茂業國際控股有限公司
MAOYE INTERNATIONAL HOLDINGS LIMITED

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

INTERIM REPORT 2013

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

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

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

Contents

Corporate Profile

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

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

As 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 30 June 2013, the Group operated and managed 39 stores in 19 cities across the nation with total gross floor area of 1,194,695 square metres, of which self-owned properties accounted for 64% 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, Changzhou and Liyang 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 30 June 2013, the distribution of stores of the Group are as follows:

	Southern China	Southwestern China	Eastern China	Northern China	Total
No. of Stores	7	11	12	9	39
Gross Floor Area (square metres)	230,364	260,367	396,732	307,232	1,194,695

BOARD OF DIRECTORS

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

Independent Non-executive Directors
Mr. Chow Chan Lum
Mr. Pao Ping Wing
Mr. Leung Hon Chuen

REGISTERED OFFICE
Floor 4, Willow House
Cricket Square, P.O. Box 2804
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 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

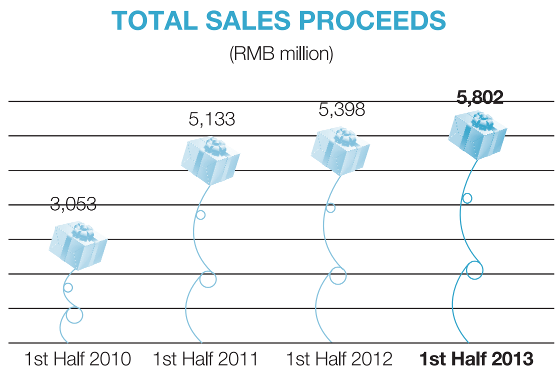
COMPANY WEBSITE
www.maoye.cn

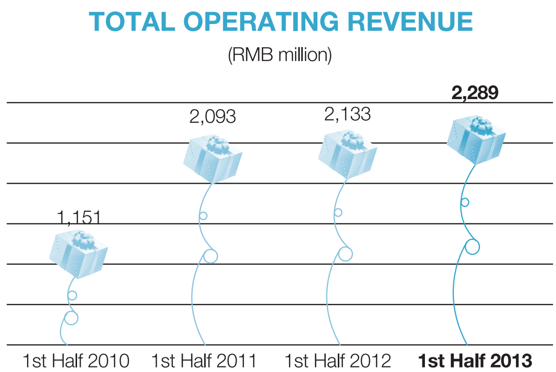
STOCK CODE
848

Financial Highlights

The summary of the Group's results for the six months ended 30 June 2013 and 2012 are set out below:

	For the six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Total Sales Proceeds[1]	**5,802,417**	5,397,830
Total operating revenue[2]	**2,288,660**	2,132,878
Operating profit	**758,106**	832,235
Profit for the period	**476,179**	526,438
Attributable to:		
Owners of the parent	**398,316**	467,874
Non-controlling interests	**77,863**	58,564
Earnings per share[3]		
Basic	**RMB7.5cents**	RMB8.7cents
Diluted	**RMB7.5cents**	RMB8.7cents





Notes:

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

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

3. The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2013 attributable to ordinary equity holders of the parent of RMB398,316,000 (Six months ended 30 June 2012: RMB467,874,000) and the weighted average number of ordinary shares of 5,306,375,229 (Six months ended 30 June 2012: 5,371,143,627) 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 2013 and 2012 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.

INDUSTRY OVERVIEW

Due to factors such as slowdown of China's economy, weak consumption growth and the impact of e-commerce, domestic traditional retail industry continued to record a slow growth during the first half of 2013. During the second quarter of 2013, China's GDP growth slowed down to 7.5% as compared to the first quarter, showing that China's economic growth rate has decreased for two consecutive quarters. As for consumption, the growth rate has remained at about 12% since the beginning of this year, down from 15.2% as at December last year. Traditional retail industry is facing increasingly tough challenges.

OPERATION REVIEW

Despite fierce market competition, the Group, through a series of effective measures and the joint efforts of all staff and business partners, was able to achieve slight growth in sales, and maintained a stable profit excluding non-recurring income. For the six months ended 30 June 2013, total sales proceeds were RMB5,802.4 million, representing an increase of 7.5% compared to the same period last year; total operating revenue was RMB2,288.7 million, representing an increase of 7.3% compared with the same period last year; same-store sales growth of concessionaire sales increased steadily by 7.7%; and profit attributable to owners of the parent was RMB398.3 million, representing a decrease of 14.9% compared to the same period last year, or an increase of 9.4% compared to the same period last year without taking into account the non-operating items and rental compensation.

1. Precise store positioning and rapid structural adjustment of store merchandise

In the face of new challenges during the first half of 2013, the Group actively adjusted its operating strategies with more precise store positioning by classifying its stores into four categories, namely shopping centers, department stores, outlets and community homes, and adjusting the structure of store merchandise accordingly to expedite the transformation of the department stores into shopping centers. During the year of 2013, the Company expects to realize the perfect combination of projects under construction, including Zibo Maoye Complex, Taiyuan Qinxian Street Maoye Complex and Baoding Maoye Complex, with the transformation of certain department stores into shopping centers.

On 2 August 2013, Chengshang Group Co., Ltd. ("**Chengshang Group**"), the subsidiary of the Company, entered into a settlement agreement (the "**Settlement Agreement**") with Pacific China Holdings Limited ("**Pacific China**") and Chengdu Shangsha Pacific Department Store Co., Ltd. ("**Chengdu Shangsha Pacific**") in order to resolve the dispute in relation the cooperation contract with Pacific China ("**Dispute**"). Pursuant to the Settlement Agreement, the rents payable to and the profits distributable to Chengshang Group by Chengdu Shangsha Pacific from 1 January 2011 to 3 November 2013 shall be increased from a rate of RMB26.0 million to RMB78.5 million per year (save for the period from 15 July 2013 to 2 August 2013 when the department store operated within the Chengdu Commercial Building ceased operation). Pacific China and Chengdu Shangsha Pacific will unconditionally hand over the Chengdu Commercial Building to Chengshang Group on 4 November 2013. The Group plans to open the Maoye Chunxi Store at the Chengdu Commercial Building on 4 November 2013 upon the hand over.

On 5 July 2013, in order to effectively allocate resources and rationally control operational risks, the Company has decided to terminate the leases in respect of the Jinlang Store and Wujin Store with the controlling shareholder group, and at the same time, the Group entered into the management agreements with the controlling shareholder group pursuant to which the Group will provide management services to the controlling shareholder group in respect of the Jinlang managed properties and Wujin managed properties. Pursuant to the management agreements, the management fees (inclusive of equipment usage fees) payable to the Group by the controlling shareholder group shall include 5% of the sale proceeds (exclusive of tax) and 5% of the rental income with a total annual cap of RMB60 million.

2. Improving operational efficiency through management restructuring and innovation

In line with the needs for strategic development, the Group actively promoted management restructuring and reforms during the first half of year, and established three major systems, namely general business, support and financial systems to form a highly effective collaborative mechanism. Operational efficiency has been enhanced as compared with the original linear management systems of functional departments.

3. Focusing on improving the operational capacities of regional centers or core stores

During the first half of 2013, the Group has been focusing on the upgrading of its stores such as Shenzhen Dongmen Store, Shenzhen Huaqiangbei Store, Chongqing Jiangbei Store and Qinhuangdao Shangcheng Store, and has been further improving the operational capacities of its regional stores.

4. Talent training and retention

The Group adheres to the philosophy of "Nurturing talents by giving them opportunities" and has always attached great importance to the recruitment, training and retention of talents. The Group has implemented effective incentive policies and project award policies in line with its operational indicators as well as comprehensive performance assessment to incentivise the employee and effectively motivate and promote talented staff.

5. Acquisition of shares in Dashang

As of 7 February 2013, the Group acquired in aggregate 14,685,923 shares in Dashang Co., Ltd. ("**Dashang**") (being a company listed on the Shanghai Stock Exchange (stock code: 600694)), representing approximately 5% of the issued share capital of Dashang as of 30 June 2013, through on-market purchases on the Shanghai Stock Exchange (the "**Transaction**"). The aggregate cost of the Transaction was approximately RMB491.5 million. Dashang is principally engaged in the operation and management of department stores and other areas of the retail industry in the PRC. The Group is optimistic about the prospects of the retail industry, and is of the view that the Transaction will bring long-term benefits to the Group.

6. Expanding financing channels and reducing financing costs

On 25 March 2013, the Group obtained the approval from the National Association of Financial Market Institutional Investors for the issuance of the short-term financing notes of RMB1.6 billion. On 29 March 2013, the Group completed the issuance of the first tranche of the short-term financing notes with a principal amount of RMB800 million at the interest rate of 4.59% per annum.

On 31 December 2012, the Group obtained the approval from the National Association of Financial Market Institutional Investors for the issuance of the medium-term financing notes of RMB2.2 billion. On 9 January 2013, the Group completed the issuance of the first tranche of the medium-term financing notes with a principal amount of RMB800 million and a term of 3 years at the interest rate of 5.52% per annum.

The successful issuance of the short-term financing notes and the medium-term financing notes has expanded the financing channels and reduced the financing costs of the Group.

On 19 June 2013, the Company announced that it proposed to issue the United States dollar denominated senior notes which are expected to be guaranteed by certain subsidiaries of the Company (the "**Proposed Notes Issue**"). In view of the current conditions in the bonds market, the Company has decided to closely monitor developments in the market before proceeding further with the Proposed Notes Issue whilst also evaluate other debt capital raising opportunities. Further announcement(s) will be made by the Company as and when appropriate pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

7. Proper control of lease expenses

The Group renewed the lease agreement with Shenzhen City Friendship Trading Centre Company Limited ("**Shenzhen Friendship**"), a connected person of the Group, on 30 April 2013 pursuant to which the Group will lease certain portion of Friendship City Building from Shenzhen Friendship. Under the leasing agreement, the aggregate rents payable by the Group to Shenzhen Friendship will be RMB25.0 million per annum for the period from 1 May 2013 to 30 April 2014, and RMB27.06 million per annum for the period from 1 May 2014 to 30 April 2016.

On 30 April 2013, the Company and Maoye Holdings Limited (the controlling shareholder group) entered into a supplemental agreement to revise the annual caps under the master leasing agreement in respect of leasing of properties from the controlling shareholder group. The annual caps under the master leasing agreement which the Group may lease premises from the controlling shareholder group, for each of the years ending 31 December 2013, 2014 and 2015, have been revised from RMB167 million to RMB175 million.

PERFORMANCE OF MAJOR SAME STORES[1]

	Store Name	Proceeds of Concessionaire (RMB'000)	Same Store Sales Growth %	Years of Operation Under Our Group[2] (Years)	GFA (sq. m.)	Ticket Per Sale (RMB)
1	Shenzhen Huaqiangbei	850,025	-0.2%	9.7	59,787	875
2	Shenzhen Dongmen	425,742	8.3%	16.3	47,436	784
3	Taizhou First Department	370,402	18.2%	3.7	40,358	963
4	Chengdu Yanshikou	339,697	7.8%	8.1	53,873	683
5	Chongqing Jiangbei	294,544	2.3%	8.7	52,281	583
6	Qinhuangdao Xiandai Shopping Plaza	272,650	13.2%	3.1	36,897	685
7	Shenzhen Nanshan	270,584	26.7%	3.8	44,871	1,137
8	Taiyuan Liuxiang	235,642	17.5%	4.7	31,448	638
9	Qinhuangdao Jindu	223,291	24.9%	4.8	46,610	469
10	Qinghuangdao Shangcheng	214,319	-1.2%	3.1	26,696	1,067
11	Nanchong Wuxing	159,804	4.5%	8.1	25,195	649
12	Mianyang Xingda	150,354	2.2%	4.8	27,535	645
13	Zibo Moaye Shopping Plaza	150,338	18.9%	2.6	36,791	365
14	Zhuhai Xiangzhou	148,663	-4.7%	11.7	23,715	481
15	Shenzhen Outlet	114,765	16.8%	13.8	23,048	460

Notes:

1 Major stores are same stores with sales proceeds per semi-annum of over RMB100 million.

2 Operation period was calculated till 30 June 2013.

PROPERTY DEVELOPMENT

As at 30 June 2013, the Group operated and managed 39 stores across 19 cities in China, including Shenzhen and Zhuhai in Guangdong Province; Chengdu, Nanchong, Luzhou and Mianyang in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou, Changzhou and Liyang 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 approximately 1.195 million square metres, self-owned areas accounted for approximately 64% (excluding the gross floor area of managed stores), areas leased from connected parties accounted for approximately 26%, while areas leased from independent third parties accounted for approximately 10%. 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; Weifang and Laiwu of Shandong Province; Nanjing, Huaian, Wuxi and Taizhou of Jiangsu Province; and Baotou of Inner Mongolia.

OUTLOOK

In the second half of 2013, the Group will maintain the strategy of steady development, and expects to open two to four new stores. The Group's main objectives in the second half of 2013 are to:

1. Expedite structural adjustment to its stores. The Group will adopt more precise positioning of its stores to promote their profitability.
2. Accelerate transformation of existing stores. The Group will actively promote the transformation of certain department stores into shopping centers, and further facilitate the use of information-based retail terminals in stores to enhance customers' shopping experience through interaction.
3. Enhance the business development of shopping centers through active preparation and planning for shopping center projects under construction.
4. Further improve capital structure and lower finance costs of the Company.
5. Continue to upgrade information system for achieving standardized management through information technology system, hence promoting precise marketing of stores.

In the second half of 2013, the Group will continue to promote scientific management, improve appraisal mechanism and implement internet marketing through information technology system. The Group will also enhance cooperation with suppliers which in turn will continuously optimize the operational capacities of stores and business innovation capacities of the Company.

FINANCIAL REVIEW

Total Sales Proceeds and Revenue

For the six months ended 30 June 2013, total sales proceeds of the Group increased to RMB5,802.4 million, representing an increase of 7.5% compared to the same period in 2012. The increase of total sales proceeds was primarily attributable to the sales growth arising from certain stores in Eastern and Northern China, such as Taizhou Yibai Store, Zibo Maoye Shopping Plaza, Qinhuangdao Xiandai Shopping Plaza and Qinhuangdao Jindu Store, etc.

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Total sales proceeds from concessionaire sales	**5,087,975**	4,663,631
Direct Sales	**714,442**	734,199
Total Sales Proceeds	**5,802,417**	5,397,830

Among the total sales proceeds of the Group in the first half of 2013, total sales proceeds derived from concessionaire sales accounted for 87.7% and those derived from direct sales accounted for 12.3%.

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'000)	Contribution to the total sales proceeds of the Group (%)	Same-store sales growth of sales proceeds derived from concessionaire sales (%)
Southern China	1,998,370	34.5	4.7
South-western China	1,277,742	22.0	3.0
Eastern China	1,154,755	19.9	12.8
Northern China	1,371,550	23.6	14.0
Total	5,802,417	100.0	7.7

For the six months ended 30 June 2013, same-store sales proceeds from concessionaire sales increased to RMB5,020.4 million, representing an increase of 7.7% compared to the same period in 2012. The increase of same-store proceeds was primarily attributable to the sales growth arising from certain stores in Eastern and Northern China, such as Taizhou Yibai Store, Zibo Maoye Shopping Plaza, Qinhuangdao Xiandai Shopping Plaza and Qinhuangdao Jindu Store, etc. The Group's commission rates from concessionaire sales was 16.4%, representing a mild decrease of 0.7% compared with 17.1% for the same period last year.

Total sales proceeds in the first half of 2013 comprised sales of apparel (42.3%) (first half of 2012: 43.2%), cosmetics and jewelry (24.1%) (first half of 2012: 21.2%), shoes and leather goods (12.8%) (first half of 2012: 13.1%) and others such as children's wear and toys, household and electronic appliances (20.8%) (first half of 2012: 22.5%). The percentage attributable to each product category to total sales proceeds is similar to that of the first half of 2012.

For the six months ended 30 June 2013, revenue of the Group amounted to RMB1,870.7 million, representing an increase of 8.5% compared with RMB1,724.2 million for the same period last year. The increase of revenue was mainly due to the recognition of rental income of RMB135 million in relation to the Chengdu Chunxi Store as a result of the Settlement Agreement.

Other Income

For the six months ended 30 June 2013, other income of the Group amounted to RMB418.0 million, representing an increase of 2.3% compared with RMB408.7 million for the same period last year. This was primarily resulted from the increase of income from promotional activities and interest income.

Cost of Sales

For the six months ended 30 June 2013, cost of sales of the Group amounted to RMB690.2 million, representing a decrease of 1.8% compared with RMB703.1 million for the same period last year. The decrease in cost of sales was primarily due to the decrease in the Group's direct sales in certain areas such as Zibo area.

Employee Expenses

For the six months ended 30 June 2013, employee expenses of the Group amounted to RMB205.9 million, representing an increase of 31.9% compared with the employee expenses of RMB156.2 million for the same period last year. The increase of employee expenses was attributable to:

1. the increase in employee expenses arising from same stores of RMB18.6 million;

2. the reversal of share option expenses of RMB25.5 million in the first half of 2012; and

3. employee expenses arising from other stores, mainly stores in pipeline, such as Taizhou East Plaza, Taiyuan Qinxian Store, Nanjing Fuzi Temple Store.

Depreciation and Amortisation

For the six months ended 30 June 2013, depreciation and amortisation of the Group amounted to RMB179.3 million, which was similar to the amount of RMB179.3 million for the same period last year. The depreciation and amortisation as percentage of total sales proceeds in the first half of 2013 decreased to 3.1% compared with 3.3% for the first half of 2012.

Operating Lease Rental Expenses

For the six months ended 30 June 2013, operating lease rental expenses of the Group amounted to RMB121.0 million, representing an increase of 0.5% compared with RMB120.4 million for the same period last year, which was mainly due to the increase in leased areas for the operation of department stores by the Group in the second half of 2012. The operating lease rental expenses as percentage of total sales proceeds in the first half of 2013 decreased by 0.1% to 2.1%, compared with 2.2% for the first half of 2012.

Other Operating Expenses

For the six months ended 30 June 2013, other operating expenses of the Group amounted to RMB414.6 million, representing an increase of 9.6% compared with RMB378.2 million for the same period last year. This was primarily due to:

— increase of maintenance fees of RMB7.6 million;

— increase of other tax expenses of RMB22.8 million. This increase was primarily due to the recognition of rental income of RMB135 million, and the provision of RMB27.3 million for business tax and property tax arising from Chunxi Store of the Chengshang Group, as a result of the Settlement Agreement.

The other operating expenses as percentage of total sales proceeds in the first half of 2013 increased to 7.1% compared with 7.0% for the first half of 2012.

Other Gains

For the six months ended 30 June 2013, other gains of the Group amounted to RMB80.4 million, representing a decrease of 66.0% compared with RMB236.5 million in the same period last year. This was primarily due to the gain (before tax) on disposal of shares in Shenzhen International Enterprise Co., Ltd (深圳市國際企業股份有限公司) (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 2013, operating profit of the Group amounted to RMB758.1 million, representing a decrease of 8.9% compared with RMB832.2 million for the same period last year. This was primarily due to a significant increase in other gains of the Group arising from the disposal of shares in Shenzhen International Enterprise Co., Ltd in the first half of 2012 as mentioned above.

Finance Costs

For the six months ended 30 June 2013, finance costs of the Group amounted to RMB74.0 million, representing a decrease of 31.3% compared with RMB107.6 million for the same period last year. The decrease in finance costs was primarily due to the capitalization of interests which amounted to RMB139.3 million in the first half of 2013.

Income Tax Expense

For the six months ended 30 June 2013, income tax expense of the Group amounted to RMB207.5 million, representing an increase of 4.6% compared with RMB198.4 million for the same period last year. For the six months ended 30 June 2013, the effective income tax rate applicable to the Group was 30.4% (for the six months ended 30 June 2012: 27.4%). The increase in income tax was primarily due to the recognition of rental income of RMB135 million and the provision of RMB26.0 million for income tax arising from the Chunxi Store of the Chengshang Group as a result of the Settlement Agreement.

Profit Attributable to Owners of the Parent

As a result of the foregoing, for the six months ended 30 June 2013:

— Profit attributable to owners of the parent decreased by 14.9% to RMB398.3 million.

— Without taking into account the effect of non-operating gains and losses, profit attributable to owners of the parent increased by 9.4% to RMB338.3 million.

Among these, the results of the operation of department stores segment are as follows: Profit attributable to owners of the parent decreased by 24.1% to RMB397.4 million compared with RMB523.3 million for the same period last year.

Detailed analysis is as follows:

	Six months ended 30 June 2013 (RMB'000)	2012 (RMB'000)	Growth
Profit attributable to owners of the parent	**398,316**	467,874	(14.9%)
Adjustment items:			
Without taking into account non-operating gains and losses and rental compensation*	**(60,014)**	(158,661)	
Profit attributable to owners of the parent after adjustment	**338,302**	309,213	9.4%
Results of the department stores segment:			
Profit attributable to owners of the parent	**397,381**	523,328	(24.1%)
Adjustment items:			
Without taking into account non-operating gains and losses*	**(18,800)**	(158,132)	
Profit attributable to owners of the parent after adjustment	**378,581**	365,196	3.7%

* 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. The rental compensation represents the rental compensation paid by Chengdu Shangsha Pacific in relation to the Dispute between Chengshang Group and Pacific China. The Dispute concerns the rental and profit sharing terms under the cooperation contract, which has been settled during the period.

Liquidity and Financial Resources

As at 30 June 2013, the Group's cash and cash equivalents amounted to RMB948.8 million, decreased by RMB533.7 million compared to RMB1,482.5 million as at 31 December 2012. The main cash inflow and cash outflow are set out as follows:

(1) net cash inflow of RMB347.7 million arising from operating activities;

(2) net cash outflow arising from investment activities which amounted to RMB788.6 million, which mainly includes payments for properties and equipment amounting to RMB296.9 million, prepayment and purchase of land lease amounting to RMB384.8 million, and increase of investment property amounting to RMB68.2 million; and

(3) net cash outflow of RMB97.1 million, mainly includes: (1) net increase in cash inflow arising from bank loans and other borrowings of RMB271.5 million; (2) cash outflow arising from payment of interest, payment of final dividend for 2012 and repurchase of shares which amounted to RMB90.8 million, RMB98.2 million and RMB176.1 million, respectively.

Interest-bearing Loans

As at 30 June 2013, total bank loans, medium-term financing notes, short-term financing notes and convertible bonds of the Group were RMB6,590.6 million (31 December 2012: RMB6,321.2 million), of which RMB3,722.6 million will mature within one year. The gearing ratio[1] and net gearing ratio[2] were 34.9% and 78.4%, respectively (31 December 2012: 34.5% and 68.7%, respectively).

1 Gearing ratio = total debt/total assets = (bank loans + medium-term financing notes + short-term financing notes + convertible bonds)/total assets

2 Net gearing ratio = net debt/equity = (bank loans + medium-term financing notes + short-term financing notes + convertible bonds-cash and cash equivalents)/equity

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 2013, and relevant summarised information relating to these companies.

Investment	The Group's Shareholding	Principal Business	Geographical Location
Shenzhen International Enterprise 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)	5.00%	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 RMB632.1 million, which was financed by the Group's cash inflow from operations.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2013.

Pledge of Assets

As at 30 June 2013, the Group's collateral interest-bearing bank loans amounting to RMB3,181.0 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 RMB624.1 million, RMB58.0 million, RMB879.2 million, RMB318.0 million and RMB925.4 million, respectively.

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 RMB1.7 million.

For the six months ended 30 June 2013, the Group had not entered into any arrangements to hedge foreign currency risk. The Group's operating cash flow is not exposed to any foreign exchange fluctuation risks.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the six months ended 30 June 2013 of HK2.8 cents in cash per share totalling HK$146.4 million (equivalent to approximately RMB116.5 million) (for the six months ended 30 June 2012: HK$171.8 million). The interim dividend will be paid on Monday, 9 September 2013 to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 2 September 2013.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Friday, 30 August 2013 to Monday, 2 September 2013 (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 2013, 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, 29 August 2013.

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

As at 30 June 2013, 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)	80.07%
	Beneficial owner	50,000,000	0.95%
		4,250,000,000	81.02%
Mr. Zhong Pengyi	Beneficial owner	198,000	0.004%
Ms. Wang Fuqin	Beneficial owner	792,000	0.015%

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 2013.

(2) Long position in the shares of associated corporations

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

Name of director	Capacity	Number of ordinary shares interested	Percentage of the issued share capital in such associated corporation*
Mr. Huang Mao Ru	Interest of controlled corporation	2 (Note)	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 2013.

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

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

* The percentage represents the number of ordinary shares divided by the number of MOY International Holdings Limited's issued shares as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2013, 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))	81.02%
Maoye Department Store Investment Limited	Beneficial owner	4,200,000,000 (Note (b))	80.07%
MOY International Holdings Limited	Interest of controlled corporation	4,200,000,000 (Note (b))	80.07%

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 2013.

Save as disclosed above, as at 30 June 2013, no person (other than the directors of the Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations") had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

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

As at 30 June 2013, the Company has no outstanding share options. During the six months ended 30 June 2013, no share options of the Company have been granted, exercised, cancelled or lapsed.

CONVERTIBLE BONDS

Details of the convertible bonds of the Company are set out in note 27 to the interim condensed consolidated financial statements.

EMPLOYEES

As at 30 June 2013, the Group had a total of approximately 8,437 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 124,806,000 shares on the Stock Exchange during the six months ended 30 June 2013. 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 Highest HK$	Repurchase price per share Lowest HK$	Aggregate consideration HK$'000
March 2013	82,471,000	1.85	1.65	144,608
April 2013	42,335,000	1.79	1.62	73,414
Total	124,806,000	1.85	1.62	218,022

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 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct governing the directors' dealings in the Company's securities. The Company has made specific enquiries with all of its directors, who have confirmed their compliance with the required standard set out in the Model Code throughout the six months ended 30 June 2013.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2013, 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 12 April 2013 due to his business engagement.

Other Information

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

From 2 July to 12 July 2013, the Company repurchased a total of 17,023,000 shares on the Stock Exchange. Such shares were cancelled upon repurchase and accordingly the issued capital of the Company was reduced by the nominal value of these shares.

On 30 July 2013, the Company completed the issue of the second tranche of the medium-term financing notes with a principal amount of RMB700 million and with a term of 3 years in the PRC. The interest rate is 6.05% per annum.

The Group has entered into an agreement with SAP (Beijing) Software System Co., Ltd. ("**SAP**"), in relation to the purchase of certain IT system software in July 2013. SAP will provide the Group with IT system upgrading service, which will be of great benefit for the data integration and scientific management of the Group.

During the period from 24 July to 8 August 2013, Dahua Investment (China) Limited (大華投資(中國)有限公司), a subsidiary of the Group, sold 13,319,000 B shares of Shenzhen International Enterprise Co., Ltd. (深圳市國際企業股份有限公司), which is classified as available-for-sale equity investments, for a total consideration of approximately HK$151.44 million.

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 2013 and discussed with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

DEED OF NON-COMPETITION

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

Since the Supreme People's Court has adjudged that the leasing agreement entered into between Chongqing Jiefangbei Store and Xin Long Da was valid and binding, the litigation between Chongqing Jiefangbei and Xin Long Da has been resolved. However, the Group is still considering as to whether to acquire the interests of the Controlling Shareholder Group in the 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.

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, was awarded the Medal of Honour by The Government of the Hong Kong Special Administrative Region on 1 July 2013.

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 (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2013 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of 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. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young
Certified Public Accountants
Hong Kong
15 August 2013

Interim Condensed
Consolidated Income Statement

For the six months ended 30 June 2013

	Notes	Six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
REVENUE	4	**1,870,672**	1,724,177
Other income	5	**417,988**	408,701
Total operating revenue		**2,288,660**	2,132,878
Cost of sales	6	**(690,162)**	(703,137)
Employee expenses	7	**(205,908)**	(156,161)
Depreciation and amortisation		**(179,251)**	(179,290)
Operating lease rental expenses		**(120,990)**	(120,350)
Other operating expenses	8	**(414,596)**	(378,173)
Other gains	9	**80,353**	236,468
Operating profit		**758,106**	832,235
Finance costs	10	**(73,964)**	(107,592)
Share of profits and losses of associates		**(452)**	185
PROFIT BEFORE TAX		**683,690**	724,828
Income tax expense	11	**(207,511)**	(198,390)
PROFIT FOR THE PERIOD		**476,179**	526,438
Attributable to:			
Owners of the parent		**398,316**	467,874
Non-controlling interests		**77,863**	58,564
		476,179	526,438
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic		**RMB7.5 cents**	RMB8.7 cents
Diluted		**RMB7.5 cents**	RMB8.7 cents

Interim Condensed

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	**476,179**	526,438
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Net gain/(loss) on available-for-sale equity investments	**(74,313)**	15,066
Income tax effect	**22,415**	487
	(51,898)	15,553
Exchange differences on translation of foreign operations	**14,429**	(3,580)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(37,469)**	11,973
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(37,469)**	11,973
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**438,710**	538,411
Attributable to:		
Owners of the parent	**360,847**	479,847
Non-controlling interests	**77,863**	58,564
	438,710	538,411

Interim Condensed

Consolidated Statement of Financial Position

30 June 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**4,428,376**	4,240,296
Investment properties	14	**568,848**	509,298
Land lease prepayments	15	**4,333,784**	3,717,176
Goodwill	16	**641,680**	641,680
Other intangible assets	17	**5,534**	5,818
Investments in associates	18	**4,859**	12,049
Available-for-sale equity investments	19	**897,166**	960,150
Prepayments	22	**876,128**	709,930
Loan and receivable	23	**115,000**	107,500
Deferred tax assets		**184,017**	140,622
Total non-current assets		**12,055,392**	11,044,519
CURRENT ASSETS			
Inventories	20	**202,861**	279,147
Completed properties held for sale		**579,503**	620,549
Properties under development	21	**4,254,312**	4,069,573
Equity investments at fair value through profit or loss		**780**	959
Trade receivables		**62,724**	36,842
Prepayments, deposits and other receivables	22	**654,121**	625,117
Due from related parties	31(b)	**115,807**	96,654
Pledged deposits	24	**32,215**	40,155
Cash and cash equivalents	24	**948,778**	1,482,500
Total current assets		**6,851,101**	7,251,496

Interim Condensed

Consolidated Statement of Financial Position

30 June 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	25	**2,172,811**	2,194,236
Deposits received, accruals and other payables	26	**2,157,513**	1,930,509
Interest-bearing bank loans and other borrowings	27	**2,854,955**	3,081,072
Convertible bonds	27	**867,621**	869,681
Due to related parties	31(b)	**89,445**	102,602
Tax payable		**108,379**	131,802
Total current liabilities		**8,250,724**	8,309,902
NET CURRENT LIABILITIES		**(1,399,623)**	(1,058,406)
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,655,769**	9,986,113
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	27	**2,868,047**	2,370,459
Deferred tax liabilities		**594,745**	570,775
Total non-current liabilities		**3,462,792**	2,941,234
Net assets		**7,192,977**	7,044,879
EQUITY			
Equity attributable to owners of the parent			
Issued capital	28	**469,406**	480,407
Equity component of convertible bonds		**119,125**	119,125
Reserves		**5,168,767**	4,970,984
Proposed final dividend		**–**	100,143
		5,757,298	5,670,659
Non-controlling interests		**1,435,679**	1,374,220
Total equity		**7,192,977**	7,044,879

Director: Huang Mao Ru

Director: Wang Bin

Interim Condensed
Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to owners of the parent													
	Issued capital RMB'000 (note 28)	Share premium account RMB'000	Acquisition of non-controlling interests RMB'000	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	Total equity RMB'000
(Unaudited)														
At 1 January 2013	480,407	1,848,205	(33,342)	119,125	7,516	1,806	316,683	143,720	(28,972)	2,715,368	100,143	5,670,659	1,374,220	7,044,879
Profit for the period	–	–	–	–	–	–	–	–	–	398,316	–	398,316	77,863	476,179
Other comprehensive income for the period:														
Changes in fair value of available-for-sale equity investments, before tax	–	–	–	–	–	–	–	(74,313)	–	–	–	(74,313)	–	(74,313)
Exchanges differences on translation of foreign operations	–	–	–	–	–	–	–		14,429	–	–	14,429	–	14,429
Tax effect of components of other comprehensive income	–	–	–	–	–	–	–	22,415	–	–	–	22,415	–	22,415
Total comprehensive income for the period	–	–	–	–	–	–	–	(51,898)	14,429	398,316	--	360,847	77,863	438,710
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(5,000)	(5,000)
Profit appropriated to reserve	–	–	–	–	–	–	18,720	–	–	(18,720)	–	–	–	–
Final 2012 dividend paid	–	92	–	–	–	–	–	–	–	–	(98,226)	(98,134)	–	(98,134)
Repurchase and cancellation of shares (note 28)	(11,001)	(165,073)	–	–	11,001	–	–	–	–	(9,084)	(1,917)	(176,074)	–	(176,074)
Dividend paid by a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(11,404)	(11,404)
At 30 June 2013	469,406	1,683,224	(33,342)	119,125	18,517	1,806	335,403	91,822	(14,543)	3,085,880	–	5,757,298	1,435,679	7,192,977

Interim Condensed

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Attributable to owners of the parent														
	Issued capital RMB'000 (note 28)	Share premium account RMB'000	Acquisition of non-controlling interests RMB'000	Share premium account RMB'000	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	Total equity 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)	1,343,056	256,125	5,452,796	1,292,322	6,745,118
Profit for the period	–	–	–	–	–	–	–	–	–	–	467,874	–	467,874	58,564	526,438
Other comprehensive income for the period:															
Changes in fair value of available -for-sale equity investments, before tax	–	–	–	–	–	–	–	–	15,066	–	–	–	15,066	–	15,066
Exchange 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	–	–	–	(25,498)	–	–	–	–	–	–	–	–	(25,498)	–	(25,498)
Final 2011 dividend paid	–	–	–	–	–	–	–	–	–	–	–	(256,125)	(256,125)	–	(256,125)
Repurchase and cancellation of shares	(1,581)	(23,931)	–	–	–	1,581	–	–	–	–	(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 Cash Flows

For the six months ended 30 June 2013

	Note	Six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Net cash flows from operating activities		**347,686**	207,297
Net cash flows used in investing activities		**(788,635)**	(1,671,655)
Net cash flows from/(used in) financing activities		**(97,057)**	1,060,786
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(538,006)**	(403,572)
Effect of foreign exchange rate changes, net		**4,284**	(1,775)
Cash and cash equivalents at beginning of period		**1,482,500**	1,425,837
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**948,778**	1,020,490
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	24	**948,778**	1,020,490
Cash and cash equivalents as stated in the statement of cash flows		**948,778**	1,020,490

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

1. CORPORATE INFORMATION

Maoye International Holdings Limited 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 Floor 4, Willow House, Cricket Square, P.O. Box 2804, 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 Group is 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 2013 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

As at 30 June 2013, the Group had net current liabilities of approximately RMB1,399,623,000. 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 2012, except for the adoption of the new amendments and revised standards as of 1 July 2012 and 1 January 2013, noted below.

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Government Loans*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 - *Transition Guidance*
IFRS 13	*Fair Value Measurement*
IAS 1 Amendments	Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
IAS 19 (2011)	*Employee Benefits*
IAS 27 (2011)	*Separate Financial Statements*
IAS 28 (2011)	*Investments in Associates and Joint Ventures*
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009- 2011 Cycle	Amendments to a number of IFRSs issued in May 2012

Except that certain presentation and disclosure of financial statements items have been revised, the adoption of these new and revised IFRSs did not have any significant effect on the financial position or performance of the Group.

3. SEGMENT INFORMATION

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

(a) the operation of department stores segment comprises concessionaire and 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.

The management of the Company 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.

3. 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 2013					
Segment revenue:					
Sales to external customers	1,639,528	227,681	3,463	–	1,870,672
Intersegment revenue	–	11,015	–	(11,015)	–
Other income	409,905	5,393	2,690	–	417,988
Cost of sales	(649,718)	(40,313)	(131)	–	(690,162)
Employee expenses	(178,168)	(24,832)	(2,908)	–	(205,908)
Depreciation and amortisation	(162,381)	(15,454)	(1,416)	–	(179,251)
Operating lease rental expenses	(123,807)	(5,686)	(50)	8,553	(120,990)
Other expenses	(344,995)	(67,490)	(4,573)	2,462	(414,596)
Other gains	76,736	3,603	14	–	80,353
Operating profit/(loss)	667,100	93,917	(2,911)	–	758,106
Finance costs	(23,333)	(50,631)	–	–	(73,964)
Share of profits and losses of associates	–	–	(452)	–	(452)
Segment profit/(loss) before tax	643,767	43,286	(3,363)	–	683,690
Income tax expense	(195,901)	(11,962)	352	–	(207,511)
Segment profit/(loss) for the period	447,866	31,324	(3,011)	–	476,179
Attributable to:					
Owners of the parent	397,381	3,101	(2,166)	–	398,316
Non-controlling interests	50,485	28,223	(845)	–	77,863
	447,866	31,324	(3,011)	–	476,179
Other segment information					
Impairment losses recognised in the income statement	87	–	–	–	87
Impairment losses reversed in the income statement	(124)	–	–	–	(124)
Investments in associates	–	–	4,859	–	4,859
Capital expenditure*	329,302	950,307	29	–	1,279,638

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

3. 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 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	–	–	751
Impairment losses reversed in the income statement	–	–	(67)	–	(67)
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 including assets from the acquisition of subsidiaries.

4. REVENUE

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Commissions from concessionaire sales	833,143	799,584
Direct sales	714,442	734,199
Rental income from the leasing of shop premises	89,883	86,279
Management fee income from the operation of department stores	2,060	1,960
Rental income from investment properties	172,511	34,341
Sale of properties	55,170	64,123
Others	3,463	3,691
	1,870,672	1,724,177

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

Total sales proceeds from concessionaire sales	5,087,975	4,663,631
Commissions from concessionaire sales	833,143	799,584

5. OTHER INCOME

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Income from suppliers and concessionaires		
– Administration and management fee income	203,004	224,520
– Promotion income	113,892	95,443
– Credit card handling fees	64,588	60,650
Interest income	14,591	6,345
Others	21,913	21,743
	417,988	408,701

6. COST OF SALES

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Purchases of and changes in inventories	**649,718**	660,274
Cost of properties sold	**40,313**	42,564
Others	**131**	299
	690,162	703,137

7. EMPLOYEE EXPENSES

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Wages and salaries	**179,063**	155,597
Equity-settled share option expense	**–**	(25,498)
Retirement benefits	**21,917**	17,881
Other employee benefits	**4,928**	8,181
	205,908	156,161

8. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Utility expenses	**99,039**	95,769
Promotion and advertising expenses	**29,899**	27,260
Repair and maintenance expenses	**49,409**	41,846
Entertainment expenses	**10,258**	7,497
Office expenses	**21,369**	19,395
Other tax expenses	**148,290**	125,517
Professional service fees	**10,024**	11,613
Auditors' remuneration	**1,150**	2,097
Bank charges	**32,705**	31,357
Impairment of trade receivables	**87**	604
Impairment/(reversal of impairment) of other receivables	**(124)**	80
Others	**12,490**	15,138
	414,596	378,173

9. OTHER GAINS

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss on disposal of items of property, plant and equipment	**(406)**	(94)
Gain on disposal of long-term assets	**2,467**	–
Foreign exchange gain, net	**1,709**	131
Dividend income from equity investments at cost	**6,565**	–
Fair value gain/(loss) on equity investments at fair value through profit or loss	**(179)**	808
Gain on disposal of subsidiaries and associates	**627**	–
Gain on disposal of investment properties	**–**	2,366
Gain on disposal of available-for-sale equity investments	**–**	184,254
Share of loss of a department store operation by a fellow subsidiary	**24,505**	21,083
Dividend income from available-for-sale equity investments	**14,686**	6,099
Dividend income from equity investments at fair value through profit or loss	**–**	79
Rental exemption by a fellow subsidiary	**23,951**	–
Others	**6,428**	21,742
	80,353	236,468

10. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Total interest expense on financial liabilities not at fair value through profit or loss	**213,297**	203,840
Less: Interest capitalised	**(139,333)**	(99,915)
	73,964	103,925
Other finance costs:		
Increase in discounted amounts of consideration payable	**–**	3,667
	73,964	107,592

11. INCOME TAX EXPENSE

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 2013 (Six months ended 30 June 2012: 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.

11. INCOME TAX EXPENSE (continued)

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 RMB1,451,000 is charged to the consolidated income statement for the six months ended 30 June 2013 (Six months ended 30 June 2012: RMB1,372,000).

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Group:		
Current – CIT	**204,846**	222,107
Current - LAT	**1,451**	1,372
Deferred	**1,214**	(25,089)
Total tax charge for the period	**207,511**	198,390

12. 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 2013 attributable to ordinary equity holders of the parent of RMB398,316,000 (Six months ended 30 June 2012: RMB467,874,000) and the weighted average number of ordinary shares of 5,306,375,229 (Six months ended 30 June 2012: 5,371,143,627) 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 2013 and 2012 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.

13. PROPERTY, PLANT AND EQUIPMENT

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Carrying amount at 1 January		4,240,296	3,646,710
Additions		323,926	837,078
Disposals		(9,938)	(8,534)
Depreciation charge for the period/year		(114,335)	(208,514)
Transfer from/(to) properties under development	21	2,283	(26,323)
Transfer to investment properties	14	(13,226)	–
Exchange realignment		(630)	(121)
Carrying amount at 30 June/31 December		4,428,376	4,240,296

Amortisation of land lease payments of approximately RMB23,630,000 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 27(a).

Certificates of ownership in respect of certain buildings of the Group with a net carrying amount of approximately RMB213,312,000 as at 30 June 2013 have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

14. INVESTMENT PROPERTIES

	Note	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Carrying amount at 1 January		509,298	428,221
Additions		54,945	99,667
Disposals		–	(2,904)
Transfer from property, plant and equipment	13	13,226	–
Depreciation charged for the period/year		(8,621)	(15,686)
Carrying amount at 30 June/31 December		568,848	509,298
Carrying amount at 30 June/31 December:			
Cost		716,473	645,978
Accumulated depreciation		(147,625)	(136,680)
Net carrying amount		568,848	509,298

14. INVESTMENT PROPERTIES (continued)

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 29(a).

Details of the Group's investment properties pledged to secure the Group's interest-bearing bank loans are set out in note 27(b).

Certificates of ownership in respect of certain investment properties of the Group located in Anhui with a net carrying amount of approximately RMB17,777,000 as at 30 June 2013 (31 December 2012: RMB24,104,000) have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

15. LAND LEASE PREPAYMENTS

	Note	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Carrying amount at 1 January		3,861,149	4,106,464
Additions		4,073	1,555
Transfer to properties under development	21	–	(97,299)
Transfer from properties under development	21	708,341	1,973
Disposals		–	(6,017)
		4,573,563	4,006,676
Recognised during the period/year		(79,925)	(145,527)
Carrying amount at 30 June/31 December		4,493,638	3,861,149
Current portion included in prepayments and other receivables		(159,854)	(143,973)
Non-current portion		4,333,784	3,717,176

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 27(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 RMB113,575,000 as at 30 June 2013 (31 December 2012: RMB115,213,000).

Included in the amortisation provided during the period is an amount of approximately RMB23,630,000, 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 13).

16. GOODWILL

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Cost at 1 January, net of accumulated impairment	641,680	641,680
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

17. OTHER INTANGIBLE ASSETS

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Cost at 1 January, net of accumulated amortisation	5,818	6,823
Additions	1,332	909
Amortisation provided during the period/year	(1,616)	(1,914)
At 30 June/31 December	5,534	5,818
At 30 June/31 December:		
Cost	11,686	11,370
Accumulated amortisation	(6,152)	(5,552)
Net carrying amount	5,534	5,818

18. INVESTMENTS IN ASSOCIATES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Share of net assets	4,859	12,049

19. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Listed equity investments, at fair value:		
Shanghai	580,059	687,154
Shenzhen	161,465	117,354
	741,524	804,508
Unlisted equity investments, at cost	161,527	161,527
	903,051	966,035
Provision for impairment	(5,885)	(5,885)
	897,166	960,150

During the period, the gross loss in respect of the Group's available-for-sale equity investments recognised in other comprehensive income amounted to RMB74,313,000 (Six months ended 30 June 2012: gross gain of RMB15,066,000).

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.

20. INVENTORIES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Merchandise for resale	204,860	281,147
Provision against slow-moving inventories	(1,999)	(2,000)
	202,861	279,147

21. PROPERTIES UNDER DEVELOPMENT

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Land lease prepayments, at cost			
At 1 January		2,968,650	1,161,038
Additions		198,552	1,734,211
Acquisition of a subsidiary		309,590	–
Transfer from land lease prepayments	15	–	97,299
Transfer to land lease prepayments	15	(708,341)	(1,973)
Transfer to completed properties held for sale		–	(21,925)
At 30 June/31 December		2,768,451	2,968,650
Development expenditure, at cost			
At 1 January		1,100,923	630,160
Additions		387,221	703,689
Transfer from/(to) property, plant and equipment	13	(2,283)	26,323
Transfer to completed properties held for sale		–	(259,249)
At 30 June/31 December		1,485,861	1,100,923
		4,254,312	4,069,573

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 27(e).

22. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Non-current assets		
Prepayments	876,128	709,930
Current assets		
Prepayments	331,471	210,245
Other receivables	355,087	447,352
	686,558	657,597
Impairment of other receivables	(32,437)	(32,480)
	654,121	625,117

23. 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 granted by the Group to Shenzhen Maoye Group as the first installment of the loan.

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Cash and bank balances	**920,921**	1,389,771
Time deposits	**60,072**	132,884
	980,993	1,522,655
Less: Pledged time deposits for bills payable	**(5,225)**	(5,820)
Pledged time deposits for construction in progress	**(16,798)**	(25,145)
Other pledged bank balances	**(10,192)**	(9,190)
	(32,215)	(40,155)
Cash and cash equivalents	**948,778**	1,482,500

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
RMB	**972,709**	1,513,990
Hong Kong dollar	**7,921**	8,294
United States dollar	**352**	359
Great British pound	**11**	12
	980,993	1,522,655

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.

25. 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 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within 90 days	**1,378,531**	1,766,020
91 to 180 days	**511,425**	169,101
181 to 360 days	**115,374**	56,183
Over 360 days	**167,481**	202,932
	2,172,811	2,194,236

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

26. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Deferred income	**1,495,825**	1,079,009
Deposits received	**228,009**	184,274
Accrued operating lease rental expenses	**97,940**	107,688
Accrued utilities	**21,104**	19,973
Accrued liabilities	**95,010**	80,985
Accrued staff costs	**42,688**	57,819
Provision for coupon liabilities	**22,326**	18,978
Value-added tax and other tax payables	**(230,579)**	(140,431)
Other payables	**385,190**	522,214
	2,157,513	1,930,509

27. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	30 June 2013 (Unaudited)			31 December 2012 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Interest-bearing bank loans – secured	6.00~9.84	2013-2014	640,000	6.30~9.84	2013	1,054,000
Interest-bearing bank loans – unsecured	6.90	2014	1,000	–	–	–
Current portion of long term interest-bearing bank loans – secured	6.22~7.86, Lower of 1.3 over HIBOR and 2.25 below Hong Kong Dollar best lending rate	2013-2014	466,985	6.52~7.91, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2013	430,915
Convertible bonds	6.51	2013-2015	867,621	6.51	2013-2015	869,681
Other loans	4.71~5.86	2013-2014	1,746,970	4.71~6.57	2013	1,596,157
			3,722,576			3,950,753
Non-current						
Long term interest-bearing bank loans – secured	6.22~7.86, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2014-2022	2,074,047	6.52~7.91, Lower of 1.3 over HIBOR and 2.25 below Hong Kong dollar best lending rate	2014-2020	2,370,459
Other loans	5.52	2016	794,000	–	–	–
			2,868,047			2,370,459
			6,590,623			6,321,212

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Analysed into:		
Bank and other loans repayable:		
Within one year	**2,854,955**	3,081,072
In the second year	**211,969**	319,269
In the third to fifth years, inclusive	**2,098,635**	779,763
Beyond five years	**557,443**	1,271,427
	5,723,002	5,451,531

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Analysed into:		
Convertible bonds:		
Within one year	**867,621**	869,681
	867,621	869,681

The Group's bank loans are secured by:

(a) certain land and buildings of the Group with a net carrying amount of approximately RMB624,082,000 (31 December 2012: approximately RMB712,536,000);

(b) certain investment properties of the Group with a net carrying amount of approximately RMB58,037,000 (31 December 2012: approximately RMB91,668,000);

(c) certain land lease prepayments of the Group with a net carrying amount of approximately RMB879,227,000 (31 December 2012: approximately RMB572,498,000);

(d) certain completed properties held for sale of the Group with a net carrying amount of approximately RMB317,987,000 (31 December 2012: approximately RMB317,987,000); and

(e) certain properties under development of the Group with a net carrying amount of approximately RMB925,393,000 (31 December 2012: approximately RMB910,196,000).

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 RMB1,592,380,000 (31 December 2012: RMB1,625,271,000) as at the end of the reporting period.

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

The Group had the following undrawn banking facilities:

	30 June 2013 RMB'000	31 December 2012 RMB'000
At floating rate	357,600	812,261

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

28. ISSUED CAPITAL

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Authorised:		
9,000,000,000 (31 December 2012: 9,000,000,000) ordinary shares of HK$0.10 each	900,000	900,000
Issued and fully paid:		
5,245,275,000 (31 December 2012: 5,370,081,000) ordinary shares of HK$0.10 each	524,528	537,008
Equivalent to RMB'000	469,406	480,407

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 2013	5,370,081,000	480,407	1,848,205	2,328,612
Final 2012 dividend paid	–	–	92	92
Repurchase and cancellation of shares	(124,806,000)	(11,001)	(165,073)	(176,074)
At 30 June 2013	5,245,275,000	469,406	1,683,224	2,152,630

28. ISSUED CAPITAL (continued)

124,806,000 ordinary shares repurchased during the period were cancelled, 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$205,542,000 (equivalent to RMB165,073,000), 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 Highest	Lowest	Aggregate consideration paid	
		HK$	HK$	HK$'000	RMB'000
6-Mar-13	3,882,000	1.74	1.71	6,703	5,422
7-Mar-13	3,718,000	1.78	1.73	6,559	5,310
8-Mar-13	1,637,000	1.76	1.73	2,860	2,316
11-Mar-13	529,000	1.76	1.74	925	750
12-Mar-13	1,131,000	1.75	1.70	1,950	1,580
13-Mar-13	1,931,000	1.70	1.66	3,246	2,629
14-Mar-13	6,726,000	1.71	1.66	11,350	9,193
15-Mar-13	3,686,000	1.71	1.68	6,271	5,077
18-Mar-13	6,338,000	1.69	1.65	10,591	8,574
19-Mar-13	4,997,000	1.70	1.66	8,438	6,832
20-Mar-13	12,456,000	1.76	1.70	21,795	17,636
26-Mar-13	10,023,000	1.77	1.73	17,501	14,140
27-Mar-13	8,656,000	1.83	1.77	15,677	12,673
28-Mar-13	16,761,000	1.85	1.78	30,742	24,847
10-Apr-13	9,436,000	1.70	1.62	15,821	12,748
11-Apr-13	9,832,000	1.74	1.70	17,087	13,776
12-Apr-13	1,055,000	1.73	1.71	1,818	1,464
15-Apr-13	4,926,000	1.75	1.70	8,559	6,886
16-Apr-13	7,713,000	1.78	1.71	13,518	10,868
19-Apr-13	3,081,000	1.77	1.71	5,406	4,345
22-Apr-13	6,292,000	1.79	1.75	11,205	9,008
	124,806,000			218,022	176,074

29. OPERATING LEASE ARRANGEMENTS

(a) As lessor

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

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within one year	140,638	125,704
In the second to fifth years, inclusive	184,744	164,332
After five years	183,398	142,665
	508,780	432,701

(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 19 years.

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within one year	213,057	184,484
In the second to fifth years, inclusive	747,475	635,276
After five years	354,459	274,650
	1,314,991	1,094,410

30. COMMITMENTS

In addition to the operating lease commitments as set out in note 29(b) above, the Group had the following capital commitments:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Contracted, but not provided for, in respect of land and buildings	1,722,648	1,676,702

31. 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 2013 (Unaudited) RMB'000	2012 (Audited) RMB'000
(1) Recurring transactions		
Operating lease rental expenses charged by:		
Shenzhen Maoye Group (i) & (iv)	12,188	12,663
Zhong Zhao Investment (Group) Limited (中兆投資（集團）有限公司) (i) & (iv)	4,262	4,285
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)	153	212
Shenzhen Maoye Property Business Co., Ltd. (深圳市茂業物業經營有限公司) (i) & (iv)	3,255	3,254
Chongqing Maoye Real Estate Co., Ltd. (重慶茂業地產有限公司) (i) & (iv)	11,201	9,620
Shenzhen Friendship Trading Centre Co., Ltd. ("Shenzhen Friendship") (深圳友誼貿易中心有限公司) (iii) & (iv)	13,880	14,550
Changzhou Taifu Real Estate Development Co., Ltd. ("Changzhou Taifu") (常州泰富房地產開發有限公司) (i) & (iv)	–	3,540
Shenyang Maoye Property Company Limited ("Maoye Property") (瀋陽茂業置業有限公司) (i) & (iv)	11,771	11,771
	84,055	87,240
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) & (v)	2,060	1,960
Share of loss of a department store operation by:		
Maoye Property (i) & (vi)	24,505	21,083
Property development service expense charged by:		
Shenzhen Maoye Group (i)	–	822

31. 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	
	2013	2012
	(Unaudited)	(Audited)
	RMB'000	RMB'000
(2) Non-recurring transactions		
Rental exempted by:		
Changzhou Taifu (i) & (ix)	**23,951**	–
Acquisition of a subsidiary from:		
Shenzhen Maoye Group (i) & (x)	**5,000**	–
Loan and receivable made to:		
Shenzhen other Maoye Group (i) & (vii)	**–**	100,000
Interest charged to:		
Shenzhen Maoye Group (i) & (vii)	**7,500**	–
Banking facilities guaranteed by:		
Shenzhen Maoye Group (i) & (viii)	**650,000**	850,000
Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally (ii) & (viii)	**1,600,000**	1,800,000
	2,250,000	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) 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.

31. 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) 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, 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. On 5 July 2013, Shenyang Maoye signed a new agreement with Maoye Property. According to the new agreement, the joint operation agreement signed on 15 July 2011 was terminated. Shenyang Maoye no longer leases the building held by Maoye Property and Maoye Property will not suffer the loss of Shenyang Maoye as well since 1 July 2013. Thereafter, Shenyang Maoye will receive management fee income from Maoye Property on the operation of the department store, which is determined based on the total sales proceeds and rental income from the leasing of shop premises.

(vii) The Group provided a loan to Shenzhen Maoye Group with an amount of RMB100,000,000, further details of which are given in note 23 to the interim condensed consolidated financial statements.

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

(xi) On 5 July 2013, Changzhou Maoye Department Store Limited ("Changzhou Maoye") (常州茂業百貨有限公司), a subsidiary of the Group, signed an agreement with Changzhou Taifu, pursuant to which, Changzhou Maoye no longer leases the building held by Changzhou Taifu and each party shall release and discharge the other party from any obligations under the lease. Accordingly, rental expenses during the operating lease period amounting to RMB23,950,000 were exempted by Changzhou Taifu. Thereafter, Changzhou Maoye will receive management fee income from Changzhou Taifu on the operation of the department store, which is determined based on the total sales proceeds and rental income from the leasing of shop premises.

(x) The Group acquried a subsidiary, Qinhuangdao Maoye Property Development Limited ("Qinhuangdao Property") (秦皇島茂業房地產開發有限公司) from Shenzhen Maoye Group for a consideration of RMB5,000,000.

31. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Due from related parties		
Due from fellow subsidiaries	102,570	79,871
Due from non-controlling shareholders of subsidiaries	13,237	15,316
Due from a company significantly influenced by a director of the Company	–	1,467
	115,807	96,654
Due to related parties		
Due to associates	355	506
Due to non-controlling shareholders of subsidiaries	64,842	84,843
Due to fellow subsidiaries	24,248	17,011
Due to a company significantly influenced by a director of the Company	–	242
	89,445	102,602

Included in the balances due from related parties and due to related parties as at 30 June 2013 were amounts of approximately RMB115,807,000 (31 December 2012: RMB96,654,000) and RMB24,248,000 (31 December 2012: RMB17,253,000) 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.

31. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Loan and receivable from a fellow subsidiary

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Shenzhen Maoye Group (note 23)	**115,000**	100,000

(d) Compensation of key management

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Salaries and allowances	**1,676**	1,591
Retirement benefits	**63**	33
Equity-settled share option expense	**–**	(2,812)
	1,739	(1,188)

32. FAIR VALUE MEASUREMENT

As at 30 June 2013, the Group held the following financial instruments measured at fair value:

	30 June 2013 (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	780	780	–	–
Available-for-sale equity investments:				
Equity shares	741,524	741,524	–	–

During the six months ended 30 June 2013, there were no transfers of fair value measurements between Level 1 and Level 2, and no transfers into and out of Level 3.

33. EVENTS AFTER THE REPORTING PERIOD

(i) During the period from 2 July 2013 to 12 July 2013, the Company repurchased and cancelled 17,023,000 shares for a total consideration of approximately HK$21.3 million.

(ii) During the period from 24 July 2013 to 8 August 2013, Dahua Investment (China) Limited (大華投資（中國）有限公司), a subsidiary of the Group, sold 13,319,000 B shares of Shenzhen International Enterprise Co., Ltd. (深圳市國際企業股份有限公司), which is measured as available-for-sale equity investments, for a total consideration of approximately HK$151.44 million.

(iii) On 30 July 2013, Shenzhen Maoye Shangsha Co., Ltd. (深圳茂業商廈有限公司) issued medium-term financing notes with an amount of RMB700 million in the Mainland China. The notes carry a fixed interest rate of 6.05% per annum and will mature on 30 July 2016.

(iv) On 15 August 2013, the Company declared an interim dividend for the six months ended 30 June 2013 with HK2.8 cents per share.

34. 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 2013.