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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)

ANNOUNCEMENT

HIGHLIGHTS OF FIRST 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 first quarter results for the three months ended 31 March 2009 prepared pursuant to PRC GAAP. The principal financial data and material information are set out as follows:

1. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

Currency: RMB			
	As at the end of the reporting period	As at the end of previous year	Increase/(decrease) at the end of the reporting period as compared with the end of previous year (%)
Total asset (RMB)	1,404,341,400.42	1,463,341,131.78	(4.03)
Owners' equity (or shareholders' equity) (RMB)	402,689,094.67	376,608,435.33	6.93
Net assets per share attributable to shareholders of Chengshang (RMB)	1.98	1.85	7.03
	From the beginning of the year to the end of the reporting period	Increase/(decrease) comparing with the corresponding period of previous year (%)	
Net cash flows from operating activities (RMB)	15,114,788.15	12.34	
Net cash flows from operating activities per share (RMB)	0.07	12.34	

	Reporting period	From the beginning of the year to the end of the reporting period	Increase/(decrease) of the reporting period comparing with the corresponding period of previous year (%)
Net profit attributable to shareholders of Chengshang (RMB)	26,080,659.34	26,080,659.34	(18.72)
Basic earnings per share (RMB)	0.1284	0.1284	(18.73)
Basic earnings per share after extraordinary items (RMB)	0.1230	0.1230	(19.97)
Diluted earnings per share (RMB)	0.1284	0.1284	(18.73)
Fully diluted return on net assets (%)	6.48	6.48	decreased by 4.03 percentage
Fully diluted return on net assets after extraordinary items (%)	6.21	6.21	decreased by 4.01 percentage

	From the beginning of the year to the end of the reporting period (RMB)
Extraordinary items	
Profit/loss on disposal of non-current assets	998,766.41
Government grants (except for the grants which are closely related to the Company's business, in compliance with the state policies, and of an amount and quantity specified by certain standard) credited to profit and loss account for the period	400,000.00
Other non-operating income and expenses other than the above items	44,227.70
Minority interests	2,819.41
Income tax	(360,748.53)
Total	<u><u>1,085,064.99</u></u>

2. SIGNIFICANT MATTERS

2.1 Major changes in balance sheet items and reasons of changes

Items	As at 31 March 2009	As at 31 December 2008	Amount of change	Percentage of change
Trade receivables	1,796,866.84	5,804,502.59	(4,007,635.75)	(69.04%)
Prepayments	34,867,762.88	50,019,295.36	(15,151,532.48)	(30.29%)
Construction-in-progress	23,680,696.62	13,139,102.97	10,594,593.65	80.23%
Deferred income tax assets	12,108,335.36	19,635,449.72	(7,527,114.36)	(38.33%)
Short term borrowings	81,300,000.00	141,000,000.00	(59,700,000.00)	(42.34%)
Bills payable	29,377,100.00	43,520,000.00	(14,142,900.00)	(32.50%)
Taxes payable	15,914,684.67	27,861,805.95	(11,947,121.28)	(42.88%)

Reasons of changes:

- (1) Decrease in trade payables was mainly due to the collection of previous sales proceeds during the current period.
- (2) The decrease in prepayments was mainly because during the period, Chengdu Chengshang United Motor Vehicle Co., Ltd., one of the subsidiaries, offset the prepayments by employing the invoice it received for the purchase of motor vehicles in previous periods.
- (3) Construction-in-progress increased mainly due to the improvement and revamping of Mianyang Xingda Store during the period.
- (4) Decrease in deferred income tax assets was mainly because the loss incurred in previous year was made up for by the profit for the current period.
- (5) Decrease in short term borrowings was mainly due to the repayment of part of the bank borrowings.
- (6) Decrease in bills payable was mainly due to the settlement of acceptance notes which were mature during the period.
- (7) The decrease in taxes payable was mainly because the payment of previous taxes during the current period.

2.2 Major changes in income statement items and reasons of changes

Items	January to March, 2009	January to March, 2008	Amount of change	Percentage of change
Business tax and surcharges	6,454,540.51	4,435,973.56	2,018,566.95	45.50%
Costs of sales	38,347,315.09	30,085,434.71	8,261,880.38	27.46%

Reasons of changes:

Increases in business tax and surcharges and costs of sales were mainly due to two more stores were opened during the period comparing with the corresponding period of previous year.

2.3 Major changes in cash flow statements items and reasons of changes

Items	January to March, 2009	January to March, 2008	Amount of change	Percentage of change
Net cash flow from operating activities	15,114,788.15	13,454,828.97	1,659,959.17	12.34%
Net cash flow from investing activities	(4,657,010.64)	2,111,131.58	(6,768,142.22)	(320.59%)
Net cash flow from financing activities	(7,287,192.55)	(52,133,123.23)	44,845,930.68	(86.02%)
Cash and cash equivalents at the end of the period	69,041,023.61	33,917,588.91	35,123,434.69	103.56%

Reasons of changes:

- (1) Increase in net cash flow from operating activities was mainly due to the increase in operating income comparing with the corresponding period of previous year.
- (2) Decrease in net cash flow from investing activities was mainly due to the improvement and revamping of Mianyang Xingda Store in the period.
- (3) Increase in net cash flow from financing activities was mainly due to the additional borrowings obtained by the Chengshang from Maoye Shangsha in the period.

2.4 Major changes in principal financial indicators and reasons of changes

Indicators	Reporting period	Increase/ (decrease) of the reporting period comparing with the corresponding period in previous year (%)
Net profit (RMB)	26,080,659.34	(18.72%)
Basic earnings per share (RMB)	0.1284	(18.73%)
Diluted earnings per share (RMB)	0.1284	(18.73%)
Fully diluted return on net assets (%)	6.48%	A decrease of 4.03 percentage points
Fully diluted return on net assets after extraordinary items (%)	6.21%	A decrease of 4.01 percentage points

Reasons of changes:

The decline in the above indicators was mainly because no sales was conducted by Mianyan Xingda Store in February and March since it was closed down for revamping from February 2009. However, there were still expenses for depreciation and labour costs. Secondly, in order to be in line with the Chengshang's operating and developing strategies, alliance brand store of Chengdu Chengshang Alliance Auto Co., Ltd was scheduled to be discontinued and was under stock-taking during the period and no longer carried out any new business.

2.5 Progress of significant matters, their effects and analysis on relevant solutions

During the reporting period, Sichuan Zhuxing Demolition Service Company (四川省住信房屋拆遷服務有限公司) has lodged a counter claim against Chengshang in respect of the case involving a entrusted demolition and relocation contract, details of which was published on Shanghai Securities News and Securities Daily dated 25 February 2009.

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

Commitment of share reform and their progress:

Shenzhen Maoye Shangsha Company Limited, the controlling shareholder, has committed to comply with the relevant requirements 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. In addition, Shenzhen Maoye Shangsha Company Limited undertook that, following the implementation of share reform program of Chengshang, Maoye Shangsha will give more shares to holders of tradable shares if the operation results of Chengshang has not achieved the expected level: Situation I: If Chengshang Group 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;

Situation II: If Chengshang Group 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. During the reporting period, the precedent conditions for the relevant committed matters have not 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
“Reporting Period”	1 January 2009 to 31 March 2009

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

21 April 2009, 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. CHOW Chan Lum, Mr. PAO Ping Wing, and Mr. LEUNG Hon Chuen.