



Stock Code : 848

2012

INTERIM REPORT

茂業國際控股有限公司

MAOYE INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

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 the operation and management of department stores and property development in the People’s Republic of China (the “**PRC**”). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 May 2008 (the “**Listing Date**”).

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

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

As at the publication date of this interim report, the Group operated and managed 38¹ stores in 18 cities across the nation with total gross floor area of 1,173,053 square metres, of which self-owned properties accounted for 65.5% in gross floor area (excluding the gross floor area of managed stores). The cities under its coverage include Shenzhen and Zhuhai in Guangdong Province; Chengdu, Nanchong, Mianyang and Luzhou in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou and Changzhou in Jiangsu Province; Zibo, Heze and Linyi in Shandong Province; Qinhuangdao and Baoding in Hebei Province; Shenyang in Liaoning Province and Taiyuan in Shanxi Province. As at the publication date of this interim report, the distribution of stores of the Group are as follows:

	Southern China	Southwestern China	Eastern China	Northern China	Total
No. of Stores ²	7	11	11	9	38
Gross Floor Area (square metres)	235,523	261,906	369,862	305,762	1,173,053

Note:

1. Tiexi Store opened in July 2012.
2. Chengdu Qingjiang Store has ceased operation in February 2012.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Mao Ru (*Chairman and CEO*)
Mr. Zhong Pengyi (*Vice Chairman*)
Ms. Wang Fuqin (*Vice President of Administration*)
Mr. Wang Bin (*CFO*)

Independent Non-executive Directors

Mr. Chow Chan Lum
Mr. Pao Ping Wing
Mr. Leung Hon Chuen

REGISTERED OFFICE

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

HEAD OFFICE IN THE PRC

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

PLACE OF BUSINESS IN HONG KONG

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

COMPANY SECRETARY

Ms. Soon Yuk Tai (*FCS, FCIS*)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Huang Mao Ru (*Chairman*)
Mr. Chow Chan Lum
Mr. Pao Ping Wing

AUTHORISED REPRESENTATIVES PURSUANT TO THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “LISTING RULES”)

Ms. Wang Fuqin
Mr. Wang Bin

AUTHORISED REPRESENTATIVES PURSUANT TO THE HONG KONG COMPANIES ORDINANCE

Mr. Wang Bin
Ms. Soon Yuk Tai (*FCS, FCIS*)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Offshore Incorporations (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

COMPANY WEBSITE

www.maoye.cn

STOCK CODE

848

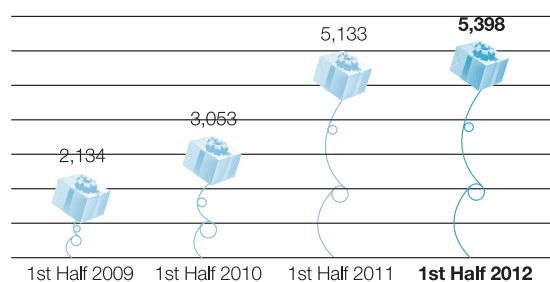
Financial Highlights

The summary of the Group's results for the six months ended 30 June 2012 and 2011 are set out below:

	For the six months ended 30 June	
	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000
Total sales proceeds ¹	5,397,830	5,133,327
Total operating revenue ²	2,132,878	2,092,790
Operating profit	832,235	610,261
Profit for the period	526,438	353,314
Profit attributable to:		
– Owners of the parent	467,874	300,583
– Non-controlling interests	58,564	52,731
Basic earnings per share (RMB cents) ³	8.7	5.8
Interim dividend per share (HK cents)	3.2	—

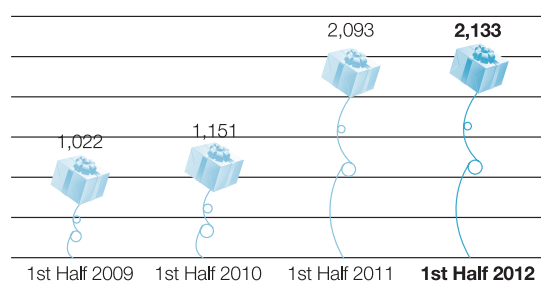
TOTAL SALES PROCEEDS

(RMB million)



TOTAL OPERATING REVENUE

(RMB million)



Notes:

- 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.
- Total operating revenue represents the sum of the Group's revenue and other income.
- The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2012 attributable to ordinary equity holders of the parent of RMB467,874,000 (Six months ended 30 June 2011: RMB300,583,000) and the weighted average number of ordinary shares of 5,371,143,627 (Six months ended 30 June 2011: 5,203,784,257) in issue during the period.

Management Discussion and Analysis

INDUSTRY OVERVIEW

During the first half of 2012, China's economy faced severe challenges amid the difficult and complicated global economic environment arising from the lingering influence of the European debt crisis and the critical financial situation of the United States. China recorded a GDP growth of 7.6% in the second quarter of 2012, which was the lowest level recorded in the past three years. Consumer confidence has been significantly affected by the economic fluctuations. Since March 2012, total retail sales of consumer goods have dropped for four consecutive months and growth of the department store industry has slowed down.

OPERATION REVIEW

Under the impact of the domestic and global economic environment, the same-store sales growth (“SSSG”) of the Group experienced a slowdown in the first quarter of 2012. Fortunately, with timely adjustments, the Group was able to record mild growth in the first half of 2012. The Group recorded total sales proceeds of RMB5,397.8 million, representing an increase of 5.2% compared to the same period last year, among which the SSSG from concessionaire sales amounted to 2.4%. Profit attributable to owners of the parent was RMB467.9 million, representing an increase of 55.7% compared to the same period last year.

OPENING OF NEW STORES AND NETWORK EXPANSION

On 16 February 2012, the Group successfully acquired a parcel of land located at a prime location within the commercial circle of Fuzi Temple in Nanjing city, Jiangsu Province, with a total site area of approximately 13,452.5 square metres (“**Target Land**”) for a total consideration of RMB650.0 million. The Company plans to construct and operate a department store on the Target Land. Having a presence in Nanjing is an important step for the Group's business strategy in the Eastern China region. The Group will use Nanjing as a base for operation of department stores, together with the 11 stores already operating in Eastern China, to take advantage of the affluent consumer market in the Eastern China region.

On 11 July 2012, the Group's second store in Shenyang, the Tiexi Store, opened. Shenyang Tiexi Store was built on land acquired by the Group, with gross floor area of 49,600 square metres. It is located in the most prosperous area in the Shenyang Tiexi business district with the most promising development potential, and surrounded by huge potential consumer groups and strong business ambience.

REORGANISING ASSETS TO OPTIMISE RESOURCE ALLOCATION

Since the first half of 2012, the Group actively carried out the reorganisation of the assets of Qinhuangdao Bohai Logistics Holding Corporation Ltd. (“**Bohai Logistics**”), a company listed on the Shenzhen Stock Exchange (stock code: 000889) and a subsidiary of the Group, and the Qinhuangdao Jindu Store which was wholly-owned by the Group by transferring the entire issued share capital of the holding company of the Qinhuangdao Jindu Store to Bohai Logistics. Such asset reorganisation has been approved by the board of directors and by the shareholders at the general meeting of Bohai Logistics and is pending approval from the China Securities Regulatory Commission.

As a result of the above reorganisation, the Group is expected to benefit from the resource integration and its market position in the Bohai district is expected to be further consolidated. The Qinhuangdao Jindu Store recorded a SSSG of 43.0% of concessionaire sales in the first half of 2012.

Management Discussion and Analysis

ISSUANCE OF SHORT-TERM FINANCING NOTES

In February and July 2012, the Group issued two tranches of short-term financing notes of RMB800 million each with fixed coupon interest rate of 6.14% and 4.29%, respectively, in the national inter-bank market of the PRC, which amounted to RMB1.6 billion in aggregate. The first tranche and second tranche of the Notes will mature on 16 February 2013 and 26 July 2013, respectively. The successful issuance of the short-term financial notes replenished the operating capital and reduced the financing costs of the Group.

ACQUISITION OF SHARES IN DASHANG CO., LTD.

From 5 June 2012 to 25 July 2012, the Group acquired in aggregate 13,325,022 shares of Dashang Co., Ltd. (“**Dashang**”) (being a company listed on the Shanghai Stock Exchange (stock code: 600694)), representing approximately 4.5% of the issued share capital of Dashang as of 31 December 2011, through on-market purchases on the Shanghai Stock Exchange (the “**Transaction**”). The aggregate cost of the Transaction was approximately RMB450,105,110. Dashang is principally engaged in the operation and management of department stores and other areas of retail industry in the PRC. The Company is optimistic towards the prospect of retail industry, and is of the view that the Transaction will bring in long-term benefits to the Group.

OPERATIONAL MANAGEMENT

Organisational restructuring

Since the second half of 2011, the Group has in stages set up four major regional centres in Southern China, South-western China, Eastern China and Northern China, respectively, so as to establish a well-defined and efficient management structure comprising the headquarters, regional centres and stores. In April 2012, the fourth regional centre, the Northern China centre, was set up, signifying the official establishment of a distinct three-tier management structure of the Group. This structure will allow the Group to promptly integrate regional resources, take advantage of the synergistic effects between regions, strengthen competitiveness in the regions and boost operational efficiency.

Continuing to promote meticulous management

In the first half of 2012, the Group continued to promote a management model that is customer-oriented and focused on performance excellence. In line with the changes brought about by the three-tier management model, the Group further improved and standardised mechanisms and streamlined processes. In addition, the Group formulated comprehensive plans to enhance its information system and implemented such plans in stages.

Retaining talents and incentives

The Group attaches high importance to retaining and training talents. In addition to the MBA training course for store managers in 2011, the Group continued to strengthen internal training for team building in 2012 by enhancing the training programme for the middle-tier management team. It formulated effective and specific incentive policies according to the grade and maturity of stores to fully unleash the potential of the team.

Customer loyalty programme

The Group values its relationship with customers. During the period under review, the Group actively promoted the customer loyalty programme and launched various activities for its members in order to build long-term relationships with members. As soon as the “Cross-industry alliance” scheme of the Group is approved, more value-added services will be provided to customers to further enhance customer loyalty.

Management Discussion and Analysis

PERFORMANCE OF MAJOR STORES¹

Store Name	Proceeds of Concessionaire Sales (RMB'000)	Same Store Sales Growth compared to same period in 2011 %	Operation Period (years) ⁴	Gross Floor Area (sq.m.)	Ticket Per Sale (RMB)
1 Shenzhen Huaqiangbei	852,125	(3.8)	8.8	59,787	760
2 Shenzhen Dongmen	393,207	1.9	15.4	47,436	676
3 Chengdu Yanshikou	315,134	0.6	7.1	53,873	755
4 Taizhou First Department	313,371	5.0	2.8	40,358	894
5 Chongqing Jiangbei	287,908	(0.8)	7.8	53,542	565
6 Qinhuangdao Xiandai Shopping Plaza	240,806	10.0	2.1	36,897	585
7 Qinhuangdao Shangcheng ²	216,873	(14.8)	2.1	26,696	810
8 Shenzhen Nanshan	213,532	18.3	2.8	45,000	1,001
9 Taiyuan Liuxiang	200,541	2.1	3.6	30,616	547
10 Qinhuangdao Jindu	178,758	43.0	3.8	46,610	441
11 Zhuhai Xiangzhou	156,032	5.6	10.7	23,715	362
12 Nanchong Wuxing	152,868	8.9	7.1	25,994	575
13 Mianyang Xingda	147,051	0.2	3.8	27,617	606
14 Shenzhen Outlet ³	98,230	22.9	12.8	23,078	405

Notes:

1. Major stores are same stores with total sales proceeds per annum of over RMB100 million.
2. The first floor of Qinhuangdao Shangcheng was upgraded in the first half of 2012 for the introduction of luxury brands, such as Lancome. As a result, its sales performance was affected.
3. Shenzhen Heping Store has been renamed Shenzhen Outlet Store.
4. Operation period was calculated till 30 June 2012.

PROPERTY DEVELOPMENT

As at 30 June 2012, the Group operated and managed 37 stores across 18 cities in China, including Shenzhen and Zhuhai in Guangdong Province; Chengdu, Nanchong, Mianyang and Luzhou in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou, and Changzhou in Jiangsu Province; Zibo, Heze and Linyi in Shandong Province; Qinhuangdao and Baoding in Hebei Province; Shenyang in Liaoning Province and Taiyuan in Shanxi Province. Among the total gross floor area of 1,123,453 square metres, self-owned areas accounted for 63.8% (excluding the gross floor area for managed stores), areas leased from connected parties accounted for 27.5%, while areas leased from independent third parties accounted for 8.7%. Save for the above, the Group also has projects under development in Chengdu of Sichuan Province; Taiyuan of Shanxi Province; Jinzhou of Liaoning Province; Baoding of Hebei Province; Nanjing, Huaian, Wuxi and Taizhou of Jiangsu Province; and Baotou of Inner Mongolia Autonomous Region.

Management Discussion and Analysis

OUTLOOK

In the second half of 2012, the Group will focus on maintaining the growth of developed stores and enhancing the profitability of new stores. It will also strengthen cost control, reduce costs of operations and strengthen meticulous management. Moreover, the Group will speed up the development of store classification, strengthen resource integration of the four major regional brands, and prepare for the opening of new stores. In the second half of 2012, the Group plans to open a new store in Liyang of Jiangsu Province.

In the second half of the year, on the basis of its strong foundation and strengths, the Group will leverage the extensive distribution of its stores and their advantageous location within core commercial zones to strengthen cooperation with suppliers and actively bring in high profile brands of excellent quality and outstanding sales performance to enrich its product portfolio and develop stores with unique features.

FINANCIAL REVIEW

Total Sales Proceeds and Revenue

For the six months ended 30 June 2012, total sales proceeds of the Group increased to RMB5,397.8 million, representing an increase of 5.2% compared to the same period in 2011.

	Six months ended 30 June	
	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000
Total sales proceeds from concessionaire sales	4,663,631	4,386,125
Direct sales	734,199	747,202
Total sales proceeds	5,397,830	5,133,327

Among the total sales proceeds of the Group in the first half of 2012, total sales proceeds derived from concessionaire sales accounted for 86.4% and those derived from direct sales accounted for 13.6%.

Management Discussion and Analysis

The total sales proceeds and same-store sales growth of sales proceeds derived from concessionaire sales of the Group in the four regions are set out as follows:

	Total sales proceeds (RMB'million)	Contribution to the total sales proceeds of the Group (%)	Same-store sales growth of sales proceeds derived from concessionaire sales (%)
Eastern China*	1,066.5	19.8	(3.0)
Southern China	1,912.9	35.4	1.6
South-western China	1,248.0	23.1	0.6
Northern China	1,170.4	21.7	7.7
Total	5,397.8	100.0	2.4

* Negative same-store sales growth of sales proceeds derived from concessionaire sales in Eastern China was due to the renovation of Zibo Jindi Store which resulted in the decrease in same store sales in this region.

For the six months ended 30 June 2012, same-store sales proceeds from concessionaire sales increased to RMB4,352.7 million, representing an increase of 2.4% compared to the same period in 2011. The Group's commission rates from concessionaire sales was 17.1%, representing a mild decrease of 0.2% compared with 17.3% for the same period last year. During the review period, the Group strived to enhance the integration of the stores which were newly acquired and opened, in order to increase the commission rate of the new stores to the level of mature stores as soon as possible. Regarding promotion strategies, the Group gradually lowered the proportion of price marketing and introduced innovative marketing modes. These measures effectively reduced the extent of decrease of commission rate.

Total sales proceeds in the first half of 2012 comprised sales of apparel (43.2%¹) (first half of 2011: 44.5%), cosmetics and jewelry (21.2%) (first half of 2011: 21.5%), shoes and leather goods (13.1%) (first half of 2011: 13.4%) and others such as children's wear and toys, household and electronic appliances (22.5%¹) (first half of 2011: 20.6%). The percentage attributable to each product category to total sales proceeds is similar to that of the first half of 2011.

For the six months ended 30 June 2012, revenue of the Group amounted to RMB1,724.2 million, representing an increase of 0.8% compared with RMB1,709.8 million for the same period last year. The slow revenue growth was due to economic fluctuations in the first half of 2012. Among the revenue of the Group in the first half of 2012, revenue derived from operation of department stores was 94.1%, and revenue derived from property development was 5.7% (revenue derived from others was 0.2%). For the six months ended 30 June 2012, revenue from operation of department stores of the Group amounted to RMB1,622.0 million, representing a mild decrease of 0.6% compared with RMB1,632.5 million for the same period last year; revenue from property development of the Group amounted to RMB98.5 million, representing an increase of 33.8% compared with RMB73.6 million for the same period last year.

Note 1: Due to re-classification of children's apparel from the category of "apparel" to the category of "others", the percentages attributable to such categories are slightly different from those disclosed in the interim results announcement for the six months ended 30 June 2012 issued by the Company dated 15 August 2012.

Management Discussion and Analysis

Other Income

For the six months ended 30 June 2012, other income of the Group amounted to RMB408.7 million, representing an increase of 6.7% compared with RMB383.0 million for the same period last year. This was primarily resulted from the increase of administration and management fee income.

Cost of Sales

For the six months ended 30 June 2012, cost of sales of the Group amounted to RMB703.1 million, representing a decrease of 0.6% compared with RMB707.7 million for the same period last year. This was primarily due to the decrease of direct sale business by 1.7% compared with the same period last year.

Employee Expenses

For the six months ended 30 June 2012, employee expenses of the Group amounted to RMB156.2 million, representing a decrease of 20.7% compared with the employee expenses of RMB197.0 million for the same period last year. This was mainly because of the reversal of share option expenses of RMB25.5 million in the first half of 2012. The employee expenses as percentage of total sales proceeds in the first half of 2012 decreased to 2.9% compared with 3.8% for the first half of 2011.

Depreciation and Amortisation

For the six months ended 30 June 2012, depreciation and amortisation of the Group amounted to RMB179.3 million, representing an increase of 17.5% compared with RMB152.5 million for the same period last year. The increase was primarily due to increase of properties depreciation caused by a new store opened in the second half of 2011 and the upgrading of certain self-owned stores. The depreciation and amortisation as percentage of total sales proceeds in the first half of 2012 increased to 3.3% compared with 3.0% for the first half of 2011.

Operating Lease Rental Expenses

For the six months ended 30 June 2012, operating lease rental expenses of the Group amounted to RMB120.4 million, representing an increase of 10.3% compared with RMB109.1 million for the same period last year. This was primarily due to new premises leased for operation of department stores by the Group in the second half of 2011. The operating lease rental expenses as percentage of total sales proceeds in the first half of 2012 increased to 2.2% compared with 2.1% for the first half of 2011.

Other Operating Expenses

For the six months ended 30 June 2012, other operating expenses of the Group amounted to RMB378.2 million, representing an increase of 6.6% compared with RMB354.7 million for the same period last year. This was primarily due to the launch of a new store in the second half of 2011 and an increase of city maintenance and construction tax and local education surcharges. The other operating expenses as percentage of total sales proceeds in the first half of 2012 increased to 7.0% compared with 6.9% for the first half of 2011.

Management Discussion and Analysis

Other Gains

For the six months ended 30 June 2012, other gains of the Group amounted to RMB236.5 million, representing an increase of 514.3% compared with RMB38.5 million in the same period last year. This was primarily due to the gain on disposal of shares in Shenzhen International Enterprises Co., Ltd (a company listed on the Shenzhen Stock Exchange, stock code: 000056) in the first half of 2012 by the Group of approximately RMB184.3 million.

Operating Profit

For the six months ended 30 June 2012, operating profit of the Group amounted to RMB832.2 million, representing an increase of 36.4% compared with RMB610.3 million for the same period last year. This was primarily due to the contribution from strong growth in other gains of the Group arising from the disposal of shares in Shenzhen International Enterprises Co., Ltd in the first half of 2012 as mentioned above.

Finance Costs

For the six months ended 30 June 2012, finance costs of the Group amounted to RMB107.6 million, representing an increase of 3.0% compared with RMB104.4 million for the same period last year. This was primarily due to the increase in average balance of bank loans compared to the same period last year.

Income Tax Expense

For the six months ended 30 June 2012, income tax expense of the Group amounted to RMB198.4 million, representing an increase of 29.3% compared with RMB153.5 million for the same period last year. This was mainly due to a significant increase of profit before tax of the Group and the increase in the enterprise income tax rate applicable to Shenzhen and Zhuhai regions from 24.0% in 2011 to 25.0% in 2012. For the six months ended 30 June 2012, the effective income tax rate applicable to the Group was 27.4% (for the six months ended 30 June 2011: 30.3%).

Profit Attributable to Owners of the Parent

As a result of the foregoing, for the six months ended 30 June 2012:

- Profit attributable to owners of the parent increased by 55.7% to RMB467.9 million.
- Without taking into account the effect of non-operating gains and losses, profit attributable to owners of the parent increased by 5.7% to RMB309.2 million.

Among them, the results of the operation of department stores segment are as follows: Profit attributable to owners of the parent increased by 45.7% to RMB523.3 million compared with RMB359.3 million for the same period last year; and without taking into account the effect of non-operating gains and losses, profit attributable to owners of the parent increased by 4.0% to RMB365.2 million.

Management Discussion and Analysis

Detailed analysis is as follows:

	Six months ended 30 June		Growth rate
	2012 (Unaudited) (RMB'000)	2011 (Unaudited) (RMB'000)	
Profit attributable to owners of the parent	467,874	300,583	55.7%
Adjustment items:			
Without taking into account non-operating gains and losses*	(158,661)	(8,166)	
Profit attributable to owners of the parent after adjustment	309,213	292,417	5.7%
Results of the department stores segment:			
Profit attributable to owners of the parent	523,328	359,258	45.7%
Adjustment items:			
Without taking into account non-operating gains and losses*	(158,132)	(8,102)	
Profit attributable to owners of the parent after adjustment	365,196	351,156	4.0%

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

Liquidity and Financial Resources

As at 30 June 2012, the Group's cash and cash equivalents amounted to RMB1,020.5 million, decreased by RMB405.3 million compared to RMB1,425.8 million as at 31 December 2011. The main cash inflow and cash outflow are set out as follows:

- (1) net cash inflow of RMB207.3 million arising from operating activities;
- (2) net cash outflow arising from investment activities amounted to RMB1,671.7 million, which mainly includes payments for properties and equipment amounting to RMB343.0 million, prepayment and purchase of land lease prepayment amounting to RMB1,305.8 million, and purchase of available-for-sale equity investments amounting to RMB207.0 million; and
- (3) net cash inflow of RMB1,060.8 million from financing activities for reasons such as issue of short-term notes and increase of bank loans.

As at 30 June 2012, total bank loans and short-term notes of the Group were RMB4,615.1 million (31 December 2011: RMB3,128.7 million), of which RMB2,328.3 million will mature within one year.

The debt to total assets ratio of the Group (expressed as a percentage of the aggregate of interest-bearing bank loans and the short-term financing notes over total assets) increased from 20.3% as at 31 December 2011 to 28.3% as at 30 June 2012.

Management Discussion and Analysis

Investment in Listed Shares

The Group currently owns minority interests in companies with department store operation listed in the PRC. The Directors believe these investments will bring long-term benefits to the Group. The following table sets out the Group's interests in three A share and B share companies listed in the PRC as at 30 June 2012, and relevant summarised information relating to these companies.

Investment	The Group's Shareholding	Principal Business	Geographical Location
Shenzhen International Enterprises Co., Ltd. (深圳市國際企業股份有限公司)	7.03%	The first listed retail enterprise in Shenzhen	Shenzhen City, Guangdong Province
Shen Yang Commercial City Co., Ltd. (瀋陽商業城股份有限公司)	10.24%	Owns a number of department stores in Shenyang	Shenyang City, Liaoning Province
Dashang Co., Ltd. (大商股份有限公司)	2.11%	Owns a number of department stores in Northern China	Dalian City, Liaoning Province

The total original cost of the investments in the above companies was RMB348.5 million, which was financed by the Group's cash inflow from operations. As at 30 June 2012, the total market value of the shares held by the Group in the three above-mentioned A share and B share listed companies amounted to approximately RMB558.8 million, representing an increase of 60.3% compared with the total cost of investments of RMB348.5 million.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2012.

Pledge of Assets

As at 30 June 2012, the Group's collateral interest-bearing bank loans amounting to RMB3,259.2 million were secured by the Group's land and buildings, investment properties, land lease prepayments, completed properties held for sale and properties under development with net carrying amounts of approximately RMB672.1 million, RMB121.3 million, RMB610.1 million, RMB353.1 million and RMB222.1 million, respectively.

As at 30 June 2012, the Group's bills payables amounting to RMB0.9 million were secured by the Group's time deposits amounting to RMB0.1 million.

Foreign Currency Risk

The Group's certain cash and bank balances and investments are denominated in Hong Kong dollars and, therefore, the Group is exposed to foreign currency risk. During the period under review, the Group recorded a net gain in foreign currency of approximately RMB0.1 million.

For the six months ended 30 June 2012, the Group had not entered into any arrangements to hedge foreign currency risk. The Group's operating cash flow is not exposed to any foreign exchange fluctuation risks.

Interest-bearing Loans

Bank loans, short-term financial notes and other borrowings of the Group as at 30 June 2012 amounted to RMB 5,476.3 million, and the net gearing ratio* was 65.3% (as at 31 December 2011: 37.8%), details of which are set out in note 28 to the interim condensed consolidated financial statements.

* Net gearing ratio = net debt/equity = (bank loans + short-term financial notes + convertible bonds - cash and cash equivalents)/equity.

Interim Dividend

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the six months ended 30 June 2012 of HK3.2 cents in cash per share totalling HK\$171.8 million (equivalent to approximately RMB140.9 million) (for the six months ended 30 June 2011: Nil). The interim dividend will be paid on Monday, 10 September 2012 to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 3 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Friday, 31 August 2012 to Monday, 3 September 2012 (both days inclusive), during such period no transfer of shares of the Company will be registered. In order to be eligible to receive the interim dividend for the six months ended 30 June 2012, unregistered holders of shares of the Company should ensure 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 30 August 2012.

Other Information

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

As at 30 June 2012, the interests of the directors of the Company in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Listing Rules were as follows:

(1) Long position in the shares of the Company

Name of director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital*
Mr. Huang Mao Ru	Interest of controlled corporations	4,200,000,000 (Note)	78.21%
	Beneficial owner	50,000,000	0.93%
		4,250,000,000	79.14%
Mr. Zhong Pengyi	Beneficial owner	198,000	0.004%
Ms. Wang Fuqin	Beneficial owner	792,000	0.01%

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

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2012.

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

Name of director	Capacity	Number of underlying shares in respect of share options granted	Approximate percentage of the Company's issued share capital*
Mr. Zhong Pengyi	Beneficial owner	204,000	0.004%
Ms. Wang Fuqin	Beneficial owner	816,000	0.015%
Mr. Wang Bin	Beneficial owner	255,000	0.005%
Mr. Chow Chan Lum	Beneficial owner	204,000	0.004%
Mr. Pao Ping Wing	Beneficial owner	204,000	0.004%
Mr. Leung Hon Chuen	Beneficial owner	204,000	0.004%

Details of the above share options as required to be disclosed by the Listing Rules have been disclosed under the heading "Share Option Scheme" and note 30 to the interim condensed consolidated financial statements.

* The percentage represents the number of underlying shares divided by the number of the Company's issued shares as at 30 June 2012.

Other Information

(3) Long position in the shares of associated corporations

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

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

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

* The percentage represents the number of ordinary shares divided by the number of Maoye Department Store Investment Limited's issued shares as at 30 June 2012.

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

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

* The percentage represents the number of ordinary shares divided by the number of MOY International Holdings Limited's issued shares as at 30 June 2012.

Save as disclosed above, as at 30 June 2012, 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.

Other Information

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

As at 30 June 2012, the following persons (other than the directors of the Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations") had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long position in the shares of the Company

Name	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital*
Mrs. Huang Jingzhang	Interest of spouse	4,250,000,000 (Note (a))	79.14%
Maoye Department Store Investment Limited	Beneficial owner	4,200,000,000 (Note (b))	78.21%
MOY International Holdings Limited	Interest of controlled corporation	4,200,000,000 (Note (b))	78.21%

Notes:

- (a) Mrs. Huang Jingzhang was deemed to be interested in these shares through the interest of her spouse, Mr. Huang Mao Ru.
- (b) Maoye Department Store Investment Limited was a wholly-owned subsidiary of MOY International Holdings Limited. Such interests were also disclosed as the interests of Mr. Huang Mao Ru in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations".

* The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 30 June 2012.

Save as disclosed above, as at 30 June 2012, 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.

Other Information

SHARE OPTION SCHEME

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

Movements of the Scheme during the six months ended 30 June 2012 are as follows:

Category	Date of grant	Exercise price (HK\$ per share)	As at 1 January 2012	Granted during the period	Exercised during the period	Forfeited during the period	As at 30 June 2012
Director							
Mr. Zhong Pengyi	11 Jun 2010	2.81	204,000	—	—	—	204,000
Ms. Wang Fuqin	11 Jun 2010	2.81	816,000	—	—	—	816,000
Mr. Wang Bin	30 Dec 2010	3.43	255,000	—	—	—	255,000
Mr. Chow Chan Lum	11 Jun 2010	2.81	204,000	—	—	—	204,000
Mr. Pao Ping Wing	11 Jun 2010	2.81	204,000	—	—	—	204,000
Mr. Leung Hon Chuen	11 Jun 2010	2.81	204,000	—	—	—	204,000
			1,887,000	—	—	—	1,887,000
Employees in aggregate							
	11 Jun 2010	2.81	30,471,000	—	—	(2,303,000)	28,168,000
	30 Dec 2010	3.43	1,734,000	—	—	—	1,734,000
	2 May 2012	1.96	—	650,000	—	(325,000)	325,000
			32,205,000	650,000	—	(2,628,000)	30,227,000
Others in aggregate							
	11 Jun 2010	2.81	4,065,000	—	—	—	4,065,000
	30 Dec 2010	3.43	142,000	—	—	—	142,000
			4,207,000	—	—	—	4,207,000
			38,299,000	650,000	—	(2,628,000)	36,321,000

Notes:

Exercise period of the share options is from 1st trading date to 30th trading date after the publication date of the 2012 annual report.

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

The closing price of the shares of the Company immediately before the date of grant on 2 May 2012 was HK\$1.85.

On 2 May 2012, a total of 650,000 share options were granted to 2 eligible participants of the Company at an exercise price of HK\$1.96 per share pursuant to the Scheme (the “**Relevant Share Options**”). The fair value of the Relevant Share Options was HK\$265,500 (HK\$0.41 each), equivalent to RMB216,678 during the six months ended 30 June 2012.

Other Information

The fair value of the Relevant Share Options granted during the period was estimated as at the date of grant (i.e., 2 May 2012) using a binomial model, taking into account the terms and conditions upon which the Relevant Share Options were granted. The following table sets out the inputs to the model used:

Dividend yield (%)	2.26
Expected volatility (%)	68
Historical volatility (%)	68
Risk-free interest rate (%)	0.21
Expected life of options (year)	0.89

No other feature of the Relevant Share Options was incorporated into the measurement of fair value.

The value of the Relevant Share Options is subject to the limitations of the binomial model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate.

No share options have been cancelled during the six months ended 30 June 2012. Further details relating to the Scheme and share options granted thereunder are set out in note 30 to the interim condensed consolidated financial statements.

CONVERTIBLE BONDS

Details of the convertible bonds of the Company are set out in note 28 to the interim condensed consolidated financial statements.

EMPLOYEES

As at 30 June 2012, the Group had a total of approximately 8,513 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

The Company repurchased a total of 17,933,000 shares on the Stock Exchange during the six months ended 30 June 2012. Such shares were cancelled upon repurchase and accordingly the issued capital of the Company was reduced by the nominal value of these shares.

Details of the repurchase are summarised as follows:

Month of repurchase	Total number of shares repurchased	Repurchase price per share		Aggregate consideration HK\$'000
		Highest HK\$	Lowest HK\$	
January 2012	17,933,000	1.90	1.59	31,378

Except as disclosed above, neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2012.

Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its Code of conduct governing the directors' dealings in the Company's securities. The Company has made specific enquiries with all of its directors, who have confirmed their compliance with the required standard set out in the Model Code through the six months ended 30 June 2012.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions set out in the former Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the new Corporate Governance Code during the period from 1 April 2012 to 30 June 2012 as contained in Appendix 14 of the Listing Rules, except for the following deviations:

Code Provision A.2.1

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.

Code Provision A.6.7

One of the independent non-executive directors was unable to attend the annual general meeting of the Company held on 5 April 2012 due to his unavoidable business engagement.

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 2012 and discussed with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

UPDATE ON DIRECTOR'S INFORMATION UNDER RULE 13.51(B)(1) OF THE LISTING RULES

Mr. Chow Chan Lum, an independent non-executive director of the Company, has resigned as an independent non-executive director of China Aerospace International Holdings Limited with effect from 26 March 2012 (a company listed on the Stock Exchange).

DEED OF NON-COMPETITION

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

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

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 23 to 58, which comprise the interim condensed consolidated statement of financial position of Maoye International Holdings Limited and its subsidiaries as at 30 June 2012 and the related interim condensed consolidated income statement, statements of 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. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

Certified Public Accountants
Hong Kong
15 August 2012

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2012

	Notes	Six months ended 30 June	
		2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
REVENUE	4	1,724,177	1,709,813
Other income	5	408,701	382,977
Total operating revenue		2,132,878	2,092,790
Cost of sales	6	(703,137)	(707,729)
Employee expenses	7	(156,161)	(197,003)
Depreciation and amortisation		(179,290)	(152,535)
Operating lease rental expenses		(120,350)	(109,089)
Other operating expenses	8	(378,173)	(354,665)
Other gains	9	236,468	38,492
Operating profit		832,235	610,261
Finance costs	10	(107,592)	(104,415)
Share of profits and losses of associates		185	948
PROFIT BEFORE TAX		724,828	506,794
Income tax expense	11	(198,390)	(153,480)
PROFIT FOR THE PERIOD		526,438	353,314
Attributable to:			
Owners of the parent		467,874	300,583
Non-controlling interests		58,564	52,731
		526,438	353,314
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
Basic		RMB8.7 cents	RMB5.8 cents
Diluted		RMB8.7 cents	RMB5.8 cents

Interim Condensed

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	526,438	353,314
Available-for-sale equity investments:		
Changes in fair value	15,066	292,382
Income tax effect	487	(69,815)
	15,553	222,567
Exchange differences on translation of foreign operations	(3,580)	10,216
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	11,973	232,783
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	538,411	586,097
Attributable to:		
Owners of the parent	479,847	533,366
Non-controlling interests	58,564	52,731
	538,411	586,097

Interim Condensed

Consolidated Statement of Financial Position

30 June 2012

	Notes	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	3,869,398	3,646,710
Investment properties	15	460,156	428,221
Land lease prepayments	16	3,878,820	3,963,985
Goodwill	17	641,680	641,680
Other intangible assets	18	6,042	6,823
Investments in associates	19	12,310	12,260
Available-for-sale equity investments	20	714,418	782,205
Other assets		2,458	2,458
Prepayments	23	1,569,654	1,102,725
Loan and receivable	24	100,000	--
Deferred tax assets		98,382	83,907
Total non-current assets		11,353,318	10,670,974
CURRENT ASSETS			
Inventories	21	255,515	281,977
Completed properties held for sale		484,784	524,734
Properties under development	22	2,593,841	1,791,198
Equity investments at fair value through profit or loss		9,483	8,674
Trade receivables		59,043	47,912
Prepayments, deposits and other receivables	23	435,755	587,945
Due from related parties	33(b)	89,367	43,772
Pledged deposits	25	20,210	1,530
Cash and cash equivalents	25	1,020,490	1,425,837
Total current assets		4,968,488	4,713,579
CURRENT LIABILITIES			
Trade and bills payables	26	1,864,356	1,953,827
Deposits received, accruals and other payables	27	1,451,130	1,972,429
Interest-bearing bank loans and other borrowings	28	2,328,256	1,485,973
Due to related parties	33(b)	12,527	31,486
Tax payable		138,924	111,253
Total current liabilities		5,795,193	5,554,968
NET CURRENT LIABILITIES		(826,705)	(841,389)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,526,613	9,829,585

Interim Condensed

Consolidated Statement of Financial Position

30 June 2012

	Notes	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		10,526,613	9,829,585
NON-CURRENT LIABILITIES			
Convertible bonds	28	861,236	844,363
Interest-bearing bank loans and other borrowings	28	2,286,804	1,642,698
Deferred tax liabilities		552,695	597,406
Total non-current liabilities		3,700,735	3,084,467
Net assets		6,825,878	6,745,118
EQUITY			
Equity attributable to owners of the parent			
Issued capital	29	480,407	481,988
Equity component of convertible bonds		119,125	119,125
Reserves		4,893,490	4,595,558
Proposed final dividend		–	256,125
		5,493,022	5,452,796
Non-controlling interests		1,332,856	1,292,322
Total equity		6,825,878	6,745,118

Director:
Huang Mao Ru

Director:
Wang Bin

Interim Condensed

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Attributable to owners of the parent										Total equity RMB'000				
	Issued capital RMB'000 (note 29)	Share premium account RMB'000	Acquisition of non-controlling interests RMB'000	Share option reserve RMB'000 (note 30)	Equity component of convertible bonds RMB'000	Capital redemption reserve RMB'000	Contributed surplus RMB'000	Statutory surplus reserve RMB'000	Available-for-sale equity investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000		Retained profits RMB'000	Proposed final dividend RMB'000	Total RMB'000	Non-controlling interests RMB'000
(Unaudited)															
At 1 January 2012	481,988	2,715,928	-	25,498	119,125	5,935	77	284,411	248,570	(27,917)	1,343,066	256,125	5,452,796	1,292,322	6,745,118
Profit for the period	-	-	-	-	-	-	-	-	-	467,874	467,874	-	467,874	58,564	526,438
Other comprehensive income for the period:															
Changes in fair value of available-for-sale investments, before tax	-	-	-	-	-	-	-	-	15,066	-	-	-	15,066	-	15,066
Exchanges differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(3,580)	-	-	(3,580)	-	(3,580)
Tax effect of components of other comprehensive income	-	-	-	-	-	-	-	-	487	-	-	-	487	-	487
Total comprehensive income for the period	-	-	-	-	-	-	-	-	15,553	(3,580)	467,874	-	479,847	58,564	538,411
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
Acquisition of non-controlling interests	-	-	(33,342)	-	-	-	-	-	-	-	-	-	(33,342)	(9,976)	(43,318)
Disposal of an available-for-sale equity investment	-	-	-	-	-	-	-	-	(99,144)	-	-	-	(99,144)	-	(99,144)
Profit appropriated to reserve	-	-	-	-	-	-	-	23,884	-	-	(23,884)	-	-	-	-
Equity-settled share option arrangement (note 30)	-	-	-	(25,498)	-	-	-	-	-	-	-	-	(25,498)	-	(25,498)
Final 2011 dividend paid	-	-	-	-	-	-	-	-	-	-	-	(256,125)	(256,125)	-	(256,125)
Repurchase and cancellation of shares (note 29)	(1,581)	(23,931)	-	-	-	-	-	-	-	-	(1,581)	-	(25,512)	-	(25,512)
Dividend paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,054)	(11,054)
At 30 June 2012	480,407	2,691,997	(33,342)	-	119,125	7,516	77	308,295	164,979	(31,497)	1,785,465	-	5,493,022	1,332,856	6,825,878

Interim Condensed

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

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

Interim Condensed

Consolidated Statement of Cash Flows

For the six months ended 30 June 2012

	Note	Six months ended 30 June	
		2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Net cash flows from operating activities		207,297	375,329
Net cash flows used in investing activities		(1,671,655)	(1,002,988)
Net cash flows from financing activities		1,060,786	1,275,006
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(403,572)	647,347
Effect of foreign exchange rate changes, net		(1,775)	(3,136)
Cash and cash equivalents at beginning of period		1,425,837	1,024,073
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,020,490	1,668,284
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	25	1,020,490	1,668,284
Cash and cash equivalents as stated in the statement of cash flows		1,020,490	1,668,284

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

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 address is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman Islands, and the head office and principal place of business of the Company is located at 38/F, World Finance Centre, 4003 Shennan East Road, Shenzhen, the People’s Republic of China (the “PRC”). The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the operation and management of department stores and property development in Mainland China.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Maoye Department Store Investment Limited and MOY International Holdings Limited, respectively, which were incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2011.

As at 30 June 2012, the Group had net current liabilities of approximately RMB826,705,000. Having taken into account the cash flows from the operations and the current available banking facilities, the directors consider that it is appropriate to prepare the financial statements on a going concern basis notwithstanding the net current liabilities position.

2.2 IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2011, except for the adoption of the new amendments as of 1 January 2012, noted below.

IFRS 1 Amendments	<i>Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
IFRS 7 Amendments	<i>Amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets</i>
IAS 12 Amendments	<i>Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

3. OPERATING SEGMENT INFORMATION

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

- (a) the operation of department stores segment comprises concessionaire, direct sales of merchandise and leasing out of commercial properties for the operation of department stores by third parties;
- (b) the property development segment is principally engaged in the development and sale of commercial and residential properties as well as leasing out of commercial properties other than for the operation of department stores; and
- (c) the “others” segment comprises, principally, operations of hotels and the provision of ancillary services, the provision of advertising services and the construction of television networks.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit attributable to owners of the parent.

Intersegment revenue and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

3. OPERATING SEGMENT INFORMATION (continued)

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Total RMB'000
Period ended 30 June 2012					
Segment revenue:					
Sales to external customers	1,622,022	98,464	3,691	-	1,724,177
Intersegment revenue	-	10,128	-	(10,128)	-
Other income	397,078	10,063	1,560	-	408,701
Cost of sales	(660,416)	(42,564)	(157)	-	(703,137)
Employee expenses	(142,970)	(10,445)	(2,746)	-	(156,161)
Depreciation and amortisation	(163,854)	(13,848)	(1,588)	-	(179,290)
Operating lease rental expenses	(120,350)	-	-	-	(120,350)
Other operating expenses	(350,002)	(35,640)	(2,659)	10,128	(378,173)
Other gains	234,015	2,453	-	-	236,468
Operating profit/(loss)	815,523	18,611	(1,899)	-	832,235
Finance costs	(23,644)	(83,828)	(120)	-	(107,592)
Share of profits and losses of associates	-	-	185	-	185
Segment profit/(loss) before tax	791,879	(65,217)	(1,834)	-	724,828
Income tax expense	(215,203)	16,304	509	-	(198,390)
Segment profit/(loss) for the period	576,676	(48,913)	(1,325)	-	526,438
Attributable to:					
Owners of the parent	523,328	(53,715)	(1,739)	-	467,874
Non-controlling interests	53,348	4,802	414	-	58,564
	576,676	(48,913)	(1,325)	-	526,438
Other segment information					
Impairment losses recognised in the income statement	176	575	(67)	-	684
Depreciation and amortisation	163,854	13,848	1,588	-	179,290
Investments in associates	-	-	12,310	-	12,310
Capital expenditure*	330,876	849,010	632	-	1,180,518

* Capital expenditure consists of additions to property, plant and equipment, land lease prepayments, investment properties, properties under development, other intangible assets and completed properties held for sale.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

3. OPERATING SEGMENT INFORMATION (continued)

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Total RMB'000
Period ended 30 June 2011					
Segment revenue:					
Sales to external customers	1,632,483	73,607	3,723	–	1,709,813
Intersegment revenue	–	9,493	–	(9,493)	–
Other income	374,698	5,079	3,200	–	382,977
Cost of sales	(672,508)	(34,672)	(549)	–	(707,729)
Employee expenses	(186,375)	(8,493)	(2,135)	–	(197,003)
Depreciation and amortisation	(140,358)	(11,373)	(804)	–	(152,535)
Operating lease rental expenses	(109,089)	–	–	–	(109,089)
Other operating expenses	(331,470)	(28,730)	(3,958)	9,493	(354,665)
Other gains/(loss)	38,704	(207)	(5)	–	38,492
Operating profit/(loss)	606,085	4,704	(528)	–	610,261
Finance costs	(25,790)	(78,625)	–	–	(104,415)
Share of profits and losses of associates	–	–	948	–	948
Segment profit/(loss) before tax	580,295	(73,921)	420	–	506,794
Income tax expense	(165,605)	12,230	(105)	–	(153,480)
Segment profit/(loss) for the period	414,690	(61,691)	315	–	353,314
Attributable to:					
Owners of the parent	359,258	(58,886)	211	–	300,583
Non-controlling interests	55,432	(2,805)	104	–	52,731
	414,690	(61,691)	315	–	353,314
Other segment information					
Impairment losses recognised in the income statement	177	–	–	–	177
Depreciation and amortisation	140,358	11,373	804	–	152,535
Investments in associates	–	–	12,707	–	12,707
Capital expenditure*	1,403,763	365,191	–	–	1,768,954

* Capital expenditure consists of additions to property, plant and equipment, land lease prepayments, investment properties, properties under development, other intangible assets and completed properties held for sale including assets from the acquisition of subsidiaries.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

4. REVENUE

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Commissions from concessionaire sales	799,584	760,499
Direct sales	734,199	747,202
Rental income from the leasing of shop premises	86,279	82,343
Management fee income from the operation of department stores	1,960	1,871
Rental income from investment properties	34,341	65,427
Sale of properties	64,123	48,748
Others	3,691	3,723
	1,724,177	1,709,813

The total sales proceeds and commissions from concessionaire sales are analysed as follows:

Total sales proceeds from concessionaire sales	4,663,631	4,386,125
Commissions from concessionaire sales	799,584	760,499

5. OTHER INCOME

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Income from suppliers and concessionaires		
– Administration and management fee income	224,520	208,019
– Promotion income	95,443	98,388
– Credit card handling fees	60,650	57,103
Interest income	6,345	3,612
Others	21,743	15,855
	408,701	382,977

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

6. COST OF SALES

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Purchases of and changes in inventories	660,274	672,508
Cost of properties sold	42,564	34,672
Others	299	549
	703,137	707,729

7. EMPLOYEE EXPENSES

	Note	Six months ended 30 June	
		2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Wages and salaries		155,597	153,064
Equity-settled share option expense	30	(25,498)	25,074
Retirement benefits		17,881	14,626
Other employee benefits		8,181	4,239
		156,161	197,003

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

8. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Utility expenses	95,769	90,965
Promotion and advertising expenses	27,260	33,080
Repair and maintenance expenses	41,846	36,312
Entertainment expenses	7,497	8,726
Office expenses	19,395	25,683
Other tax expenses	125,517	107,505
Professional service fees	11,613	5,907
Auditors' remuneration	2,097	3,405
Bank charges	31,357	29,309
Impairment of trade receivables	604	83
Impairment of other receivables	80	94
Others	15,138	13,596
	378,173	354,665

9. OTHER GAINS

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Loss on disposal of items of property, plant and equipment	(94)	(703)
Gain on disposal of investment properties	2,366	–
Foreign exchange gain, net	131	532
Fair value gain/(loss) on equity investments at fair value through profit or loss	808	(83)
Gain on disposal of available-for-sale equity investments	184,254	498
Share of loss of a department store operation by a fellow subsidiary (note 33(a)(1))	21,083	23,551
Dividend income from available-for-sale equity investments	6,099	3,700
Dividend income from equity investments at fair value through profit or loss	79	121
Others	21,742	10,876
	236,468	38,492

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

10. FINANCE COSTS

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Interest on bank loans and other borrowings	107,592	104,415

11. INCOME TAX

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

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

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

The provision for Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2012 (six months ended 30 June 2011: 16.5%).

Under the relevant PRC income tax law, the PRC subsidiaries are subject to corporate income tax ("CIT") at a statutory rate of 25% on their respective taxable income.

PRC Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures. LAT of RMB1,372,000 is charged to the consolidated income statement for the six months ended 30 June 2012 (six months ended 30 June 2011: RMB1,551,000).

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Group:		
Current - CIT	222,107	155,143
Current - LAT	1,372	1,551
Deferred	(25,089)	(3,214)
Total tax charge for the period	198,390	153,480

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

12. DIVIDENDS

On 15 August 2012, the board of directors of the Company declared an interim dividend of HK3.2 cents (equivalent to RMB2.6 cents) per share for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2012 attributable to ordinary equity holders of the parent of RMB467,874,000 (Six months ended 30 June 2011: RMB300,583,000) and the weighted average number of ordinary shares of 5,371,143,627 (Six months ended 30 June 2011: 5,203,784,257) in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2012 and 2011 in respect of a dilution as the share options outstanding or convertible bonds had an anti-dilutive effect on the basic earnings per share amounts presented.

14. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Carrying amount at 1 January		3,646,710	2,437,213
Additions		332,481	779,647
Acquisition of subsidiaries		–	631,571
Disposals		(2,826)	(4,995)
Depreciation charge for the period/year		(107,260)	(192,206)
Transfer to investment properties	15	–	(3,169)
Exchange realignment		293	(1,351)
Carrying amount at 30 June/31 December		3,869,398	3,646,710

Amortisation of land lease payments of approximately RMB15,468,000 during the construction period was capitalised as part of the construction cost of the department stores under construction of the Group, and was included in the above additions.

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

Certificates of ownership in respect of certain buildings of the Group with a net carrying amount of approximately RMB271,349,000 as at 30 June 2012 have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

15. INVESTMENT PROPERTIES

	Notes	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Carrying amount at 1 January		428,221	292,199
Additions		43,261	89,789
Disposals		(2,956)	(8,700)
Transfer from property, plant and equipment	14	–	3,169
Transfer from properties under development	22	–	66,718
Depreciation charged for the period/year		(8,370)	(14,954)
Carrying amount at 30 June/31 December		460,156	428,221
Carrying amount at 30 June/31 December:			
Cost		589,572	549,833
Accumulated depreciation		(129,416)	(121,612)
Net carrying amount		460,156	428,221

The Group's investment properties are held under medium term leases and are situated in Mainland China. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 31(a).

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

Certificates of ownership in respect of certain investment properties of the Group located in Anhui with a net carrying amount of approximately RMB25,180,000 as at 30 June 2012 have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

16. LAND LEASE PREPAYMENTS

	Note	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Carrying amount at 1 January		4,106,464	3,760,402
Acquisition of subsidiaries		—	404,790
Additions		1,966	273,789
Transfer to properties under development	22	—	(171,162)
Transfer from properties under development	22	—	1,030
Disposals		(7,050)	(26,507)
		4,101,380	4,242,342
Recognised during the period/year		(74,230)	(135,878)
Carrying amount at 30 June/31 December		4,027,150	4,106,464
Current portion included in prepayments and other receivables		(148,330)	(142,479)
Non-current portion		3,878,820	3,963,985

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 interest-bearing bank loans are set out in note 28(c).

The Group was in the process of applying for the land use right certificates for land lease prepayments with an aggregate carrying amount of approximately RMB116,383,000 as at 30 June 2012.

Included in the amortisation provided during the period is an amount of approximately RMB15,468,000, which was capitalised as part of the construction cost of the department stores under construction of the Group and included in the additions of property, plant and equipment (note 14).

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

17. GOODWILL

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Cost at 1 January, net of accumulated impairment	641,680	537,050
Acquisition of subsidiaries	–	104,630
At 30 June/31 December	641,680	641,680
At 30 June/31 December:		
Cost	647,449	647,449
Accumulated impairment	(5,769)	(5,769)
Net carrying amount	641,680	641,680

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill is based on a value in use calculation that uses a discounted cash flow projection. The discount rates applied to the cash flow projection ranged from 11% to 17% (2011: 12% to 17%). Cash flows beyond the five-year period are extrapolated using the estimated growth rates ranging from nil to 5% (2011: nil to 5%). The growth rates do not exceed the projected long term average growth rates for the operation of department stores in Mainland China. The other key assumptions used to determine the recoverable amount for the cash-generating units were discussed in the annual financial statements for the year ended 31 December 2011.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

18. OTHER INTANGIBLE ASSETS

	Computer software	
	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Cost at 1 January, net of accumulated amortisation	6,823	4,148
Additions	168	3,874
Acquisition of a subsidiary	–	570
Disposal	–	(30)
Amortisation provided during the period/year	(949)	(1,739)
At 30 June/31 December	6,042	6,823
At 30 June/31 December:		
Cost	10,629	10,461
Accumulated amortisation	(4,587)	(3,638)
Net carrying amount	6,042	6,823

19. INVESTMENTS IN ASSOCIATES

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Share of net assets	12,310	12,260

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

20. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Listed equity investments, at fair value:		
Shanghai	417,116	225,402
Shenzhen	141,660	301,161
	558,776	526,563
Unlisted equity investments, at cost	161,527	261,527
	720,303	788,090
Provision for impairment	(5,885)	(5,885)
	714,418	782,205

During the period, the gross gain in respect of the Group's available-for-sale equity investments recognised in other comprehensive income amounted to RMB15,066,000 (six months ended 30 June 2011: RMB292,382,000).

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

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

21. INVENTORIES

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Merchandise for resale	261,583	288,070
Provision against slow-moving inventories	(6,068)	(6,093)
	255,515	281,977

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

22. PROPERTIES UNDER DEVELOPMENT

	Notes	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Land lease prepayments, at cost			
At 1 January		1,161,038	875,738
Additions		609,245	124,228
Transfer from land lease prepayments	16	–	171,162
Transfer to land lease prepayments	16	–	(1,030)
Transfer to completed properties held for sale		–	(9,060)
At 30 June/31 December		1,770,283	1,161,038
Development expenditure, at cost			
At 1 January		630,160	301,824
Additions		193,398	479,565
Transfer to investment properties	15	–	(66,718)
Transfer to completed properties held for sale		–	(84,511)
At 30 June/31 December		823,558	630,160
		2,593,841	1,791,198

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

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

23. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Non-current assets		
Prepayments	1,569,654	1,102,725
Current assets		
Prepayments	277,390	353,039
Other receivables	174,841	251,320
	452,231	604,359
Impairment of other receivables	(16,476)	(16,414)
	435,755	587,945

Included in the Group's prepayments and other receivables under current assets as at 30 June 2012 were prepayments for operating lease rental expenses of RMB68,096,000 covering the period from July 2012 to December 2012 (31 December 2011: RMB129,225,000) and rental deposits of RMB16,027,000 (31 December 2011: RMB16,027,000), which were paid to certain fellow subsidiaries of the Company.

24. LOAN AND RECEIVABLE

Pursuant to an agreement between Shenzhen Maoye (Group) Co., Ltd. ("Shenzhen Maoye Group") (深圳茂業(集團)股份有限公司), the fellow subsidiary of the Group, and the Group signed on 22 November 2011 and a supplemental agreement signed on 1 March 2012, the Group agreed to provide a loan to Shenzhen Maoye Group with an amount not exceeding RMB250,000,000 for the development of a commercial property with an annual interest of 15%. Upon completion of the development of the commercial property, Shenzhen Maoye Group agreed to grant the first right of purchase and the first right of lease of the commercial property to the Group. The loan shall be repaid by Shenzhen Maoye Group on the demand of the Group within two years since 22 November 2011.

On 20 June 2012, an amount of RMB100,000,000 was paid by the Group to Shenzhen Maoye Group as the first instalment of the loan.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Cash and bank balances	934,102	1,297,964
Time deposits	106,598	129,403
	1,040,700	1,427,367
Less: Pledged time deposits for bills payable	(120)	(1,530)
Less: Pledged time deposits for construction in progress	(20,090)	–
Cash and cash equivalents	1,020,490	1,425,837

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

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
RMB	1,032,974	1,411,509
Hong Kong dollar	7,354	14,360
United States dollar	360	360
Euro	–	1,127
Great British pound	12	11
	1,040,700	1,427,367

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2012

26. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Within 90 days	1,437,279	1,622,517
91 to 180 days	167,495	133,373
181 to 360 days	181,330	156,271
Over 360 days	78,252	41,666
	1,864,356	1,953,827

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

The Group's bills payable amounting to RMB900,000 as at 30 June 2012 (31 December 2011: RMB5,100,000) were secured by the Group's time deposits amounting to RMB120,000 (31 December 2011: RMB1,530,000).

27. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Deferred income	886,573	1,002,929
Deposits received	185,984	176,825
Accrued operating lease rental expenses	87,413	82,030
Accrued utilities	17,456	16,643
Accrued liabilities	43,505	23,625
Accrued staff costs	39,559	61,318
Provision for coupon liabilities	18,510	16,207
Value-added tax and other tax payables	(245,171)	(168,599)
Other payables	417,301	761,451
	1,451,130	1,972,429

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28. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	30 June 2012 (Unaudited)			31 December 2011 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Interest-bearing bank loans – secured	6.10-10.50	2013	1,204,000	6.48-9.47	2012	975,000
Current portion of long term interest-bearing bank loans – secured	6.66-7.65, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2013	326,410	6.11-7.65, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2012	510,973
Other loans	6.57	2013	797,846	–	–	–
			<u>2,328,256</u>			<u>1,485,973</u>
Non-current						
Long term interest – bearing bank loans – secured	6.66-8.28, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2013-2020	2,286,804	6.11-7.65, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2013-2019	1,642,698
Convertible bonds	6.51	2013-2015	861,236	6.51	2013-2015	844,363
			<u>3,148,040</u>			<u>2,487,061</u>
			<u>5,476,296</u>			<u>3,973,034</u>

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

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Analysed into:		
Bank and other loans repayable:		
Within one year	2,328,256	1,485,973
In the second year	313,336	316,714
In the third to fifth years, inclusive	723,615	769,123
Beyond five years	1,249,853	556,861
	4,615,060	3,128,671

	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Analysed into:		
Convertible bonds:		
In the third to fifth years, inclusive	861,236	844,363

The Group's bank loans are secured by:

- (a) certain land and buildings of the Group with a net carrying amount of approximately RMB672,091,000 (31 December 2011: approximately RMB505,039,000);
- (b) certain investment properties of the Group with a net carrying amount of approximately RMB121,341,000 (31 December 2011: approximately RMB128,924,000);
- (c) certain land lease prepayments of the Group with a net carrying amount of approximately RMB610,073,000 (31 December 2011: approximately RMB1,209,554,000);
- (d) certain completed properties held for sale of the Group with a net carrying amount of approximately RMB353,118,000 (31 December 2011: approximately RMB497,964,000); and
- (e) certain properties under development of the Group with a net carrying amount of approximately RMB222,107,000 (31 December 2011: approximately RMB206,723,000).

In addition, Shenzhen Maoye Group, Mr. Huang Mao Ru, a director of the Company and Mrs. Huang Jingzhang (Spouse of Mr. Huang Mao Ru) have guaranteed certain of the Group's bank loans up to RMB2,347,399,000 (2011: RMB1,062,560,000) as at the end of the reporting period.

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

The Group had the following undrawn banking facilities:

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
At floating rate	271,720	530,570

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

29. ISSUED CAPITAL

	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
Authorised:		
9,000,000,000 (31 December 2011: 9,000,000,000) ordinary shares of HK\$0.10 each	900,000	900,000
Issued and fully paid:		
5,370,081,000 (31 December 2011: 5,388,014,000) ordinary shares of HK\$0.10 each	537,008	538,801
Equivalent to RMB'000	480,407	481,988

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

	Number of shares in issue	Issued capital RMB'000	Share premium account RMB'000	Total RMB'000
At 1 January 2012	5,388,014,000	481,988	2,715,928	3,197,916
Repurchase and cancellation of shares	(17,933,000)	(1,581)	(23,931)	(25,512)
At 30 June 2012	5,370,081,000	480,407	2,691,997	3,172,404

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29. ISSUED CAPITAL (continued)

All ordinary shares repurchased during the period were cancelled during the period, and the issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The premium paid on the repurchases of the ordinary shares, of HK\$29,584,000 (equivalent to RMB23,931,000), were charged to the share premium account. An amount equivalent to the par value of the ordinary shares cancelled was transferred to the capital redemption reserve as set out in the interim condensed consolidated statement of changes in equity.

Details of the repurchases during the period are summarised as follows:

Date of repurchases	Number of ordinary shares repurchased	Purchase price paid per share		Aggregate consideration paid	
		Highest HK\$	Lowest HK\$	HK\$'000	RMB'000
4 January 2012	4,714,000	1.68	1.59	7,821	6,343
5 January 2012	1,364,000	1.66	1.65	2,260	1,837
6 January 2012	2,561,000	1.66	1.62	4,231	3,442
9 January 2012	1,579,000	1.70	1.65	2,648	2,156
10 January 2012	458,000	1.72	1.69	782	636
11 January 2012	77,000	1.73	1.73	133	108
18 January 2012	3,702,000	1.88	1.85	6,950	5,657
19 January 2012	3,478,000	1.90	1.88	6,553	5,333
	17,933,000			31,378	25,512

Share options

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

30. SHARE OPTION SCHEME

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

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

On 2 May 2012, a total of 650,000 share options were granted to 2 eligible participants of the Company at an exercise price of HK\$1.96 per share pursuant to the Scheme.

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30. SHARE OPTION SCHEME (continued)

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

	Six months ended 30 June			
	2012		2011	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	2.844	38,299,000	2.839	131,810,000
Granted during the period	1.960	650,000	–	–
Forfeited during the period	2.705	(2,628,000)	2.810	(2,588,800)
Exercised during the period	–	–	2.841	(42,483,000)
Expired during the period	–	–	2.810	(1,047,200)
At 30 June	2.838	36,321,000	2.840	85,691,000

No share options were exercised during the period (six months ended 30 June 2011: The weighted average closing share price at the date of exercise for share options exercised was HK\$3.65 per share).

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

Number of options*	Exercise price HK\$ per share	Exercise period
33,865,000	2.810	1st trading date to 30th trading date after the publication date of the 2012 annual report
2,131,000	3.430	1st trading date to 30th trading date after the publication date of the 2012 annual report
325,000	1.960	1st trading date to 30th trading date after the publication date of the 2012 annual report
36,321,000		

* The exercise of the share options during the exercise period is dependent on the operating results of the Group, details are as follows:

Both the Company's total sales proceeds and profit** for the year ended 31 December 2012 are at least 35% higher than the previous financial year.

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

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30. SHARE OPTION SCHEME (continued)

The Group reversed share option expenses of an amount of RMB25,498,000 during the current period.

At 30 June 2012, the Company had 36,321,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 36,321,000 additional ordinary shares of the Company and additional share capital of HK\$3,632,100 and share premium of HK\$99,475,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 36,321,000 share options outstanding under the Scheme, which represented approximately 0.7% of the Company's shares in issue as at that date.

31. 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 16 years.

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

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Within one year	140,156	132,837
In the second to fifth years, inclusive	166,505	213,348
After five years	142,875	160,707
	449,536	506,892

(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 18 years.

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

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Within one year	206,467	207,777
In the second to fifth years, inclusive	673,262	642,649
After five years	494,054	441,348
	1,373,783	1,291,774

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32. COMMITMENTS

In addition to the operating lease commitments as set out in note 31(b) above, the Group had the following capital commitments:

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Contracted, but not provided for, in respect of land and buildings	1,189,765	816,604

33. 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 2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
(1) Recurring transactions		
Operating lease rental expenses charged by:		
Shenzhen Maoye Group (i) & (iv)	12,663	11,668
Zhong Zhao Investment (Group) Limited (中兆投資(集團)有限公司) (i) & (iv)	4,285	4,284
Shenzhen Oriental Times Industry Co., Ltd. (深圳市東方時代廣場實業有限公司) (i) & (iv)	27,345	27,345
Shenzhen Chongde Real Estate Co., Ltd. (深圳市崇德地產有限公司) (i) & (iv)	212	212
Shenzhen Maoye Property Business Co., Ltd. (深圳市茂業物業經營有限公司) (i) & (iv)	3,254	3,250
Chongqing Maoye Real Estate Co., Ltd. (重慶茂業地產有限公司) (i) & (iv)	9,620	9,620
Shenzhen Friendship Trading Centre Co., Ltd. ("Shenzhen Friendship") (深圳友誼貿易中心 有限公司) (iii), (iv) & (v)	14,550	13,350
Changzhou Taifu Real Estate Development Co., Ltd. (常州泰富房地產開發有限公司) (i) & (iv)	3,540	3,540
Shenyang Maoye Property Company Limited ("Maoye Property") (瀋陽茂業置業有限公司) (i) & (iv)	11,771	12,048
	87,240	85,317

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33. 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	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Management fee income from the operation of a department store:		
Wuxi Maoye Department Store Co., Ltd. (無錫茂業百貨有限公司) (i) & (vi)	1,960	1,871
Share of loss of a department store operation by:		
Maoye Property (i) & (vii)	21,083	23,551
Property development service expense charged by:		
Shenzhen Maoye Group (i)	822	–
(2) Non-recurring transactions		
Loan and receivable made to:		
Shenzhen Maoye Group (i) & (viii)	100,000	–
Banking facilities guaranteed by:		
Shenzhen Maoye Group (i) & (ix)	850,000	850,000
Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally (ii) & (ix)	1,800,000	1,800,000
	2,650,000	2,650,000

- (i) They are fellow subsidiaries of the Company.
- (ii) Mr. Huang Mao Ru is a director of the Company.
- (iii) Mr. Zhong Pengyi, an executive director of the Company, is a shareholder of Shenzhen Friendship.
- (iv) The operating lease rental expenses charged by the fellow subsidiaries of the Company and Shenzhen Friendship were determined based on the underlying contracts as agreed between the Group and the fellow subsidiaries of the Company or Shenzhen Friendship.
- (v) According to the terms of the lease arrangement, Shenzhen Friendship shall compensate any loss incurred by the department store operated by the Group at the leased property during each of the first two years of the lease (i.e., from 1 May 2010 to 30 April 2012). The department store operated by the Group at the leased property recorded a loss of RMB1,467,000 for the period ended 30 April 2012. Accordingly, an amount of RMB1,467,000 was recoverable from Shenzhen Friendship in accordance with the terms of the lease.

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33. 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)

- (vi) The management fee income from the operation of a department store was determined based on the underlying contracts as agreed between the Group and the fellow subsidiaries of the Company.
- (vii) According to the terms of the joint operation agreement entered into between Shenyang Maoye Department Store Limited ("Shenyang Maoye") (瀋陽茂業百貨有限公司), a subsidiary of the Group, and Maoye Property on 15 July 2011 in relation to a department store operated by Shenyang Maoye, if Shenyang Maoye suffers a loss during the period from 1 January 2011 to 31 December 2013 in the store operation, Maoye Property will pay to Shenyang Maoye an amount equivalent to 80% of the loss before tax of the store operation to Shenyang Maoye, limited to the maximum amount of RMB38,000,000 per year. If profit is generated in the store operation during the period, Maoye Property is entitled to receive an amount equivalent to 20% of such profit before tax, limited to the maximum amount of RMB10,000,000 per year.
- (viii) The Group provided a loan to Shenzhen Maoye Group with an amount of RMB100,000,000, further details of which are given in note 24 to the interim condensed consolidated financial statements.
- (ix) Certain of the Group's bank loans were guaranteed by a fellow subsidiary of the Company, Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally.

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

	30 June 2012 (Unaudited) RMB'000	31 December 2011 (Audited) RMB'000
Due from related parties		
Due from associates	907	907
Due from fellow subsidiaries	61,043	40,518
Due from a non-controlling shareholders of subsidiaries	23,603	–
Due from a company significantly influenced by a director of the Company	3,814	2,347
	89,367	43,772
Due to related parties		
Due to associates	151	151
Due to non-controlling shareholder of a subsidiary	–	19,228
Due to fellow subsidiaries	12,041	11,570
Due to a company significantly influenced by a director of the Company	335	537
	12,527	31,486

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33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

Included in the balances due from related parties and due to related parties as at 30 June 2012 were amounts of approximately RMB64,857,000 (31 December 2011: RMB42,865,000) and RMB12,376,000 (31 December 2011: RMB12,107,000) respectively, which are trade in nature, unsecured, interest-free and repayable on demand. The remaining balances with the fellow subsidiaries and other related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

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

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

(c) Loan and receivable from a fellow subsidiary

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Shenzhen Maoye Group (note 24)	100,000	–

(d) Compensation of key management

	Six months ended 30 June	
	2012 (Unaudited) RMB'000	2011 (Unaudited) RMB'000
Salaries and allowances	1,591	3,541
Retirement benefits	33	60
Equity-settled share option expense	(2,812)	2,022
	(1,188)	5,623

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34. FAIR VALUE HIERARCHY

As at 30 June 2012, the Group held the following financial instruments measured at fair value:

	30 June 2012 (Unaudited) RMB'000	Level 1 (Unaudited) RMB'000	Level 2 (Unaudited) RMB'000	Level 3 (Unaudited) RMB'000
Financial assets at fair value through profit or loss:				
Trading securities	9,483	9,483	–	–
Available-for-sale equity investments:				
Equity shares	714,418	714,418	–	–

During the six months ended 30 June 2012, there were no transfers of fair value measurements between Level 1 and Level 2, and no transfers into and out of Level 3.

35. EVENTS AFTER THE REPORTING PERIOD

On 26 July 2012, Shenzhen Maoye Shangsha Co., Ltd. (“Shenzhen Maoye Shangsha”) issued a short-term financing note with an amount of RMB800 million in the national Inter-bank market in the PRC. The financing note carries a fixed interest rate of 4.29% and matures on 26 July 2013.

From 1 July to 25 July 2012, Shenzhen Maoye Shangsha acquired 7,124,768 shares of Dashang Co.,Ltd. (“**Dashang**”), a company listed on the Shanghai Stock Exchange (stock code: 600694) at a cash consideration of RMB243,311,000 through on-market purchases on the Shanghai Stock Exchange. After the transaction, Shenzhen Maoye Shangsha held 13,325,022 shares of Dashang, which represented approximately 4.5% of the issued share capital of Dashang.

36. 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 15 August 2012.