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Maoye International Holdings Limited

茂業國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 848)

ANNOUNCEMENT

HIGHLIGHTS OF THIRD QUARTER RESULTS OF CHENGSHANG

This is an announcement made pursuant to Rule 13.09(1) of the Listing Rules.

Chengshang, a subsidiary of the Company and a joint stock limited company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828), has published its unaudited third quarter results for the three months ended 30 September 2008 prepared pursuant to PRC GAAP. The principal financial data and material information are set out as follows:

1. Principal Financial Data and Indicators

	As at the end of the reporting period (30 September 2008) (RMB)	As at the end of previous year (31 December 2007) (RMB)	Increase/(decr ease) at the end of the reporting period as compared with the end of previous year (%)
Total assets	1,496,861,621.48	1,240,159,941.06	20.70
Owners' equity (or shareholders' equity)	338,383,235.27	273,319,368.68	23.81
Net assets per share attributable to shareholders of Chengshang	1.67	1.35	23.70
	From the beginning of the year to the end of the reporting period (1 January 2008 to 30 September 2008)	Increase/(decr ease) against comparative period in	

		previous year (%)
Net cash flows from operating activities	90,770,184.05	-63.97
Net cash flows from operating activities per share	0.45	-63.71

	Reporting period (1 July 2008 to 30 September 2008) (RMB)	From the beginning of the year to the end of the reporting period (1 January 2008 to 30 September 2008) (RMB)	Increase/(decr ease) of the reporting period against comparative period in previous year (%)
Net profit attributable to shareholders of Chengshang	15,365,020.22	64,119,953.26	-37.40
Basic earnings per share	0.076	0.316	-37.19
Basic earnings per share after extraordinary items	-	0.291	-
Diluted earnings per share	0.076	0.316	-37.19
Fully diluted return on net assets (%)	4.54	18.95	-5.42
Fully diluted return on net assets after extraordinary items (%)	3.58	17.50	-2.24

Extraordinary items	From the beginning of the year to the end of the reporting period (1 January 2008 to 30 September 2008) (RMB) Method of deduction: Charged to separate items
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Profit/loss on disposal of non-current assets	2,516,149.10
Government grants (except for the grants which are closely related to Chengshang's business and of a standard amount and quantity specified by the State) credited to profit and loss account for the period	112,500.00
Non-operating income/expenses other than the above items	2,284,133.13
Total	4,912,782.23

2. Significant Matters

Major changes in principal accounting statement items and financial indicators of Chengshang and their reasons.

2.1 Major changes in balance sheet items

Items	As at 30 September 2008	As at 31 December 2007	Amount of change	Percentage of change
Fixed assets	617,818,921.95	344,710,941.75	273,107,980.20	79.23%
Short term borrowing	116,400,000.00	246,300,000.00	-129,900,000.00	-52.74%
Other payables	505,628,039.08	190,370,201.52	315,257,837.56	165.60%

Reasons of changes:

- (1) The increase in fixed assets was mainly due to the acquisition of the equity interest in Nanchong Chongde Enterprise Limited (南充崇德實業有限公司) by Chengdu Renmin Shangchang (Group) Nanchong Chuanbei Limited Company (成都人民商場(集團)南充川北有限公司), a subsidiary of Chengshang (referred to as “**Chuanbei Company**” below), which increased the fixed assets by RMB 22.02 million, and the acquisition of the Xinglida Plaza project by Chengdu Renmin Department Store (Group) Mianyang Company Limited (成都人民商場(集團)綿陽有限公司), a subsidiary of Chengshang (referred to as “**Mianyang Company**” below), which increased the fixed assets by RMB 262.36 million during the reporting period;
- (2) The decrease in short-term borrowing was mainly due to the repayment of loans in the amount of RMB109.90 million to the Industrial and Commercial Bank of China Yanshikou branch during the reporting period;
- (3) The increase in other payables was mainly due to the additional entrusted loan of RMB 119.50 million borrowed from Shenzhen Maoye Shangsha Co., Ltd.(深圳茂業商廈有限公司), the controlling shareholder (referred to as “Maoye Shangsha” below) during the reporting period, and the acquisition of Xinglida Plaza project, which increased the amounts payable to Sichun Xinglida Enterprise Group Limited (四川興力達集團實業有限公司) by RMB 232.36 million.

2.2 Major changes in income statement items

Items	January to September of 2008	January to September of 2007	Amount of change	Percentage of change
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Business tax and surcharges	15,652,186.56	7,072,059.70	8,580,126.86	121.32%
Impairment loss of assets	61,551.15	4,387,175.34	-4,325,624.19	-98.60%
Income from investment	22,887,914.14	40,269,015.31	-17,381,101.17	-43.16%
Non-operating income	3,590,638.00	9,930,173.31	-6,339,535.31	-63.84%

Reasons of changes:

- (1) The increase in business tax and surcharges is mainly due to the increase in revenue of other businesses which resulted in an increase in business tax, surcharges and real estate tax;
- (2) The decrease in impairment loss of assets is mainly due to the fact that a provision for impairment of inventories was made for the same period of the previous year;
- (3) The decrease in income from investment is mainly due to the fact that certain non-operating assets were disposed during the same period of the previous year;
- (4) The decrease in non-operating income is mainly due to the fact that Chuanbei Company received a financial grant of RMB 7.8 million during the same period of the previous year.

2.3 Major changes in cash flow statements items

Items	January to September of 2008	January to September of 2007	Amount of change	Percentage of change
Net cash flow from operating activities	90,770,184.05	251,935,135.43	-161,164,951.38	-63.97%
Net cash flow from financing activities	-54,006,643.68	-125,025,274.21	71,018,630.53	56.80%

Reasons of changes:

- (1) Decrease in net cash flow from operating activities is mainly due to the fact that an amount of RMB 152.3 million advanced to Chengshang from Maoye Shangsha was included in the cash flow from operating activities during the same period of the previous year. An additional entrusted loan of RMB 119.5 million borrowed from Maoye Shangsha was included in the cash flow from financing activities during the reporting period, and Chuanbei Company made an income tax payment for 2007 in the amount of RMB 21 million during the reporting period;
- (2) Increase in net cash flow from financing activities is mainly due to repayment of loans.

2.4 Progress of committed matters of Chengshang, shareholders and controlling shareholders

According to the share reform program of Chengshang, Maoye Shangsha, the controlling shareholder of Chengshang, has committed to comply with the relevant requirement of lock-up period and shareholding-reduction of 'Measures on share reform of listed companies' issued by China Securities Regulatory Commission. During the reporting period, there was no breach of relevant committed matters.

Special committed matters taken by original holders of non-tradable shares during the implementation of the share reform program and their progress

Name of shareholder	Undertakings	Progress
Shenzhen Maoye Shangsha Company Limited	<p>Following the implementation of share reform program, Maoye Shangsha will give more shares to holders of tradable shares if the operation results of Chengshang has not achieved the expected level:</p> <p>Situation I: If Chengshang does not achieve a net profit of RMB60 million for 2007, or has a qualified opinion from its auditors in its 2007 financial statement, or is unable to publish its 2007 annual report according to the statutory timeline, Maoye Shangsha will give an additional 2,554,201 shares to holders of tradable shares;</p> <p>Situation II: If Chengshang does not achieve a net profit of RMB80 million for 2008, or has a qualified opinion from its auditors in its 2008 financial statement, or is unable to publish its 2008 annual report according to the statutory timeline, Maoye Shangsha will give an additional 2,554,201 shares to holders of tradable shares.</p>	During the reporting period, no conditions of the undertakings has been triggered.

Definition

"Chengshang"	Chengshang Group Co., Ltd (成商集團股份有限公司), a subsidiary of the Company and a joint stock limited company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600828). The Company currently holds 135,643,158 shares in Chengshang through Maoye Shangsha, representing approximately 66.77% of its issued share capital
"Company"	Maoye International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange

"PRC GAAP"

The PRC Accounting Standards and its supplementary regulations

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

Chairman

31 October 2008, Hong Kong

As at the date of this announcement, the executive Directors are Mr. HUANG Mao Ru, Mr. ZOU Minggui, Mr. WANG Guisheng and Ms. WANG Fuqin. The non-executive Directors are Mr. ZHONG Pengyi and Mrs. HUANG Jingzhang. The independent non-executive Directors are Mr. PAO Ping Wing, Mr. LEUNG Hon Chuen, and Mr. CHOW Chan Lum.