

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**MAOYE INTERNATIONAL HOLDINGS LIMITED**

**茂業國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 848)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**HIGHLIGHTS**

- Total retail sales of stores (including rental merchants) reached RMB3,404.5 million
- Total sales proceeds and rental income were RMB2,980.4 million
- Total operating income was RMB2,040.7 million
- Profit before income tax for this period was RMB52.4 million, Net profit was RMB11.9 million
- Basic earnings per share for the period was RMB0.50 cents, the Board does not recommend the payment of interim dividend for the six months ended 30 June 2025

## INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Maoye International Holdings Limited (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
			(Restated)
	Note	RMB'000	RMB'000
Revenue	3.1	1,586,302	2,493,460
Other income	4	454,372	524,869
<b>Total operating income</b>		<b>2,040,674</b>	<b>3,018,329</b>
Cost of goods and properties sold		(607,470)	(1,192,089)
Employee expenses		(171,332)	(205,072)
Depreciation and amortisation		(474,117)	(494,445)
Payments for short-term leases and leases of low-value assets		(5,367)	(4,853)
Other operating expenses		(414,939)	(522,441)
Other gains and losses		(21,577)	29,449
<b>Operating profit</b>		<b>345,872</b>	<b>628,878</b>
Finance costs	5	(293,464)	(347,242)
Share of loss and impairment of investment in associates		(14)	(48,663)
<b>Profit before income tax</b>		<b>52,394</b>	<b>232,973</b>
Income tax expense	6	(40,470)	(137,943)
<b>Profit for the period</b>		<b>11,924</b>	<b>95,030</b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
			(Restated)
	Note	RMB'000	RMB'000
Attributable to:			
Ordinary shares of the Company		25,822	82,905
Non-controlling interests		(13,898)	12,125
		<u>11,924</u>	<u>95,030</u>
Earnings per share for profit attributable to			
ordinary shares of the Company	8		
Basic and diluted		<u>RMB0.5 cents</u>	<u>RMB1.6 cents</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
		(Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the period</b>	<b><u>11,924</u></b>	<b><u>95,030</u></b>
<b>Other comprehensive income/(loss)</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>28,122</u>	<u>37</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value on equity investments designated at fair value through other comprehensive income	11,763	(457,054)
Exchange difference on translation of the Company	(18,289)	1,656
Income tax effect	<u>9,699</u>	<u>114,172</u>
<b>Other comprehensive income/(loss), net of tax</b>	<b><u>31,295</u></b>	<b><u>(341,189)</u></b>
<b>Total comprehensive income/(loss)</b>	<b><u>43,219</u></b>	<b><u>(246,159)</u></b>
Attributable to:		
Ordinary shareholders of the Company	59,285	(258,727)
Non-controlling interests	<u>(16,066)</u>	<u>12,568</u>
	<b><u>43,219</u></b>	<b><u>(246,159)</u></b>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (Unaudited) <i>RMB'000</i>	31 December 2024 (Audited) <i>RMB'000</i>
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		7,558,478	7,742,657
Investment properties		21,796,461	21,815,147
Right-of-use assets		4,402,964	4,618,190
Goodwill		1,238,298	1,248,743
Other intangible assets		17,352	19,415
Investment in associates		6	20
Equity investments designated at fair value through other comprehensive income		251,284	327,832
Financial assets at fair value through profit or loss		10,287	10,287
Prepayments		106,748	107,766
Pledged deposits		21,060	21,060
Deferred tax assets		880,464	855,739
		<b>36,283,402</b>	<b>36,766,856</b>
<b>Current assets</b>			
Inventories		176,631	228,929
Completed properties held for sale		2,558,686	2,323,879
Properties under development		3,995,943	4,206,788
Financial assets at fair value through profit or loss		6,886	7,713
Trade and notes receivables	9	30,692	29,162
Prepayments and other receivables		2,432,419	2,352,879
Pledged deposits		66,347	106,292
Cash and cash equivalents		857,998	439,993
		<b>10,125,602</b>	<b>9,695,635</b>
<b>Total assets</b>		<b>46,409,004</b>	<b>46,462,491</b>

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

		<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
	<i>Note</i>		
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Contract liabilities		<b>945,592</b>	1,060,791
Trade and notes payables	10	<b>1,234,730</b>	1,263,464
Deposits received, accruals and other payables		<b>3,813,300</b>	3,724,890
Interest-bearing bank and other borrowings		<b>5,070,915</b>	4,422,287
Payables for properties development		<b>1,469,994</b>	1,584,579
Lease liabilities		<b>298,419</b>	311,582
Income tax payable		<b>400,344</b>	435,192
Dividend payable		<b>794</b>	1,283
		<b>13,234,088</b>	12,804,068
<b>Net current liabilities</b>		<b>(3,108,486)</b>	(3,108,433)
<b>Total assets less current liabilities</b>		<b>33,174,916</b>	33,658,423
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings		<b>6,246,457</b>	6,114,082
Lease liabilities		<b>1,035,756</b>	1,099,510
Deferred tax liabilities		<b>4,188,242</b>	4,206,139
Provision for retirement benefits		<b>4,188</b>	4,188
		<b>11,474,643</b>	11,423,919
<b>Total liabilities</b>		<b>24,708,731</b>	24,227,987

# **INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

	<b>30 June 2025 (Unaudited) RMB'000</b>	<b>31 December 2024 (Audited) RMB'000</b>
<b>EQUITY</b>		
<b>Equity attributable to ordinary shareholders of the Company</b>		
Share capital	<b>460,153</b>	460,153
Reserves	<b>12,529,430</b>	12,470,145
	<b>12,989,583</b>	12,930,298
Perpetual bonds	<b>6,288,673</b>	6,866,123
Non-controlling interests	<b>2,422,017</b>	2,438,083
<b>Total equity</b>	<b>21,700,273</b>	22,234,504
<b>Total equity and liabilities</b>	<b>46,409,004</b>	46,462,491

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

Maoye International Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 8 August 2007 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). The Company’s registered office address is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands and the head office and principal place of business of the Company is located at 38/F Tower A, World Finance Centre, 4003 Shennan East Road, Shenzhen, the People’s Republic of China (the “**PRC**”). The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the operation and management of department stores and property development in Mainland China.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company are Maoye Department Store Investment Limited and MOY International Holdings Limited, respectively, which were incorporated in the British Virgin Islands. The ultimate controlling shareholder of the Company is Mr. Huang Mao Ru (the “**Ultimate Controlling Shareholder**”).

The interim condensed consolidated financial statements for the six months ended 30 June 2025 (the “**Interim Financial Information**”) is presented in Renminbi (“**RMB**”), unless otherwise stated, and was approved for issue by the Company on 27 August 2025.

### 2.1 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 Interim Financial Reporting. The Interim Financial Information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, (“**2024 Financial Statements**”) which have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”).

As at 30 June 2025, the Group had net current liabilities of approximately RMB3,108,486,000, and had current bank and other borrowings of RMB5,070,915,000 that will fall due in the next 12 months. The Group’s ability to repay its debts when they fall due relies heavily on its future operating cash flows and its ability to renew the bank borrowings and the continuous financial support of the Ultimate Controlling Shareholder.



The directors have carefully assessed the Group's liquidity position having taken into account:

- (1) the Group is expected to continue to generate cash inflows from operating activities in the next 12 months;
- (2) the directors of the Company are confident that the bank borrowings that will expire during the next 12 months could be renewed upon expiration based on the Group's past experience and credit standing; and
- (3) the Ultimate Controlling Shareholder and the fellow subsidiaries, to provide financial support for the continuing operations of the Group to enable it to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the next 12 months from 30 June 2025.

The directors of the Company believe that the Group has adequate resources to continue operation for the foreseeable future of not less than 12 months from the end of the reporting period. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

## 2.2 ACCOUNTING POLICIES

The accounting policies adopted in this Interim Financial Information are consistent with those of the 2024 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of amended IFRS Accounting Standards effective as of 1 January 2025. Income tax expense was recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

### (a) New and amended standards adopted by the Group

The Group has applied new and amended standards effective for the financial period beginning on 1 January 2025.

		<b>Effective for annual periods beginning on or after</b>
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

The adoption of these new and revised standards does not have any significant impact on the consolidated financial statements of the Group.

**(b) New standards, amendments to standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations have been issued and are effective for annual periods beginning on or after 1 January 2025 and have not been early adopted by the Group.

		<b>Effective for annual periods beginning on or after</b>
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature dependent-Electricity	1 January 2026
Annual improvements	Annual improvements to IFRS Accounting Standards-Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management is currently assessing the detailed implications of applying these new or revised standards on the Group's consolidated financial statements, and it is not expected to have material impact to the Group other than the application of IFRS 18. IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the income statement and providing management-defined performance measures within the financial statements.

## 2.3 RESTATEMENTS

In the second half year of 2024, the management of the Company identified material misstatements in the financial statements of an associate, UGO, which in turn led to misstatement for the Group's investment in UGO for each year ended 31 December 2022 and 2023 and six months ended 30 June 2024. In addition, the directors of the Company revisited their impairment assessments of its investment in UGO performed in the past taking into consideration of this additional information and concluded that additional impairment charge is required as at 1 January 2023 and 31 December 2023. Accordingly, the consolidated financial statements of the Group have been restated retrospectively to reflect above effects in the 2024 Financial Statements. The effects of the restatements to the Group's consolidated financial statements for the six months ended 30 June 2024 are summarised as below:

	<b>Six months ended 30 June 2024 RMB'000</b>
Increased in share of loss and impairment of investment in associates	27,372
Decreased in income tax expense	(6,843)
Decreased in profit for the period attributable to non-controlling interests	<u>(2,499)</u>

### 3.1 DISAGGREGATION OF REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue from contracts with customers		
Commissions from concessionaire sales	<b>212,397</b>	303,859
Direct sales	<b>588,991</b>	690,083
Sale of properties	<b>50,799</b>	664,624
Hotel accommodation and ancillary services	<b>150,387</b>	142,638
Others	<b>2,141</b>	1,577
Revenue from other sources		
Rental income from the leasing of shop premises	<b>277,032</b>	322,449
Rental income from investment properties	<b>304,555</b>	368,230
	<b>1,586,302</b>	<b>2,493,460</b>

#### Disaggregated revenue information for revenue from contracts with customers

The Group's entire revenue of goods and services transferred is recognised at a point in time. No analysis of timing information is therefore presented.

The Group's entire revenue is generated from Mainland China. No analysis of geographical information is therefore presented.

### 3.2 OPERATING SEGMENT INFORMATION

	Operation of department stores <i>RMB'000</i>	Property development <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Six months ended 30 June 2025 (unaudited)</b>				
<b>Segment income:</b>				
Revenue	1,330,115	104,766	151,421	1,586,302
Other income	425,552	23,492	5,328	454,372
Total segment income	<u>1,755,667</u>	<u>128,258</u>	<u>156,749</u>	<u>2,040,674</u>
Cost of goods and properties sold	(561,054)	(24,019)	(22,397)	(607,470)
Employee expenses	(116,661)	(10,828)	(43,843)	(171,332)
Depreciation and amortisation	(391,305)	(44,166)	(38,646)	(474,117)
Payments for short-term leases and leases of low-value assets	(5,332)	(2)	(33)	(5,367)
Other operating expenses	(335,423)	(27,364)	(52,152)	(414,939)
Other gains and losses	<u>6,343</u>	<u>(28,048)</u>	<u>128</u>	<u>(21,577)</u>
<b>Operating profit/(loss)</b>	<b>352,235</b>	<b>(6,169)</b>	<b>(194)</b>	<b>345,872</b>
Finance costs	(152,308)	(141,156)	–	(293,464)
Share of loss and impairment of investment in associates	<u>(14)</u>	<u>–</u>	<u>–</u>	<u>(14)</u>
<b>Profit/(loss) before income tax</b>	<b>199,913</b>	<b>(147,325)</b>	<b>(194)</b>	<b>52,394</b>
Income tax expense	<u>(48,100)</u>	<u>3,432</u>	<u>4,198</u>	<u>(40,470)</u>
<b>Profit/(loss) for the period</b>	<b><u>151,813</u></b>	<b><u>(143,893)</u></b>	<b><u>4,004</u></b>	<b><u>11,924</u></b>
Attributable to:				
Ordinary shareholders of the Company	142,229	(127,783)	11,376	25,822
Non-controlling interests	<u>9,584</u>	<u>(16,110)</u>	<u>(7,372)</u>	<u>(13,898)</u>
	<b><u>151,813</u></b>	<b><u>(143,893)</u></b>	<b><u>4,004</u></b>	<b><u>11,924</u></b>
<b>Other segment information:</b>				
Expected credit losses recognised in the consolidated statement of profit or loss	(1,308)	–	–	(1,308)
Impairment of goodwill	(10,445)	–	–	(10,445)
Investment in associates as at the end of the reporting period	6	–	–	6
Capital expenditure*	<u>11,143</u>	<u>95,560</u>	<u>627</u>	<u>107,330</u>

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

	Operation of department stores RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
<b>Six months ended 30 June 2024</b> <b>(unaudited and restated)</b>				
<b>Segment income:</b>				
Revenue	1,630,277	721,657	141,526	2,493,460
Other income	495,484	23,313	6,072	524,869
Total segment income	<u>2,125,761</u>	<u>744,970</u>	<u>147,598</u>	<u>3,018,329</u>
Cost of goods and properties sold	(659,307)	(504,647)	(28,135)	(1,192,089)
Employee expenses	(145,979)	(13,632)	(45,461)	(205,072)
Depreciation and amortisation	(424,164)	(45,172)	(25,109)	(494,445)
Payments for short-term leases and leases of low-value assets	(4,654)	(2)	(197)	(4,853)
Other operating expenses	(412,050)	(54,391)	(56,000)	(522,441)
Other gains and losses	<u>54,941</u>	<u>(25,246)</u>	<u>(246)</u>	<u>29,449</u>
Operating profit/(loss)	534,548	101,880	(7,550)	628,878
Finance costs	(177,093)	(170,149)	–	(347,242)
Share of loss and impairment of investment in associates	<u>(48,663)</u>	<u>–</u>	<u>–</u>	<u>(48,663)</u>
<b>Profit/(loss) before income tax</b>	308,792	(68,269)	(7,550)	232,973
Income tax expense	<u>(75,602)</u>	<u>(62,331)</u>	<u>(10)</u>	<u>(137,943)</u>
<b>Profit/(loss) for the period</b>	<u><u>233,190</u></u>	<u><u>(130,600)</u></u>	<u><u>(7,560)</u></u>	<u><u>95,030</u></u>
Attributable to:				
Ordinary shareholders of the Company	204,896	(114,482)	(7,509)	82,905
Non-controlling interests	<u>28,294</u>	<u>(16,118)</u>	<u>(51)</u>	<u>12,125</u>
	<u><u>233,190</u></u>	<u><u>(130,600)</u></u>	<u><u>(7,560)</u></u>	<u><u>95,030</u></u>
<b>Other segment information:</b>				
Expected credit losses recognised in the consolidated statement of profit or loss	(69,346)	–	–	(69,346)
Impairment of investment in associates	(44,616)	–	–	(44,616)
Capital expenditure*	<u>12,073</u>	<u>142,585</u>	<u>5,358</u>	<u>160,016</u>

\* Capital expenditure consists of additions to property, plant and equipment, land lease prepayments, investment properties, properties under development and other intangible asset.

The Group's chief operating decision-maker ("CODM") managed the Group through business nature, instead of geography. No segment assets and liabilities are presented as they were not provided to the CODM for the purpose of resource allocation and performance assessment. More than 90% of the carrying value of the Group's non-current assets, excluding financial instruments and deferred income tax assets, are situated in Mainland China.

#### 4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Income from lessees and concessionaires		
– Administration and management fee income	350,510	388,125
– Promotion income	71,435	91,910
– Credit card handling fees	28,234	39,207
Interest income	3,458	4,833
Others	735	794
	<u>454,372</u>	<u>524,869</u>

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank and other borrowings and other payables	277,626	340,786
Interest on lease liabilities	42,469	54,101
Total interest expense incurred	320,095	394,887
Less: Interest capitalised	(26,631)	(47,645)
	<u>293,464</u>	<u>347,242</u>

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
		(Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax:		
– Corporate income tax	60,611	106,971
– Land appreciation tax	10,558	48,544
Deferred income tax	(30,699)	(17,572)
Total tax charge for the period	<u>40,470</u>	<u>137,943</u>

## 7. DIVIDENDS

The board of directors did not propose an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary shareholders of the Company of RMB25,822,000 (Six months ended 30 June 2024: RMB82,905,000) and the weighted average number of shares of 5,140,326,000 (Six months ended 30 June 2024: 5,140,326,000) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.



## 9. TRADE AND NOTES RECEIVABLES

An ageing analysis of the trade and notes receivables as at the end of the reporting period, based on the invoice dates, is as follows:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 90 days	20,581	16,122
91 to 180 days	1,092	3,133
181 to 360 days	470	515
Over 360 days	31,486	31,419
	<u>53,629</u>	<u>51,189</u>
Less: impairment allowance	<u>(22,937)</u>	<u>(22,027)</u>
	<u><u>30,692</u></u>	<u><u>29,162</u></u>

## 10. TRADE AND NOTES PAYABLES

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Within 90 days	586,401	920,158
91 to 180 days	276,713	59,857
181 to 360 days	135,087	98,605
Over 360 days	236,529	184,844
	<u>1,234,730</u>	<u>1,263,464</u>

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. MACROECONOMIC OVERVIEW

In the first half of 2025, China's economy demonstrated strong resilience and vitality amid a complex and volatile external environment. Overall, the economy maintained a stable and positive trend, with the transformation of new and old momentum continuing to advance, high-quality development achieving positive progress, and the balance between domestic and external demand still requiring further optimization. However, new productive forces are accumulating robust development momentum. According to the National Bureau of Statistics, the gross domestic product (GDP) for the first half of the year reached RMB66.05 trillion, representing a year-on-year increase of 5.3% at constant prices, with a growth rate of 5.4% in the first quarter and 5.2% in the second quarter. Overall, despite the complex and unpredictable external environment, the ongoing optimization of internal structural issues, and the need to strengthen the foundation for economic operations, China's economy has still achieved notable results, maintaining steady growth, and will continue to steadily and firmly promote high-quality development, moving forward steadily and confidently.

In the first half of the year, China's overall consumer market was stimulated by national policies to boost domestic demand and consumption, as well as subsidies from businesses, resulting in phased growth. However, consumption began to cool marginally in June, with relevantly weak domestic demand, and further policy measures to stabilize growth are needed. According to the National Bureau of Statistics, in the first half of 2025, the total retail sales of consumer goods reached RMB24,545.8 billion, representing a year-on-year increase of 4.8%. Of which, retail sales of consumer goods excluding automobiles reached RMB22,199 billion, increased by 5.5%. In terms of type of consumption, from January to June, retail sales of goods reached RMB21,797.8 billion, increased by 5.1%; catering revenue reached RMB2,748 billion, increased by 4.3%. In terms of retail business format, retail sales at convenience stores, supermarkets, department stores, specialty stores, and brand specialty stores increased year-on-year by 7.5%, 5.4%, 1.2%, 6.4%, and 2.4%, respectively. In terms of means of consumption, national online retail sales reached RMB7,429.5 billion, representing an year-on-year increase of 8.5%. Of which, retail sales of physical goods reached RMB6,119.1 billion, increased by 6.0%, with consumption of food and beverages, clothing and accessories, and daily necessities showing growth trends. Overall speaking, the current consumption trend continues to be rational and pragmatic, practical and economical, with dining, daily necessities, outdoor sports, leisure, experiential, and emotional value consumption remaining popular.

Overall, China's economy is operating smoothly as a whole, making steady progress and continuing to demonstrate strong resilience and vitality. However, domestic effective demand still needs to be boosted, and the foundation for economic recovery and improvement still needs to be strengthened. In the second half of the year, the domestic economy will adhere to the principle of seeking progress while maintaining stability, with policies for stabilizing growth are expected to continue to take effect, accelerating the construction of a new development pattern, strengthening the domestic economic cycle, and promoting sustained, steady, healthy, and high-quality economic development.

## II. OPERATION REVIEW

For the six months ended 30 June 2025, the Group operated and managed a total of 48 stores in 21 cities nationwide with gross floor area of approximately 3.1 million sq.m., of which operating area attributable to self-owned properties accounted for 79.3%, or 85.8% if gross floor area leased from related parties is included. Coverage of key cities included Shenzhen and Zhuhai in Guangdong; Chengdu, Nanchong and Mianyang in Sichuan; Chongqing; Wuxi, Yangzhou, Taizhou, Nanjing and Huai'an in Jiangsu; Zibo, Jinan and Heze in Shandong; Qinhuangdao and Baoding in Hebei; Shenyang and Jinzhou in Liaoning; Taiyuan in Shanxi; and Hohhot and Baotou in Inner Mongolia. As at 30 June 2025, the distribution of stores of the Group was as follows:

	<b>Southern China</b>	<b>Southwestern China</b>	<b>Eastern China</b>	<b>Northern China</b>	<b>Total</b>
Number of Stores ( <i>Stores</i> )	6	8	15	19	48
Gross Floor Area ( <i>sq.m</i> )	218,409	324,502	1,043,668	1,495,289	3,081,868

*Notes:*

1. Southern China region includes: Shenzhen and Zhuhai.
2. Southwestern China region includes: Chengdu, Nanchong, Mianyang and Chongqing.
3. Eastern China region includes: Zibo, Jinan, Heze, Wuxi, Yangzhou, Taizhou, Nanjing and Huai'an.
4. Northern China region includes: Hohhot, Baotou, Qinhuangdao, Baoding, Shenyang, Jinzhou and Taiyuan.

As one of the leading mid-to-high-end physical retailers in China, the Group has been striving to build a good reputation and continue to attract new and old customers through its diversified product portfolio and continuously improved consumer experience. During the reporting period, based on its main business and intensive cultivation, the Group consolidated its own resilience and strength in the complex and changing market environment, continuously improved the quality of operation and management, fully tapped into the performance growth potential of high-quality commodity resources, and continued to develop through brand adjustment and creative marketing. The business operations of the Group have gradually recovered, and sustainable and healthy development has been achieved.

## PERFORMANCE OF TOP 10 DEPARTMENT STORES<sup>1</sup>

No.	Store Name	Total Sales Proceeds and Rental Income (RMB'000)	Operation Period <sup>2</sup> (Years)	Gross floor Area (m <sup>2</sup> )
1	Shenzhen Huaqiangbei	560,634	21.8	63,243
2	Taiyuan Maoye Complex	335,531	10.6	252,882
3	Guanghua	196,260	15.6	67,914
4	Maoye Commercial Store	167,556	22.2	48,187
5	Shenzhen Nanshan	165,267	15.8	44,871
6	Zibo Maoye Times Square	129,510	10.2	86,677
7	Taizhou First Department Store	128,948	15.8	40,358
8	Maoye Mall City	105,691	11.6	131,987
9	Qinhuangdao Maoye Complex	91,655	5.7	171,333
10	Qinhuangdao Jindu	88,739	16.8	46,610

### Notes:

- Top 10 department stores are ranked by total sales proceeds and rental income during the first half of 2025.
- Operation period was calculated until 30 June 2025.

## REVIEW OF PRINCIPAL BUSINESSES

### 1. Continued innovation and reform of business formats, refined adjustments to product offerings, and upgrading of existing assets

During the reporting period, as the industry entered a period of adjustment, the market shifted to a phase of competition for existing resources. The Group continued to closely monitor market trends and embrace market opportunities. Addressing mainstream consumer demands and focusing on the principal businesses, the Group continued to comprehensively optimize and upgrade its nationwide store network, while exploring and creating value from existing commercial assets. During the period, focusing on the concept of “brand upgrading, business format innovation and deep regional engagement”, the Group actively carried out innovative reforms in business formats, refined merchandise management, remove old brands and introduce new brands in line with the times, and the local integration of marketing and operational models in its nationwide store network. The Group strived to maintain accurate perception and reach of consumers’ diverse needs at all times, and to maintain timely and iterative updates and advancements in all aspects of its operations, thereby achieving and consolidating the Group’s high-quality development, and marching forward steadily.

During the reporting period, the consumer market was undergoing a profound transformation from competition for economies of scale to a gaming on upgrading the quality of existing offerings. The Group took the current ecological reconstruction of the consumer industry as an opportunity to focus on strengthening the continuous upgrading and reshaping of new demands for people, goods and venues. People-centric, Generation Z, the “she economy,” and the silver-haired demographic have become the main drivers of consumption growth. Emotional value, self-realization, quality-to-price ratio, cost-effectiveness, and high-quality experiences and immersive consumption have become the new landscape of the consumer market and key factors influencing the decision-making of the main consumer groups. In response, as regards the business format, the Group continued to focus on the transformation of department stores into shopping centers, prioritizing the introduction of business formats such as first-to-market store economy, dining, leisure, pets, trendy toys, personal care, beauty, sports and health in its stores nationwide, emphasize the creation of experiential scenarios and strive to build composite novel commercial spaces. In the first half of the year, the Group’s stores in the South China region introduced new light dining options such as GaGa Cafe, Tea’ Stone, and Shake Shack; specialty dining options like Starbucks Reserve, HOT CRUSH, and Ameigo; experiential offerings including pet stores, Bloomy Life,

and adjustments to the light luxury women's apparel segment; and trendy accessories brands such as Shine and FANCI. The Shandong region introduced Beneunder (first store in Laiwu) and Xixuan (first store in Linzi), among others. At the brand and product level, in response to the current multi-level differentiation of consumer demands, combined with the overall development of the industry and category market trends, the Group continued to upgrade and polish its product force and brand force, focusing on product iteration and innovation, and emphasizing the product strategies of introduction of personalized, high-quality-price ratio, and dual-track development of international and domestic brands, strengthening its benchmark brands and creating differentiated operating advantages. During the period, the Group introduced several market-influential first store brands and benchmark projects. For example, the national first MAMMUT S-class flagship store was successfully launched at the Taiyuan Maoye Complex, and the Nike 1200 sports series was introduced to stores in the southwest region. Furthermore, beauty brands including Premier, Rituals, Galenic and Hair Rituel established their first stores in the South China region at the Group's Huaqiangbei Maoye Complex. The emerging domestic beauty brand Guyu also opened its first store in Shenzhen at the Group's Maoye Department Store Nanshan branch. Through a combination of strategies including first-store economy, category renewal and experience upgrades, the Group further enhanced the competitiveness and commercial vitality of its stores nationwide. In terms of sales channels, in addition to the transformation of offline channels, the e-commerce channel landscape is also undergoing a reshuffle, with precision marketing and scenario-based marketing rapidly emerging, and a decentralized landscape is swiftly taking shape. The Group introduced brands and IPs that are both popular and mature in the market, both online and offline, and leveraged its channel advantages to focus on segmented needs, create differentiated products and implement precision marketing, striving to establish barriers in segmented areas and achieve complementary growth. For example, online channels have been expanded to include live-streaming stores, generating tens of millions in sales; for offline physical stores, the Inner Mongolia Mall City store introduced POP MART, the Nanjing Maoye Complex store created an anime and manga-themed district, and other projects are undergoing precise transformations and renovations.

In terms of leasing and operations, in response to the new phase of consumption in China, which is gradually shifting from “consumption upgrade” to “consumption segmentation”, the Group focuses on the multi-level consumer demands and market trends of personalized, quality-to-price ratio, and emotional consumption, and adjusts the layout and structure of its brands and business formats. During the reporting period, the Group made comprehensive optimization and adjustments in terms of overall layout, focusing on brand iteration, business format innovation, and deep regional engagement. In terms of brand layout, the Group implemented a dual-track strategy of international and domestic brands, strengthening its brand matrix in international luxury goods, international cosmetics, light luxury women’s apparel, and sports categories, while increasing its focus on domestic brands and gradually strengthening strategic cooperation. In terms of business format layout, the Group increased the proportion of dining and leisure business formats and introduced emerging experience business formats such as pets and trendy toys to create a composite commercial space. In terms of regional development strategy, stores across all regions nationwide are consolidating their market leadership positions through optimized brand portfolios and marketing innovations, driving regional commercial upgrades, and establishing new benchmarks for urban commerce. During the reporting period, the Group upgraded and strengthened the international luxury goods and international beauty segments of key stores such as Shenzhen Huaqiangbei Maoye Complex, Maoye Department Store Nanshan Branch, Maoye Department Store Dongmen Branch, Taiyuan Maoye Complex, Qinhuangdao Maoye Complex and Inner Mongolia Mall City, focusing on creating differentiated competitive advantages; at the same time, the Group upgraded Taiyuan Liuxiang Maoye Department Store under the theme of “Trendy Buy Leisure Lifestyle Hub”, introducing trendy toy IPs, trendy fashion, anime and manga, leisure and entertainment, and themed restaurants to create a “one-stop trendy and fun lifestyle center”.

Additionally, during the reporting period, the Group achieved significant results in controlling operating expenses and financial expenses. Through the Group's ongoing refined management, external adjustments and internal controls, optimization measures such as streamlining and simplifying operational processes, precise optimization of personnel, and the active application of AI technology, operational efficiency was improved, resulting in a decrease in operating expenses. For example, water and utilities expenses decreased by approximately 8.7% year-on-year, and employee expenses decreased by approximately 16.5% year-on-year. Meanwhile, during the reporting period, the Group's finance costs recorded a decrease of approximately 15.5% year-on-year, mainly attributable to a slight decrease in interest rates on interest-bearing liabilities during the reporting period, as well as a corresponding decrease in interest expenses compared to the same period last year due to the conversion of certain related party borrowings into perpetual bonds at the end of last year.

**2. Continue to strengthen the strategy of transforming concessionaire sales to leasing, and move forward steadily**

During the reporting period, the Group continued to advance its strategy of transforming concessionaire sales to leasing, implementing the Group's transformation strategy through multi-dimensional adjustments and upgrades to the business formats, brands, content, and commercial spaces of its stores nationwide. In the first half of the year, the Group focused on increasing the proportion of experience economy and happiness economy business formats in response to shifts in market consumption trends. This included expanding the layout of dining, leisure, entertainment, experiential, and social-oriented business formats in key stores, while continuing to strengthen the proportion of leasing business formats. For example, the Group's Huaqiangbei store in the South China region introduced an afternoon tea brand GaGa Cafe and brought in first stores in the South China region of international and domestic beauty brands. Taiyuan Maoye Complex underwent a comprehensive upgrade and renovation, while Taizhou First Department Store completed the renovation of the Bosideng outlet, among other initiatives.



Indeed, the Company is currently in a critical period of transition between old and new business formats and the upgrading and replacement of old and new development momentums, while the transformation to new business formats and the cultivation of new business formats will put pressure on the Company's performance in the short term. On the one hand, during the renovation, adjustment, and upgrading of new business formats to create a new operating ecosystem, the Company would incur additional economic and time costs, such as renovation, remodeling, and decoration periods; on the other hand, the incubation period for new business models requires time, and the benefits cannot be realized in the short term to cover the original investment costs; furthermore, existing dedicated counters and stores also face varying degrees of existing competition and pressure, resulting in insufficient growth in performance and revenue or potential declines in certain areas or reductions in certain businesses, which may in turn exert pressure on the performance of the Company's concessionaire sales or lease operations. Therefore, the Group is accelerating the pace of business model iteration and restructuring its composite commercial genes, continuing to focus on the main business, comprehensively reducing costs and improving efficiency, exploring new revenue streams while cutting expenses, seizing market opportunities, and striving to enhance the Group's overall performance. This approach aims to balance the short-term and long-term benefits of the Company's development and lay a solid foundation for the Group's steady and sustainable growth.

### **3. Continuously empowering with technology to enhance development momentum**

During the reporting period, the Group continued to strengthen its digital business platform, adhered to technology empowerment, and integrated online and offline operations to build a multi-channel integrated operational ecosystem. Taking performance as the guide and customer needs as the center, the Group has fully obtained public and private traffic through various online platforms such as WeChat Mini Program online mall app "Mao Le Hui", the Maoye Department Store official website, the "Maoye Department Store Official Flagship Store" on Douyin platform, Xiaohongshu, Enterprise WeChat, official accounts and video accounts, etc. By seizing consumption opportunities and employing diverse marketing strategies, the Group conducted online retail operations across all product categories and provided supporting services for related businesses, thereby establishing a comprehensive omnichannel marketing ecosystem. Additionally, "Mao Yue Hui" serves as the Group's one-stop membership management system, providing comprehensive consumption services and support to online and offline members, maintaining continuous interaction and connection with customers throughout all cycles, and offering features such as membership points, redemption, coupon distribution, and parking services, empowering sales performance while enhancing customers' consumption experience. Furthermore, its powerful data analysis and smart push notification functions assist the Group in providing customers with efficient and precise products and services.

In the first half of 2025, the Group's "Mao Le Hui" online mall recorded sales of approximately RMB93.01 million, representing a decrease compared to the same period last year. Despite this decline, the Company actively cultivated its existing customer and product resources, seized market hotspots and growth points, created incremental growth from existing stock, and made every effort to balance and cross the industry's transformation cycle. During the reporting period, e-commerce channels were still in a period of stock game and intensified involution. The direct sales scale of various brands expanded, and the pricing system may have been disordered, resulting in the erosion and squeezing of the market share and profits of distributors and agents, and operating performance fell short of expectations. Of which, the high-end cosmetics category, which has a higher proportion of online sales, performed notably. Affected by the overall contraction and decline of the high-end cosmetics consumer market, major cosmetics groups adjusted their strategies, reduced marketing investments, expanded direct sales, prices and hot product resources have been tilted under the struggle between brands and various parties, reshaping the market and competitive landscape. Despite this, during the reporting period, the Group's high-end cosmetics online sales continued to receive support from brands and customers, with brands such as Lancôme, SK-II, La Mer, Clarins and Estée Lauder achieving original price sales exceeding RMB1 million. Meanwhile, the Decorte brand has actively supported channel operations, participated in platform distribution activities, and achieved high efficient user reach and conversion through precise traffic matching. During the 618 shopping festival, the brand aligned promotional efforts across multiple channels.

In the online sales channel, we have added online store broadcasting business. Douyin KOL broadcasting is subject to the impact of direct sales by brands and the rising commission costs of KOLs, as well as the intensification of involution, as a result, the Group has added online store broadcasting business, added anchor positions, and increased live broadcast duration. The store broadcast performance reached RMB18.42 million, representing a year-on-year increase of 971%, which has implemented the deep cultivation of resources and added development momentum. In addition, the cloud store booking project attracted 5 brands in the first half of the year and held 9 cloud store booking live broadcasts, which received RMB1.18 million in advertising investment from brands and support from multiple celebrities and KOLs in live broadcasts, bringing 5.8 million GMV to the mini program; Tiantian Xingpin, which selects popular hot products for flash sales every day, sold more than a thousand TOP products, totaling tens of thousands of orders; WeChat mini program held 154 live broadcasts in the first half of the year, including 2 celebrity live broadcasts (featuring Cecilia Cheung and Luo Yutong) and 4 KOL live broadcasts, with a total of more than 200,000 views and a live broadcast transaction volume of RMB6.14 million.

In the first half of 2025, the Group's "Mao Le Hui" online mall accumulated 3.02 million members, representing a year-on-year increase of 3.1%, with 41,000 new members added. "Mao Yue Hui", the Group's membership management system, added 327,600 new members in the first half of the year, with a total of 18.98 million members served, and member spending amounted to approximately RMB1,353 million.

#### **4. Precision iteration, seek growth from stock assets, and march forward steadily**

During the reporting period, the Group focused on its core business, continued to implement the transformation of department stores into shopping centers, accurately promoted the iteration of business formats, promoted brand upgrades, deeply cultivated the quality of goods and services, replaced the old with the new, seek growth from stock assets, and moved forward steadily. The traditional department store retail industry has entered a period of transformation with the characteristics of stock operations. The Group has focused on enhancing the “quality” and “quality-to-price ratio” of its existing traditional department store merchandise, while prioritizing the creation of an attractive “scenario” in its shopping centers. By drawing on and consolidating the strengths of both traditional department stores and new-format shopping centers, the Group has made timely adjustments to its operations based on the multidimensional factors of people, merchandise and venues, optimized its layout, and comprehensively advanced the upgrading and transformation of its commercial operations to strengthen its core business and move forward steadily. In the first half of 2025, the Group’s Inner Mongolia Mall City store underwent a comprehensive brand upgrade, with retail brands implementing adjustments in tier and category. The Taiyuan Maoye Complex store underwent a comprehensive renovation, while the Baotou Maoye Complex store is introducing the Jiajiayue supermarket, and the first Huawei Digital New Energy Comprehensive Store was introduced in Zibo, Shandong.

After the overall conceptual design plan for the redevelopment of the northern area of Chengdu Yanshikou Maoye Complex was considered and approved by the Architecture and Landscape Art Professional Committee of Chengdu Land and Spatial Planning Commission, the Company continued to maintain a steady project progress.

### **III. FUTURE OUTLOOK**

Looking ahead to the second half of 2025, despite the ever-changing external environment and the internal environment being in a transitional phase between old and new growth drivers, national policies aimed at boosting domestic demand and comprehensively enhancing consumption momentum are expected to continue to be released and strengthened. Consumption is expected to stabilize and rebound, with the domestic economy maintaining a steady recovery trend. In the second half of the year, business formats in relation to people's livelihood and experiential consumption are expected to remain the mainstream of consumption. Essential goods, gold, domestic brands replacing imports, catering, leisure, beauty and health, trendy toys, and reprocessed tea beverages may continue to attract attention. On a macro level, the Group will continue to maintain a stable pace of adjustments and reforms, adhere to its shopping center strategy, efficiently integrate the strengths of traditional department stores and new retail formats, enrich its business formats and content, create differentiated operations, and comprehensively create the change of a composite commercial complex. In terms of details, the Group will prioritize customers' core needs, adapt to evolving consumption trends, and meet customer demands through diverse products, scenarios and high-quality services. We will continuously enhance the Group's merchandise operations capabilities in department stores, the creativity of shopping mall scenarios, and accelerate the Group's iteration and restructuring toward new retail commerce in an all-round manner, solidifying the Group's foundation and creating new momentum for sustainable development. At the same time, the Group will continue to build and improve its digital and intelligence, adhere to the high degree of integration and innovation of technology and retail, continuously improve the new digital operation model, create incremental growth in existing assets and increase volume in emerging markets, continuously enhance the Group's online and offline integration, improve the diversified digital business ecosystem, and continuously increase efficiency and vitality for the Group.

## FINANCIAL REVIEW

### Total Sales Proceeds and Rental Income

For the six months ended 30 June 2025, the total sales proceeds and rental income of the Group were RMB2,980.4 million, representing a decrease of 26.5% as compared with the corresponding period in 2024, mainly due to impact of the gradual transformation of the business model from department store direct sales and franchised counters to shopping malls leasing.

	Six months ended 30 June	
	2025	2024
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
Total sales proceeds from concessionaire sales	<b>1,809,776</b>	2,672,507
Direct sales income	<b>588,991</b>	690,083
Rental income	<b>581,587</b>	690,679
	<hr/>	<hr/>
Total sales proceeds and rental income	<b><u>2,980,354</u></b>	<b><u>4,053,269</u></b>

Among the total sales proceeds and rental income of the Group for the first half of 2025, total sales proceeds derived from concessionaire sales accounted for 60.7%, those derived from direct sales income accounted for 19.8%, and those derived from rental income accounted for 19.5%. For the six months ended 30 June 2025, the Group's sales proceeds from concessionaire sales were RMB1,809.8 million, representing a decrease of 32.3% as compared with the corresponding period in 2024; direct sales income was RMB589.0 million, representing a decrease of 14.6% as compared with the corresponding period in 2024; rental income was RMB581.6 million, representing a decrease of 15.8% as compared with the corresponding period in 2024.

The total sales proceeds and rental income of the Group in the four major regions are set out as follows:

	<b>Total sales proceeds and rental income</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Eastern China	<b>443,679</b>	630,017
Southern China	<b>977,170</b>	1,252,343
Southwestern China	<b>331,175</b>	452,442
Northern China	<b>1,228,330</b>	1,718,467
	<hr/>	<hr/>
Total	<b><u>2,980,354</u></b>	<b><u>4,053,269</u></b>

For the six months ended 30 June 2025, sales of apparels (including men's and ladies' apparels) accounted for 27.3% (first half of 2024: 27.2%), jewelries accounted for 15.0% (first half of 2024: 19.0%), leisure and sports goods accounted for 14.2% (first half of 2024: 13.5%), shoes and leather goods accounted for 6.2% (first half of 2024: 6.0%), cosmetics accounted for 23.5% (first half of 2024: 20.1%) and others (including branded merchandise, children's items, bedroom and household goods, home appliances, supermarkets and others) accounted for 13.8% (first half of 2024: 14.2%).

For the six months ended 30 June 2025, revenue of the Group amounted to RMB1,586.3 million, representing a decrease in total of approximately RMB907.2 million as compared with RMB2,493.5 million for the corresponding period last year. The main reason for the decrease in revenue is due to the impact of differences in the delivery schedule of real estate projects a decrease of RMB613.8 million in property delivery income is recognized during this period.

## **Other Income**

For the six months ended 30 June 2025, other income of the Group amounted to RMB454.4 million, representing a decrease in total of approximately RMB70.5 million as compared with RMB524.9 million for the corresponding period last year. Other income mainly includes administration and management fee from the stores, promotion income and credit card handling fee income. The amount of such income is generally linked to the sales level of the stores.

## **Cost of Goods and Properties sold**

For the six months ended 30 June 2025, cost of goods and properties sold of the Group amounted to RMB607.5 million, representing a decrease of 49.0% as compared with RMB1,192.1 million for the corresponding period last year. The cost of goods and properties sold mainly includes the cost of purchase of and changes in inventory in stores, as well as the cost of property sales.

## **Employee Expenses**

For the six months ended 30 June 2025, employee expenses of the Group amounted to RMB171.3 million, representing a decrease of 16.5% as compared with RMB205.1 million for the corresponding period last year. The decrease was primarily attributable to the Groups' ongoing efforts to reduce costs and improve efficiency in human resources during 2025, which contributed to the year-on-year reduction in employee expenses.

## **Depreciation and Amortisation**

For the six months ended 30 June 2025, depreciation and amortisation of the Group amounted to RMB474.1 million, representing a decrease of 4.1% as compared with RMB494.4 million for the corresponding period last year, mainly due to the completion of depreciation and amortisation of the Group's certain store assets.

## **Other Operating Expenses**

For the six months ended 30 June 2025, other operating expenses of the Group amounted to RMB414.9 million, representing a decrease of 20.6% as compared with RMB522.4 million for the corresponding period last year. The main reason for the decrease in other operating expenses was mainly due to the Group's effective control of various expenses during the reporting period, with utility expenses, advertising expenses, and bank fees all decreasing year-on-year.



## **Other Gains**

For the six months ended 30 June 2025, the Group recorded other losses of RMB21.6 million, representing a decrease of 173.3% as compared with the gains of RMB29.4 million for the corresponding period last year. The main reason was a year-on-year decrease of RMB33.7 million in gains from changes in the fair value of investment properties. During the same period last year, the former shareholders (sellers) of Inner Mongolia Maoye Department Store (Group) Co., Ltd. agreed to waive part of the unpaid amount to compensate the Group for operating losses of RMB25.0 million from certain department stores acquired from the sellers.

## **Operating Profit**

Owing to the combined impact of the above factors, the Group recorded an operating profit of RMB 345.9 million for the six months ended 30 June 2025, representing a decrease of 45.0% from RMB 628.9 million for the same period in 2024.

## **Finance Costs**

For the six months ended 30 June 2025, finance costs of the Group amounted to RMB293.5 million, representing a decrease of 15.5% as compared with RMB347.2 million for the corresponding period of last year. The decrease was primarily due to (i) a slight decrease in the interest rate on interest-bearing liabilities financing; and (ii) loans from Maoye Group and Maoye Department Store Investment were converted into perpetual bonds at the end of last year, resulting in a decrease in interest expenses compared to the same period last year.

## **Income Tax Expense**

For the six months ended 30 June 2025, income tax expense of the Group amounted to RMB40.5 million, representing a decrease of 70.7% as compared with RMB137.9 million for the corresponding period last year, the decrease in income tax expense was primarily due to the year-on-year decrease in total operating profit and land appreciation tax for the period.

## **Net Profit for the First Half of 2025**

As a result of the aforementioned, for the six months ended 30 June 2025:

- In the first half of 2025, profit before income tax was RMB52.4 million. The net profit for the period was RMB11.9 million.

## **Liquidity and Financial Resources**

As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB858.0 million, representing an increase of RMB418.0 million as compared with the balance of RMB440.0 million as at 31 December 2024. The main cash inflow and cash outflow are set out as follows:

- (1) Net cash inflow of RMB553.5 million from operating activities;
- (2) Net cash inflow of RMB39.4 million from investment activities, mainly including:
  - (i) total outflow for property, plant, and equipment was RMB53.1 million;
  - (ii) the cash outflow of RMB50.0 million for the purchase of financial assets measured at fair value with changes recognized in profit or loss;
  - (iii) the inflow from repurchase of financial assets measured at fair value with changes recognized in profit or loss amounted to RMB50.1 million;
  - (iv) cash inflows of RMB89.7 million from the sale of equity investments designated as measured at fair value with changes recognized in other comprehensive income; and

- (3) Net cash outflow of RMB174.9 million from financing activities, mainly including:
- (i) the cash inflow of RMB2,498.2 million from the increase in bank loans;
  - (ii) the cash outflow of RMB1,717.2 million for the repayment of bank loans;
  - (iii) the cash outflow of RMB267.1 million for the payment of interest;
  - (iv) cash outflow for principal and interest on lease payments of approximately RMB 128.4 million;
  - (v) cash inflow of approximately RMB1,332.3 million arising from borrowings from fellow subsidiaries;
  - (vi) cash outflow of RMB1,882.8 million from repayment of loans to fellow subsidiaries; and
  - (vii) Loan collateral bank deposits increased by RMB 9.9 million.

### **Interest-bearing Liabilities**

As at 30 June 2025, total bank borrowings of the Group were approximately RMB11,317.4 million (31 December 2024: RMB10,536.4 million). The interest-bearing gearing ratio<sup>1</sup> and net interest-bearing debt to equity ratio<sup>2</sup> were 24.4% and 48.2%, respectively (31 December 2024: 22.7% and 45.4%, respectively).

<sup>1</sup> Interest-bearing gearing ratio = total interest-bearing debt/total assets = bank borrowings/total assets

<sup>2</sup> Net interest-bearing debt to equity ratio = net interest-bearing debt/total equity = (bank borrowings – cash and cash equivalents)/total equity

## **Pledge of Assets**

As at 30 June 2025, certain borrowings of the Group were secured by the Group's land and buildings, investment properties and right-of-use assets with a net carrying amount of approximately RMB2,090.5 million, RMB11,101.0 million, and RMB106.8 million, respectively.

## **Foreign Currency Risks**

During the reporting period, the Group recorded net loss on foreign exchange of approximately RMB6.7 million. Since the business of the Group was mainly focused in mainland China, its operation was not exposed to any foreign exchange fluctuation risk.

For the six months ended 30 June 2025, the Group had not entered into any arrangement to hedge its foreign currency risk. The Group's operating cash flow was not exposed to foreign exchange fluctuation risks.

## **INTERIM DIVIDEND**

The Board does not recommend to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2025, neither the Company nor its subsidiaries had purchased, sold or redeemed the Company's listed securities.

## **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 C1 of the Listing Rules during the six months ended 30 June 2025, except for the following deviation:

### **Code Provision C.2.1**

Currently, Mr. Huang Mao Ru is both the Chairman and Chief Executive Officer of the Company. As Mr. Huang Mao Ru 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 Mao Ru taking up both roles for continuous effective management and business development of the Group.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee of the Company (the “**Audit Committee**”) comprises all the independent non-executive Directors, namely Mr. Rao Yong (chairman of the Audit Committee), Mr. Pao Ping Wing and Mr. Gao Yajun.

The Audit Committee had reviewed with management and approved the Group’s unaudited consolidated financial statements for the Reporting Period, accounting principles and practices adopted by the Group and this announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

As at the date of this announcement, based on the information available and to the best of the Board’s knowledge, information and belief, the Company has maintained sufficient public float under the Listing Rules and agreed by the Stock Exchange.

## **PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement was published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.maoye.cn](http://www.maoye.cn)). The interim report for the six months ended 30 June 2025 containing information required by Appendix D2 to the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to express its sincere appreciation to the Company's shareholders, customers, suppliers and staff for their continued support to the Group.

By Order of the Board  
**Maoye International Holdings Limited**  
**Mr. Huang Mao Ru**  
*Chairman*

Hong Kong, 27 August 2025

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Huang Mao Ru, Ms. Lu Xiaojuan and Mr. Tang Haifeng; one non-executive director, namely, Mr. Tony Huang; and three independent non-executive directors, namely, Mr. Rao Yong, Mr. Pao Ping Wing and Mr. Gao Yajun.*