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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

**CHENGSHANG: HIGHLIGHTS OF THIRD QUARTER RESULTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

This is an announcement made pursuant to the Inside Information provisions under part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Listing Rules.

The Board of Directors (“the **Board**”) of Maoye International Holdings Limited (“the **Company**”) is pleased to announce that Chengshang, a subsidiary of the Company, has published its unaudited third quarter results for the nine months ended 30 September 2015 (the “**Reporting Period**”) prepared pursuant to PRC GAAP.

The key financial data and material information are set out as follows:

1 KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

	As at 30 September 2015	As at 31 December 2014	Increase/decrease as at 30 September 2015 compared with 31 December 2014 (%)
Total assets (RMB)	2,305,198,385.21	2,309,509,894.68	-0.19
Equity attributable to shareholders of Chengshang (RMB)	1,302,200,095.53	1,249,770,474.14	4.20
	For the nine months ended 30 September 2015 (January to September 2015)	Corresponding period of previous year (January to September 2014)	Increase/decrease as compared with the corresponding period of previous year (January to September 2014) (%)
Net cash flows from operating activities (RMB)	4,182,547.79	50,149,862.76	-91.66
	For the nine months ended 30 September 2015 (January to September 2015)	Corresponding period of previous year (January to September 2014)	Increase/decrease as compared with the corresponding period of previous year (January to September 2014) (%)
Total operating revenue (RMB)	1,415,470,329.50	1,561,736,394.69	-9.37
Net profit attributable to Chengshang's shareholders (RMB)	78,572,670.94	176,534,746.12	-55.49

	For the nine months ended 30 September 2015 (January to September 2015)	Corresponding period of previous year (January to September 2014)	Increase/decrease as compared with the corresponding period of previous year (January to September 2014) (%)
Net profit attributable to Chengshang's shareholders after extraordinary items (RMB)	75,479,579.63	99,797,392.82	-24.37
Weighted average return on net assets (%)	6.19	15.19	Decreased by 9.01 percentage points
Basic earnings per share (RMB/share)	0.1377	0.3095	-55.51
Diluted earnings per share (RMB/share)	0.1377	0.3095	-55.51

Deducting extraordinary item and amount:

Items	Nine months ended		Remark
	30 September 2015		
	RMB		
Gain (loss) on disposal of non-current assets	1,402,728.79	mainly include gain on disposal of property of Sanqiao Commercial Plaza (三橋商業廣場)	
Government subsidies credited to profit and loss for the current period (other than government subsidies closely related to the Company's business and granted in standard fixed amount or fixed continuous amount according to national policy standard)	2,239,900.00	Government project grants, etc.	
Other non-operating income and expenses other than the above items	517,588.46		
Income tax effect	-1,066,766.76		
Effect on minority interests (after tax)	-359.18		
Total	3,093,091.31		

2. Description and reasons for substantial changes in financial statements items

Unit & currency: RMB

Items	As at 30 September 2015	As at 31 December 2014	Amount of change	Percentage of change (%)
			—	
Cash and bank balance	10,680,919.62	90,309,670.27	79,628,750.65	-88.17%
Prepayments	19,763,154.75	12,020,710.72	7,742,444.03	64.41%
Dividend receivable	65,751.00	—	65,751.00	—
Other current assets	9,720,033.34	5,440,386.66	4,279,646.68	78.66%
Short-term borrowings	248,000,000.00	170,000,000.00	78,000,000.00	45.88%
Staff remuneration payable	9,890,145.34	14,226,427.04	-4,336,281.70	-30.48%
Tax payable	8,054,039.33	46,398,564.16	-38,344,524.83	-82.64%
Other comprehensive income	2,671,557.02	292,623.72	2,378,933.30	812.97%

Unit & currency: RMB

Items	January to September 2015	January to September 2014	Percentage change	Amount of change (%)
Investment Income	8,338,060.94	117,665,225.71	-109,327,164.77	-92.91%
Non-operating Income	4,416,618.71	1,065,168.75	3,351,449.96	314.64%
Non-operating Expense	256,401.46	10,456,839.91	-10,200,438.45	-97.55%
Income tax	25,865,067.90	51,874,748.33	-26,009,680.43	-50.14%
Net cash flows from operating activities	4,182,547.79	50,149,862.76	-45,967,314.97	-91.66%
Net cash flows from investment activities	-78,515,590.86	35,707,214.03	-114,222,804.89	-319.89%
Net cash flows from financing activities	-5,295,707.58	-95,620,162.82	90,324,455.24	-94.46%

Reasons for changes:

1. The decrease in cash and bank balance was mainly due to the goods payments and the project investments of the Company during the Reporting Period.
2. The increase in prepayments was mainly due to the increase in prepayments for construction work of the Company during the Reporting Period.
3. The increase in dividend receivable was mainly due to the declared but unpaid cash dividend on the available-for-sale financial assets of the Company during the Reporting Period.
4. The increase in other current assets was mainly due to the increase in the Company's prepaid input tax during the Reporting Period.
5. The increase in the short-term borrowings was mainly attributable to new loans of the Company during the Reporting Period.
6. The decrease in staff remuneration payable was mainly because of the grant of performance-linked wages at year end by the Company during the Reporting Period.
7. The decrease in tax payable was mainly due to the payment of certain taxes in the accounts to the State Administration of Taxation (國家稅務總局) and Local Taxation Bureau (地方稅務局) during the Reporting Period.
8. The increase in other comprehensive income was mainly because that the accounting method changed from historical cost to measurement at fair value plus other comprehensive incomes as a result of the listing of shares of Shenyin Wanguo (now known as Shenwan Hongyuan).
9. The decrease in investment income was mainly because that the Company received investment income from the disposal of Chengshang Group Nanchong Commercial Co. Ltd., a subsidiary of Chengshang, during the same period of last year.
10. The increase in non-operating income was mainly due to the income derived from disposal of Sanqiao Commercial Plaza (三橋商業廣場) and income in the government grant of the Company during the Reporting Period.
11. The decrease in non-operating expense was mainly due to the net loss of RMB8,450,000 as a result of demolishing buildings of Jiuyanqiao project by the Company during same period of last year.

12. The decrease in income tax was mainly because that the Company made provision on income tax in respect of gains from the disposal of Chengshang Group Nanchong Commercial Co. Ltd., a subsidiary of Chengshang, during the same period of last year.
13. The decrease in net cash flows from operating activities was mainly because of the sales decrease and the payment of certain taxes in the accounts to the State Administration of Taxation (國家稅務總局) and Local Taxation Bureau (地方稅務局) during the Reporting Period.
14. The decrease in net cash flows from investment activities was mainly due to the increase in investment during the Reporting Period compared to the same period of last year and the cash income from the disposal of Chengshang Group Nanchong Commercial Co. Ltd. , a subsidiary of Chengshang, during the same period of last year.
15. The increase in net cash flows from financing activities was mainly due to the increase in borrowings of the Company during the Reporting Period.

3 APPENDIX

The consolidated balance sheet, consolidated income statement and consolidated cash flow statement below are prepared by Chengshang, which have not been reviewed or audited by the auditors of Chengshang or the Company.

3.1 Consolidated Balance Sheet

Items	As at 30 September 2015 RMB	As at 1 January 2015 RMB
Current assets:		
Cash and bank balance	10,680,919.62	90,309,670.27
Accounts receivable	8,794,588.08	12,168,130.89
Prepayments	19,763,154.75	12,020,710.72
Dividend receivable	65,751.00	
Other receivables	89,277,147.19	84,367,567.94
Inventories	172,981,638.27	173,760,013.84
Other current assets	9,720,033.34	5,440,386.66
Total current assets	311,283,232.25	378,066,480.32
Non-current assets:		
Available-for-sale financial assets	139,272,929.67	136,893,996.37
Investment properties	170,069,805.24	180,614,500.48
Fixed assets	845,140,480.47	802,690,757.64
Construction in progress	400,725,318.96	356,208,050.38
Intangible assets	378,735,378.34	388,749,383.11
Goodwill	26,740,083.09	26,740,083.09
Long-term deferred expenditures	13,926,996.28	19,512,793.51
Deferred tax asset	19,304,160.91	20,033,849.78
Total non-current assets	1,993,915,152.96	1,931,443,414.36
Total assets	2,305,198,385.21	2,309,509,894.68

3.1 Consolidated Balance Sheet (continued)

Items	As at 30 September 2015 RMB	As at 1 January 2015 RMB
Current liabilities:	248,000,000.00	170,000,000.00
Short-term borrowings		
Notes payable	500,000.00	500,000.00
Accounts payable	292,950,824.72	360,951,663.67
Advances	61,555,421.15	52,667,725.17
Staff remuneration payable	9,890,145.34	14,226,427.04
Tax payable	8,054,039.33	46,398,564.16
Interest payable	758,048.45	864,102.98
Dividend payable	433,342.30	433,342.30
Other payables	102,442,588.57	100,038,250.56
Non-current liabilities due within one year	52,203,596.97	52,547,129.00
Other current liabilities	—	—
Total current liabilities	776,788,006.83	798,627,204.88
Non-current liabilities:		
Long-term borrowings	193,073,600.00	227,415,800.00
Long-term staff remuneration payable	9,134,649.61	9,134,649.61
Deferred tax liabilities	8,174,537.98	8,332,063.29
Total non-current liabilities	210,382,787.59	244,882,512.90
Total liabilities	987,170,794.42	1,043,509,717.78
Owner's equity (or shareholders' equity):		
Paid-up capital (or share capital)	570,439,657.00	570,439,657.00
Capital reserve	29,980,749.87	29,980,749.87
Other comprehensive income	2,671,557.02	292,623.72
Surplus reserve	151,799,424.30	150,731,199.84
Undistributed profit	547,308,707.34	498,326,243.71
Total owners' equity attributable to the	1,302,200,095.53	1,249,770,474.14
Minority interests	15,827,495.26	16,229,702.76
Total owners' equity	1,318,027,590.79	1,266,000,176.90
Total liabilities and owners' equity	2,305,198,385.21	2,309,509,894.68

3.2 Consolidated Income Statement

Items	For the nine months ended 30 September 2014 (January to September 2014)	For the nine months ended 30 September 2013 (January to September 2013)
	RMB	RMB
1. Total operating revenue	1,415,470,329.50	1,561,736,394.69
Including: Operating revenue	1,415,470,329.50	1,561,736,394.69
2. Total cost of operations	1,323,933,076.35	1,441,998,032.29
Including: Operating cost	1,089,245,982.55	1,209,041,689.52
Business tax and surcharges	22,675,795.73	23,136,341.03
Sales expenses	158,507,837.18	146,797,544.21
Administrative expenses	36,315,144.07	40,792,801.35
Finance costs	17,188,316.82	22,229,656.18
Impairment loss of assets	—	—
Investment income (loss stated with “-”)	8,338,060.94	117,665,225.71
Including: Investment income from associates	—	—
3. Operating profit (loss stated with “-”)	99,875,314.09	237,403,588.11
Add: Non-operating income	4,416,618.71	1,065,168.75
Including: Gain from disposal of non-current assets	1,534,273.650	8,948.35
Less: Non-operating expenses	256,401.46	10,456,839.9
Including: Loss from disposal of non-current assets	10,315,479.7	131,544.86
4. Total profit (loss stated with “-”)	104,035,531.34	228,011,916.95
Less: Income tax	25,865,067.90	51,874,748.33
5. Net profit (loss stated with “-”)	78,170,463.44	176,137,168.62
Net profit attributable to owners of the parent	78,572,670.94	176,534,746.12
Profit (loss) of minority interests	-402,207.50	-397,577.50
6. Other comprehensive net income after tax	2,378,933.30	—
Other comprehensive net income after tax attributable to owners of the parent	2,378,933.30	—

Items	For the nine months ended 30 September 2014 (January to September 2014)	For the nine months ended 30 September 2013 (January to September 2013)
	<i>RMB</i>	<i>RMB</i>
7. Total comprehensive income	80,549,396.74	176,137,168.62
Total comprehensive income attributable to owners of the parent	80,951,604.24	176,534,746.12
Total comprehensive income attributable to minority	-402,207.50	-397,577.50
8. Earnings per share:		
(1) Basic earnings per share	0.1377	0.3095
(2) Diluted earnings per share	0.1377	0.3095

3.3 Consolidated Cash Flow Statement

Items	For the nine months ended 30 September 2015 (January to September 2015) RMB	For the months ended 30 September 2014 RMB
1. Cash flows from operating activities		
Cash received from product sales and rendering of services	1,578,897,359.03	1,703,667,016.50
Other cash received relating to operating activities	20,418,406.57	13,048,226.83
Sub-total of cash inflows from operating activities	1,599,315,765.60	1,716,715,243.33
Cash paid for purchase of goods and receipt of services	1,317,101,151.04	1,403,727,550.92
Cash paid to and on behalf of employees	69,049,693.28	61,628,868.35
Taxes and levies paid	125,415,184.72	86,282,807.79
Other cash paid relating to operating activities	83,567,188.77	114,926,153.51
Sub-total of cash outflows from operating activities	1,595,133,217.81	1,666,565,380.57
Net cash flow from operating activities	4,182,547.79	50,149,862.76
2. Cash flows from investment activities:		
Cash received from disposal of investments	50,000,000.00	—
Cash received from returns on investments	8,319,892.27	13,650,981.71
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	18,026,472.21	388,000.00
Net cash received from disposal of subsidiaries and other operated entities	994,550.00	94,023,829.06
Sub-total of cash inflows from investment activities	77,340,914.48	108,062,810.77
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	105,856,505.34	72,355,596.74
Cash paid for investments	50,000,000.00	—
Sub-total of cash outflows from investment activities	155,856,505.34	72,355,596.74
Net cash flow from investment activities	-78,515,590.86	35,707,214.03

Items	For the nine months ended 30 September 2015 (January to September 2015) RMB	For the months ended 30 September 2014 RMB
3. Cash flows from financing activities:		
Cash received from borrowings	288,000,000.00	260,000,000.00
Cash received from notes issuance	—	—
Sub-total of cash inflows from financing activities	288,000,000.00	260,000,000.00
Cash repayments of debts	244,342,200.00	273,855,500.00
Cash payment for interest expenses and distribution of dividend or profit	48,953,507.58	81,764,662.82
Sub-total of cash outflows from financing activities	293,295,707.58	355,620,162.82
Net cash flow from financing activities	-5,295,707.58	-95,620,162.82
4. Effect of foreign exchange rate change on cash and cash equivalents	—	—
5. Net increase in cash and cash equivalents	-79,628,750.65	-9,763,086.03
Add: Cash and cash equivalents at the beginning of year	90,159,670.27	77,123,465.08
6. Cash and cash equivalents at the end of the period	10,530,919.62	67,360,379.05

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). At the date of this announcement, the Company holds 388,226,763 shares in Chengshang through Maoye Shangsha, representing approximately 68.06% 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 “Maoye Shangsha” Shenzhen Maoye Shangsha Company Limited (深茂業商廈有限公司), a wholly owned subsidiary of the Company incorporated in the PRC
“PRC GAAP”	The PRC Accounting Standards and its supplementary regulations
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

29 October 2015, Hong Kong

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Huang Mao Ru, Mr. Zhong Pengyi, Ms. Wang Fuqin and Mr. Wang Bin; and three independent non-executive directors, namely, Mr. Chow Chan Lum, Mr. Pao Ping Wing and Mr. Leung Hon Chuen.