

2015 INTERIM REPORT

MOI 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)



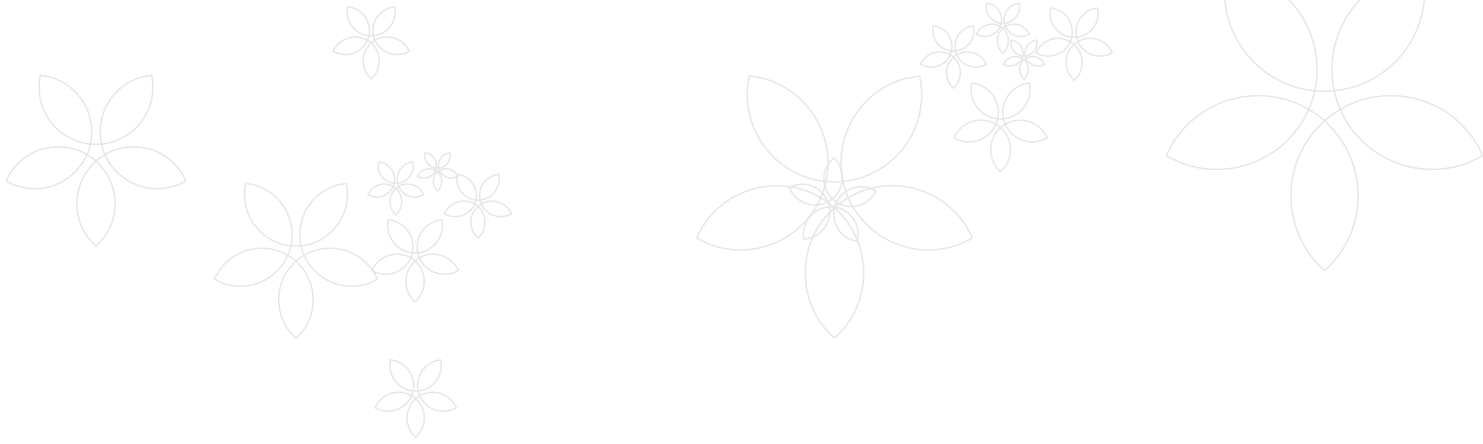


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MAOYE INTERNATIONAL HOLDINGS LIMITED

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 share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

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



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Corporate Profile

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

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

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

As at 30 June 2015, the Group operated and managed 41 stores in 17 cities across the nation with total gross floor area of 1,677,769 square metres, of which self-owned properties accounted for approximately 82% 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 and Mianyang in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou and Changzhou in Jiangsu Province; Zibo, Heze and Linyi in Shandong Province; Qinhuangdao and Baoding in Hebei Province; Shenyang in Liaoning Province and Taiyuan in Shanxi Province. As at 30 June 2015, the distribution of stores of the Group are as follows:

	Southern China	Southwestern China	Eastern China	Northern China	Total
No. of Stores	7	9	12	13	41
Gross Floor Area (square metres)	230,364	272,834	589,914	584,657	1,677,769

Corporate Information

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*)

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre,
183 Queen's Road East, 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

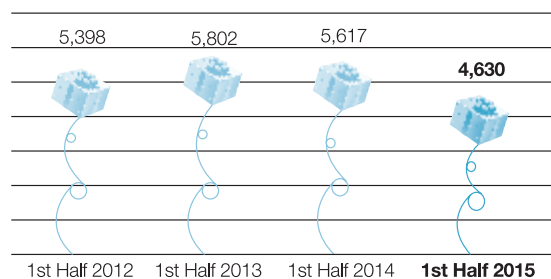
Financial Highlights

The summary of the Group's results for the six months ended 30 June 2015 and 2014 are set out below:

	For the six months ended 30 June	
	2015 (unaudited) RMB'000	2014 (unaudited) RMB'000
Total Sales Proceeds ¹	4,629,812	5,617,457
Total operating revenue ²	2,058,762	2,111,256
Operating profit	646,462	773,409
Profit for the period	320,956	496,806
Attributable to:		
Owners of the parent	316,701	427,035
Non-controlling interests	4,255	69,771
Earnings per share ³		
Basic	RMB6.1 cents	RMB8.2 cents
Diluted	RMB6.1 cents	RMB8.2 cents

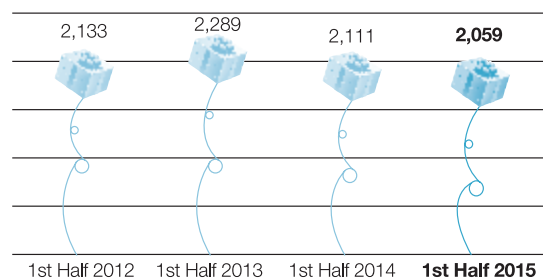
TOTAL SALES PROCEEDS

(RMB million)



TOTAL OPERATING REVENUE

(RMB million)



Notes:

- Total sales proceeds represent the sum of total sales proceeds from concessionaire sales and revenue from direct sales at the department stores of the Group.
- Total operating revenue represents the sum of the Group's revenue and other income.
- The calculation of basic earnings per share is based on the profit for the six months ended 30 June 2015 attributable to ordinary equity holders of the parent of RMB316,701,000 (Six months ended 30 June 2014: RMB427,035,000) and the weighted average number of ordinary shares of 5,181,547,000 (Six months ended 30 June 2014: 5,223,074,000) in issue during the period.

The group has not issued any original share that has dilutive effect in the period above.

Management Discussion and Analysis

OPERATION REVIEW

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

Total sales proceeds were RMB4,629.8 million, representing a decrease of 17.6% compared to the same period last year; total operating revenue was RMB2,058.8 million, representing a decrease of 2.5% compared to the same period last year. In the end of 2014, Maoye Logistics Corporation Limited (Stock code: 000889, “**Maoye Logistics**”) became an associated company of the Group and was neither accounted for nor consolidated as a subsidiary of the Group this period. Excluding the effect of that, total sales proceeds decreased by 1.9%, total operating revenue increased by 14.2%. Same-store concessionaire sales decreased by 4.3%; profit attributable to owners of the parent was RMB316.7 million, representing a decrease of 25.8% compared to the same period last year.

MAJOR OPERATING HIGHLIGHTS

To facilitate a new business landscape and realization of operation model at internationally advanced level, the Group conducted consolidation and reclassification of existing business projects clearly, and keep promoting the strategy of transforming department stores into shopping centres.

Shenzhen Huaqiangbei, the flagship store of the Group, was transformed officially from “Maoye Department Store” into “Maoye Complex”. After upgrading revamp and reconstruction, Huaqiangbei Maoye Complex was significantly enhanced in both software and hardware with great improvement in the shopping environment. Meanwhile, brands also underwent significant adjustments, the proportion of original creation brands and unique brands rose again, area of ancillary projects also increased to 30%. The renamed Huaqiangbei Maoye Complex had transformed from a traditional department store to a shopping centre integrating shopping, lifestyle and entertainment. With unveiling of the new image, a large number of internationally affordable luxury brands, including MCM, Love Moschino, Vivienne Westwood, Juicy Couture, Coach, Michael Kors, Kate Spade, Max&Co., streamed into Huaqiangbei Maoye Complex.

Taiyuan Maoye Complex, which commenced operation last year, launched food court (美食匯) and Bona IMAX International Cineplex this year and attracted participation from ancillary brands with strengths, the clustering effect of customers was enhanced for the overall Taiyuan Maoye Complex. With strong presence of international famous brands coming up in the second half of the year, Taiyuan Maoye Complex will present delicate consumption and lifestyle for consumers in a more realistic manner.

As regards opening of new stores, Taizhou Maoye Complex, the Group’s shopping center in Taizhou, commenced operation officially on 1 February this year. Taizhou Maoye Complex reached a total gross floor area of 91,000 square metres, of which area for food and beverage and entertainment facilities accounted for 40%, it was positioned as a one-stop trendy lifestyle complex. Taizhou Maoye Complex and the existing Taizhou Yibai together will induce economies of scale and have more extensive coverage and influence over the consumption market of Central and Northern Jiangsu. Zibo Maoye Time Square, which was converted and expanded from Zibo Maoye Building, commenced operation officially on 8 February. Zibo Maoye Time Square reached a gross floor area of 110,000 square metres and was positioned as a large-scale shopping centre. Its opening indicated the improvement of competitive power and resource integration capability in the Group.

Management Discussion and Analysis (continued)

Since the Group's projects under development are able to support the pace of development in the next 3 to 5 years, the Group will still adhere to a prudent manner in acquisition of land. In the first half of the current year, a prepayment of RMB40 million has been made to acquire a plot of land located at the prime area in the well-established business district in Baotou with a total site area of 25,000 square metres, the Group plans to build a city complex on the site. The construction of the city complex, together with another store of the Group under development in Baotou, will induce economies of scale, which will be favorable for the Group's strategic requirement of a distribution throughout Baotou.

On operational management, firstly, the Group continued to uphold a net profit-oriented operational strategy, established a profit-oriented management system and evaluated the performance of each store by using net profit as a scale benchmark, gradually reduced promotion activities for excessive pursuit of sales through an innovative marketing model to increase the proportion of valued marketing and merchandise sales effect. In addition, the Group further optimized the Head Office operation segment during the first half of the current year, the operational management function fully penetrated stores in various regions, and by using regions as subjects of operation, market changes and threats of e-commerce were tackled by flexible and timely responses. Meanwhile, the Group's Head Office established a store value management system to coordinate and manage various stores on the basis of an information system. Through budgeting, contractual agreement and actual sales of each store, reasonable recommendations will be proposed for stores to optimize the locations and brands portfolio of stores to enable reasonable allocation of various resources for stores, strengthen the training and management for key brands.

In terms of payment method, the Group actively promoted the usage of new payment methods to enhance the consumption experience and comfort of purchasing for consumers, such as the adoption of mobile terminals for cashier purpose, the use of Alipay and Wechat Payment for on-site fast payment, and promoted the use of Wechat membership card for entitlement to enjoy preferential benefits and exchange for gifts by using reward points.

In the aspect of human resources, the Group delegated more authorities to all regional companies and reduced the levels of management while standardized controlling work was conducted by the Head Office. At the same time, the Group also reduced the work in a single module for employees to enhance their efficiency, and diversified their development channels in all aspects.

As regards capital operation, the Group's associated company, Maoye Logistics, initiated an acquisition of 100% equity interest in Changshi Communication Co., Ltd. ("**Changshi Communication**") (長實通信股份有限公司), a communication network technology service enterprise, for RMB1.2 billion in cash in April 2015. Changshi Communication had good prospects in its industry with a leading market position. Upon completion, this acquisition will be able to further enhance the value of Maoye Logistics, optimize the structure of earnings of the Group and increase the size of profit. Maoye Logistics completed the acquisition of Beijing TrustMeDu Sci-tech Co., Ltd. ("**TrustMeDu**") in 2014, consolidation of business resources with TrustMeDu was able to realize through this transaction to facilitate and strengthen the cooperation between mutual business platforms.

Management Discussion and Analysis (continued)

In June 2015, Chengshang Group Co., Ltd. (成商集團股份有限公司) (stock code: 600828, “**Chengshang Group**”), a subsidiary of the Group, underwent significant asset reorganization, in which it proposed to purchase 100% equity interest in 5 subsidiaries of Shenzhen Maoye Trade Building Co., Ltd. (“**Maoye Shangsha**”) by issuance of shares, including 6 stores in the South China region of the Group, which were Shenzhen Huaqiangbei Store, Shenzhen Nanshan Store, Shenzhen Dongmen Store, Shenzhen Outlet, Shenzhen Shennan Store and Zhuhai Xiangzhou Store, respectively. In this transaction, the above stores will be injected into Chengshang Group, which is favourable to the consolidation and sharing of retail business resources of the South China region and southwest region of the Group and reduced potential peer competition. The Group’s advantages in operation scale, business resources, channels and brands would become more remarkable. Bargaining and pricing abilities against suppliers would be enhanced effectively, greater initiative in brand planning and layout for merchandise sales would be obtained, and the operation capability and profitability of the Group would be further enhanced.

Since 2014, the Group has actively developed financing channels. In January, March, April and June 2015, the Group’s wholly-owned subsidiary, Maoye Shangsha successfully issued RMB800 million one-year short term notes in the interbank market of China with an annual interest rate at 5.23%, and successfully issued twice for RMB700 million and once for RMB600 million 270-day super short-term notes with annual interest rate at 5.34%, 5.45% and 4.44% respectively. The above financing activities have provided stable capital support for the development of the Group.

In June, the group has disposed in aggregate 8,906,803 shares of Shenyang Commercial City Co., Ltd. (“**Shenyang Commercial City**”) through on-market purchases on the Shanghai Stock Exchange, representing approximately 5.0% of the issued share capital of Shenyang Commercial City.

PERFORMANCE OF MAJOR STORES¹

Store Name	Proceeds of	Same Store	Operation	Gross
	Concessionaire			
	Sales	%	(years)	(m ²)
	(RMB'000)			
1 Shenzhen Huaqiangbei	726,737	-10.2%	11.7	59,787
2 Shenzhen Dongmen	412,375	-0.3%	18.3	47,436
3 Taizhou Yibai	358,878	0.4%	5.7	40,358
4 Shenzhen Nanshan	327,358	10.3%	5.8	44,871
5 Chengdu Yanshikou	279,515	-10.4%	10.1	97,946
6 Taiyuan Liuxiang	252,592	6.0%	6.7	31,448
7 Chongqing Jiangbei	225,961	-14.2%	10.7	52,281
8 Zhuhai Xiangzhou	170,050	3.0%	13.7	23,715
9 Nanchong Wuxing	157,234	-3.5%	10.1	25,195
10 Shenzhen Outlet	154,867	17.4%	15.8	23,048
11 Mianyang Xingda	136,971	1.0%	6.8	27,535
12 Zibo Maoye Plaza	100,347	-32.0%	4.6	36,791

Notes:

- 1 Major stores are same stores with sales proceeds per semi-annum of over RMB100 million.
- 2 Operation period was calculated up to 30 June 2015.

Management Discussion and Analysis (continued)

PROPERTY DEVELOPMENT

As at 30 June 2015, the Group operated and managed 41 stores across 17 cities in China, including Shenzhen and Zhuhai in Guangdong Province; Chengdu, Nanchong and Mianyang in Sichuan Province; Chongqing; Wuxi, Taizhou, Yangzhou and Changzhou in Jiangsu Province; Zibo, Heze and Linyi in Shandong Province; Qinhuangdao and Baoding in Hebei Province; Shenyang in Liaoning Province and Taiyuan in Shanxi Province. The total gross floor area was approximately 1.68 million square metres, of which self-owned areas accounted for 82% (excluding the gross floor area of managed stores), areas leased from related parties accounted for 13% and areas leased from independent third parties accounted for 5%. In addition, the Group also has projects under development in 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 Autonomous Region.

OUTLOOK

For the second half of 2015, the Group will continue to maintain the strategy of steady development, and plans to continue opening one to two stores in the regions already developed by the Company, more proactive and effective measures will be taken:

Firstly, it will reinforce the profit-oriented operational strategy to provide customers with better quality experience in feeling the superiority of the Maoye brand through enhancing quality of merchandise and service level.

Secondly, it will reinforce the information driven management style, the operational management level of stores will be further improved by determining the key spots and deficiencies of operation through precise data from information system to enhance the strengths and rectify the weaknesses.

Thirdly, it will strengthen the efforts on consolidation of resources throughout the Group from areas such as store management, reserve of regional talents and supplier resources.

Fourthly, it will enhance the efforts in realizing non-core assets.

Management Discussion and Analysis (continued)

FINANCIAL REVIEW

Total Sales Proceeds and Revenue

For the six months ended 30 June 2015, total sales proceeds of the Group were RMB4,629.8 million, representing a decrease of 17.6% compared to the same period of 2014. The decrease of total sales proceeds was primarily because Maoye Logistics was not accounted for and consolidated as a subsidiary of the Group this period.

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Total sales proceeds from concessionaire sales	4,146,872	4,964,126
Direct Sales	482,940	653,331
Total Sales Proceeds	4,629,812	5,617,457

Among the total sales proceeds of the Group in the first half of 2015, total sales proceeds derived from concessionaire sales accounted for 89.6% and those derived from direct sales accounted for 10.4%.

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	1,955,327	42.2	-2.1
South-western China	1,082,018	23.4	-11.6
Eastern China	1,113,508	24.1	-4.5
Northern China	478,959	10.3	7.6
Total	4,629,812	100	-4.3

For the six months ended 30 June 2015, same-store sales proceeds from concessionaire sales decreased to RMB3,945.5 million, representing a decrease of 4.3% compared to the same period last year. The Group's commission rate from concessionaire sales was 16.0%, representing a decrease of 1.4 percent points compared with 17.4% for the same period last year. The decrease of same-store commission rate from concessionaire was primarily due to low commission rate of new stores.

Total sales proceeds in the first half of 2015 comprised sales of apparel (47.3%) (first half of 2014: 45.2%), cosmetics and jewelries (23.6%) (first half of 2014: 22.8%), shoes and leather goods (12.2%) (first half of 2014: 12.9%) and others such as children's wear and toys, household and electronic appliances (16.9%) (first half of 2014: 19.1%). The percentage attributable to each product category to total sales proceeds is similar to that in the first half of 2014.

Management Discussion and Analysis (continued)

For the six months ended 30 June 2015, revenue of the Group amounted to RMB1,639.0 million, representing a decrease of 3.0% compared with RMB1,690.0 million for the same period last year. The decrease of revenue was mainly because Maoye Logistics was not accounted for and consolidated as a subsidiary of the Group this period.

Other Income

For the six months ended 30 June 2015, other income of the Group amounted to RMB419.8 million, representing a decrease of 0.4% compared with the same period last year.

Cost of Sales

For the six months ended 30 June 2015, cost of sales of the Group amounted to RMB693.3 million, representing an increase of 15.3% compared with RMB601.5 million for the same period last year. The increase in cost of sales was primarily due to the increase in recognition in revenue of property segment this period. Cost of sales for property has increased by RMB231.5 million compared with the same period last year.

Employee Expenses

For the six months ended 30 June 2015, employee expenses of the Group amounted to RMB197.5 million, representing a decrease of 11.0% compared with the employee expenses of RMB221.9 million for the same period last year. The decrease of employee expenses was mainly because the employee expenses of Maoye Logistics was not consolidated this period.

Depreciation and Amortisation

For the six months ended 30 June 2015, depreciation and amortisation of the Group amounted to RMB206.6 million, representing an increase of 7.1% compared with RMB192.9 million for the same period last year, which was primarily due to the increase of property depreciation caused by the increase of fixed assets resulted from completion of new stores. The depreciation and amortisation as percentage of total sales proceeds in the first half of 2015 increased to 4.5% compared with 3.4% for the first half of 2014.

Operating Lease Rental Expenses

For the six months ended 30 June 2015, operating lease rental expenses of the Group amounted to RMB100.6 million, representing a decrease of 12.9% compared with RMB115.6 million for the same period last year, which was mainly because the operating lease rental expense of Maoye Logistics was not consolidated this period. The operating lease rental expenses as percentage of total sales proceeds in the first half of 2015 was 2.2%, representing an increase of 0.1 percent point compared to the first half of 2014.

Other Operating Expenses

For the six months ended 30 June 2015, other operating expenses of the Group amounted to RMB373.0 million, representing a decrease of 9.6% compared with RMB412.7 million for the same period last year. The other operating expenses as percentage of total sales proceeds in the first half of 2015 increased to 8.1% compared with 7.3% in the first half of 2014.

Other Gains

For the six months ended 30 June 2015, other gains of the Group amounted to RMB158.7 million, representing a decrease of 23.2% compared with RMB206.8 million for the same period last year. This was primarily because the group has increased its shares in Shenyang Commercial City in 2014, which has been recognized as an associate company other than available-for-sale equity investment, resulting of other gain amounting RMB35 million.

Management Discussion and Analysis (continued)

Operating Profit

For the six months ended 30 June 2015, operating profit of the Group amounted to RMB646.5 million, representing a decrease of 16.4% compared with RMB773.4 million for the same period last year. This was mainly because Maoye Logistics was not consolidated as a subsidiary of the Group this period, excluding effect of which the operating profit decreased by 7.0%.

Finance Costs

For the six months ended 30 June 2015, finance costs of the Group amounted to RMB136.8 million, representing an increase of 114.6% compared with RMB63.7 million for the same period last year. This was primarily due to the increase in interest-bearing loans this period.

Income Tax Expense

For the six months ended 30 June 2015, income tax expense of the Group amounted to RMB182.7 million, representing a decrease of 4.9% compared with RMB192.2 million for the same period last year. For the six months ended 30 June 2015, the effective income tax rate applicable to the Group was 36.3% (for the six months ended 30 June 2014: 27.9%). The decrease in income tax was primarily due to the decrease in the profit before tax this period.

Profit Attributable to Owners of the Parent

As a result of the foregoing, for the six months ended 30 June 2015:

- Profit attributable to owners of the parent decreased by 25.8% to RMB316.7 million.
- Without taking into account the effect of non-operating gains and losses, profit attributable to owners of the parent decreased by 39.9% to RMB197.8 million.

Among these, the results of the operation of department stores segment are as follows: Profit attributable to owners of the parent decreased by 25.6% to RMB345.0 million compared with RMB463.8 million for the same period last year.

Liquidity and Financial Resources

As at 30 June 2015, the Group's cash and cash equivalents amounted to RMB1,012.2 million, increased by RMB350.1 million compared to RMB662.1 million as at 31 December 2014. The main cash inflow and cash outflow are set out as follows:

- (1) net cash outflow of RMB191.1 million arising from operating activities;
- (2) net cash outflow arising from investment activities which amounted to RMB885.3 million, which mainly includes payments for properties and equipment amounting to RMB523.6 million, available-for-sale equity investments amounting to 243.0 million, equity investments at fair value through profit or loss amounting to RMB304.4 million, disposal of interests in associate amounting to RMB225.0 million; and
- (3) net cash inflow of RMB1,424.1 million arising from financing activities, mainly includes: 1) net increase in cash inflow arising from bank loans and other borrowings of RMB4,066.9 million; 2) cash outflow arising from repayment of bank loans and other borrowings of RMB2,211.1 million; 3) cash outflow arising from payment of interest, payment of final dividend for 2014 and repurchase of shares which amounted to RMB347.9 million, RMB45.2 million and RMB66.8 million, respectively.

Management Discussion and Analysis (continued)

Interest-bearing Loans

As at 30 June 2015, total bank loans, medium-term financing notes and short-term financing notes of the Group were RMB11,329.7 million (31 December 2014: RMB9,473.9 million). The gearing ratio¹ and net gearing ratio² were 42.1% and 114.2%, respectively (31 December 2014: 38.7% and 107.3%, respectively).

- 1 Gearing ratio = total debt/total assets = (bank loans + medium-term financing notes + short-term financing notes)/total assets
- 2 Net gearing ratio = net debt/equity = (bank loans + medium-term financing notes + short-term financing notes - 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 two A share listed companies in the PRC as at 30 June 2015, and relevant summarised information relating to these companies.

Investment	The Group's Shareholding	Principal Business	Geographical Location
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
Silver Plaza Group Co., Ltd. (銀座集團股份有限公司)	10.00%	Owns a number of department stores in Northern China	Jinan City, Shandong Province

The total original cost of the investments in the above companies was RMB982.7 million, which was financed by the Group's cash inflow from operations.

Pledge of Assets

As at 30 June 2015, the Group's collateral interest-bearing bank loans amounting to RMB3,069.2 million were secured by the Group's land and buildings, investment properties, land lease prepayments, completed properties held for sale, and properties under development with net carrying amounts of approximately RMB969.3 million, RMB48.9 million, RMB354.7 million, RMB318.0 million and RMB349.9 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 RMB0.4 million.

For the six months ended 30 June 2015, 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

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the six months ended 30 June 2015 of HK2.2 cents in cash per share totalling HK\$113.1 million (equivalent to approximately RMB93.3 million) (for the six months ended 30 June 2014: HK\$161.1 million). The interim dividend will be paid on Tuesday, 15 September 2015 to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 8 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The Company's Register of Members will be closed from Monday, 7 September 2015 to Tuesday, 8 September 2015 (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 2015, 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 share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 4 September 2015.

Other Information

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

As at 30 June 2015, the interests of the directors of the Company in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(1) Long position in the shares of the Company

Name of director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's issued share capital*
Mr. Huang Mao Ru	Interest of controlled corporations	4,200,000,000 (Note)	81.69%
	Beneficial owner	50,000,000	0.97%
		4,250,000,000	82.66%
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 2015.

Other Information

(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 2015.

(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 2015.

Save as disclosed above, as at 30 June 2015, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

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

As at 30 June 2015, 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 of substantial shareholder	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))	82.66%
Maoye Department Store Investment Limited	Beneficial owner	4,200,000,000 (Note (b))	81.69%
MOY International Holdings Limited	Interest of controlled corporation	4,200,000,000 (Note (b))	81.69%

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 2015.

Save as disclosed above, as at 30 June 2015, 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 2015, the Company has no outstanding share options. During the six months ended 30 June 2015, no share options of the Company have been granted, exercised, cancelled or lapsed.

Other Information

EMPLOYEES

As at 30 June 2015, the Group had a total of approximately 5,545 employees. Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of individual employees.

PURCHASE OR SALE OF LISTED SHARES OF THE COMPANY

The Company repurchased a total of 55,997,000 shares on the Stock Exchange during the six months ended 30 June 2015. Such shares were cancelled upon repurchase and accordingly the issued capital of the Company was reduced by the nominal value of these shares.

Details of the repurchase are summarised as follows:

Month of repurchase	Total number of shares repurchased	Repurchase price per share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
March 2015	24,334,000	1.23	1.11	29,151,030
April 2015	4,570,000	1.27	1.22	5,715,200
June 2015	27,093,000	1.89	1.73	49,450,520
TOTAL	55,997,000	1.89	1.11	84,316,750

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 2015.

GENERAL DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

As detailed in the Company's announcement dated 1 November 2013, the Company (as borrower) entered into a syndicated facility agreement (the "**Syndicated Facility Agreement**") with the syndicate which is jointly led by Deutsche Bank AG and Bank of China Limited Macau Branch with supports and participation from a consortium of other banks (the "**Lenders**") pursuant to which the Lenders have made available to the Company a three year guaranteed and secured loan in the principal sum of US\$190,500,000 at an interest rate of LIBOR plus 3.10% per annum, with an option to increase the loan amount by an additional US\$9,500,000 upon mutual agreement between the Company and the Lender(s) (the "**Syndicated Loan**"). Subsequently to the date of the announcement, the lenders have agreed to increase the loan amount by an additional US\$5,000,000 pursuant to the said option.

Pursuant to the Syndicated Facility Agreement, it will be an event of default if, amongst others, (i) Mr. Huang Mao Ru (the controlling shareholder, executive director, chairman and chief executive officer of the Company) ("**Mr. Huang**") and his family ceases to own at least 50% of the outstanding shares of the Company; or (ii) Mr. Huang relinquishes or ceases to hold his position as the chairman, chief executive officer and executive director of the Company or ceases to maintain management control of the Company. On and at any time after the occurrence of an event of default which is continuing, the facility agent may, and shall if so directed by the majority lenders of the Syndicated Loan, by notice to the Company, (a) cancel the commitment under the Syndicated Facility Agreement; (b) declare that all or part of the Syndicated Loans together with interests accrued and all other amounts outstanding under the finance documents be immediately due and payable; (c) declare all or part of the Syndicated Loan be payable on demand; and/or (d) exercise or direct the security agent of the Syndicated Loan to exercise any or all of its rights or powers under the finance documents relating to the Syndicated Loan.

Other Information

As the above specific performance obligation as imposed under the Syndicated Facility Agreement continues to exist as at 30 June 2015, the Company is required to make the above disclosure pursuant to Rule 13.21 of the Listing Rules. In addition, the above performance obligation has been duly satisfied up to the date of the approval of these financial statements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES WRITTEN GUIDELINES

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 2015.

The Company also has established written guidelines on no less exacting terms than the Model Code (the "**Employees Written Guidelines**"), governing securities transactions by relevant employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the six months ended 30 June 2015.

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 2015, except for the following deviation:

Code Provision A.2.1

Currently, Mr. Huang is both the Chairman and Chief Executive Officer of the Company. As Mr. Huang is the founder of the Group and has extensive experience in the department store industry and commercial real estate industry, the Board believes that it is in the best interest of the Group to have Mr. Huang taking up both roles for continuous effective management and business development of the Group.

AUDIT COMMITTEE

The Audit Committee, comprising all the independent non-executive directors of the Company, has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2015 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, 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 had undertaken to use its best endeavour within three years to (i) resolve the 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

Other Information

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 had been resolved. The Controlling Shareholder Group had 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 had 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 had been resolved. However, the Group has been considering whether to acquire the interests of the Controlling Shareholder Group in the above-mentioned stores. The Company entered into the new master management agreement (the “**New Master Management Agreement**”) with Maoye Holdings Limited on 10 June 2011 to govern the terms upon which the Group would 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 did 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.

UPDATES ON DIRECTORS’ INFORMATION UNDER RULE 13.51(B)(1) OF THE LISTING RULES

- (1) Ms. Wang Fuqin, an executive director of the Company, has resigned as the President of Shenyang Commercial City with effect from 23 June 2015 and has been appointed as the Vice President of the Company with effect from 20 July 2015.
- (2) Mr. Chow Chan Lum, an independent non-executive director of the Company, has been appointed as an independent non-executive director of China Electronics Corporation Holdings Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 85) with effect from 30 June 2015.

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 21 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 2015 and the related interim condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and 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.

Certified Public Accountants
Hong Kong

20 August 2015

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
REVENUE	4	1,639,004	1,690,016
Other income	5	419,758	421,240
Total operating revenue		2,058,762	2,111,256
Cost of sales	6	(693,266)	(601,510)
Employee expenses	7	(197,515)	(221,923)
Depreciation and amortisation		(206,572)	(192,925)
Operating lease rental expenses		(100,648)	(115,596)
Other operating expenses	8	(373,025)	(412,660)
Other gains	9	158,726	206,767
Operating profit		646,462	773,409
Finance costs	10	(136,790)	(63,744)
Share of profits and losses of associates		(5,968)	(20,642)
PROFIT BEFORE TAX		503,704	689,023
Income tax expense	11	(182,748)	(192,217)
PROFIT FOR THE PERIOD		320,956	496,806
Attributable to:			
Owners of the parent		316,701	427,035
Non-controlling interests		4,255	69,771
		320,956	496,806
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic		RMB6.1 cents	RMB8.2 cents
Diluted		RMB6.1 cents	RMB8.2 cents

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	320,956	496,806
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investments:		
Changes in fair value	292,785	(53,869)
Disposal of partial interest in a subsidiary without losing control	470,494	–
Available-for-sale equity investment revaluation	5,964	–
Reclassification adjustments for gain included in the consolidated statement of profit or loss		
– Gain on deemed disposal	–	(35,613)
Income tax effect	(192,310)	22,370
	576,933	(67,112)
Exchange differences on translation of foreign operations	2,328	(14,767)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	579,261	(81,879)
OTHER COMPREHENSIVE INCOME, NET OF TAX	579,261	(81,879)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	900,217	414,927
Attributable to:		
Owners of the parent	895,962	345,156
Non-controlling interests	4,255	69,771
	900,217	414,927

Interim Condensed Consolidated Statement of Financial Position

30 June 2015

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	6,569,517	5,919,957
Investment properties	14	444,941	373,023
Land lease prepayments	15	4,140,445	3,673,654
Goodwill	16	352,104	352,104
Other intangible assets	17	46,999	2,672
Investment in associates	18	2,349,403	2,418,096
Available-for-sale equity investments	19	1,709,334	1,161,503
Prepayments	22	415,583	437,158
Deferred tax assets		362,136	317,615
Total non-current assets		16,390,462	14,655,782
CURRENT ASSETS			
Inventories	20	166,807	179,199
Completed properties held for sale		937,111	701,595
Properties under development	21	6,484,751	7,059,699
Equity investments at fair value through profit or loss		284,964	173
Trade receivables		22,516	13,418
Prepayments and other receivables	22	1,335,584	998,891
Due from related parties	30(b)	250,807	132,880
Pledged deposits	23	17,694	54,949
Cash and cash equivalents	23	1,012,210	662,069
Total current assets		10,512,444	9,802,873
CURRENT LIABILITIES			
Trade and bills payables	24	1,756,826	2,174,127
Deposits received, accruals and other payables	25	3,295,666	3,283,478
Interest-bearing bank loans and other borrowings	26	6,727,845	1,825,220
Due to related parties	30(b)	47,590	74,094
Tax payable		224,181	146,841
Total current liabilities		12,052,108	7,503,760
NET CURRENT ASSETS/(LIABILITIES)		(1,539,664)	2,299,113
TOTAL ASSETS LESS CURRENT LIABILITIES		14,850,798	16,954,895

continued/...

Interim Condensed

Consolidated Statement of Financial Position (continued)

30 June 2015

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		14,850,798	16,954,895
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings	26	4,601,840	7,648,656
Deferred tax liabilities		1,215,665	1,097,613
Total non-current liabilities		5,817,505	8,746,269
Net assets		9,033,293	8,208,626
EQUITY			
Equity attributable to owners of the parent			
Issued capital	27	460,270	465,206
Equity component of convertible bonds		55,538	55,538
Reserves		7,415,375	6,581,263
Proposed final dividend		–	45,171
		7,931,183	7,147,178
Non-controlling interests		1,102,110	1,061,448
Total equity		9,033,293	8,208,626

Director: Huang Mao Ru

Director: Wang Bin

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to owners of the parent											Total equity RMB'000			
	Issued capital RMB'000	Share premium RMB'000	Acquisition of non-controlling interests RMB'000	Disposal of partial interest in a subsidiary without losing control 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
(Unaudited)															
At 1 January 2015	465,206	1,638,142	(33,342)	-	55,538	22,717	1,806	365,553	186,390	(4,839)	4,404,838	45,171	7,147,178	1,061,448	8,208,626
Profit for the period	-	-	-	-	-	-	-	-	-	-	316,701	-	316,701	4,255	320,956
Other comprehensive income for the period:															
Changes in fair value of available-for-sale equity investments, before tax	-	-	-	-	-	-	-	-	292,785	-	-	-	292,785	-	292,785
Available-for-sale equity investment revaluation	-	-	-	-	-	-	-	-	5,964	-	-	-	5,964	-	5,964
Disposal of partial interest in a subsidiary without losing control	-	-	-	470,494	-	-	-	-	-	-	-	-	470,494	-	470,494
Exchanges differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	2,328	-	-	2,328	-	2,328
Tax effect of components of other comprehensive income	-	-	-	(117,623)	-	-	-	-	(74,687)	-	-	-	(192,310)	-	(192,310)
Total comprehensive income for the period	-	-	-	352,871	-	-	-	-	224,082	2,328	316,701	-	895,982	4,255	900,217
Disposal of partial interest in a subsidiary without losing control	-	-	-	-	-	-	-	-	-	-	(14,351)	-	-	45,518	45,518
Profit appropriated to reserve	-	-	-	-	-	-	-	14,351	-	-	-	-	-	-	-
Final 2014 dividend paid	-	-	-	-	-	-	-	-	-	-	(45,171)	-	(45,171)	-	(45,171)
Repurchase of shares	(4,936)	(61,850)	-	-	-	-	-	-	-	-	(4,936)	-	(66,786)	-	(66,786)
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,111)	(9,111)
At 30 June 2015	460,270	1,576,292	(33,342)	352,871	55,538	27,653	1,806	379,904	410,452	(2,511)	4,702,250	-	7,931,183	1,102,110	9,033,293

Interim Condensed

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2014

	Attributable to owners of the parent											Total equity RMB'000				
	Issued capital RMB'000	Share premium account RMB'000	Acquisition of non-controlling interests RMB'000	Treasury shares RMB'000	Equity component of convertible bonds RMB'000	Capital reclamation 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 2014	467,449	1,682,293	(33,342)	-	56,546	20,474	1,806	340,422	(20,306)	2,414	3,240,820	123,571	5,882,147	1,468,717	7,330,864	
Profit for the period	-	-	-	-	-	-	-	-	-	-	427,035	-	427,035	69,771	496,806	
Other comprehensive income for the period:																
Changes in fair value of available-for- sale equity investments, before tax	-	-	-	-	-	-	-	-	(53,869)	-	-	-	(53,869)	-	(53,869)	
Reclassification adjustments for gain of profit or loss	-	-	-	-	-	-	-	-	(35,613)	-	-	-	(35,613)	-	(35,613)	
Exchanges differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(14,767)	-	-	(14,767)	-	(14,767)	
Tax effect of components of other comprehensive income	-	-	-	-	-	-	-	-	22,370	-	-	-	22,370	-	22,370	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(67,112)	(14,767)	427,035	-	345,156	69,771	414,927	
Profit appropriated to reserve	-	-	-	-	-	-	-	25,108	-	-	(25,108)	-	-	-	-	
Final 2013 dividend paid	-	-	-	-	-	-	-	-	-	-	(123,571)	(123,571)	(123,571)	-	(123,571)	
Repurchase of shares	-	-	-	(7,451)	-	-	-	-	-	-	-	-	(7,451)	-	(7,451)	
Dividend paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(25,729)	(25,729)	(25,729)	
At 30 June 2014	467,449	1,682,293	(33,342)	(7,451)	56,546	20,474	1,806	365,530	(87,418)	(12,353)	3,642,747	-	6,076,281	1,512,759	7,589,040	

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		503,704	689,023
Adjustments for:			
Interest income	5	(8,064)	(10,036)
Depreciation and amortisation		206,572	192,925
Impairment of trade receivables	8	–	15,149
Loss on disposal of items of property, plant and equipment	9	765	3,008
Gain on disposal of a subsidiary	9	–	(104,053)
Gain on disposal of shares of an associate	9	(162,318)	–
Gain on disposal of investment properties	9	(1,495)	–
Fair value loss on equity investments at fair value through profit or loss	9	19,627	87
Gain on deemed disposal of available-for-sale equity investments	9	–	(35,613)
Dividend income from equity investments at cost	9	(4,289)	(10,600)
Dividend income from available-for-sale equity investments	9	(18,504)	(17,917)
Finance costs	10	136,790	63,744
Share of profits and losses of associates		5,968	20,642
		678,756	806,359
Decrease in completed properties held for sale		244,341	12,891
Additions to properties under development		(379,513)	(528,036)
Decrease in inventories		12,392	33,593
Increase in trade receivables		(9,098)	(5,748)
Decrease/(Increase) in prepayments and other receivables		643	(212,140)
Decrease in amounts due from related parties		29,474	48,707
Decrease in trade and bills payables		(417,301)	(462,698)
Increase/(Decrease) in deposits received, accruals and other payables		(100,921)	207,170
Decrease in amounts due to related parties		(26,504)	(6,091)
		32,269	(105,993)
Cash generated from/(used in) operations		32,269	(105,993)
Interest received		855	10,036
PRC tax paid		(224,176)	(237,865)
Net cash used in operating activities		(191,052)	(333,822)

continued/...

Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(523,640)	(401,717)
Additions to investment properties		(70,087)	(39,380)
Proceeds from disposal of items of property, plant and equipment		779	3,127
Proceeds from disposal of investment properties		7,276	–
Purchase of available-for-sale equity investments		(243,046)	(207,024)
Payment for land lease prepayments		–	(83,892)
Purchase of other intangible assets		–	(318)
Prepayments for acquisition of subsidiaries		–	(105,000)
Proceeds from disposal of a subsidiary		–	49,984
Purchase of equity investments at fair value through profit or loss		(304,418)	–
Disposal of interests in an associate		225,049	–
Dividend income from equity investments at cost		4,289	10,600
Dividend income from available-for-sale equity investments		18,504	17,917
Net cash flows used in investing activities		(885,294)	(755,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and other borrowings		4,066,926	3,831,550
Repayment of bank loans and other borrowings		(2,211,117)	(1,684,736)
Interest paid		(347,853)	(236,627)
Final dividend paid		(45,171)	(123,571)
Dividend paid by subsidiaries to non-controlling shareholders		(9,111)	(25,729)
Repurchase of shares	27	(66,786)	(7,451)
Decrease/(increase) in pledged bank deposits		37,255	(11,849)
Net cash flows from financing activities		1,424,143	1,741,587

continued/...

Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2015

	Note	Six months ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
NET INCREASE IN CASH AND CASH EQUIVALENTS		347,797	652,062
Effect of foreign exchange rate changes, net		2,344	(6,547)
Cash and cash equivalents at beginning of period		662,069	978,447
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,012,210	1,623,962
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	1,012,210	1,623,962
Cash and cash equivalents as stated in the statement of cash flows		1,012,210	1,623,962

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 8 August 2007 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). The Company’s registered office address is 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 are principally engaged in the operation and management of department stores and property development in Mainland China.

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014.

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 consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015 noted below.

IAS 19 Amendments	Amendments to IAS 19 Employee Benefits - <i>Defined Benefit Plans: Employee Contributions</i>
Annual Improvements 2010-2012 Cycle	Amendments to a number of IFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of IFRSs

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

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

Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

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

- (a) the operation of department stores segment comprises concessionaire sales, direct sales of merchandise and the 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 the leasing out of commercial properties other than for the operation of department stores; and
- (c) the “others” segment comprises, principally, operations of hotels and the provision of ancillary services, the provision of advertising services and the construction of television networks.

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

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

3. OPERATING SEGMENT INFORMATION (continued)

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
Period ended 30 June 2015				
Segment revenue:				
Sales to external customers	1,245,396	382,682	10,926	1,639,004
Other income	403,013	15,796	949	419,758
Cost of sales	(448,252)	(244,341)	(673)	(693,266)
Employee expenses	(177,570)	(14,650)	(5,295)	(197,515)
Depreciation and amortisation	(162,310)	(38,326)	(5,936)	(206,572)
Operating lease rental expenses	(99,851)	(719)	(78)	(100,648)
Other operating expenses	(322,149)	(44,951)	(5,925)	(373,025)
Other gains/(losses)	158,983	(189)	(68)	158,726
Operating profit/(loss)	597,260	55,302	(6,100)	646,462
Finance costs	(77,235)	(59,555)	–	(136,790)
Share of profits and losses of associates	(5,968)	–	–	(5,968)
Segment profit/(loss) before tax	514,057	(4,253)	(6,100)	503,704
Income tax expense	(165,550)	(17,689)	491	(182,748)
Segment profit/(loss) for the period	348,507	(21,942)	(5,609)	320,956
Attributable to:				
Owners of the parent	344,969	(22,932)	(5,336)	316,701
Non-controlling interests	3,538	990	(273)	4,255
	348,507	(21,942)	(5,609)	320,956
Other segment information				
Impairment losses recognised in the statement of profit or loss	–	–	–	–
Impairment losses reversed in the statement of profit or loss	–	–	–	–
Investment in associates	2,349,403	–	–	2,349,403
Capital expenditure*	745,031	601,318	549	1,346,898

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

3. OPERATING SEGMENT INFORMATION (continued)

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Adjustments and eliminations RMB'000	Total RMB'000
Period ended 30 June 2014					
Segment revenue:					
Sales to external customers	1,623,896	63,642	2,478	–	1,690,016
Intersegment revenue	–	8,818	–	(8,818)	–
Other income	412,865	7,682	693	–	421,240
Cost of sales	(588,495)	(12,891)	(124)	–	(601,510)
Employee expenses	(185,126)	(34,872)	(1,925)	–	(221,923)
Depreciation and amortisation	(169,198)	(22,023)	(1,704)	–	(192,925)
Operating lease rental expenses	(108,130)	(11,619)	(60)	4,213	(115,596)
Other operating expenses	(346,036)	(68,280)	(2,949)	4,605	(412,660)
Other gains/(losses)	112,836	94,573	(642)	–	206,767
Operating profit/(loss)	752,612	25,030	(4,233)	–	773,409
Finance costs	(13,757)	(49,911)	(76)	–	(63,744)
Share of losses of an associate	(20,642)	–	–	–	(20,642)
Segment profit/(loss) before tax	718,213	(24,881)	(4,309)	–	689,023
Income tax expense	(197,488)	5,080	191	–	(192,217)
Segment profit/(loss) for the period	520,725	(19,801)	(4,118)	–	496,806
Attributable to:					
Owners of the parent	463,756	(33,543)	(3,178)	–	427,035
Non-controlling interests	56,969	13,742	(940)	–	69,771
	520,725	(19,801)	(4,118)	–	496,806
Other segment information					
Impairment losses recognised in the statement of profit or loss	203	15,069	–	–	15,272
Impairment losses reversed in the statement of profit or loss	(123)	–	–	–	(123)
Investments in an associate	427,409	–	–	–	427,409
Capital expenditure*	547,337	1,104,974	195	–	1,652,506

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

4. REVENUE

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Commissions from concessionaire sales	665,361	862,842
Direct sales	482,940	653,331
Rental income from the leasing of shop premises	94,510	103,204
Management fee income from the operation of department stores	2,585	4,519
Rental income from investment properties	14,684	37,981
Sale of properties	367,998	25,661
Others	10,926	2,478
	1,639,004	1,690,016

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

Total sales proceeds from concessionaire sales	4,146,872	4,964,126
Commissions from concessionaire sales	665,361	862,842

5. OTHER INCOME

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Income from suppliers and concessionaires		
– Administration and management fee income	204,762	202,811
– Promotion income	134,780	125,017
– Credit card handling fees	55,406	63,937
Interest income	8,064	10,036
Others	16,746	19,439
	419,758	421,240

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

6. COST OF SALES

	Six months ended 30 June	
	2015	2014
	(Unaudited) RMB'000	(Unaudited) RMB'000
Purchases of and changes in inventories	448,252	588,495
Cost of properties sold	244,341	12,891
Others	673	124
	693,266	601,510

7. EMPLOYEE EXPENSES

	Six months ended 30 June	
	2015	2014
	(Unaudited) RMB'000	(Unaudited) RMB'000
Wages and salaries	175,084	194,501
Retirement benefits	21,711	22,973
Other employee benefits	720	4,449
	197,515	221,923

8. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2015	2014
	(Unaudited) RMB'000	(Unaudited) RMB'000
Utility expenses	104,258	97,782
Promotion and advertising expenses	26,511	28,268
Repair and maintenance expenses	26,382	48,517
Entertainment expenses	5,564	6,932
Office expenses	16,019	20,100
Other tax expenses	138,429	128,097
Professional service fees	18,391	14,566
Auditors' remuneration	1,000	1,000
Bank charges	31,568	32,434
Impairment of trade receivables	-	15,149
Others	4,903	19,815
	373,025	412,660

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

9. OTHER GAINS

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Loss on disposal of items of property, plant and equipment	(765)	(3,008)
Gain on disposal of investment properties	1,495	–
Foreign exchange gain, net	350	19,781
Fair value loss on equity investments at fair value through profit or loss	(19,627)	(87)
Gain on disposal of a subsidiary	–	104,053
Gain on disposal of shares of an associate	162,318	–
Gain on deemed disposal of available-for-sale equity investments	–	35,613
Dividend income from available-for-sale equity investments	18,504	17,917
Dividend income from equity investments at cost	4,289	10,600
Gain of a department store operation shared by a lessor	–	11,523
Others	(7,838)	10,375
	158,726	206,767

10. FINANCE COSTS

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Total interest expense on financial liabilities not at fair value through profit or loss	349,004	236,910
Less: Interest capitalised	(212,214)	(173,166)
	136,790	63,744

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 2015 (Six months ended 30 June 2014: 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.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

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 RMB 7,053,000 is charged to the consolidated statement of profit or loss for the six months ended 30 June 2015 (Six months ended 30 June 2014: RMB1,632,000).

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Group:		
Current – CIT	178,383	197,014
Current – LAT	7,053	1,632
Deferred	(2,688)	(6,429)
Total tax charge for the period	182,748	192,217

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 2015 attributable to ordinary equity holders of the parent of RMB316,701,000 (Six months ended 30 June 2014: RMB427,035,000) and the weighted average number of ordinary shares of 5,181,547,000 (Six months ended 30 June 2014: 5,223,074,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue those periods.

13. PROPERTY, PLANT AND EQUIPMENT

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Carrying amount at 1 January		5,919,957	4,870,979
Additions		743,055	1,297,911
Disposals		(1,544)	(13,658)
Depreciation charge for the period/year		(135,433)	(261,185)
Transfer from properties under development	21	43,499	134,819
Transfer to properties under development		–	(41,094)
Transfer from investment properties	14	–	13,553
Acquisition of subsidiaries		–	229,852
Deemed disposal of a subsidiary		–	(311,229)
Disposal of a subsidiary		–	(106)
Exchange realignment		(17)	115
Carrying amount at 30 June/31 December		6,569,517	5,919,957

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Amortisation of land lease payments of approximately RMB18,306,000 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 26(a).

Certificates of ownership in respect of certain buildings of the Group with a net carrying amount of approximately RMB182,792,000 as at 30 June 2015 have not yet been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates.

14. INVESTMENT PROPERTIES

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Carrying amount at 1 January		373,023	545,962
Additions		70,087	58,374
Deemed disposal of a subsidiary		–	(172,418)
Disposal of a subsidiary		–	(24,545)
Disposals		(5,781)	(7,159)
Transfer from properties under development	21	11,350	–
Transfer to property, plant and equipment	13	–	(13,553)
Depreciation charged for the period/year		(3,738)	(13,638)
Carrying amount at 30 June/31 December		444,941	373,023
Carrying amount at 30 June/31 December:			
Cost		492,141	418,304
Accumulated depreciation		(47,200)	(45,281)
Net carrying amount		444,941	373,023

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 28(a).

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

15. LAND LEASE PREPAYMENTS

	Note	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Carrying amount at 1 January		3,810,808	4,574,372
Deemed disposal of a subsidiary		–	(563,109)
Disposal of a subsidiary		–	(17,555)
Transfer to properties under development	21	–	(32,177)
Transfer from properties under development	21	556,772	8,747
		4,367,580	3,970,278
Amortisation provided during the period/year		(79,007)	(159,470)
Carrying amount at 30 June/31 December		4,288,573	3,810,808
Current portion included in prepayments and other receivables		(148,128)	(137,154)
Non-current portion		4,140,445	3,673,654

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 26(c).

The Group was in the process of applying for the land use right certificates for land use right with an aggregate carrying amount of approximately RMB281,037,000 as at 30 June 2015 (31 December 2014: RMB109,830,000).

Included in the amortisation provided during the period is an amount of approximately RMB18,306,000, which was capitalised as part of the construction cost of the department stores under construction of the Group and included in the additions to property, plant and equipment (note 13).

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

16. GOODWILL

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
At 1 January:		
Cost	377,252	638,317
Accumulated impairment	(25,148)	(969)
Net carrying amount	352,104	637,348
Cost at 1 January, net of accumulated impairment	352,104	637,348
Impairment provided during the year	–	(24,179)
Acquisition of subsidiaries	–	82,647
Deemed disposal of a subsidiary	–	(343,712)
Cost and net carrying amount at 30 June/31 December	352,104	352,104
At 30 June/31 December:		
Cost	377,252	377,252
Accumulated impairment	(25,148)	(25,148)
Net carrying amount	352,104	352,104

17. OTHER INTANGIBLE ASSETS

	Computer software	
	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Cost at 1 January, net of accumulated amortisation	2,672	4,571
Additions	45,370	463
Deemed disposal of a subsidiary	–	(427)
Amortisation provided during the period/year	(1,043)	(1,935)
At 30 June/31 December	46,999	2,672
At 30 June/31 December:		
Cost	56,982	11,612
Accumulated amortisation	(9,983)	(8,940)
Net carrying amount	46,999	2,672

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

18. INVESTMENT IN ASSOCIATES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Share of net assets of the associate excluding goodwill	1,061,875	1,123,877
Goodwill on acquisition	1,287,528	1,294,219
	2,349,403	2,418,096
Market value of listed shares	5,755,130	2,519,032

Particulars of the principal associates are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Shenyang Commercial City Co., Ltd. ("Commercial City")	Ordinary shares of RMB1 each	PRC/Mainland China	24.22%	Retail industry
Maoye Logistics Corporation Ltd. ("Maoye Logistics")	Ordinary shares of RMB1 each	PRC/Mainland China	33.46%	Retail industry

(i) Shenyang Commercial City Co., Ltd.

On 16 February 2014, Zhongzhao Investment Management Co., Ltd. ("Zhongzhao"), a wholly-owned subsidiary of the Group, entered into an agreement with a third party named Shenyang Commercial City (Group) Co., Ltd. According to the agreement, Zhongzhao acquired 20,907,940 shares of Commercial City, representing 11.74% of the issued share capital of Commercial City. Commercial City is a company registered in the PRC with limited liability and principally engaged in the operation of department stores in Shenyang city and is listed on the Shanghai Stock Exchange. The total consideration for the transaction was RMB206,988,606. Upon completion of the transaction, the Group held 52,048,427 shares of Commercial City, representing approximately 29.22% of the issued share capital of Commercial City. Commercial City has been recognised as an associate of the Group from 16 February 2014.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

18. INVESTMENT IN ASSOCIATES (continued)

(i) Shenyang Commercial City Co., Ltd. (continued)

At 3 June 2015, Zhongzhao disposed 8,906,803 shares of Commercial City, representing 5.00% of the issued share capital of Commercial City. Upon completion of the transaction, the Group held 43,141,624 shares of Commercial City, representing approximately 24.22% of the issued share capital of Commercial City. Commercial City is still recognised as an associate of the Group.

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Current assets	1,626,916	2,466,045
Non-current assets	3,053,369	3,103,557
Current liabilities	(3,268,760)	(4,069,630)
Non-current liabilities	(15,360)	(12,497)
Non-controlling interests of the associate	(308,301)	(308,375)
Net assets	1,087,864	1,179,100
Net assets, excluding goodwill	1,087,864	1,179,100
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	24.22%	29.22%
Group's share of net assets of the associate, excluding goodwill	263,481	344,533
Goodwill on acquisition (less cumulative impairment)	32,412	39,103
Carrying amount of the investment	295,893	383,636

	Six months ended 30 June 2015 (Unaudited) RMB'000	For the period from 16 February 2014 to 30 June 2014 (Unaudited) RMB'000
Revenues	325,662	289,343
Loss for the period	76,387	70,642
Other comprehensive income	-	-
Total comprehensive loss for the period	76,387	70,642

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

18. INVESTMENT IN ASSOCIATES (continued)

(ii) Maoye Logistics Corporation Ltd.

On 24 July 2014, Maoye Logistics Corporation Ltd. (“Maoye Logistics”), entered into an acquisition agreement with Xiaochang Yingxigu Investment Centre and Beijing Bosheng Yoshi Technology Development Co., Ltd. (the “Vendors”) for the acquisition of Beijing TrustMeDu Sci-tech Co., Ltd. (“Beijing TrustMeDu”). Pursuant to the acquisition agreement, Maoye Logistics agreed to purchase and the Vendors agreed to sell a 100% equity interest in Beijing TrustMeDu by issuing 149,859,439 shares to the Vendors and 26,445,783 shares to Shanghai Fengyou Investment Management Centre. After issuance of shares of Maoye Logistics, the shareholding in Maoye Logistics held by Zhongzhao, a wholly-owned subsidiary of the Company, had been diluted from approximately 46.70% to 33.54%. The issuance of shares completed on 19 December 2014. Based on the current shareholding structure of Maoye Logistics and taking into account of the terms of the transaction, management considered that Zhongzhao has lost control over Maoye Logistics. Since 19 December 2014, the investment had been recognised as an investment in an associate.

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Current assets	1,429,577	1,641,387
Non-current assets	2,593,335	2,129,658
Current liabilities	(836,802)	(639,850)
Non-current liabilities	(4,619)	(4,454)
Non-controlling interests of an associate	(1,592)	(3,773)
Net assets excluding non-controlling interests	3,179,899	3,122,968
Goodwill of an associate	(793,787)	(793,787)
Net assets, excluding goodwill	2,386,112	2,329,181
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	33.46%	33.46%
Group's share of net assets of the associate, excluding goodwill	798,394	779,344
Goodwill on acquisition	1,255,116	1,255,116
Carrying amount of the investment	2,053,510	2,034,460

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

18. INVESTMENT IN ASSOCIATES (continued)

(ii) Maoye Logistics Corporation Ltd. (continued)

	Six months ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Revenues	486,251	–
Gain for the period	68,142	–
Other comprehensive income	–	–
Total comprehensive gain for the period	68,142	–

19. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Listed equity investments, at fair value:		
Shenzhen	5,263	–
Shanghai	1,525,293	1,010,862
Unlisted equity investments, at cost	184,663	156,526
Provision for impairment	1,715,219 (5,885)	1,167,388 (5,885)
	1,709,334	1,161,503

As at 26 January 2015, Shenyin & Wanguo Securities Co., LTD. (“Shenyin & Wanguo”), a non-listed company, went public through a merger with Hongyuan Securities Co., LTD., a listed company on the Shenzhen securities market. 323,885 shares of Shenyin & Wanguo held by Chengshang Group Co., Ltd., the Group’s subsidiary, have been converted into shares of Shenwan Hongyuan Group Co., LTD. at the same amount. At the conversion day, the Group re-valued the cost of these shares at their closing price (RMB19.65 per share) and reclassified this investment as an available-for-sale equity investment measured at fair value.

During the period, the gross gain in respect of the Group’s available-for-sale equity investments recognised in other comprehensive income amounted to RMB224,062,000 (Six months ended 30 June 2014: gross loss of RMB53,869,000).

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.

As at 30 June 2015, certain unlisted equity investments with a carrying amount of RMB178,778,000 (31 December 2014: RMB156,526,000) were stated at cost less impairment because the range of reasonable fair value estimates was so significant that the directors were of the opinion that their fair value could not be measured reliably. The Group does not intend to dispose of them in the near future.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

20. INVENTORIES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Merchandise for resale	173,593	186,282
Provision against slow-moving inventories	(6,786)	(7,083)
	166,807	179,199

21. PROPERTIES UNDER DEVELOPMENT

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Land lease prepayments, at cost			
At 1 January		3,296,541	2,638,722
Additions		–	690,788
Deductions		(11,514)	–
Acquisition of subsidiaries		–	187,056
Transfer from land lease prepayments	15	–	32,177
Transfer to land lease prepayments	15	(556,772)	(8,747)
Transfer to completed properties held for sale		(116,451)	(131,614)
Deemed disposal of a subsidiary		–	(111,841)
At 30 June/31 December		2,611,804	3,296,541
Development expenditure, at cost			
At 1 January		3,763,158	2,037,504
Additions		531,230	1,439,460
Transfer from property, plant and equipment		–	41,094
Transfer to property, plant and equipment	13	(43,499)	(134,819)
Transfer to completed properties held for sale		(366,592)	(348,818)
Transfer to investment properties	14	(11,350)	–
Acquisition of subsidiaries		–	960,997
Deemed disposal of a subsidiary		–	(232,260)
At 30 June/31 December		3,872,947	3,763,158
		6,484,751	7,059,699

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Non-current assets		
Prepayments	415,583	437,158
Current assets		
Prepayments	230,151	259,682
Other receivables	1,120,040	753,816
	1,350,191	1,013,498
Impairment of other receivables	(14,607)	(14,607)
	1,335,584	998,891

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Cash and bank balances	1,012,210	662,069
Time deposits	17,694	54,949
	1,029,904	717,018
Less: Pledged time deposits for bills payable	(270)	(150)
Pledged time deposits for construction in progress	(10,230)	(10,240)
Pledged bank balances for construction in progress	(3,590)	(41,490)
Other pledged bank balances	(3,604)	(3,069)
Cash and cash equivalents	1,012,210	662,069

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

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

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
RMB	1,004,561	693,590
Hong Kong dollar	12,360	7,303
United States dollar	12,971	16,113
Great British pound	12	12
	1,029,904	717,018

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for three months, 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.

24. 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 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within 90 days	1,322,999	1,666,599
91 to 180 days	197,625	159,381
181 to 360 days	158,118	182,218
Over 360 days	78,084	165,929
	1,756,826	2,174,127

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

25. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Deferred income	1,712,935	1,889,616
Deposits received	239,322	223,068
Accrued operating lease rental expenses	51,021	46,861
Accrued utilities	30,414	20,606
Accrued liabilities	220,306	161,963
Accrued staff costs	40,305	55,445
Provision for coupon liabilities	25,893	9,516
Value-added tax and other tax payables	(284,274)	(244,188)
Other payables	1,259,744	1,120,591
	3,295,666	3,283,478

26. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	30 June 2015 (Unaudited)			31 December 2014 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Interest-bearing bank loans – secured	5.83-8.80	2015-2016	848,000	6.30-8.80	2015	340,000
Current portion of long term interest-bearing bank loans – secured	3.33-8.80	2015-2016	1,487,233	5.00-5.30	2015	287,583
Current portion of long term interest-bearing bank loans – unsecured	3.1 over LIBOR					
	5.86	2016	798,658	-	-	-
Other loans	4.44-5.45	2015-2016	3,593,954	6.22-8.80	2015	1,197,637
			6,727,845			1,825,220
Non-current						
Non-current portion of interest-bearing bank loans – secured	6.15-7.53	2016-2020	1,383,948	3.33-8.80	2016-2020	3,619,735
Interest-bearing bank loans – unsecured	6.05-6.70	2016-2017	1,393,979	5.52-6.70	2016-2017	2,189,323
US Senior Notes – secured	7.75	2017	1,823,913	7.75	2017	1,839,598
			4,601,840			7,648,656
			11,329,685			9,473,876

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Analysed into:		
Bank and other loans repayable:		
Within one year	6,727,845	1,825,220
In the second year	4,090,676	2,847,883
In the third to fifth years, inclusive	511,164	4,394,148
Beyond five years	–	406,625
	11,329,685	9,473,876

The Group's bank loans are secured by:

- (a) certain land and buildings of the Group with a net carrying amount of approximately RMB969,288,000 (31 December 2014: approximately RMB952,770,000);
- (b) certain investment properties of the Group with a net carrying amount of approximately RMB48,854,000 (31 December 2014: approximately RMB49,703,000);
- (c) certain land lease prepayments of the Group with a net carrying amount of approximately RMB354,678,000 (31 December 2014: approximately RMB741,454,000);
- (d) certain completed properties held for sale of the Group with a net carrying amount of approximately RMB317,987,000 (31 December 2014: approximately RMB317,987,000); and
- (e) certain properties under development of the Group with a net carrying amount of approximately RMB349,852,000 (31 December 2014: RMB349,612,000).

In addition, Shenzhen Maoye Shangsha Co., Ltd., Zhongzhao, Shenzhen Maoye (Group) Co., Ltd. ("Shenzhen Maoye Group"), Maoye Department Store Holdings Limited, Maoye Department Stores (China) Limited, Maoye Shangsha Investment Limited, Dahua Investment (China) Limited, Mr. Huang Mao Ru and Mrs. Huang Jingzhang (spouse of Mr. Huang Mao Ru) have guaranteed certain of the Group's bank loans up to RMB3,333,671,000 (2014: RMB3,402,244,000) as at the end of the reporting period.

The Group had the following undrawn banking facilities:

	30 June 2015 RMB'000	31 December 2014 RMB'000
Amount of undrawn banking facilities	402,000	3,276,890

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

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

27. ISSUED CAPITAL

	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
Authorised:		
9,000,000,000 (31 December 2014: 9,000,000,000) ordinary shares of HK\$0.10 each	900,000	900,000
Issued and fully paid:		
5,141,635,000 (31 December 2014: 5,197,632,000) ordinary shares of HK\$0.10 each	514,164	519,763
Equivalent to RMB'000	460,270	465,206

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

Date of repurchases	Number of ordinary shares repurchased	Purchase price paid per share		Aggregate consideration paid	
		Highest HK\$	Lowest HK\$	HK\$'000	RMB'000
2015/3/23	6,214,000	1.19	1.11	7,239	5,742
2015/3/24	3,550,000	1.18	1.16	4,172	3,307
2015/3/31	14,570,000	1.23	1.20	17,740	14,071
2015/4/1	2,970,000	1.25	1.22	3,683	2,922
2015/4/2	1,600,000	1.27	1.27	2,032	1,692
2015/6/18	9,779,000	1.79	1.73	17,296	13,656
2015/6/24	8,754,000	1.86	1.82	16,110	12,723
2015/6/25	8,560,000	1.89	1.83	16,044	12,673
	55,997,000			84,316	66,786

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

28. 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 one to fifteen years.

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within one year	171,478	116,679
In the second to fifth years, inclusive	361,439	205,132
After five years	212,617	74,663
	745,534	396,474

(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 one to eighteen years.

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within one year	192,615	172,474
In the second to fifth years, inclusive	563,636	497,488
After five years	992,034	167,533
	1,748,285	837,495

29. COMMITMENTS

In addition to the operating lease commitments as set out in note 28(b) above, the Group had the following capital commitments:

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Contracted, but not provided for, in respect of land and buildings	2,777,570	3,669,944

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

30. 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	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
(1) Recurring transactions		
Operating lease rental expenses charged by:		
Shenzhen Maoye Group (i) & (vi)	13,667	10,878
Zhong Zhao Investment (Group) Limited (中兆投資(集團)有限公司) (i) & (vi)	7,170	4,269
Shenzhen Oriental Times Industry Co., Ltd. (深圳市東方時代廣場實業有限公司) (i) & (vi)	34,414	28,545
Shenzhen Chongde Real Estate Co., Ltd. (深圳市崇德地產有限公司) (i) & (vi)	153	153
Shenzhen Maoye Property Business Co., Ltd. (深圳市茂業物業經營有限公司) (i) & (vi)	3,581	3,255
Chongqing Maoye Real Estate Co., Ltd. (重慶茂業地產有限公司) (i) & (vi)	12,931	12,931
Shenzhen Friendship Trading Centre Co., Ltd. (“Shenzhen Friendship”) (深圳友誼貿易中心有限公司) (v) & (vi)	11,348	12,918
	83,264	72,949
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) & (vii)	2,277	2,182
Shenyang Maoye Property Company Limited Jinlang Branch (“Shenyang Jinlang”) (瀋陽茂業置業有限公司金廊分公司) (i) & (vii)	–	2,179
Changzhou Taifu Property Development, Property Management Division (常州泰富房地產開發物業經營分公司) (i) & (vii)	21	158
	2,298	4,519
Management fee expense from the operation of a department store:		
Shenyang Commercial City Co., Ltd. (瀋陽商業城股份有限公司) (ii) & (viii)	220	–

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

30. 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	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
(2) Non-recurring transactions		
Banking facilities guaranteed by:		
Shenzhen Maoye Group (i) & (ix)	1,150,000	1,450,000
Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally (iv) & (ix)	600,000	1,550,000
Mr. Huang Mao Ru and Shenzhen Maoye Group jointly (iv) & (i)	–	200,000
	1,750,000	3,200,000
Banking facilities guaranteed to a subsidiary of an associate:		
Shenyang Tiexi General Merchandise Building Co., Ltd. (瀋陽鐵西百貨大樓有限公司) (ii)	–	80,000
Transferring shares to a company significantly influenced by a director of the Company:		
深圳合正茂投資企業(有限合伙) (iii) & (x)	147,401	–

- (i) They are fellow subsidiaries of the Company.
- (ii) It is a subsidiary of an associate of the Company.
- (iii) It is a company significantly influenced by a director of the Company.
- (iv) Mr. Huang Mao Ru is a director of the Company.
- (v) Mr. Zhong Pengyi, an executive director of the Company, is a shareholder of Shenzhen Friendship.
- (vi) The operating lease rental expenses charged by the fellow subsidiaries of the Company and the management fee charged by the associate were determined based on the underlying contracts as agreed between the Group and these fellow subsidiaries or the associate.
- (vii) 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.
- (viii) The management fee expense from the operation of a department store was determined based on the underlying contracts as agreed between the Group and the associate of the Company.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

30. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) (continued)

- (ix) Certain of the Group's bank loans were guaranteed by a fellow subsidiary of the Company, Mr. Huang Mao Ru and Mrs. Huang Jingzhang jointly and severally.
- (x) 6.57% of equity interest of Shenzhen Maoye Department Store Huaqiangbei Co., Ltd was sold to a company significantly influenced by a director of the Company, with the consideration issued of RMB147,401,000.

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Due from related parties		
Due from fellow subsidiaries	96,347	128,653
Due from a non-controlling shareholder of a subsidiary	1,209	339
Due from a company significantly influenced by a director of the Company	147,401	–
Due from associates	5,850	3,888
	250,807	132,880
Due to related parties		
Due to fellow subsidiaries	9,380	9,252
Due to a non-controlling shareholder of a subsidiary	38,142	64,842
Due to a company significantly influenced by a director of the Company	68	–
	47,590	74,094

Included in the balances due from related parties and due to related parties as at 30 June 2015 were amounts of approximately RMB103,406,000 (31 December 2014: RMB132,880,000) and RMB9,448,000 (31 December 2014: RMB9,252,000) 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.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

30. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Compensation of key management

	Six months ended 30 June	
	2015	2014
	(Unaudited) RMB'000	(Unaudited) RMB'000
Salaries and allowances	2,432	1,498
Retirement benefits	102	96
	2,534	1,594

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June	31 December	30 June	31 December
	2015 (Unaudited) RMB'000	2014 (Audited) RMB'000	2015 (Unaudited) RMB'000	2014 (Audited) RMB'000
Financial assets				
Equity investments at fair value through profit or loss:				
Trading securities	284,964	173	284,964	173
Available-for-sale equity investments:				
Equity shares	1,530,556	1,010,862	1,530,556	1,010,862
	1,815,520	1,011,035	1,815,520	1,011,035

	Carrying amounts		Fair values	
	30 June	31 December	30 June	31 December
	2015 (Unaudited) RMB'000	2014 (Audited) RMB'000	2015 (Unaudited) RMB'000	2014 (Audited) RMB'000
Financial liabilities				
Interest-bearing bank loans and other borrowings	11,329,685	9,473,876	11,329,685	9,473,876

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, other receivables, trade payables, other payables and amounts due from/to related parties approximate to their respective carrying amounts largely due to the short term maturities of these instruments.

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the non-current portion of interest-bearing bank loans and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank loans and other borrowings as at 30 June 2015 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets for which fair values are disclosed:

Group

As at 30 June 2015

	Fair value measurement using			Total (Unaudited) RMB'000
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	
Equity investments at fair value through profit or loss:				
Trading securities	284,964	–	–	284,964
Available-for-sale equity investments:				
Equity shares	1,530,556	–	–	1,530,556
	1,815,520	–	–	1,815,520

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets for which fair values are disclosed (continued):

As at 31 December 2014

	Quoted prices in active markets (Level 1) (Audited) RMB'000	Fair value measurement using		Total (Audited) RMB'000
		Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	
Financial assets at fair value through profit or loss:				
Trading securities	173	–	–	173
Available-for-sale equity investments:				
Equity shares	1,010,862	–	–	1,010,862
	1,011,035	–	–	1,011,035

The Group did not have any financial liabilities measured at fair value as at 30 June 2015 (31 December 2014: Nil). During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2014: Nil).

Notes to the Interim Condensed Consolidated Financial Statements (continued)

30 June 2015

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

Group

As at 30 June 2015

	Fair value measurement using			Total (Unaudited) RMB'000
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	
Interest-bearing bank loans and other borrowings	–	11,329,685	–	11,329,685

As at 31 December 2014

	Fair value measurement using			Total (Audited) RMB'000
	Quoted prices in active markets (Level 1) (Audited) RMB'000	Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	
Interest-bearing bank loans and other borrowings	–	9,473,876	–	9,473,876

32. EVENTS AFTER THE REPORTING PERIOD

On 20 August 2015, the Company declared an interim dividend for the six months ended 30 June 2015 with HK\$ 2.2 cents per share.

33. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 20 August 2015.