

For Immediate Release



Maoye International Announces 2010 Annual Results

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Total sales proceeds surged 49.7% to RMB 7,266.7 million

Financial Highlights

For the year ended 31 December	2010 RMB Mil	2009 RMB Mil (Restated)	Change %
Total sales proceeds	7,266.7	4,854.7	+49.7
Total operating revenue	2,748.4	1,832.1	+50.0
Operating profit	917.4	702.7	+30.6
Operating profit (Excluding non-operating gains and losses and share option expenses)	925.9	659.8	+40.3
Profit attributable to equity holders	576.6	470.1	+22.7
Profit attributable to equity holders (Excluding non-operating gains and losses and share option expenses)	585.1	427.2	+37.0
Earnings per share (RMB cents)	11.2	9.1	+22.7
Dividend per share (HK cents)			
- Interim	1.8	1.6	+12.5
- Final	--	1.5	N/A

(1 March 2011 – Hong Kong) – Maoye International Holdings Limited (“Maoye” or the “Group”, HKSE stock code: 848), a leading department store chain China, today announces its annual results for the year 2010.

For the year ended 31 December 2010, the Group’s total sales proceeds increased by 49.7% to RMB 7,266.7 million as compared to the corresponding period last year. Same-store sales growth derived from the concessionaire counters for the year increased steadily and reached 21.5%. Profit attributable to equity holders of the parent increased by 22.7 % to RMB 576.6 million, and increased by 37.0% to RMB 585.1 million when excluding non-recurrent profits and losses and share option expenses, as compared to the corresponding period last year.

During the year, the Group continued to adopt an active and prudent expansion strategy. For the whole year, the Group opened or is engaged in a total of 14 stores or projects, enabling Maoye to realize its nationwide footprint in Southern, Southwestern, Northern and Eastern China, with stores covering 8 provinces and 15 cities in China.

At present, among the listed department store operators in Hong Kong, the Group is ranked No. 1 in terms of self-owned GFA, and ranked No. 2 in terms of number of stores.

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In addition to the contribution from the new acquisitions and newly acquired stores, adhering to a sensible expansion strategy has played an instrumental role in accelerating the growth of the Group's business performance. The number of stores operated by the Group has increased from 19 three years ago to 36 while construction area fetching to 1.07 million sq. m., representing a three-year cumulated growth of 76%. During the past few years, through effective integration of resources, Maoye has been able to enhance the sales proceeds and profitability of its stores.

In terms of internal control, the Group effectively seizes opportunities to continue to strengthen fine internal management processes in detail and management of stores by tier; identifies growth potential and profit making capability of existing stores through measures such as brand upgrade and business operation reforms; focuses on supporting newly opened stores, develops new business formats and identifies new performance growth areas; enhances strategic developments of the purchasing department and strengthens overall budget and cost control; enhances integration of the operation and financial systems to provide efficient and better services of suppliers; improves the service standard of the customer service centres of its stores throughout the country and raise the value of membership cards and their service functions; in all aspects builds an all-dimensional talent reserve mechanism for future stores development; and to fully implement its policy of "Triple Incentives" and "Triple Services" to motivate its staff, suppliers and customers, and to improve and innovate business models so as to maintain the Group's leading position in the industry.

In terms of driving profitability of its stores, Maoye has been implementing a host of strategies including adjusting the brand mix in various major stores, exercising a more effective store management as well as introducing complementary facilities in order to increase customer flow and lengthen customers' stay. In addition, the Group hosted several promotion events during the year, such as the "Staff Shopping Day" promotion event hosted by Shenzhen Dongmen Store. The event has achieved great success, setting an industry record of RMB 280 million of sales proceeds in 68 hours.

During the period, the Group increased the gross floor area of its stores by over 370,000 square metres through self-construction, acquisition and leasing. This represented a 53% increase in the gross floor area of stores. The five newly opened stores include Changzhou Wujin Store, Chengdu Qingjiang Store, Shenzhen Youyicheng Store, Shenyang Jinlang Store and Baoding Guomao Store. The Shenyang Jinlang Store is positioned as a high-end premium department store, and offers a collection of domestic and international reputable brands. The opening of the Shenyang Jinlang Store will improve coverage of the store network of the Group in Northern China while further strengthening the Group's market position and influence in the region.

Looking ahead to 2011, the Group will adhere to its "Mass Development" focus and continue to explore opportunities in Southern China, consolidate its business in Southwestern China, and focus expansion in Eastern and Northern China to extend its geographical reach nationwide through multiple channels including acquisition, self-construction and leasing. The Group will speed up new store opening through accelerating project construction and the recruitment of suppliers. Currently, the stores under construction are Shenyang Tiexi Store, Chengdu Southern Store, Yanshikou Phase II Store, Wuxi Yibai Store, Taiyuan Qinxianjie Store, Liaoning Jinzhou Store, Jiangsu Huaian Store, Baoding Yanzhao Store, Shangdong Linyi Store and Taizhou East Plaza Store. Between 2011 to 2012, Maoye will adhere to a pace of adding at least five stores with an average gross floor area of not less than 200,000 square metres each year, so as to maintain the proportion of new stores at a reasonable level, hence driving sustainable growth for the Group.

Commenting on the Group's outlook, Mr. Huang says, "In late 2010, the Chinese government lists "expansion of domestic demand" as an independent topic in the country's twelve five-year plan, which we view will have long term positive impact on the department store retailing business. From a short-term perspective, we believe moderate inflation will have a positive impact on the growth of consumer industries and the retail sector will maintain steady growth. The economic restructuring of the mid-term, and the reform in policies such as national economic income distribution, education, medical and social security services will further increase consumption. The rapid economic growth and urbanization driven by industrialization of the long term will also expedite consumption. As such, opportunities for the development of the consumer market will continue to open up. Through increasing store profitability and actively expanding our store network, we will be able to grasp market opportunities for rapid business growth and establish Maoye as the leading department store operator in China."

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About Maoye International Holdings Limited

Maoye is a leading department store chain in China, operating 36 stores across 15 cities including Shenzhen, Zhuhai, Chengdu, Chongqing, Taiyuan and Qinhuangdao etc. The Company's revenue is generated predominantly from commissions on concessionaire sales. Maoye has positioned itself at the mid- to high-end segment of the retail market in China and offers a stylish and diversified merchandise mix suitable for a wide range of customers to cater to their preferences.

For further information, please contact:

iPR Ogilvy Ltd.

Natalie Tam/ Canny Lo/ Joey Ho/ Janis Lai/ Cindy Cheuk

Tel: (852) 2136 6182/ 3170 6753/ 3920 7642/ 3920 7646/ 3920 7648

Fax: (852) 3170 6606

Email: natalie.tam@iprogilvy.com/ canny.lo@iprogilvy.com/ joey.ho@iprogilvy.com
janis.lai@iprogilvy.com/ cindy.cheuk@iprogilvy.com