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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 BOHAI LOGISTICS FOR THE THREE MONTHS ENDED 31 MARCH 2011**

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

The Board of Directors (“the **Board**”) of Maoye International Holdings Limited (“the **Company**”) is pleased to announce that Bohai Logistics, a subsidiary of the Company, has published its unaudited first quarter results for the three months ended 31 March 2011 (“the **Reporting Period**”) prepared pursuant to PRC GAAP.

#### **Highlights**

Total operating revenue increased by 21.2% to RMB 458,905,476 as compared with corresponding period of previous year;

Operating profit increased by 313.3% to RMB 31,946,774 as compared with corresponding period of previous year;

Net profit attributable to owners of parent company of Bohai Logistics increased by 228.8% to RMB 23,419,196 as compared with corresponding period of previous year.

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

# 1. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

*Currency: RMB*

	As at the end of the Reporting Period	As at the end of previous year (as at 31 December 2010)	Increase/(decrease) at the end of the Reporting Period as compared with the end of previous year (%)
Total assets	1,519,488,992.06	1,520,404,134.19	-0.06
Equity attributable to shareholders of Bohai Logistics	683,438,588.64	660,171,617.67	3.52
Share capital (Number of share)	338,707,568	338,707,568	0.00
Net assets per share attributable to shareholders of Bohai Logistics (RMB/share)	2.018	1.949	3.54

	<b>The Reporting Period</b>	<b>Corresponding period of previous year (January to March 2010)</b>	<b>Increase/(decrease) at the end of the Reporting Period as compared with the end of previous year (%)</b>
Total operating revenue	458,905,475.54	378,609,592.88	21.21
Net profit attributable to shareholders of Bohai Logistics	23,419,195.73	7,123,190.64	228.77
Net cash flows from operating activities	-5,671,836.43	39,480,637.35	-114.37
Net cash flows from operating activities per share (RMB/share)	-0.02	0.12	-116.67
Basic earnings per share (RMB/Share)	0.0691	0.0210	229.05
Diluted earnings per share (RMB/Share)	0.0691	0.0210	229.05
Weighted average return on net assets (%)	3.43	1.08	An increase of 2.35 percentage points
Weighted average return on net assets after extraordinary items (%)	3.44	1.11	An increase of 2.33 percentage points

	<b>Amount from the beginning of the year (1 January 2011) to the end of the Reporting Period (RMB)</b>
<b>Items of non-current gains and losses</b>	

Gain/loss on disposal of non-current assets	-100,847.79
Government grants	50,000.00
Gain/(Loss) on changes in fair value arising from trading financial assets held	54,677.74
Other non-operating net income and expenses	-102,133.90
Income tax effect	0.00
Effect on gain (loss) of minority interests	280.75
Total	-98,023.20

## 2 SIGNIFICANT EVENTS

### 2.1 Details of and reasons for material changes in the major financial statement items and financial indicators of Bohai Logistics

Statement items or financial indicators	Increase/(decrease) at the end of the Reporting Period as compared with the end of previous year (as at 31 March 2011) (%)	Details of and main reasons for changes
Bills receivable	-46.75	Bills receivable decreased by RMB3.6 million due to the expiry of acceptance of bank acceptance bills.
Prepayments	80.35	Prepayment increased by RMB 27,310,800 due to the prepayment for coal from Coal Distributor Company (煤炭經銷公司) (wholly owned subsidiary of Bohai Logistics) increased by RMB 17,219,900 while prepayment for construction from Anhui Guorun Investment Development Co., Ltd. (安徽國潤投資發展有限公司) (collectively Anhui Guorun), a subsidiary of Bohai Logistics, increased by RMB 11,199,400.
Notes payable	125.00	Notes payable increased by RMB5 million due to the settlement of sales proceeds with bank acceptance bills by Anhui Guorun
Taxes payable	-50.59	Taxes payable decreased by RMB16,219,400 due to the prepayment of VAT by Bohai Logistics as required.
Other current liabilities	-68.15	Other current liabilities decreased by RMB 56,600 due to the payment of other current liabilities by Anhui Guorun.
Undistributed profit	98.81	Undistributed profit increased by 23,265,600 due to the increase of the profit from January to March 2011 of Bohai Logistics

Statement items or financial indicators	Increase/(decrease) during the Reporting Period (January to March 2011) as compared with the corresponding period of previous year (January to March 2010) (%)	Details of and main reasons for changes
Business tax and surcharges	81.52	Business tax and surcharges increased by RMB 5,546,400 due to the prepayment of tax by Bohai Logistics as required while urban construction tax and education supplementary tax were correspondingly increased.
Impairment loss of assets	98.35	Impairment loss of assets was -RMB 10,700, while the bad debt provision written down for receipt of proceeds from Jinyuan Hotel (金原大酒店) to Bohai Logistics for the transfer of equity at the same period of previous year, was RMB647,500, resulting an increase of RMB 36,800.
Gain on fair value changes	187.30	Gain on fair value changes increased by RMB117,300 due to the increase of net value of open-end funds held by Anhui Guorun during the Reporting Period.
Investment income	-100.00	Investment income decreased by RMB 648,000 since no gain has been incurred on the disposal of An Hui Province Wuhu Rice Market Development Ltd. (安徽省蕪湖米市發展有限公司) in the current Reporting Period of Anhui Guorun.
Operating Profit	313.25	Operating profit increased by RMB 24,216,200 due to business income increase, gross profit margin increase and loss from property business decreased.
Total profit	322.51	Total profit increased by RMB 24,268,800 due to operating profit increase.

Statement items or financial indicators	Increase/(decrease) during the Reporting Period (January to March 2011) as compared with the corresponding period of previous year (January to March 2010) (%)	Details of and main reasons for changes
Income tax	3,064.37	Income tax increased by RMB 8,118,600 due to accrued enterprise income of Bohai Logistics from profit in current reporting period.
Net profit	228.77	Net profit increased by RMB 16,296,000 due to increase of total profit and income tax of Bohai Logistics.
Profit (loss) of minority interests	-106.55	Profit (loss) of minority interests decreased by RMB145,800 due to the loss incurred by Anhui Xinchangjiang Commodity Trading Company (安徽新長江商品交易公司), an indirect controlled company of Bohai Logistics.
Basic earnings per share	229.05	Basic earnings per share increased by RMB0.0481 due to the increase in profits of Bohai Logistics.
Net cash flow from operating activities	-114.37	Net cash flow from operating activities decreased by RMB 45,152,500 due to prepayment for coal by Coal Distributors Company increased and construction fee prepayment from Anhui Guorun increase, as well as increased in various tax paid.
Net cash flow from investment activities	-104.01	Net cash flow from investment activities decreased by RMB11,580,600 due to the no proceeds received from Jinyuan Hotel (金原大酒店) by Bohai Logistics during the Reporting Period for the transfer of equity at the same period of previous year which amounted to RMB13 million.

	Increase/(decrease) during the Reporting Period (January to March 2011) as compared with the corresponding period of previous year (January to March 2010)	Details of and main reasons for changes
Statement items or financial indicators	(%)	
Net increase in cash and cash equivalents	-140.81	Net increase in cash and cash equivalents decreased by RMB53.2406 million due to the decrease in net cash flow from operating activities and net cash flow from investing activities of Bohai Logistics as compared with the last period.
Cash and cash equivalents at the beginning of the period	78.39	Cash and cash equivalents at the beginning of the period increased by RMB109.1542 million due to the increase in cash inflow of Bohai Logistics in 2010 as compared with 2009.
Cash and cash equivalents at the end of the period	31.58	Cash and cash equivalents at the end of the period increased by RMB55.9136 million due to the decrease in net increase in cash and cash equivalents and the increase in cash and cash equivalents at the beginning of the period of Bohai Logistics.

## 2.2 Other significant events

### 2.2.1 Investment in securities

Currency: RMB

Name of the fund	Code	No. of securities held	Initial investment	Market value at the end of Reporting Period	Percentage of total investment	Gain/Profit
JYZL Fund (交銀治理)	519686	994,100	1,000,100	892,700	100%	54,700

### 3 APPENDIX

#### 3.1 Consolidated Balance Sheet (As at 31 March 2011)

Prepared by: Qinhuangdao Bohai Logistics Holding Corporation Ltd.

Currency: RMB

Type of Audit: Unaudited

Item	Balance as at the end of the Reporting Period	Balance as at the beginning of the year (1 January 2011)
<b>Current assets:</b>		
Cash and bank balance	232,974,581.10	248,405,628.93
Trading financial assets	892,738.43	838,060.69
Bills receivable	4,100,000.00	7,700,000.00
Accounts receivable	6,514,475.34	6,389,544.38
Prepayments	61,299,379.93	33,988,581.00
Other receivables	6,507,106.62	5,848,982.26
Inventories	643,214,075.81	643,714,626.30
Total current assets	955,502,357.23	946,885,423.56
<b>Non-current assets:</b>		
Long-term equity investments	5,000,000.00	5,000,000.00
Investment properties	240,269,347.68	242,601,629.94
Fixed assets	229,517,387.67	233,684,017.02
Intangible assets	75,153,337.69	77,801,860.87
Long-term deferred expenditures	4,176,374.39	4,561,015.40
Deferred tax assets	8,859,045.13	8,859,045.13
Other non-current assets	1,011,142.27	1,011,142.27
Total non-current assets	563,986,634.83	573,518,710.63
Total assets	1,519,488,992.06	1,520,404,134.19

**3.1 Consolidated Balance Sheet (continued)**  
**(As at 31 March 2011)**

Prepared by: Qinhuangdao Bohai Logistics Holding Corporation Ltd.

<b>Item</b>	<b>Balance as at the end of the Reporting Period</b>	<b>Balance as at the beginning of the year (1 January 2011)</b>
<b>Current liabilities:</b>		
Short-term borrowings	149,000,000.00	134,000,000.00
Notes payable	9,000,000.00	4,000,000.00
Accounts payable	184,919,753.66	228,013,709.77
Advances from customers	347,627,163.40	315,174,849.41
Staff remuneration payable	10,474,438.97	10,775,530.19
Taxes payable	-48,281,654.98	-32,062,276.24
Interest payable	31,417.50	31,417.50
Dividend payable	874,026.67	874,026.67
Other payables	34,394,172.71	31,348,823.62
Other current liabilities	26,446.75	83,046.75
Total current liabilities	688,065,764.68	692,239,127.67
<b>Non-current liabilities:</b>		
Long-term borrowings	140,000,000.00	160,000,000.00
Expected liabilities	551,478.67	551,478.67
Other non-current liabilities	2,561,231.58	2,561,020.84
Total non-current liabilities	143,112,710.25	163,112,499.51
Total liabilities	831,178,474.93	855,351,627.18
<b>Owner's equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	338,707,568.00	338,707,568.00
Capital reserve	288,293,825.28	288,293,825.28
Surplus reserve	9,626,688.93	9,625,333.70
Undistributed profit	46,810,506.43	23,544,890.69
Total owners' equity attributable to parent company of Bohai Logistics	683,438,588.64	660,171,617.67
Minority interests	4,871,928.49	4,880,889.34
Total owners' equity	688,310,517.13	665,052,507.01
Total liabilities and owners' equity	1,519,488,992.06	1,520,404,134.19

### 3.2 Consolidated Income Statement for the Reporting Period (January to March 2011)

Prepared by: Qinhuangdao Bohai Logistics Holding Corporation Ltd.

Currency: RMB  
Type of Audit: Unaudited

Item	Amount during the Reporting Period January to March 2011	Amount during the previous period January to March 2010
1. Total operating revenue	458,905,475.54	378,609,592.88
Including: Operating revenue	458,905,475.54	378,609,592.88
2. Total cost of operations	427,013,378.92	371,464,410.61
Including: Operating cost	365,491,500.37	318,555,710.49
Business tax and surcharges	12,349,822.81	6,803,449.06
Selling expenses	28,517,225.44	27,411,278.47
Administrative expenses	14,697,266.69	13,288,513.99
Finance costs	5,968,263.61	6,052,958.60
Impairment loss of assets	-10,700.00	-647,500.00
Add: Gain on changes in fair value:		
(loss stated with “-”)	54,677.74	-62,630.87
Investment income (loss stated with “-”)	—	647,973.19
3. Operating profit (loss stated with “-”)	31,946,774.36	7,730,524.59
Add: Non-operating income	72,606.74	28,882.29
Less: Non-operating expenses	225,588.43	234,424.00
Including: Loss from disposal of non-current asset	100,847.79	—
4. Total profit (loss stated with “-”)	31,793,792.67	7,524,982.88
Less: Income tax	8,383,557.79	264,936.11
5. Net profit (loss stated with “-”)	23,410,234.88	7,260,046.77
Net profit attributable to owners of parent company of Bohai Logistics	23,419,195.73	7,123,190.64
Profit (loss) of minority interests	-8,960.85	136,856.13
6. Earnings per share:		
(1) Basic earnings per share	0.0691	0.021
(2) Diluted earnings per share	0.0691	0.021
7. Other comprehensive income	—	—
8. Total comprehensive income	23,410,234.88	7,260,046.77
Total comprehensive income attributable to owners of parent company of Bohai Logistics	23,419,195.73	7,123,190.64
Total comprehensive income attributable to minority shareholders of Bohai Logistics	-8,960.85	136,856.13

### 3.3 Consolidated Cash Flow Statement (January to March 2011)

Prepared by: Qinhuangdao Bohai Logistics Holding Corporation Ltd.

Currency: RMB

Type of Audit: Unaudited

Item	Amount during the Reporting Period January to March 2011	Amount during the previous period January to March 2010
<b>1. Cash flows from operating activities</b>		
Cash received from product sales and rendering of services	520,074,302.06	466,433,251.06
Other cash received relating to operating activities	8,462,984.55	2,609,753.12
Sub-total of cash inflows from operating activities	528,537,286.61	469,043,004.18
Cash paid for purchase of goods and receipt of services	457,251,137.61	353,567,832.34
Cash paid to and on behalf of employees	19,794,104.31	11,312,065.80
Taxes and levies paid	44,084,073.07	29,451,545.34
Other cash paid relating to operating activities	13,079,808.05	35,230,923.35
Sub-total of cash outflows from operating activities	534,209,123.04	429,562,366.83
Net cash flow from operating activities	-5,671,836.43	39,480,637.35
<b>2. Cash flows from investment activities:</b>		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	13,000,000.00
Sub-total of cash inflows from investment activities	—	13,000,000.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	446,229.52	1,865,603.64
Sub-total of cash outflows from investment activities	446,229.52	1,865,603.64
Net cash flow from investment activities	-446,229.52	11,134,396.36

### 3.3 Consolidated Cash Flow Statement (January to March 2011) (continued)

Prepared by: Qinhuangdao Bohai Logistics Holding Corporation Ltd.

Item	Amount during the Reporting Period January to March 2011	Amount during the previous period January to March 2010
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	59,000,000.00	104,000,000.00
Sub-total of cash inflows from financing activities	59,000,000.00	104,000,000.00
Cash repayments of debts	64,000,000.00	111,600,000.00
Cash payment for interest expenses and distribution of dividend or profit	4,312,981.88	5,205,528.33
Sub-total of cash outflows from financing activities	68,312,981.88	116,805,528.33
Net cash flow from financing activities	-9,312,981.88	-12,805,528.33
<b>4. Effect of foreign exchange rate change on cash and cash equivalents</b>	—	—
<b>5. Net increase in cash and cash equivalents</b>	-15,431,047.83	37,809,505.38
Add: Cash and cash equivalents at the beginning of the Reporting Period	248,405,628.93	139,251,462.59
<b>6. Cash and cash equivalents at the end of the Reporting Period</b>	232,974,581.10	177,060,967.97

## DEFINITION

“Bohai Logistics”	Qinhuangdao Bohai Logistics Holding Corporation Ltd., a subsidiary of the Company and a joint stock limited company established in the PRC and listed on the Shenzhen Stock Exchange (stock code: 000889). As at the date of this announcement, the Company holds 101,260,836 shares in Bohai Logistics through Zhongzhao Investment, representing approximately 29.90% 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
“Zhongzhao Investment”	Zhongzhao Investment Management Co., Ltd. (中兆投資管理有限公司), a wholly-owned subsidiary of the Company incorporated in the PRC

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

26 April 2011, 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.*