excluding expenses generated from new stores launched since the second half of last year, employee expenses actually decreased by RMB4.7 million as compared to the same period of last year.

Depreciation and Amortisation

For the six months ended 30 June 2009, depreciation and amortisation of the Group amounted to RMB74.5 million, representing an increase of 27.8% as compared with RMB58.3 million for the same period last year. The increase was primarily due to the depreciation of the acquired properties for the new stores during the second half of 2008.

Operating Lease Rental Expenses

For the six months ended 30 June 2009, operating lease rental expenses of the Group amounted to RMB66.0 million, representing an increase of 9.1% as compared with RMB60.4 million for the same period last year. This was primarily due to the increase in leased area of two stores during the second half of 2008.

Other Operating Expenses

For the six months ended 30 June 2009, other operating expenses of the Group amounted to RMB154.3 million, representing an increase of 12.4% as compared with RMB137.2 million for the same period last year. This was primarily due to the launch of new stores in the second half of 2008.

Other Gains

For the six months ended 30 June 2009, other gains of the Group amounted to RMB45.1 million, representing a decrease of 43.5% as compared with RMB79.7 million in the same period last year. This was primarily due to the following: (1) the disposal of 5,000,000 shares in Chengshang Group by a subsidiary of the Company, Shenzhen Maoye Shangsha Company Limited (深圳茂業商廈有限公司), resulting in investment gains before tax of RMB80.0 million in the same period last year; (2) a gain of RMB29.7 million obtained by Chengshang Group from a parcel of requisite land in the current period; and (3) fair value gain on equity investments at fair value through profit or loss of RMB3.7 million recorded in the current period (for the six months ended 30 June 2008: fair value losses of RMB5.7 million).

Operating Profit

For the six months ended 30 June 2009, operating profit of the Group amounted to RMB359.4 million, representing a decrease of 13.7% as compared to RMB416.7 million for the same period last year. This was primarily due to the fact that the newly opened stores are still in the market development stage, thus the contribution of their revenue and gross profit to the Group's overall operating profits was limited. At the same time, the relevant operating cost of the newly opened stores (such as depreciation and amortisation) increased the operating cost of the current period correspondingly. In addition, other gains decreased in the current period. As a result of the above factors, the operating profits of current period decreased.

Finance Costs

For the six months ended 30 June 2009, finance costs of the Group amounted to RMB24.4 million, representing a decrease of 11.9% as compared to RMB27.7 million for the same period last year. This was owing to the decrease in average balance of bank loans in the current period as compared to the same period last year and the decrease of interest rate of bank loans.

Income Tax

For the six months ended 30 June 2009, income tax expenses of the Group amounted to RMB74.9 million, representing a decrease of 3.6% as compared to RMB77.7 million for the same period last year. During the six months ended 30 June 2009, the effective tax rate applicable to the Group was 22.4% (for the six months ended 30 June 2008: 20.0%), which was a result of the increase in the enterprise income tax rate applicable to Shenzhen and Zhuhai regions from 18% in 2008 to 20% in 2009.

Profit Attributable to Equity Holders of the Parent

As a result of the foregoing, profit attributable to equity holders of the parent for the six months ended 30 June 2009 amounted to RMB243.6 million, representing a decrease of 19.0% as compared to RMB300.6 million for the same period last year.

Management Discussion and Analysis

Liquidity and Financial Resources

As at 30 June 2009, the Group's cash and cash equivalents amounted to RMB970.2 million (as at 31 December 2008: RMB867.9 million). This change was mainly due to the combined effect of cash inflow from operating activities, new bank loans and cash outflow for investment activities.

As at 30 June 2009, total bank loans of the Group were RMB1,097.5 million (as at 31 December 2008: RMB521.0 million), of which RMB159.8 million will be due for repayment within the coming year. All of the Group's bank borrowings were made in RMB and based on floating interest rate, except short-term interest-bearing bank loans of RMB60.0 million which were based on fixed interest rate.

The gearing ratio of the Group, expressed as a percentage of interest bearing bank loans over total assets, increased from 9.5% as at 31 December 2008 to 18.3% as at 30 June 2009.

Contingent Liabilities

As at 30 June 2009, the Group had no material contingent liabilities.

Pledge of Assets

As at 30 June 2009, the Group's bank loans amounting to RMB1,067.5 million were secured by the Group's buildings, investment properties and land lease prepayments with carrying values of approximately RMB253.1 million, RMB82.2 million and RMB829.9 million respectively.

As at 30 June 2009, the Group's bills payables amounting to RMB7.7 million were secured by the Group's buildings and land lease prepayments with carrying values of approximately RMB11.8 million and RMB8.6 million respectively, and the Group's time deposits amounting to approximately RMB2.3 million.

In addition, investment properties and land lease prepayments with carrying values of approximately RMB15.3 million and RMB32.5 million were pledged to secure the Group's bank loans and bills payables.

Investments in Listed Shares

The Group currently owns certain interests in the companies listed in China with department stores operation. The directors believe these investments will bring long-term benefits to the Group.

The following table sets out the Group's interests in three A shares and B shares listed companies as at 30 June 2009, and relevant summary information of 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） (Stock code of A share: 000056 B share: 200056)	13.18%	The first listed retail enterprise in Shenzhen	Shenzhen City, Guangdong Province
Qinhuangdao Bohai Logistics Holding Corporation Ltd. （秦皇島渤海物流控股股份有限公司） ("Bohai Logistics") (Stock code: 000889)	9.98%	Owning a number of department stores in Qinhuangdao	Qinhuangdao City, Hebei Province
Shen Yang Commercial City Co., Ltd. （瀋陽商業城股份有限公司） (Stock code: 600306)	10.67%	Owning a number of department stores in Shenyang	Shenyang City, Liaoning Province

As at 30 June 2009, the total investment cost of the Group in the above companies was approximately RMB325.1 million, and the market value of the investments appreciated by approximately 71.7%, amounting to RMB558.3 million. These investments were financed by the Group's cash inflow from operations.

Foreign Currency Risk

Since part of the Group's bank balances, cash and investments are denominated in Hong Kong dollars and US dollars, the Group is subject to foreign exchange risk. During the period under review, the Group recorded foreign exchange losses of approximately RMB0.6 million.

As at 30 June 2009, the Group had not entered into any foreign exchange hedging arrangement, and the cash generated from operating activities of the Group was not subject to any risk of exchange rate fluctuations.

SIGNIFICANT EVENTS

- **Acquisition of Tiexi Project in Shenyang**

  On 5 May 2009, Zhongzhao Investment Management Co., Ltd.（中兆投資管理有限公司）, a subsidiary of the Group, acquired Tiexi Project in Shenyang at a total consideration of RMB72,000,000. The Project has a total site area of approximately 18,840 square meters. According to the valuation report issued by the independent valuer, in April 2009, the land was valued at RMB97,000,000. The Group plans to build a department store with a gross floor area of 75,000 square metres on the land and the estimated development cost is RMB250,000,000.

- **Successful disposal of non-core business of the Group - automobile business**

  On 7 July 2009, Chengshang Group entered into a Sale and Purchase Agreement with a third party, Chengdu Guohua Metal Manufacturing Co., Ltd.（成都國樺金屬製業有限公司）("Chengdu Guohua"). Under the Sale and Purchase Agreement, Chengshang Group agreed to transfer the entire equity interest in Chengshang Motor Vehicle Co., Ltd.（成都成商汽車有限責任公司） ("Chengshang Motor") to Chengdu Guohua at a consideration of RMB23,000,000 and Chengdu Guohua agreed to become liable for the repayment of all debts amounting to RMB31,553,500 owed by Chengshang Motor to Chengshang Group and its related parties.

- **Acquisition of a land in headquarter office area at the southern sub-centre of Chengdu**

  On 3 August 2009, Chengshang Group acquired a land (the "Target Land") in the headquarter office area at the southern sub-centre of Chengdu from Chengdu Chongde Investment Company Limited（成都崇德投資有限公司）at a consideration of RMB79,630,000. Chengshang Group plans to develop and build a department store with a total construction area of approximately 91,505 square meters at the Target Land, including a five-storey department store with a gross floor area of approximately 68,300 square metres and an underground car park with an area of approximately 23,205 square metres. Chengshang Group will pay an estimated development and construction cost of approximately RMB348,000,000. Construction works are estimated to complete at the end of October 2011.

- **Further investment in listed shares**

  On 7 September 2009, the Company announced that it had acquired 16,935,348 A shares of Bohai Logistics through secondary market purchases on the Shenzhen Stock Exchange. The aggregate cost for the transaction was approximately RMB98,710,000. As at 4 September 2009, the Company owned a total of 50,806,166 A shares of Bohai Logistics, representing approximately 15% of the issued share capital of Bohai Logistics.

Interim Dividend

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the six months ended 30 June 2009 of 1.6 HK cents in cash per share totalling HK$82,237,696, equivalent to approximately RMB72,476,000 (for the six months ended 30 June 2008: 3.3 HK cents per share, totalling HK$169,615,248 which was equivalent to approximately RMB148,583,000).

The interim dividend will be paid on or about Thursday, 24 September 2009 to shareholders whose names appear on the Register of Members of the Company at the close of business on Friday, 18 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Wednesday, 16 September 2009 to Friday, 18 September 2009 (both dates inclusive), during such period no transfer of shares of the Company will be registered. In order to ascertain the right to receive the interim dividend, all share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 15 September 2009.

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

As at 30 June 2009, the interests of the directors of the Company in the shares of the Company and its associated corporations as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance (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	4,250,000,000 (Note (a))	82.68%
Mrs. Huang Jingzhang	Interest of spouse	4,250,000,000 (Note (b))	82.68%

Notes:

(a) 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.

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

(2) Long position in the shares of associated corporations

(2.1) 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 (a))	100%
Mrs. Huang Jingzhang	Interest of spouse	2 (Note (b))	100%

Notes:

(a) These shares were held by MOY International Holdings Limited, which was wholly owned by Mr. Huang Mao Ru.

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

(2.2) 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%
Mrs. Huang Jingzhang	Interest of spouse	100 (Note)	100%

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

Save as disclosed above, as at 30 June 2009, 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; nor had there been any grant or exercise of rights of such interests during the six months ended 30 June 2009.

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

As at 30 June 2009, 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
Maoye Department Store Investment Limited	Beneficial owner	4,250,000,000 (Note)	82.68%
MOY International Holdings Limited	Interest of controlled corporation	4,250,000,000 (Note)	82.68%

Note: 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 and Mrs. Huang Jingzhang 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 2009, 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

Up to the date of this interim report, the Company has not adopted any share option scheme.

EMPLOYEES

As at 30 June 2009, the Group had a total of approximately 3,690 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 2009.

Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct governing 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 2009.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of its shareholders and enhancing corporate value. 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.

COMPLIANCE ADVISER

Pursuant to the compliance adviser agreement dated 17 January 2008 entered into between the Company and First Shanghai Capital Limited ("First Shanghai"), First Shanghai has been appointed as the compliance adviser as required under the Listing Rules for the period from 5 May 2008 to the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the year ending 31 December 2009.

As notified by First Shanghai, save as disclosed above, neither First Shanghai nor its respective directors, employees or associates (as defined in the Listing Rules) had any interest in the shares of the Company, or had any options or rights to subscribe for or to nominate persons to subscribe for the shares of the Company as at 30 June 2009.

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 2009 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 (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 us 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）("Maoye Wuxi Store") to our 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 us 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 us 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.

Up to the date of this interim report, Chongqing Jiefangbei Store has received the judgment from the Supreme People's Court. The court adjudged that the leasing agreement entered into between Chongqing Jiefangbei Store and Xin Long Da was executed agreement and should be implemented by both sides. In addition, the Controlling Shareholder Group's application for transfer of interest in Maoye Wuxi Store and Guiyang Friendship Group has not obtained approval from the relevant government departments up to the date of the interim report.

SHAREHOLDER AND INVESTOR RELATIONS

Shareholder Relations

The Company fully respects and protects all shareholders, particularly minority shareholders, in the exercise of their rights equally and to the full extent, and endeavors to provide the best service to all shareholders.

Taking into account shareholders' different needs regarding the language of communication, the Company dispatched a letter to shareholders for selection of language of corporate communications prior to the dispatch of the 2008 annual report. Shareholders may choose to receive either Chinese or English versions of corporate communications, or both Chinese and English versions, which further refines the Company's services to the shareholders. Shareholders, after this selection of language, may also change their choice of language of corporate communications on giving reasonable notice in writing to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited.

The Company endeavors to maintain continuous communication with shareholders and encourages their participation in the annual general meeting and other general meetings. Directors and senior management are requested to attend aforesaid meetings whenever possible. All shareholders are entitled to make suggestions or raise enquiries about matters relating to operating activities of the Group to the Directors and senior management in general meetings. Apart from those matters involving trade secrets or price-sensitive information which could not be disclosed in general meetings, Directors and senior management would explain and account for enquiries and suggestions made by shareholders. During the reporting period, the Chairman of the Company attended the annual general meeting held on 9 April 2009 and the extraordinary general meeting held on 26 June 2009 and has arranged Chairmen of the Audit Committee, Remuneration Committee and Independent Board Committee to attend the meetings to answer questions raised by shareholders.

Other Information

The Company also endeavors to deliver notices and circulars to shareholders at least 20 clear business days prior to an annual general meeting, and at least 10 clear business days prior to an extraordinary general meeting. Details of procedures governing shareholders' attendance in person or by proxy are disclosed in the Company's notice of general meetings and proxy form. Shareholders who cannot attend general meetings in person may make their decisions based on circulars and entrust their proxies (who may not be the Company's shareholders) to attend the general meetings and vote on their behalf.

Investor Relations

In the first half of 2009, the Group continued to step up efforts in enhancing investor relations. The Investor Relations team was expanded and new systems and procedures were put in place. In a bid to provide disclosure of all relevant information, the Group engaged investors in a diversified range of interactions, thus developing effective communication channels with investors and enhancing investor's understanding and support of the Group.

1. **Information Disclosure**

   Information disclosure is a continuing responsibility and obligation of a listed company. Disclosure of all relevant information, on one hand, enables investors to obtain timely and accurate information on the Group's developments and, on the other hand, facilitates broader and more thorough understanding of the Group's value. The Company is in strict compliance with the Stock Exchange's disclosure requirement for listed companies, actively discloses its latest information in a timely and accurate manner. Meanwhile, the Company, of its own accord, additionally discloses information in response to investors' concerns so as to increase the Group's transparency. During the first half of 2009, the Company published 38 announcements, notices and circulars altogether.

2. **Investor Relations Interactions**

   The Company believes that proactive and effective communication can boost investors' understanding of the Company's development model as well as confidence in the Company's prospects. It can also enable the Company to collect timely advice and feedback from the capital market to raise the Company's operation and management standards. In organizing investor relations interactions, the Company has used the following means:

   - Announcing to the public the investor hotline and investor relations email address to provide prompt response to investors' enquiries about the Company's business and operations. In the first half of 2009, the Company responded by telephone or email to over 200 enquiries from investors.

     Investor hotline: (86) 755-2598 1356
     Investor relations email: ir848@maoye.cn

   - Holding regular meetings with investors and analysts. In the first half of 2009, the Company received over 50 groups of visitors amounting to more than 200 investors in total.

   - Setting up instant email alert on announcements. The latest announcements were sent to relevant investors immediately after posting on the Stock Exchange and the Company's website.

   - Organising investor interacting activities. In the first half of 2009, the Company organised annual results presentations and media conferences in Hong Kong as well as investor roadshows in Hong Kong, Shenzhen and Shanghai. The Company also participated in five different investor forums and organised an annual reversed roadshow, inviting analysts and relevant investors to visit the Liuxiang Store and QinXianjie Project in Taiyuan.

Report on Review of Interim Condensed Consolidated Financial Statements

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 20 to 50, which comprises the interim condensed consolidated statement of financial position of Maoye International Holdings Limited and its subsidiaries as at 30 June 2009 and the related interim condensed consolidated statements of income, 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 this 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.

Ernst & Young
Certified Public Accountants
18th Floor
Two International Finance Centre
8 Finance Street, Central, Hong Kong
20 August 2009

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009 (Unaudited) RMB'000	2008 (Audited) RMB'000
REVENUE	4	**809,743**	740,525
Other income	5	**212,091**	217,715
Total operating revenue		**1,021,834**	958,240
Purchases of and changes in inventories		**(348,965)**	(304,627)
Employee expenses		**(63,717)**	(60,662)
Depreciation and amortisation		**(74,521)**	(58,314)
Operating lease rental expenses		**(65,953)**	(60,439)
Other operating expenses	6	**(154,298)**	(137,249)
Other gains	7	**45,058**	79,726
Operating profit		**359,438**	416,675
Finance costs	8	**(24,398)**	(27,693)
Share of profits and losses of associates		**157**	(313)
PROFIT BEFORE TAX		**335,197**	388,669
Tax	9	**(74,939)**	(77,717)
PROFIT FOR THE PERIOD		**260,258**	310,952
Attributable to:			
Equity holders of the parent		**243,577**	300,556
Minority interests		**16,681**	10,396
		260,258	310,952
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic	12	**RMB4.7 cents**	RMB6.6 cents

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	**260,258**	310,952
Exchange differences on translation of foreign operations	**162**	(52,224)
Net gain on available-for-sale financial assets	**154,758**	—
Income tax on net gain on available-for-sale financial assets	**(37,955)**	—
	116,803	—
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**116,965**	(52,224)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**377,223**	258,728
Attributable to:		
Equity holders of the parent	**360,542**	248,332
Minority interests	**16,681**	10,396
	377,223	258,728

Interim Condensed Consolidated Statement of Financial Position

30 June 2009

	Notes	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,303,661	1,133,610
Investment properties		107,364	110,495
Land lease prepayments	14	2,033,166	2,005,236
Goodwill	15	40,469	45,286
Investments in associates	16	28,695	30,598
Available-for-sale equity investments	17	664,511	487,330
Prepayments	19	495,874	383,566
Deferred tax assets		25,881	28,353
Total non-current assets		4,699,621	4,224,474
CURRENT ASSETS			
Inventories	18	55,698	96,330
Equity investments at fair value through profit or loss		8,279	4,579
Trade receivables		140	1,912
Prepayments and other receivables	19	216,740	288,189
Due from related parties	28(b)	2,266	5,086
Pledged deposits	20	2,313	12,391
Cash and cash equivalents	20	970,208	867,900
		1,255,644	1,276,387
Assets of a disposal group classified as held for sale	10	36,631	—
Total current assets		1,292,275	1,276,387
CURRENT LIABILITIES			
Trade and bills payables	21	554,277	939,017
Deposits received, accruals and other payables	22	696,842	733,096
Interest-bearing bank loans	23	159,835	361,000
Due to related parties	28(b)	3,976	2,885
Income tax payable		40,349	29,916
		1,455,279	2,065,914
Liabilities directly associated with a disposal group classified as held for sale	10	7,073	—
Total current liabilities		1,462,352	2,065,914
NET CURRENT LIABILITIES		(170,077)	(789,527)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,529,544	3,434,947

Interim Condensed Consolidated Statement of Financial Position

30 June 2009

	Notes	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,529,544**	3,434,947
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	23	**937,691**	160,000
Deferred tax liabilities		**173,183**	133,842
Total non-current liabilities		**1,110,874**	293,842
Net assets		**3,418,670**	3,141,105
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	24	**461,587**	461,587
Reserves		**2,642,543**	2,381,659
		3,104,130	2,843,246
Minority interests		**314,540**	297,859
Total equity		**3,418,670**	3,141,105

Huang Mao Ru
Director

Wang Guisheng
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Attributable to equity holders of the parent									
	Issued capital RMB'000	Share premium account 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	Minority interests RMB'000	Total equity RMB'000
(unaudited)										
At 1 January 2009	461,587	1,875,369	77	143,056	59,119	(55,197)	359,235	2,843,246	297,859	3,141,105
Profit for the period	—	—	—	—	—	—	243,577	243,577	16,681	260,258
Other comprehensive income	—	—	—	—	116,803	162	—	116,965	—	116,965
Total comprehensive income	—	—	—	—	116,803	162	243,577	360,542	16,681	377,223
Final 2008 dividends paid	—	—	—	—	—	—	(99,658)	(99,658)	—	(99,658)
At 30 June 2009	461,587	1,875,369	77	143,056	175,922	(55,035)	503,154	3,104,130	314,540	3,418,670

	Attributable to equity holders of the parent								
	Issued capital RMB'000	Share premium account RMB'000	Contributed surplus RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Minority interests RMB'000	Total equity RMB'000
(audited)									
At 1 January 2008	—	—	77	116,409	(1,832)	86,104	200,758	260,728	461,486
Profit for the period	—	—	—	—	—	300,556	300,556	10,396	310,952
Other comprehensive loss	—	—	—	—	(52,224)	—	(52,224)	—	(52,224)
Total comprehensive income	—	—	—	—	(52,224)	300,556	248,332	10,396	258,728
Issuance of new shares for the global offering	77,506	2,325,241	—	—	—	—	2,402,747	—	2,402,747
Issuance of new shares upon exercise of the Over-allotment Option	2,388	71,641	—	—	—	—	74,029	—	74,029
Capitalisation issue of shares	381,693	(381,693)	—	—	—	—	—	—	—
Listing expenses for issue of new shares	—	(139,820)	—	—	—	—	(139,820)	—	(139,820)
Partial disposal of shares in a subsidiary	—	—	—	—	—	—	—	14,782	14,782
Dividends paid by the Company and its subsidiaries to their then shareholders	—	—	—	—	—	(72,608)	(72,608)	—	(72,608)
At 30 June 2008	461,587	1,875,369	77	116,409	(54,056)	314,052	2,713,438	285,906	2,999,344

Interim Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2009

	Note	Six months ended 30 June 2009 (Unaudited) RMB'000	2008 (Audited) RMB'000
Net cash inflow from operating activities		**79,489**	238,365
Net cash outflow from investing activities		**(437,431)**	(629,427)
Net cash inflow from financing activities		**461,256**	2,566,089
NET INCREASE IN CASH AND CASH EQUIVALENTS		**103,314**	2,175,027
Effect of foreign exchange rate changes, net		**162**	(52,737)
Cash and cash equivalents at beginning of period		**867,900**	362,577
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**971,376**	2,484,867
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**842,521**	516,705
Non-pledged time deposits with original maturity of less than three months when acquired		**127,687**	1,968,162
Cash and short term deposits attributable to a disposal group classified as held for sale	10	**1,168**	—
		971,376	2,484,867

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2009

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 in the PRC.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is 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 2009 have been prepared in accordance with International Accounting Standards ("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 2008.

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 2008, except for the adoption of the new Standards and Interpretations as of 1 January 2009, noted below:

IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
IFRS 7 Amendments	*Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
IFRS 8	*Operating Segments*
IAS 1 (Revised)	*Presentation of Financial Statements*
IAS 23 (Revised)	*Borrowing Costs*
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
IFRIC 9 and IAS 39 Amendments	Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement*
IFRIC 13	*Customer Loyalty Programmes*
IFRIC 15	*Agreements for the Construction of Real Estate*
IFRIC 16	*Hedges of a Net Investment in a foreign Operation*

2.2 IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Except for the adoption of IFRS 7, IFRS 8 and IAS 1 (Revised) resulted in new or amended disclosures, the adoption of these new interpretations and amendments has had no significant financial effect on these interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these interim condensed consolidated financial statements.

(a) Amendments to IFRS 7 *Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments*

The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures are presented in Note 29, and the liquidity risk disclosures are not significantly impacted by the amendments.

(b) IFRS 8 *Operating Segments*

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. Additional disclosures about each of these segments are shown in Note 3, including revised comparative information.

(c) IAS 1 Revised *Presentation of Financial Statements*

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present two statements.

2.2 IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Improvements to IFRSs

In May 2008 the International Accounting Standards Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

(a) IAS 1 *Presentation of Financial Statements:* Assets and liabilities classified as held for trading in accordance with IAS 39 *Financial Instruments*: *Recognition and Measurement* are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.

(b) IAS 16 *Property, Plant and Equipment:* Replace the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

(c) IAS 23 *Borrowing costs*: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one-the interest expenses calculated using the effective interest rate method calculation in accordance with IAS39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

(d) IAS 38 *Intangible Assets:* Expenditure on advertising and promotional activities is recognised as an expense when the Group either has the right to access the goods or has received the service. This amendment has no impact on the Group.

    The reference to there being rarely, if ever, persuasive evidence to support an amortisation method of intangible assets other than a straight-line method has been removed. The Group reassessed the useful lives of its intangible assets and concluded that the straight-line method was still appropriate.

2.2 IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

Improvements to IFRSs (Continued)

The amendments to the following standards below did not have any impact on the accounting policies, the financial position or performance of the Group:

IFRS 7	Financial Instruments: Disclosures
IAS 8	Accounting Policies, Changes in Accounting Estimates and Error
IAS 10	Events after the Reporting Period
IAS 16	Property, Plant and Equipment
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosures of Government Assistance
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investment in Associates
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 31	Interest in Joint Ventures
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture

3. SEGMENT INFORMATION

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

(a) the operation of department stores segment comprises concessionaire and direct sales of merchandise;

(b) the sale of automobiles segment; and

(c) the "Others" segment comprises, principally, the Group's leasing of investment properties, operations of hotels and provision of ancillary services and operation of restaurants, advertising, trading and construction of television networks.

3. SEGMENT INFORMATION (Continued)

Operating segments

The following tables present revenue and profit information for the six months ended 30 June 2009 and 2008 and certain assets as at 30 June 2009 and 31 December 2008 for the Group's operating segments .

	Operation of department stores RMB'000	Sale of Automobiles RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2009				
Segment revenue:				
Sales to external customers	647,095	159,095	3,553	809,743
Other income	192,790	1,034	15,043	208,867
Total	839,885	160,129	18,596	1,018,610
Segment results	343,526	3,985	(1,454)	346,057
Other income and unallocated gains				[1]48,282
Corporate and other unallocated expenses				(34,901)
Finance costs				(24,398)
Share of profits and losses of associates	—	—	157	157
Profit before tax				335,197
Segment assets	5,102,314	55,160	115,297	5,272,771
Interests in associates	2,457	—	26,238	28,695
Corporate and other unallocated assets				[2]690,430
Total assets				5,991,896

1 Other income and unallocated gains include interest income (RMB3,224,000) and other gains (RMB45,058,000).

2 Corporate and other unallocated assets include deferred tax assets (RMB25,919,000) and available-for-sale equity investments (RMB664,511,000) as these assets are managed on a group basis.

3. SEGMENT INFORMATION (Continued)

Operating segments (Continued)

	Operation of department stores RMB'000	Sale of Automobiles RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2008				
Segment revenue:				
Sales to external customers	628,728	108,290	3,507	740,525
Other income	203,360	195	171	203,726
Total	832,088	108,485	3,678	944,251
Segment results	370,980	(1,172)	(3,954)	365,854
Other income and unallocated gains				[1]89,979
Corporate and other unallocated expenses				(39,158)
Finance costs				(27,693)
Share of profits and losses of associates	307	—	(620)	(313)
Profit before tax				388,669
31 December 2008				
Segment assets	4,725,368	86,698	142,514	4,954,580
Interests in associates	2,457	—	28,141	30,598
Corporate and other unallocated assets				[2]515,683
Total assets				5,500,861

1 Other income and unallocated gains include interest income (RMB10,253,000) and other gains (RMB79,726,000).

2 Corporate and other unallocated assets include deferred tax assets (RMB28,353,000) and available-for-sale equity investments (RMB487,330,000) as these assets are managed on a group basis.

4. REVENUE

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Commissions from concessionaire sales	376,757	359,036
Direct sales	218,642	224,881
Sale of automobiles	159,095	108,290
Rental income from the leasing of shop premises	50,296	43,212
Management fee income from the operation of department stores	1,399	1,599
Others	3,554	3,507
	809,743	740,525
The total sales proceeds and commissions from concessionaire sales are analysed as follows:		
Total sales proceeds from concessionaire sales	1,914,914	1,724,563
Commissions from concessionaire sales	376,757	359,036

5. OTHER INCOME

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Income from suppliers and concessionaires		
– Administration and management fee income	111,426	108,268
– Promotion income	46,641	50,924
– Credit card handling fees	22,802	20,595
Rental income from investment properties	24,107	22,337
Interest income	3,224	10,253
Others	3,891	5,338
	212,091	217,715

6. OTHER OPERATING EXPENSES

	Note	Six months ended 30 June 2009 (Unaudited) RMB'000	2008 (Audited) RMB'000
Utility expenses		46,628	37,537
Promotion and advertising		11,011	8,186
Repair and maintenance expenses		18,765	8,555
Entertainment expenses		2,397	2,072
Office expenses		9,025	5,995
Other tax expenses		37,134	36,396
Professional service fees		4,851	3,094
Auditors' remuneration		2,496	3,367
Bank charges		12,552	12,692
Impairment of goodwill	15	4,800	—
Impairment of inventories		—	574
Reversal of impairment of trade receivables		—	(157)
Impairment/(reversal of impairment) of other receivables		(355)	745
Reversal of impairment of an amount due from a related party		—	(3,870)
Others		4,994	22,063
		154,298	137,249

7. OTHER GAINS

	Six months ended 30 June 2009 (Unaudited) RMB'000	2008 (Audited) RMB'000
Gain/(loss) on disposal of items of property, plant and equipment	1,411	(283)
Gain on disposal of land lease prepayment and buildings	29,709	—
Gain on disposal of an investment property	890	—
Foreign exchange losses, net	(555)	(4,795)
Fair value gain/(loss) on equity investments at fair value through profit or loss	3,700	(5,696)
Gain on disposal of equity investments at fair value through profit or loss	—	1,436
Gain on disposal of subsidiaries	—	2,210
Gain on partial disposal of shares in a subsidiary	—	80,022
Dividend income from equity investments at fair value through profit or loss	—	31
Others	9,903	6,801
	45,058	79,726

8. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Interest on bank loans	**24,398**	27,693

9. 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.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

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 2008: 25%) on their respective taxable income, except for certain PRC subsidiaries which are exempted or taxed at a preferential rate of 20% or 15%. 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 20% (Six months ended 30 June 2008: 18%).

According to the Tax Relief Notice (Cai Shui [2001] no. 202) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of Mainland China with principal revenue of over 70% generated from the encouraged business activities are entitled to a preferential income tax rate of 15% in state income tax for 10 years from 1 January 2001 to 31 December 2010. Accordingly, Chongqing Maoye Department Store Co., Ltd. (重慶茂業百貨有限公司) was subject to CIT at a rate of 15% (Six months ended 30 June 2008: 15%).

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Current – PRC		
Charge for the period	**71,120**	64,223
Deferred income tax	**3,819**	13,494
Total tax charge for the period	**74,939**	77,717

10. A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 24 June 2009, the Group decided to dispose of Chengdu Chengshang Motor Vehicle Co., Ltd.(成都成商汽車有限責任公司)("Chengshang Motor") which engages in the sale of automobiles. The Group plans to focus its resources on its core business of department store operations and to optimise its asset structure through the disposal. As at 30 June 2009, final negotiations for the sale were in progress and Chengshang Motor was classified as a disposal group held for sale. On 7 July 2009, the Group entered into a sale and purchase agreement to dispose of the entire equity interest of Chengshang Motor to an independent third party (note 30(1)).

The major classes of assets and liabilities of Chengshang Motor classified as held for sale as at 30 June 2009 are as follows:

	Notes	30 June 2009 (Unaudited) RMB'000
Assets:		
Property, plant and equipment	13	2,482
Goodwill	15	17
Cash and cash equivalents		1,168
Trade receivables		508
Prepayments and other receivables		16,092
Deferred tax assets		38
Inventories		16,326
Assets classified as held for sale		36,631
Liabilities:		
Trade payables		1,610
Deposits received, accruals and other payables		4,691
Tax payable		772
Liabilities directly associated with assets classified as held for sale		7,073
Net assets directly associated with disposal group		29,558

The amount due to intercompanies of RMB31,553,500 is eliminated on consolidation level and excluded from the above balance.

11. DIVIDENDS

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Special dividend	**—**	72,608
Proposed (not recognised as a liability as at 30 June)		
interim – HK$1.6 cents (2008: HK$3.3 cents) per share	**72,476**	148,583
	72,476	221,191

12. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2009 attributable to equity holders of the parent of approximately RMB243,577,000 (six months ended 30 June 2008: approximately RMB300,556,000) and the 5,139,856,000 ordinary shares in issue during the period (six months ended 30 June 2008: the weighted average of 4,525,297,275 ordinary shares deemed to have been in issue).

There was no potential dilutive ordinary share in existence for the six months ended 30 June 2009 and 2008, accordingly, no diluted earnings per share amount has been presented.

13. PROPERTY, PLANT AND EQUIPMENT

		Six months ended 30 June	
		2009	2008
		(Unaudited)	(Audited)
	Note	**RMB'000**	RMB'000
Carrying amount at 1 January		**1,133,610**	825,382
Additions		**222,569**	416,544
Disposals		**(2,652)**	(8,981)
Transfer to investment properties		**—**	(11,833)
Depreciation charge for the period/year		**(47,384)**	(87,502)
Reclassification as held for sale	10	**(2,482)**	—
Carrying amount at 30 June/31 December		**1,303,661**	1,133,610

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 bills payables and interest-bearing bank loans are set out in note 21 and note 23(a).

14. LAND LEASE PREPAYMENTS

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Carrying amount at 1 January	**2,072,178**	583,144
Additions	**65,367**	1,533,972
Disposals	**(2,275)**	(375)
	2,135,270	2,116,741
Amortisation provided during the period/year	**(33,457)**	(44,563)
Carrying amount at 30 June/31 December	**2,101,813**	2,072,178
Current portion included in prepayments and other receivables	**(68,647)**	(66,942)
Non-current portion	**2,033,166**	2,005,236

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 payables and interest-bearing bank loans are set out in note 21 and note 23(c).

The Group is in the process of applying for the land use right certificates for land lease prepayments with an aggregate carrying amount of approximately RMB468,001,000 as at 30 June 2009 (31 December 2008: approximately RMB434,773,000).

Included in the amortisation provided during the year is an amount of approximately RMB8,368,000 (2008: approximately RMB13,363,000), which was capitalised as part of the construction cost of the store in Nanshan District, Shenzhen and included in the addition of property, plant and equipment (note 13).

15. GOODWILL

	Notes	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
At 1 January, net of accumulated impairment		45,286	45,286
A disposal group classified as held for sale	10	(17)	—
Impairment during the period/year	6	(4,800)	—
At 30 June/31 December		40,469	45,286
At 30 June/31 December:			
Cost		46,238	46,255
Accumulated impairment		(5,769)	(969)
Net carrying amount		40,469	45,286

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 value in use calculation that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the cash generating units were discussed in annual financial statements for the year ended 31 December 2008.

The projected cash flows from the cash generating unit of trading and construction of television networks included in the "Others" segment were updated to reflect the decreased revenue from this cash generating unit, and a pre-tax discount rate of 12.9% (31 December 2008: 12%) was applied in performing an impairment calculation on this cash generating unit. All other assumptions remained consistent with those disclosed in the annual financial statements for the year ended 31 December 2008. As a result of the updated analysis, management has recognised an impairment charge of RMB4,800,000 against goodwill previously carried at RMB9,132,000.

16. INVESTMENTS IN ASSOCIATES

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Share of net assets	**28,695**	30,598

17. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Listed equity investments, at fair value	**558,316**	381,135
Unlisted equity investments, at cost	**111,930**	111,930
	670,246	493,065
Provision for impairment	**(5,735)**	(5,735)
	664,511	487,330

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.

18. INVENTORIES

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Merchandise for resale	65,580	107,616
Provision against slow-moving inventories	(9,882)	(11,286)
	55,698	96,330

19. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Non-current assets		
Prepayments	495,874	383,566
Current assets		
Prepayments	142,284	206,529
Other receivables	111,291	118,850
	253,575	325,379
Impairment of other receivables	(36,835)	(37,190)
	216,740	288,189

Included in the Group's prepayments and other receivables under current assets as at 30 June 2009 are prepayments for operating lease rental expenses of RMB57,137,000 covering the period from July to December 2009 (31 December 2008: RMB112,988,000 covering the period from January to December 2009) and rental deposits of RMB13,877,000 (31 December 2008: RMB13,877,000), which were paid to certain fellow subsidiaries of the Company.

20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Cash and bank balances	842,521	604,317
Time deposits	130,000	275,974
	972,521	880,291
Less: Pledged time deposits for bills payables	(2,313)	(12,391)
Cash and cash equivalents	970,208	867,900

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

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
RMB	897,668	217,591
Hong Kong dollar	1,627	10,583
United States dollar	73,226	652,117
	972,521	880,291

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between seven days and one year 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.

21. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the statement of financial position date, based on the invoice date, is as follows:

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Within 90 days	391,374	731,492
91 to 180 days	55,241	93,061
181 to 360 days	43,462	53,461
Over 360 days	64,200	61,003
	554,277	939,017

The Group's bills payables amounting to RMB7,710,000 as at 30 June 2009 (31 December 2008: RMB43,520,000) were secured by the Group's buildings and land lease prepayments with net carrying amounts of approximately RMB11,831,000 (31 December 2008: approximately RMB12,298,000) and RMB8,590,000 (31 December 2008: RMB14,569,000) respectively, and the Group's time deposits amounting to RMB2,313,000 (31 December 2008: RMB12,391,000).

In addition, investment properties and land lease prepayments with net carrying amounts of approximately RMB15,256,000 (31 December 2008: Nil) and RMB32,521,000 (31 December 2008: Nil) were pledged to secure the Group's bills payables and interest-bearing bank loans, which are set out in note 23.

22. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Deferred income	210,787	241,547
Deposits received	103,271	91,831
Accrued operating lease rental expenses	55,648	58,320
Accrued utilities	7,747	7,518
Accrued liabilities	10,089	11,600
Accrued staff costs	18,895	23,414
Provision for coupon liabilities	7,989	5,989
Value-added tax and other tax payables	21,442	33,470
Other payables	260,974	259,407
	696,842	733,096

23. INTEREST-BEARING BANK LOANS

	30 June 2009			31 December 2008		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Interest-bearing bank loans – secured	4.78-6.66	2009-2010	60,000	5.80 - 8.96	2009	341,000
Interest-bearing bank loans – unsecured	5.31	2010	30,000	—	—	—
Current portion of long term interest-bearing bank loans – secured	5.94	2009-2010	69,835	5.94	2009	20,000
			159,835			361,000
Non-current						
Long term interest-bearing bank loans – secured	5.13-5.94	2010-2019	937,691	5.94	2010-2017	160,000
			1,097,526			521,000

	30 June 2009 RMB'000	31 December 2008 RMB'000
Repayable:		
Within one year	159,835	361,000
In the second year	72,877	20,000
In the third to fifth years, inclusive	276,105	60,000
Beyond five years	588,709	80,000
	1,097,526	521,000

23. INTEREST-BEARING BANK LOANS (Continued)

The Group's bank loans and bank facilities are secured by:

(a) certain land and buildings of the Group with a net carrying amount of approximately RMB253,095,000 (31 December 2008: approximately RMB78,370,000);

(b) certain investment properties of the Group with a net carrying amount of approximately RMB82,225,000 (31 December 2008: approximately RMB88,539,000);

(c) certain land lease prepayments of the Group with a net carrying amount of approximately RMB829,898,000 (31 December 2008: approximately RMB413,120,000); and

In addition, investment properties and land lease prepayments with net carrying amounts of approximately RMB15,256,000 (31 December 2008: Nil) and RMB32,521,000 (31 December 2008: Nil) were pledged to secure the Group's interest-bearing bank loans and bills payables, which are set out in note 21.

In addition, Mr. Huang Mao Ru and Mrs. Huang Jingzhang, directors of the Company, have jointly guaranteed certain of the Group's bank loans up to RMB637,530,000 (2008: RMB200,000,000) as at the statement of financial position date. Further details are included in note 28(a)(2).

As at 30 June 2009, the Group had undrawn banking facilities amounting to RMB970,000,000 (31 December 2008: Nil).

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

24. ISSUED CAPITAL

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Authorised:		
9,000,000,000 (31 December 2008: 9,000,000,000) ordinary shares of HK$0.10 each	**900,000**	900,000
Issued and fully paid		
5,139,856,000 (31 December 2008: 5,139,856,000) ordinary shares of HK$0.10 each	**513,986**	513,986
Equivalent to RMB'000	**461,587**	461,587

25. 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 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Within one year	93,605	89,923
In the second to fifth years, inclusive	73,412	75,973
After five years	15,800	13,085
	182,817	178,981

(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 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Within one year	127,693	128,762
In the second to fifth years, inclusive	493,405	497,113
After five years	530,183	586,642
	1,151,281	1,212,517

26. COMMITMENTS

In addition to the operating lease commitments as set out in note 25(b) above, the Group had the following capital commitments:

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Contracted, but not provided for, in respect of land and buildings	**353,973**	546,373
Authorised, but not contracted for	**3,000**	—
	356,973	546,373

27. CONTINGENT LIABILITY

The Group did not have any significant contingent liabilities as at 30 June 2009.

28. 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	
	2009 (Unaudited) RMB'000	2008 (Audited) RMB'000
(1) Recurring transactions		
Operating lease rental expenses charged by:		
Shenzhen Maoye (Group) Co., Ltd. ("Shenzhen Maoye") (深圳茂業（集團）股份有限公司) (i) & (iii)	11,041	9,868
Zhong Zhao Investment (Group) Limited (中兆投資（集團）有限公司) (i) & (iii)	4,269	3,625
Shenzhen Oriental Times Industry Co., Ltd. (深圳市東方時代廣場實業有限公司) (i) & (iii)	27,345	27,345
Shenzhen Chongde Real Estate Co., Ltd. (深圳市崇德地產有限公司) (i) & (iii)	212	212
Shenzhen Maoye Property Business Co., Ltd. (深圳市茂業物業經營有限公司) (i) & (iii)	3,152	3,152
Chongqing Maoye Real Estate Co., Ltd. (重慶茂業地產有限公司) (i) & (iii)	9,620	8,044
	55,639	52,246
Management fee income from the operation of department stores:		
Chongqing Jiefangbei Maoye Department Store Co., Ltd. (重慶解放碑茂業百貨有限公司) (i) & (iv)	11	160
Wuxi Maoye Department Store Co., Ltd. (無錫茂業百貨有限公司) (i) & (iv)	1,120	937
Wuxi Maoye Baifu Supermarket Co., Ltd. (無錫茂業百福超級市場有限公司) (i) & (iv)	267	502
	1,398	1,599
Sales of goods to an associate:		
Chengdu People's Department Store Hunghe Commercial City Co., Ltd. (成都人民商場黃河商業城有限責任公司) (v)	—	5,801

28. 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	
	2009	2008
	(Unaudited)	(Audited)
	RMB'000	RMB'000
(2) Non-recurring transactions		
Bank loans guaranteed by:		
Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally (ii) & (vi)	**680,000**	—

(i) They are fellow subsidiaries of the Company.

(ii) They are directors of the Company.

(iii) The operating lease rental expenses charged by the fellow subsidiaries of the Company were determined based on prices available to third party tenants.

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

(v) These transactions were conducted in accordance with terms agreed between the Group and its associate.

(vi) Certain of the Group's bank loans were guaranteed jointly and severally by Mr. Huang Mao Ru and Mrs. Huang Jingzhang.

In addition to the above transactions, the Group had the following transactions with related parties:

(vii) Zhongzhao Investment Management Co., Ltd.（中兆投資管理有限公司）("Zhongzhao Investment") has entered into a share transfer agreement dated 5 May 2009 to purchase from Shenzhen Maoye, a fellow subsidiary of the Company, the entire equity interest in Shenyang Maoye Times Property Company Limited（沈陽茂業時代置業有限公司）and the shareholder's loan payable to Shenzhen Maoye for a cash consideration of RMB72,000,000.

28. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	30 June 2009 (Unaudited) RMB'000	31 December 2008 (Audited) RMB'000
Due from related parties		
Due from associates	868	2,003
Due from fellow subsidiaries	1,398	3,083
	2,266	5,086
Due to related parties		
Due to associates	181	92
Due to fellow subsidiaries	3,795	2,793
	3,976	2,885

Included in the balances due from fellow subsidiaries as at 30 June 2009 is an aggregate amount of approximately RMB1,398,000 (31 December 2008: approximately RMB3,083,000) which is 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.

(c) Compensation of key management

	Six months ended 30 June	
	2009 (Unaudited) RMB'000	2008 (Audited) RMB'000
Salaries and allowances	2,312	2,972
Retirement benefits	67	88
	2,379	3,060

29. FAIR VALUE DISCLOSURES

As at 30 June 2009, the Group held the following financial instruments measured at fair value:

	30 June 2009 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets at fair value through profit or loss				
Trading securities	8,279	8,279	—	—
Available-for-sale equity investments				
Equity shares	558,316	558,316	—	—

During the six months ended 30 June 2009, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

30. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The following significant events after the statement of financial position date took place subsequent to 30 June 2009:

(1) Chengshang Group Co., Ltd.（成商集團股份有限公司）("Chengshang Group") has entered into a sale and purchase agreement dated 7 July 2009 to dispose of the entire equity interest in Chengshang Motor to an independent third party at a consideration of RMB23,000,000. The independent third party has also agreed to become liable for the repayment of debts, amounting to RMB31,553,500, owed by Chengshang Motor. The gain arising from the disposal is approximately RMB25,000,000.

(2) On 16 July 2009, Chengdu Watsons Economic Development Co., Ltd（成都屈臣經濟發展有限公司）("Chengdu Watsons") issued proceedings against Sichuan Xinglida Group Industry Co., Ltd（四川興力達集團實業有限公司）("Xinglida Group"), an independent third party and Chengdu People's Department Store (Group) Mianyang Co., Ltd（成都人民商場（集團）綿陽有限公司）("Chengshang Mianyang"), a subsidiary of the Group, in respect of the early termination of the lease of a building previously owned by Xinglida Group to Chengdu Watsons. Xinglida Group has transferred ownership of the building to Chengshang Mianyang in September 2008 and the lease of the building to Chengdu Watsons was terminated subsequently. Chengdu Watsons has claimed an amount of approximately RMB13,252,000 from Xinglida Group and Chengshang Mianyang together for compensation of its loss due to the early termination of the lease.

(3) Zhongzhao Investment has entered into an equity transfer agreement dated 31 July 2009 with Shenzhen Municipal Jiajia Guohuo Company Limited（深圳市家家國貨有限公司）, a fellow subsidiary of the Company, to acquire the entire equity interest in Shenzhen Municipal Maoye Advertisement Co., Ltd.（深圳市茂業廣告有限公司） at a consideration of RMB2,810,000.

(4) Chengshang Group has entered into a joint development agreement dated 3 August 2009 with Chengdu Chongde Investment Company Limited（成都崇德投資有限公司）("Chengdu Chongde"), a fellow subsidiary of the Company, to develop and construct a department store and commercial complex. Pursuant to the Joint Development Agreement, Chengshang Group will purchase a piece of land from Chengdu Chongde for a consideration of RMB79,630,000 and pay for the development and construction of the department store.

(5) On 20 August 2009, the directors approved 2009 interim dividend distribution of HK$1.6 cents in cash per share totaling HK$82,237,696 (equivalent to approximately RMB72,476,000).

31. 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 20 August 2009.