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 2026

HIGHLIGHTS

- Total retail sales of stores (including rental merchants) reached RMB2,843.7 million
- Total sales proceeds and rental income were RMB2,136.2 million
- Total operating income was RMB1,713.8 million
- Loss before income tax for this period was RMB183.2 million, Net loss was RMB159.4 million
- Basic loss per share for the period was RMB2.14 cents, the Board does not recommend the payment of interim dividend for the six months ended 30 June 2026

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 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Revenue	*3.1*	**1,319,940**	1,586,302
Other income	*4*	**393,887**	454,372
Total operating income		**1,713,827**	2,040,674
Cost of goods and properties sold		**(537,735)**	(607,470)
Employee expenses		**(155,583)**	(171,332)
Depreciation and amortisation		**(407,602)**	(474,117)
Expense relating to short-term leases and leases of low-value assets		**(4,138)**	(5,367)
Other operating expenses		**(370,691)**	(414,939)
Other gains and losses		**(162,239)**	(21,577)
Operating profit		**75,839**	345,872
Finance costs	*5*	**(259,072)**	(293,464)
Share of loss and impairment of investment in an associate		**–**	(14)
(Loss)/profit before income tax		**(183,233)**	52,394
Income tax credit/(expense)	*6*	**23,859**	(40,470)
(Loss)/profit for the period		**(159,374)**	11,924

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
Attributable to:			
Ordinary shares of the Company		**(109,875)**	25,822
Non-controlling interests		**(49,499)**	(13,898)
		(159,374)	11,924
(Loss)/earnings per share attributable to ordinary shares of the Company	*8*		
– Basic and diluted		**RMB(2.14) cents**	RMB0.5 cents

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(159,374)**	11,924
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**52,271**	28,122
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods:		
Changes in fair value on equity investments designated at fair value through other comprehensive income	**96,374**	11,763
Exchange difference on translation of the Company	**(46,442)**	(18,289)
Income tax effect	**(28,300)**	9,699
Other comprehensive income, net of tax	**73,903**	31,295
Total comprehensive (loss)/income	**(85,471)**	43,219
Attributable to:		
Ordinary shareholders of the Company	**(35,753)**	59,285
Non-controlling interests	**(49,718)**	(16,066)
	(85,471)	43,219

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 June 2026 (Unaudited)** ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**7,144,893**	7,319,274
Investment properties		**21,299,232**	21,428,798
Right-of-use assets		**3,909,528**	4,113,471
Goodwill		**1,159,615**	1,205,022
Other intangible assets		**8,999**	12,707
Investment in associates		**–**	–
Equity investments designated at fair value through other comprehensive income		**263,663**	185,021
Financial assets at fair value through profit or loss		**12,665**	14,134
Prepayments		**49,003**	53,087
Deferred tax assets		**759,810**	799,957
		34,607,408	35,131,471
Current assets			
Inventories		**181,853**	174,721
Completed properties held for sale		**2,400,541**	2,457,342
Properties under development		**3,667,455**	3,628,908
Financial assets at fair value through profit or loss		**31**	43
Trade and notes receivables	*9*	**20,220**	24,783
Prepayments and other receivables		**2,545,370**	2,632,709
Pledged deposits		**147,617**	107,797
Cash and cash equivalents		**210,034**	409,988
		9,173,121	9,436,291
Total assets		**43,780,529**	44,567,762

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
Current liabilities			
Contract liabilities		**778,599**	893,628
Trade and notes payables	*10*	**1,011,216**	1,137,257
Deposits received, accruals and other payables		**4,031,012**	3,815,376
Interest-bearing bank and other borrowings		**4,806,258**	5,187,109
Payables for properties development		**1,352,159**	1,406,029
Lease liabilities		**143,892**	203,450
Income tax payable		**279,833**	372,969
Dividend payable		**1,563**	1,563
		12,404,532	13,017,381
Net current liabilities		**(3,231,411)**	(3,581,090)
Total assets less current liabilities		**31,375,997**	31,550,381
Non-current liabilities			
Interest-bearing bank and other borrowings		**5,448,559**	5,290,485
Lease liabilities		**733,372**	740,723
Deferred tax liabilities		**3,992,277**	4,039,545
Provision for retirement benefits		**3,694**	3,694
		10,177,902	10,074,447
Total liabilities		**22,582,434**	23,091,828

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	RMB'000	*RMB'000*
EQUITY		
Equity attributable to ordinary shareholders of the Company		
Share capital	**460,153**	460,153
Reserves	**11,949,077**	11,984,830
	12,409,230	12,444,983
Perpetual bonds	**6,307,297**	6,499,665
Non-controlling interests	**2,481,568**	2,531,286
Total equity	**21,198,095**	21,475,934
Total equity and liabilities	**43,780,529**	44,567,762

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, both of 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 2026 (the "**Interim Financial Information**") are presented in Renminbi ("**RMB**"), unless otherwise stated, and were approved for issue by the Company on 25 August 2026.

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 2025 ("**2025 Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

As at 30 June 2026, the Group had net current liabilities of approximately RMB3,231,411,000, and had current bank and other borrowings of RMB4,806,258,000 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 2026.

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 2025 Financial Statements, as described in those annual consolidated financial statements, except for the adoption of amended IFRS Accounting Standards effective as of 1 January 2026. 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 the following amended standards effective for the financial period beginning on 1 January 2026.

Amendment to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendment to IFRS 9 and IFRS 7	Contract Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards	Amendments to IFRS Accounting Standards – Volume 11

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

3.1 DISAGGREGATION OF REVENUE

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15:		
– Commissions from concessionaire sales	**129,401**	212,397
– Direct sales	**492,370**	588,991
– Sale of properties	**50,998**	50,799
– Hotel accommodation and ancillary services	**156,958**	150,387
– Others	**–**	2,141
Revenue from other sources outside the scope of IFRS 15:		
– Rental income from the leasing of shop premises	**217,894**	277,032
– Rental income from investment properties	**272,319**	304,555
	1,319,940	1,586,302

Disaggregated revenue information for revenue from contracts with customers

The Group's entire revenue from contracts with customers is recognised at a point in time.

Direct sales of merchandise and commissions from concessionaire sales

The performance obligation is satisfied at the point in time when control of the asset is transferred to the customers.

Sale of properties

For contracts entered into with customers on the sale of properties, the Group does not have an enforceable right to payment until physically transfer of the relevant properties to customers. Revenue from the sale of properties is therefore recognised at the point in time when the completed property is physically transferred to customers and the Group has the present right to payment and collection of the consideration is probable, being at the point that the customer obtains the control of the completed property.

Hotel accommodation and ancillary services

Revenue from hotel accommodation is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is generally recognised at the point in time when the services are rendered.

The hotel accommodation and ancillary services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

3.2 OPERATING SEGMENT INFORMATION

	Operation of department stores *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
Six months ended 30 June 2026 (unaudited)				
Segment income:				
Revenue	**1,060,433**	**100,378**	**159,129**	**1,319,940**
Other income	**360,915**	**25,755**	**7,217**	**393,887**
Total segment income	**1,421,348**	**126,133**	**166,346**	**1,713,827**
Cost of goods and properties sold	**(472,638)**	**(43,782)**	**(21,315)**	**(537,735)**
Employee expenses	**(105,706)**	**(7,227)**	**(42,650)**	**(155,583)**
Depreciation and amortisation	**(325,797)**	**(42,638)**	**(39,167)**	**(407,602)**
Expense relating to short-term leases and leases of low-value assets	**(3,661)**	**(418)**	**(59)**	**(4,138)**
Other operating expenses	**(287,989)**	**(30,990)**	**(51,712)**	**(370,691)**
Other gains and losses	**(121,469)**	**(40,892)**	**122**	**(162,239)**
Operating profit/(loss)	**104,088**	**(39,814)**	**11,565**	**75,839**
Finance costs	**(129,237)**	**(129,835)**	**–**	**(259,072)**
Share of loss and impairment of investment in an associate	**–**	**–**	**–**	**–**
(Loss)/profit before income tax	**(25,149)**	**(169,649)**	**11,565**	**(183,233)**
Income tax credit	**1,416**	**22,443**	**–**	**23,859**
(Loss)/profit for the period	**(23,733)**	**(147,206)**	**11,565**	**(159,374)**
Attributable to:				
Ordinary shareholders of the Company	**16,683**	**(138,689)**	**12,131**	**(109,875)**
Non-controlling interests	**(40,416)**	**(8,517)**	**(566)**	**(49,499)**
	(23,733)	**(147,206)**	**11,565**	**(159,374)**
Other segment information:				
Expected credit losses recognised in the consolidated statement of profit or loss	**(1,388)**	**–**	**–**	**(1,388)**
Impairment of goodwill	**(45,407)**	**–**	**–**	**(45,407)**
Capital expenditure*	**8,743**	**65,530**	**1,406**	**75,679**

	Operation of department stores *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
Six months ended 30 June 2025 (unaudited)				
Segment income:				
Revenue	1,330,115	104,766	151,421	1,586,302
Other income	425,552	23,492	5,328	454,372
Total segment income	1,755,667	128,258	156,749	2,040,674
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)
Expense relating to 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	6,343	(28,048)	128	(21,577)
Operating profit/(loss)	352,235	(6,169)	(194)	345,872
Finance costs	(152,308)	(141,156)	–	(293,464)
Share of loss and impairment of investment in an associate	(14)	–	–	(14)
Profit/(loss) before income tax	199,913	(147,325)	(194)	52,394
Income tax (expense)/credit	(48,100)	3,432	4,198	(40,470)
Profit/(loss) for the period	151,813	(143,893)	4,004	11,924
Attributable to:				
Ordinary shareholders of the Company	142,229	(127,783)	11,376	25,822
Non-controlling interests	9,584	(16,110)	(7,372)	(13,898)
	151,813	(143,893)	4,004	11,924
Other segment information:				
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 an associate as at the end of the reporting period	6	–	–	6
Capital expenditure*	11,143	95,560	627	107,330

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

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

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 99.9% of the carrying value of the Group's non-current assets, excluding financial instruments and deferred tax assets, are situated in Mainland China.

4 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Income from suppliers and concessionaires		
– Administration and management fee income	**310,486**	350,510
– Promotion income	**55,089**	71,435
– Credit card handling fees	**20,005**	28,234
Interest income	**7,395**	3,458
Others	**912**	735
	393,887	454,372

5 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank and other borrowings and other payables	**253,460**	277,626
Interest on lease liabilities	**29,395**	42,469
Total interest expense incurred	**282,855**	320,095
Less: Interest capitalised	**(23,783)**	(26,631)
	259,072	293,464

6 INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income tax:		
– Corporate income tax	**10,845**	60,611
– Land appreciation tax	**717**	10,558
Deferred income tax	**(35,421)**	(30,699)
Total tax (credit)/expense for the period	**(23,859)**	40,470

7 DIVIDENDS

The board of directors did not propose an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

8 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHARES OF THE COMPANY

The calculation of basic and diluted (loss)/earnings per share is based on the loss for the period attributable to ordinary shareholders of the Company of RMB109,875,000 (Six months ended 30 June 2025: profit for the period attributable to ordinary shareholders of the Company of RMB25,822,000) and the weighted average number of shares of 5,140,326,000 (Six months ended 30 June 2025: 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 2026 and 2025.

9 TRADE AND NOTES RECEIVABLES

Set out below is the information about the credit risk exposure on the Group's trade and notes receivables using a provision matrix:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 90 days	**13,333**	18,517
91 to 180 days	**687**	121
181 to 360 days	**466**	1,175
Over 360 days	**27,064**	26,826
	41,550	46,639
Less: impairment allowance	**(21,330)**	(21,856)
	20,220	24,783

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 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 90 days	**640,688**	916,095
91 to 180 days	**182,800**	66,045
181 to 360 days	**61,965**	56,830
Over 360 days	**125,763**	98,287
	1,011,216	1,137,257

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. MACROECONOMIC OVERVIEW

In the first half of 2026, the external economic environment remained volatile and unpredictable, while China's economy faced an intertwining of new and old challenges. At the national level, continued targeted policy measures, enhanced proactive macroeconomic support and the development of new quality productive forces adapted to local conditions have sustained an overall stable economic trajectory with a trend towards improvement and excellence. The economy as a whole demonstrated stability, resilience, novelty and high quality. According to the National Bureau of Statistics, the gross domestic product (GDP) for the first half of the year reached RMB69.57 trillion, representing a year-on-year increase of 4.7% at constant prices, with a growth rate of 5.0% in the first quarter and 4.3% in the second quarter and a quarter-on-quarter growth of 0.9% in the second quarter. Overall, despite the complex external environment of slowing global economic growth and significantly rising inflationary pressures in many countries, domestic price levels maintained a moderate increase and the overall employment situation remained stable. New quality productive forces are accelerating their emergence and thriving, driving the domestic economy towards both qualitative improvement and reasonable quantitative growth, with a generally stable and positive trajectory.

During the reporting period, the domestic consumer market continued to exhibit a pattern of supply exceeding demand, with the recovery of consumption momentum slowing down. Essential goods and services accounted for the major share of consumption. According to the National Bureau of Statistics, the total retail sales of consumer goods in the first half of 2026 reached approximately RMB24.87 trillion, representing a year-on-year increase of 1.3%. Of which, retail sales of consumer goods excluding automobiles reached approximately RMB3.9 trillion, increased by 3.0%. By type of consumption, retail sales of goods reached approximately RMB22.04 trillion, increased by 1.1% year-on-year; catering revenue reached approximately RMB2.83 trillion, increased by 2.8%. By retail business format, in the first half of the year, retail sales of convenience stores and supermarkets above a designated size increased by 6.6% and 3.8% year-on-year, respectively; retail sales of specialty stores, department stores and brand specialty stores decreased by 1.5%, 2.1% and 8.7%, respectively. National online retail sales of goods and services reached approximately RMB10.07 trillion, representing a year-on-year increase of 5.2%. Of which, online retail sales of goods reached approximately RMB6.43 trillion, increased by 4.8%; within online retail sales of goods, consumption of food, apparel and daily necessities increased by 16.8%, 6.2% and 1.3%, respectively, while online retail sales of services reached approximately RMB3.64 trillion, increased by 6.0%. Overall, current household consumption trends continued to be rational and pragmatic, economical and necessity-driven, while consumer demand gradually shifted towards information, culture and tourism and lifestyle services. Among these, growth in service consumption (5.3%) outperformed that in goods retail (1.1%), with continued growth in areas such as tourism consultancy, leasing services, communication and information services and cultural and sports leisure services. Within goods consumption, demand for essential daily necessities such as grain, oil and food, clothing, footwear and headwear and communication equipment, as well as certain upgrade-oriented products, showed growth trends.

Overall, against the backdrop of moderating global economic growth and rising inflation, the domestic economy continued to maintain steady progress; production supply, services and foreign trade remained resilient, with new quality productive forces continuing to grow and gain momentum; the retail industry as a whole entered a phase of stock-driven quality development with moderating growth; the endogenous momentum of household consumption still requires continued active policy support from the state and the breadth and depth of economic recovery need further consolidation. In the second half of the year, the state will intensify the implementation of policies to stabilize growth and expand domestic demand. With the accelerated advancement of the national "15th Five-Year Plan" and the "Six Networks" initiative, the momentum for economic recovery is expected to undergo further structural repair and alleviation and the annual economic performance is expected to maintain steady progress and operate within the projected range.

II. OPERATIONAL REVIEW

For the six months ended 30 June 2026, the Group operated and managed a total of 46 stores in 21 cities nationwide with a gross floor area of approximately 2.8 million sq.m., of which operating area attributable to self-owned properties accounted for 83.7% (90.8% if the 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; Hohhot and Baotou in Inner Mongolia.

During the reporting period, the Group did not open any new stores. However, during the period, three stores were closed. These were the Maoye Times City in Inner Mongolia and Qinhuangdao Xiandai Shopping Plaza, both of which were operated under a lease arrangement and closed because the relevant contracting parties were unable to reach a consensus with the Company regarding the terms of the lease cooperation; and the Maoye Baotou Donghe Mall, which was operated on the Group's own premises and was temporarily closed due to operational adjustments. As of 30 June 2026, the store distribution of the Group is as follows:

	Southern China	**Southwestern China**	**Eastern China**	**Northern China**	**Total**
Number of Stores *(stores)*	7	8	15	16	46
Gross Floor Area *(sq.m.)*	269,409	324,502	1,043,668	1,192,739	2,830,318

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 committed to building a good reputation through diversified product mix and continuously improving consumer experience, so as to continue to attract new and old customers. During the reporting period, the Group laid foundation for its principal businesses and made intensive and penetrative efforts, consolidated its own resilience and strength in a complicated and ever-growing market environment, continuously improved the quality of operation and management, fully dug into the growth potential of high-quality commodity resources and continued to grow through brand adjustment and creative marketing. The business situation has gradually recovered and sustainable and healthy development has been realized.

PERFORMANCE OF TOP 10 DEPARTMENT STORES

No.	Store name	Total sales proceeds and rental income *(RMB,000)*	Store age	Operating area *(M^2)*
1	Shenzhen Huaqiangbei	439,023	22.8	63,243
2	Taiyuan Maoye Complex	309,645	11.6	252,882
3	Guang Hua	140,575	16.6	67,914
4	Shenzhen Nanshan	133,656	16.8	44,871
5	Taizhou First Department Store	106,017	16.8	40,358
6	Inner Mongolia Maoye Commercial Building	103,762	23.2	48,187
7	Qinhuangdao Maoye Complex	101,493	6.7	171,333
8	Inner Mongolia Maoye Mall City	83,782	12.6	131,987
9	Zibo Maoye Times Square	80,535	11.2	86,677
10	QinhuangdaoJindu	71,796	17.8	46,610

REVIEW OF PRINCIPAL BUSINESSES

1. Continuous quality and efficiency improvement of existing assets, with notable results from structural optimization

During the reporting period, overall consumption growth slowed with weak momentum and the department store retail industry remained in a phase of bottoming-out adjustment. The industry's survival-of-the-fittest process continued to advance, with intensifying homogenized competition and brand resources increasingly concentrating in leading shopping centers, presenting a winner-takes-all trend. The industry's competitive landscape exhibited K-shaped polarization, with the focus of competition gradually shifting towards branding, capitalization and differentiation. The Group continued to closely follow market trends, adhering to the core principles of revitalizing existing assets, improving the quality of incremental additions, prioritizing efficiency and pursuing differentiated development. The Group persistently promoted iterative business format adjustments, brand upgrades, revitalization of vacant spaces and tenant quality improvements across its nationwide store network, striving to create commercial complexes with strong product competitiveness, superior experiential appeal and significant cost advantages, thereby enhancing resilience against market fluctuations while consolidating the foundation for sustainable development. At the strategic level, the Group precisely implemented differentiated operational and leasing strategies tailored to regional characteristics, the competitive landscape of each commercial district and project positioning, carrying out multi-dimensional refined operations covering business format optimization, brand quality enhancement, scenario upgrades and efficiency improvement. During the reporting period, the operational stability of merchants was markedly enhanced, the proportion of quality brands was substantially expanded, and the pace of business format iteration was continuously accelerated. The benefits of full-region adjustment and iteration are expected to be further unleashed.

In the first half of the year, in response to structural changes in the market and customer base, the Group employed a dual-drive approach of sustained refined operations and business format restructuring, precisely targeting shifts in customer needs. Through scenario renewal and service upgrades, the Group effectively activated the value of existing assets, injecting sustained momentum into stable performance. Specifically, the Group's flagship stores across all regions progressively formulated a composite business format structure with retail as the foundation, dining as the traffic driver and experiential offerings as the extension. The brand hierarchy is well-defined with a rational tier structure, effectively establishing differentiated competitive advantages and core competitive moats in their respective regional markets.

In terms of business formats, the Group systematically rotated out underperforming brands, consolidated store space resources and optimized customer flow lines across all regions, thereby improving overall sales per unit area and operational resilience. For instance, stores in the South China and Jiangsu regions focused on phasing out homogenized traditional brands, optimizing the mix of retail, dining, experiential and supporting business formats, guiding balanced customer flow distribution and building a diversified and complementary consumption ecosystem; the Inner Mongolia Maoye Mall City store completed hardware and floor-level restructuring, reshaping its floor-level commercial system; the Taiyuan region completed dynamic adjustments and iterative renewals involving over 150 brands, with a focus on optimizing the business format matrix of core floors in phases 1 and 2; the Qinhuangdao region completed traffic flow renovations to accommodate a new brand matrix. In addition, based on local characteristics and the differentiated positioning of "one district, one signature", the Group deepened its presence in advantageous segments, filled local consumption gaps and strengthened the unique recognition and core competitiveness of projects in their regional markets. For example, Qinhuangdao regional stores focused on introducing sports-luxury outdoor brands and exquisite internet-famous dining formats, reinforcing high-end outdoor, beauty and designer brands to establish a high-end consumption benchmark; the Jiangsu region focused on family-oriented supporting consumption, supplementing parent-child interactive, trendy retail and convenience supporting formats to build a full-age family consumption loop; on the other hand, the Inner Mongolia region focused on strengthening dining, leisure, parent-child experiential and livelihood consumption formats, creating immersive social and leisure destinations, effectively enhancing regional customer stickiness and repurchase rates.

In terms of brands, the Group adhered to the leasing strategy of "introducing first stores, strengthening flagship stores and establishing exclusive offerings," building a three-dimensional brand matrix across all regions with anchor stores as the foundation, sub-anchor stores enhancing the atmosphere and small and medium-sized stores activating scenarios, thereby establishing a brand moat with high recognizability and strong traffic-generating capability. During the period, the Group intensified the introduction of strong brands including first stores, flagship stores, national chain benchmark brands, leading dining brands, anchor supermarkets and lifestyle collection stores, continuously empowering the scarcity and bargaining power of its stores and enhancing project recognizability as well as the appeal and conversion rate among the new generation of customers. For example, the Qinhuangdao region introduced over 40 first-store brands, including benchmark brands such as DESCENTE, POP MART, Ma Lu Ji and GOMETAL Fitness; the Jiangsu region launched multiple city-level and regional-level first stores, including the world's largest Mixue Bingcheng flagship store at Nanjing Maoye Complex, as well as benchmark brands such as BM Collection Store and POPEYES; the Taiyuan region introduced leading brands such as Kolon, On, Kailas and Hema Fresh; at the same time, the South China and Inner Mongolia regions also simultaneously built a reserve of national chain, trendy toy, trendy apparel and lifestyle leading brands, accumulating momentum for further business format restructuring and performance recovery.

2. **Strategic leasing, synergistic value enhancement, deepening the shopping center strategy and strengthening the concessionaire-to-leasing transition to secure stable income**

In terms of leasing, the Group adhered to the philosophy of prioritizing tenant empowerment over mere space filling, shifting from "fill-in leasing" to "strategic leasing." This transition emphasized forward-looking planning and precise matching, focusing on the alignment between brand mix and project positioning, with a leasing orientation that prioritized efficiency, business format synergy and long-term empowerment. During the period, leasing efforts evolved from standalone store leasing to regionally coordinated, clustered and thematic strategic leasing. Based on store and project positioning, brands and business formats were carefully selected and screened to ensure that introduced brands were highly aligned with project tonality, possessed collaborative operational capabilities and demonstrated long-term growth potential, achieving a value leap from single-point breakthroughs to ecosystem co-prosperity. In terms of leasing cooperation models, the Group adopted multiple approaches, implementing regional strategic cooperation models. This approach leveraged individual successes to drive broader outcomes, supporting brand expansion while simultaneously enhancing the Group's income, achieving mutual benefit and win-win outcomes.

On the other hand, as the Group deepened its transformation from traditional department stores to shopping centers, it accelerated the operational model transformation of "concessionaire-to-leasing," optimizing the income structure and enhancing revenue rigidity and risk resistance. During the period, as the department-store-to-shopping-center transition accelerated across the Group, the proportion of leasing models gradually increased across all regions, reducing reliance on concessionaire arrangements and sales commission-based income, enhancing revenue rigidity and risk resilience. Through refined management and asset operations, the Group maximized the value release of spatial assets. In practice, the Group's multiple core projects in the South China, Inner Mongolia, Taiyuan and other regions are accelerating the traditional department-store-to-shopping-center transformation process, advancing the concessionaire-to-leasing transition and laying the foundation for gradually building a diversified revenue model with leasing as the primary component and concessionaire arrangements as a supplement. Such transformation, on the one hand, facilitates the Group's deeper evolution to an asset operator, injecting strong resilience into long-term sustainable development. On the other hand, it represents not only an optimization of the financial model but also a reshaping of the operational logic: shifting from passive dividend-sharing reliant on sales commissions to active operations with pricing power and spatial dominance, turning every square meter into a sustainably value-generating asset, and enabling the Group to build stronger pricing capabilities and risk-resistance resilience in the era of stock competition.

In terms of overall performance, during the reporting period, the standout sales categories across all regions were concentrated in high-end cosmetics, women's apparel, gold and jewelry, sports and outdoor, specialty full-service dining, new-style tea beverages, high-end supermarkets, fresh produce and supporting lifestyle categories, which became the core contributors to the Group's overall performance. Specifically, for instance, the Huaqiangbei store, a strong performer in high-end cosmetics sales, although experiencing a year-on-year decline during the period, maintained its overall strong performance momentum. Meanwhile, the Qinhuangdao region saw significant year-on-year increases in sales of high-end cosmetics and sports and outdoor categories (such as the KOLON sports-luxury brand). At Nanjing Maoye Complex, the world's largest Mixue Bingcheng flagship store achieved monthly sales of several million RMB. Gold and jewelry sales at stores such as Taiyuan Maoye Complex and Huaqiangbei store all recorded year-on-year growth. In terms of supporting services, leading dining, leisure and entertainment and supporting services at stores in the South China, Southwestern China and Taiyuan regions all recorded year-on-year growth, becoming key drivers of customer traffic and performance.

In addition, during the reporting period, the Group's non-retail business segments, including property sales and hotels, demonstrated relatively strong counter-cyclical resilience, balancing and hedging against fluctuations and risks in the retail core business to a certain extent. For example, in property sales, the property disposals of Shanxi Land and Zibo Property both recorded year-on-year growth. In terms of hotels and other non-retail revenue, supported by proactive national policies and the active tourism and leisure industry, performance remained stable. Concurrently, in terms of operating expenses, as the Group continued to reduce costs, improve efficiency and optimize quality across all operational aspects, the Group's overall expenditures decreased significantly compared to the same period, primarily reflected in notable reductions in financing costs, employee expenses, water and utilities expenses and depreciation and amortization expenses.

3. **Digital business platform: integrated online and offline omnichannel operations with gradual growth recovery**

During the reporting period, the Group continued to strengthen its digital business platform, adhered to technology empowerment and deepened the integrated development of online and offline operations. By breaking through geographical constraints across temporal and spatial dimensions, the Group built a closed-loop omnichannel marketing ecosystem. Through the online mall "Mao Le Hui", the Maoye Department Store official website, the Douyin platform "Maoye Department Store Exclusive Flagship Store", Xiaohongshu, Enterprise WeChat and official accounts and video accounts, the Group leveraged multiple online platforms and a variety of marketing combinations to conduct full-category online retail operations. Meanwhile, "Mao Yue Hui", as the Group's one-stop membership management system, provides comprehensive consumption services and support to online and offline members, building full-cycle interaction and connectivity between the Group and its customers. This enables deep synergy between the online mall and offline physical stores, injecting new digital momentum into the Group's performance growth.

In the first half of 2026, according to data from the National Bureau of Statistics, national online retail sales of goods and services increased by 5.2% year-on-year, with online consumption continuing to expand. Goods retail improved driven by policy support and promotional activities, while service consumption maintained cumulative growth. During the period, the Group's online mall "Mao Le Hui" achieved cumulative actual paid transaction volume of approximately RMB50 million across all platforms. Online retail sales and average order value showed a gradual recovery trend. Across all online channels, the "Mao Le Hui" mall contributed approximately 60% of online sales. Meanwhile, content e-commerce channels such as Xiaohongshu, the official website and video accounts, through store live-streaming, broadcast endorsement, as well as short-video content marketing, effectively activated the consumption potential of younger customers and expanded the boundaries of online growth. In online retail, online beauty products accounted for 20% of the Group's total beauty sales, becoming a core strong category for online sales and providing strong support for online sales growth. Among these, brands such as La Mer, SK-II, Estée Lauder, Shiseido, Helena Rubinstein, CPB and Clarins performed particularly well. Additionally, skincare category sales increased by 2% year-on-year, color cosmetics by 10%, fragrance by 23% and luxury goods by a substantial 113%. At the same time, the Group expanded its product pool by introducing brands such as Galenic and Ease, enriching its brand structure.

In terms of online sales channels, as cross-channel customer flow among e-commerce shoppers increasingly becomes the norm, the binary opposition between online and offline channels has become obsolete and omnichannel operations have become standard practice. At present, consumer behavior increasingly exhibits characteristics of online content discovery, offline experience, multi-channel price comparison and flexible selection of transaction venues. Online, competition in short-video and live-streaming has intensified, with challenges growing in relying on public-domain advertising and top influencers to drive growth. Meanwhile, deep cultivation of brand self-broadcasting, mini-programs, Enterprise WeChat matrices and refined private-domain traffic operations are gradually becoming key paths to offset rising public-domain costs and build long-term competitive moats. At the same time, growth opportunities remain in live-streaming, but the trend of store broadcasting, content and shelf-space synergy replacing sole reliance on top influencers is emerging. Consequently, consumer demands for channel price differentials, membership benefit interoperability and inventory consistency are compelling businesses to integrate omnichannel goods, members and promotional systems, building a closed loop of "online customer acquisition and content marketing, offline experience and trust-building and private-domain long-term repurchase." During the reporting period, the Group actively responded to market changes with flexible channel layouts, continuously improving its omnichannel public-domain presence, while simultaneously expanding its presence on Douyin, Xiaohongshu and video accounts and increasing investment in self-broadcasting and shelf-space scenario operations. The Group also launched Douyin Qianchuan Power-Square advertising placements, building a diversified traffic matrix to achieve a virtuous cycle of public-domain traffic acquisition and private-domain customer retention. At the same time, the platform system iterated multiple marketing features, including integrated brand dual-member systems, shared points and benefits, online ordering with in-store pickup and free parking, region-wide brand subsidies and inventory management without sales restrictions. These features continuously improved the synergy between offline stores and online platforms, building a seamlessly connected omnichannel consumption experience.

In the first half of 2026, the Group's "Mao Le Hui" online mall accumulated 3.73 million members, representing a year-on-year increase of 2%, with 29,000 new members added. The Group's membership management system "Mao Yue Hui" added 303,000 new members in the first half of the year, serving a total of 19.60 million members, with member spending amounting to approximately RMB957 million.

4. Accelerated iteration, optimisation of existing assets, and building momentum for the road ahead

During the reporting period, the transformation of traditional retail department stores into shopping centers has become an inexorable trend. Physical commerce is accelerating its transition from pure goods retail to shopping center models featuring experiential formats. The alignment between customer needs and supply is compelling physical commerce to accelerate its transformation towards scenario-based, social and lifestyle experiential spaces across diversified business formats. We are currently in a period of adjustment at the macroeconomic, industry and physical commerce levels, where stock optimization and value reshaping have become key to breaking the deadlock in department store retail. During the reporting period, the Group continued to implement strategic adjustments and restructuring across stores, business formats, merchandise and brand portfolios, closing underperforming assets while focusing investment on core commercial districts and high-potential projects. Through business format upgrades and scenario innovations, the Group phased out the old and introduced the new, reshaping the core competitiveness of its stores and striving to create incremental growth space amidst stock competition, thereby building momentum for subsequent high-quality development. In this process, the Group adhered to the principle of "eliminating the inferior and retaining the superior", optimizing its overall asset structure. By introducing the first-store economy and strengthening experiential content, the Group significantly improved per-store sales per unit area and traffic-generating effects. At the same time, through refined operations, the Group enhanced the efficiency of existing assets, promoting the evolution of stores from single-purpose sales venues to lifestyle centers – exchanging space for time and structure for quality, laying a solid foundation for subsequent value realization and performance recovery. In the short term, core business revenue has experienced fluctuations due to structural adjustments and the overlap between the transition and cultivation period of new business formats and the realization of their benefits has created a time lag, putting pressure on revenue scale and profit indicators in the short term. However, from a long-term perspective, this strategic "retreat" is indeed a step towards higher-quality "advancement", it is also a commitment to the long-term brand value. In the deep waters of the stock era, only by having the courage to make decisive cuts can one travel light and open new horizons amidst changes.

III. FUTURE OUTLOOK

Looking ahead to the second half of 2026, the intertwining of external environmental uncertainties and internal challenges persists. The consumer market remains on a moderate recovery trajectory, with essential consumption and quality pursuit coexisting. The state's proactive policies to boost consumption and stimulate domestic demand will continue to be released and physical commerce and department store retail are anticipated to continue benefiting, with consumption momentum likely to warm up. In the second half of the year, customer consumption trends are expected to continue emphasizing necessity, rationality, experience and emotional resonance. At the macro level, the Group will continue to maintain a stable pace of adjustment and transformation, accelerating the shopping center transition of stores across all regions and efficiently advancing the value reshaping of existing assets. Centered on the core objectives of stock quality improvement, incremental supplementation, deep business format cultivation and efficiency enhancement, the Group will comprehensively promote the construction of composite commercial complexes and systematically build differentiated competitive moats. On this basis, the Group will maintain strategic focus and deepen the dual-drive approach of omnichannel operations and stock optimization. On the one hand, the Group will accelerate the scenario-based renovation and business format iteration of existing stores across all regions, restructure core resources, precisely improve quality and efficiency and accelerate the conversion of overall benefits. On the other hand, following the evolving consumption behaviors of its core customer base, the Group will continue to promote deep integration between stores and digital platforms, strengthen online-offline synergy and operational efficiency, drive service upgrades through data-driven insights and build a borderless, all-time consumption ecosystem. In addition, the Group will seize opportunities arising from consumption recovery and policy dividends, accurately capture new consumption trends, create incremental growth from existing stock, tap into the potential of emerging business formats and explore new performance growth drivers, injecting a continuous stream of endogenous momentum into the Group's long-term development.

FINANCIAL REVIEW

Total Sales Proceeds and Rental Income

For the six months ended 30 June 2026, the total sales proceeds and rental income of the Group were RMB2,136.2 million, representing a decrease of 28.3% as compared with the corresponding period in 2025, mainly due to the challenging macroeconomic environment, as the overall retail department store sector remains in a phase of bottoming out, with consumers' overall spending momentum and willingness to spend not yet fully recovered, and the termination of lease cooperation by the Group's subsidiary, Maoye Times City in Inner Mongolia and Qinhuangdao Xiandai Shopping Plaza, during the Period.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Total sales proceeds from concessionaire sales	**1,153,610**	1,809,776
Direct sales income	**492,370**	588,991
Rental income	**490,213**	581,587
Total sales proceeds and rental income	**2,136,193**	2,980,354

Among the total sales proceeds and rental income of the Group for the first half of 2026, total sales proceeds derived from concessionaire sales accounted for 54.0%, those derived from direct sales income accounted for 23.0%, and those derived from rental income accounted for 23.0%. For the six months ended 30 June 2026, the Group's sales proceeds from concessionaire sales were RMB1,153.6 million, representing a decrease of 36.3% as compared with the corresponding period in 2025; direct sales income was RMB492.4 million, representing a decrease of 16.4% as compared with the corresponding period in 2025; rental income was RMB490.2 million, representing a decrease of 15.7% as compared with the corresponding period in 2025.

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

	Total sales proceeds and rental income Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Eastern China	**312,902**	443,679
Southern China	**758,353**	977,170
Southwestern China	**258,473**	331,175
Northern China	**806,465**	1,228,330
Total	**2,136,193**	2,980,354

For the six months ended 30 June 2026, sales of apparels (including men's and ladies' apparels) accounted for 28.1% (first half of 2025: 27.3%), Jewelries accounted for 11.2% (first half of 2025: 15.0%), Leisure and sports goods accounted for 13.7% (first half of 2025: 14.2%), shoes and leather goods accounted for 6.2% (first half of 2025: 6.2%), cosmetics accounted for 23.0% (first half of 2025: 23.5%), and others (including branded merchandise, children's items, bedroom and household goods, home appliances, supermarkets and others) accounted for 17.8% (first half of 2025: 13.8%)

For the six months ended 30 June 2026, revenue of the Group amounted to RMB1,713.8 million, representing a decrease of approximately RMB326.9 million as compared with RMB2,040.7 million for the corresponding period of last year. The main reason for the decrease in revenue is partly driven by macroeconomic conditions, and the department store retail industry remains in a bottoming-out and adjustment phase, coupled with weak consumer spending momentum, and additionally, the termination of lease agreement by the Company stores of Maoye Times City in Inner Mongolia and Qinhuangdao Xiandai Shopping Plaza during the Period, resulting in a year-on-year decrease in revenue of RMB94.28 million.

Other Income

For the six months ended 30 June 2026, other income of the Group amounted to RMB393.9 million, representing a decrease in total of approximately RMB60.5 million as compared with RMB454.4 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 2026, cost of goods and properties sold of the Group amounted to RMB537.7 million, representing a decrease of 11.5% as compared with RMB607.5 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 2026, employee expenses of the Group amounted to RMB155.6 million, representing a decrease of 9.2% as compared with RMB171.3 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 2026, which contributed to the year-on-year reduction in employee expenses.

Depreciation and Amortisation

For the six months ended 30 June 2026, depreciation and amortisation of the Group amounted to RMB407.6 million, representing a decrease of 14.0% as compared with RMB474.1 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 2026, other operating expenses of the Group amounted to RMB370.7 million, representing a decrease of 10.7% as compared with RMB414.9 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 and Losses

For the six months ended 30 June 2026, the Group recorded other losses of RMB162.2 million, compared with a loss of approximately RMB21.6 million during the same period in 2025,the loss increased by RMB140.6 million. The main reasons were an increase of RMB107.3 million in losses from changes in the fair value of investment properties and an increase of RMB35.0 million in the impairment loss on goodwill related to the Chengdu Guanghua Store year-on-year.

Operating Profit

Owing to the combined impact of the above factors, the Group recorded an operating profit of RMB75.8 million for the six months ended 30 June 2026, representing a decrease of 78.1% from RMB345.9 million for the same period in 2025.

Finance Costs

For the six months ended 30 June 2026, finance costs of the Group amounted to RMB259.1 million, representing a decrease of 11.7% as compared with RMB293.5 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) the termination of lease agreements for which the Company acted as the lessee resulted in a decrease in interest on lease liabilities.

Income Tax Expense

For the six months ended 30 June 2026, income tax credit of the Group amounted to RMB23.9 million, representing a decrease of RMB64.4 million as compared to income tax expense RMB40.5 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.

Loss for the First Half of 2026

As a result of the aforementioned, for the six months ended 30 June 2026:

– In the first half of 2026, loss before income tax was RMB183.2 million. The net loss for the period was RMB159.4 million compared with the same period last year, the loss increase by approximately RMB 171.3 million.

Liquidity and Financial Resources

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB210.0 million, representing an decrease of RMB200.0 million as compared with the balance of RMB410.00 million as at 31 December 2025.

(1) Net cash inflow of RMB208.5 million from operating activities;

(2) Net cash outflow of RMB6.6 million from investment activities, mainly including:

  (i) total outflow for property, plant, and equipment was RMB27.4 million;

  (ii) the cash inflow of RMB17.7 million for the sale of equity investments designated as measured at fair value with changes recognized in other comprehensive income.

(3) Net cash outflow of RMB401.8 million from financing activities, mainly including:

  (i) the cash inflow of RMB2,995.5 million from the increase in bank loans;

  (ii) the cash outflow of RMB3,218.3 million for the repayment of bank loans;

  (iii) the cash outflow of RMB242.8 million for the payment of interest;

  (iv) cash outflow for principal and interest on lease payments of approximately RMB42.1 million;

  (v) cash inflow of approximately RMB1,776.2 million arising from borrowings and perpetual bonds from fellow subsidiaries;

  (vi) cash outflow of RMB1,652.7 million from repayment of loans and perpetual bonds to fellow subsidiaries; and

  (vii) a increase of RMB17.7 million in bank deposits pledged as collateral for loans.

Interest-bearing Liabilities

As at the 30 June 2026, total bank borrowings of the Group were approximately RMB10,254.8 million (31 December 2025: RMB10,477.6). The interest-bearing gearing ratio[1] and net interest-bearing debt to equity ratio[2] were 23.4% and 47.4%, respectively (31 December 2025: 23.5% and 46.9%, respectively).

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

2 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 2026, 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 RMB1,978.2 million, RMB11,646.7 million, and RMB195.8 million, respectively.

Foreign Currency Risks

During the reporting period, the Group recorded net loss on foreign exchange of approximately RMB2.8 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 2026, 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 2026 (six months ended 30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, 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 2026, except for the following deviation:

Code Provision B.3.5

Code provision B.3.5 of the Corporate Governance Code requires that an issuer should appoint at least one director of a different gender to its nomination committee. The nomination committee of the Board ("**Nomination Committee**") is currently comprised of directors of a single gender. The Company is still considering either to redesignate an existing Director or appoint new Director(s) to the Nomination Committee to comply with code provision B.3.5.

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 Ms. Xu Jing.

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) and on the website of the Company (www.maoye.cn). The interim report for the six months ended 30 June 2026 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, 25 August 2026

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 Ms. Xu Jing.