INTERIM REPORT 2011

INTIME 银泰

Intime Department Store (Group) Company Limited
銀泰百貨(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1833

Contents

Corporate Profile

Intime Department Store (Group) Company Limited (the “Company”) was incorporated in the Cayman Islands with limited liability on 8 November 2006. The Company and its subsidiaries (the “Group”) are principally engaged in the operation and management of department stores in the People’s Republic of China (the “PRC”). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 March 2007.

The Group commenced its department store business in 1998 when its first department store was established in Hangzhou, namely the Hangzhou Wulin store. After thirteen years of development, the Group has established a leading position in Zhejiang province and a strong presence in Hubei province. The Group holds equity interests in two domestically listed department store companies – Baida Group Co., Ltd. (“Baida”) and Wuhan Department Store Group Co., Ltd. (“Wushang”). The Group also holds a 50% equity interest in Beijing Youyi Lufthansa Shopping City Co., Ltd. Beijing Lufthansa Centre. Currently, the Group operates and manages a total of 23 department stores with a total gross floor area (“GFA”) of 898,939 square meters (“sq.m.”), including 16 department stores located in the major cities of Zhejiang province, 6 department stores located in Hubei province and 1 store located in Shaanxi province.

The Group adopts “Bring you a new lifestyle” as its motto and has traditionally targeted young and modern families as its major customers. The Group focuses on operating trendy department stores while also actively developing comprehensive shopping malls. The Group positions its merchandise in the medium to high-end market with a commitment to offer excellent shopping experiences. With increasing sales floor area under management, the Group is gradually broadening its range of merchandise and service offerings to include high-end to luxury retailing, as well as more comprehensive, richer shopping related amenities and services.

Corporate Information

BOARD OF DIRECTORS

Executive Directors:

SHEN Guojun *(Chairman)*
CHEN Xiaodong

Non-Executive Directors

XIN Xiangdong
LEE Ka Kit

Independent Non-Executive Directors

SHI Chungui
YU Ning
CHOW Joseph

REGISTERED OFFICE

P.O. Box 309GT
Ugland House
South Church Street, George Town
Grand Cayman
Cayman Islands

HEAD OFFICE

6th Floor, Yintai Centre Tower C
2 Jianguomenwai Avenue
Beijing 100022
PRC
Tel: +86 10 65639300
Fax: +86 10 65688886
Email: info@intime.com.cn

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1703, Tower II
Admiralty Centre
18 Harcourt Road
Hong Kong

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

CHOW Hok Lim *FCCA, CPA*

AUTHORIZED REPRESENTATIVES

CHEN Xiaodong
CHOW Hok Lim

AUDIT COMMITTEE

CHOW Joseph *(Chairman)*
SHI Chungui
YU Ning

REMUNERATION COMMITTEE

SHI Chungui *(Chairman)*
YU Ning
CHOW Joseph

NOMINATION COMMITTEE

YU Ning *(Chairman)*
SHI Chungui
CHOW Joseph

STRATEGIC DEVELOPMENT COMMITTEE

SHEN Guojun *(Chairman)*
XIN Xiangdong

LEGAL ADVISERS AS TO HONG KONG LAW

Orrick, Herrington & Sutcliffe
43rd Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town, Grand Cayman
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Hong Kong

Bank of China (Hong Kong) Limited
JPMorgan Chase Bank N.A.

PRC

Industrial and Commercial Bank of China
China Construction Bank
Agricultural Bank of China
Shanghai Pudong Development Bank

AUDITORS

Ernst & Young
Certified Public Accountants

STOCK CODE

1833

COMPANY WEBSITE

www.intime.com.cn

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2011

		For the six months ended 30 June	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	4	**1,557,535**	1,094,476
Other income and gains	5	**299,989**	172,567
Purchases of goods and changes in inventories	6	**(464,805)**	(282,603)
Staff costs	6	**(220,391)**	(137,529)
Depreciation and amortization	6	**(136,155)**	(116,788)
Other expenses		**(449,469)**	(338,550)
Finance costs	7	**(76,367)**	(25,324)
Share of profits and losses of:			
Jointly-controlled entities		**(1,439)**	(764)
Associates		**136,486**	42,607
Profit before tax	6	**645,384**	408,092
Income tax expense	8	**(139,231)**	(92,748)
Profit for the period		**506,153**	315,344
Attributable to:			
Owners of the parent		**481,417**	300,404
Non-controlling interests		**24,736**	14,940
		506,153	315,344
Interim dividends	9	**191,533**	175,546
Earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)			
Basic			
– For profit for the period	10	**0.25**	0.17
Diluted			
– For profit for the period	10	**0.25**	0.17

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Profit for the period	**506,153**	315,344
Other comprehensive income		
Exchange differences on translation of foreign operations	**34,480**	(8,162)
Other comprehensive income/(loss) for the period, net of tax:	**34,480**	(8,162)
Total comprehensive income for the period	**540,633**	307,182
Attributable to:		
Owners of the parent	**515,897**	292,242
Non-controlling interests	**24,736**	14,940
	540,633	307,182

Interim Condensed Consolidated Statement of Financial Position

30 June 2011

	Notes	30 June 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**2,129,781**	1,819,236
Investment properties	11	**1,322,818**	1,235,299
Prepaid land lease payments	11	**2,387,869**	2,305,203
Properties under development	11	**118,077**	108,182
Goodwill		**560,085**	426,737
Other intangible assets		**3,924**	4,473
Prepaid rental		**64,853**	52,849
Investment in a jointly-controlled entity		**301,260**	302,699
Investments in associates	12	**2,353,548**	1,886,981
Loans and receivables		**842,938**	340,000
Investment deposits		**20,000**	268,129
Deferred tax assets		**63,347**	48,233
Total non-current assets		**10,168,500**	8,798,021
CURRENT ASSETS			
Inventories	14	**187,883**	155,749
Properties under development	11	**632,257**	172,513
Prepayments, deposits and other receivables	15	**356,716**	587,722
Loans and receivables		**490,914**	776,822
Due from related parties	27	**564,419**	145,865
Trade receivables		**8,664**	16,040
Cash in transit	16	**27,982**	95,711
Cash and bank balances	17	**1,578,443**	1,366,110
		3,847,278	3,316,532
Associate held for sale	13	**87,465**	174,930
Total current assets		**3,934,743**	3,491,462

Interim Condensed Consolidated Statement of Financial Position

30 June 2011

	Notes	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	18	**1,153,554**	1,206,251
Other payables and accruals	19	**2,432,239**	2,063,728
Interest-bearing bank and other borrowings	20	**1,149,025**	492,000
Due to related parties	27	**16,625**	15,474
Tax payable		**136,525**	179,771
Total current liabilities		**4,887,968**	3,957,224
NET CURRENT LIABILITIES		**(953,225)**	(465,762)
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,215,275**	8,332,259
NON-CURRENT LIABILITIES			
Convertible bonds	20	**1,606,377**	1,617,947
Interest-bearing bank and other borrowings	20	**953,000**	708,000
Deferred tax liabilities		**348,332**	284,648
Deferred subsidy income		**4,900**	6,630
Total non-current liabilities		**2,912,609**	2,617,225
NET ASSETS		**6,302,666**	5,715,034
EQUITY			
Equity attributable to owners of the parent			
Issued capital	21	**148**	148
Equity component of convertible bonds		**23,607**	23,607
Reserves		**5,739,286**	5,286,899
		5,763,041	5,310,654
Non-controlling interests		**539,625**	404,380
Total equity		**6,302,666**	5,715,034

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the parent													
	Issued capital RMB'000 (note 21)	Share premium RMB'000 (note 21)	Capital redemption reserve RMB'000	Capital reserve RMB'000	Reserve for fair value changes of available-for-sale investments RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Equity component of convertible bonds RMB'000	Share option reserve RMB'000 (note 22)	Proposed final dividend RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2011	148	3,599,823	4	368,661	425	216,756	(102,429)	23,607	32,927	95,476	1,075,256	5,310,654	404,380	5,715,034
Profit for the period	-	-	-	-	-	-	-	-	-	-	481,417	481,417	24,736	506,153
Other comprehensive income for the period:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	34,480	-	-	-	-	34,480	-	34,480
Total comprehensive income for the period	-	-	-	-	-	-	34,480	-	-	-	481,417	515,897	24,736	540,633
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	20,509	20,509
Capital contribution from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	90,000	90,000
Exercise of share options	-	26,124	-	-	-	-	-	-	(6,361)	-	-	19,763	-	19,763
Equity-settled share option arrangements	-	-	-	-	-	-	-	-	14,430	-	-	14,430	-	14,430
Final 2010 dividend declared	-	-	-	-	-	-	-	-	-	(95,476)	(2,227)	(97,703)	-	(97,703)
At 30 June 2011 (Unaudited)	148	3,625,947	4	368,661	425	216,756	(67,949)	23,607	40,996	-	1,554,446	5,763,041	539,625	6,302,666

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Attributable to owners of the parent											Non-controlling interests	Total equity
	Issued capital	Share premium	Capital redemption reserve	Capital reserve	Reserve for fair value changes of available-for-sale investments	Statutory reserves	Exchange fluctuation reserve	Share option reserve	Proposed final dividend	Retained profits	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2010	137	2,230,876	4	368,661	532	152,039	(110,158)	29,738	56,037	720,328	3,448,194	445,459	3,893,653
Profit for the period	–	–	–	–	–	–	–	–	–	300,404	300,404	14,940	315,344
Other comprehensive loss for the period:													
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(8,162)	–	–	–	(8,162)	–	(8,162)
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	(8,162)	–	–	300,404	292,242	14,940	307,182
Final 2009 dividend declared	–	–	–	–	–	–	–	–	(56,037)	–	(56,037)	–	(56,037)
Non-controlling interests directly associated with the assets classified as held for sale	–	–	–	–	–	–	–	–	–	–	–	(4,087)	(4,087)
Equity-settled share option arrangements	–	–	–	–	–	–	–	8,977	–	–	8,977	–	8,977
Exercise of share option	–	18,557	–	–	–	–	–	(3,782)	–	–	14,775	–	14,775
At 30 June 2010 (Unaudited)	137	2,249,433	4	368,661	532	152,039	(118,320)	34,933	–	1,020,732	3,708,151	456,312	4,164,463

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Net cash flows from operating activities	**401,057**	292,270
Net cash flows used in investing activities	**(1,078,444)**	(656,673)
Net cash flows from/(used in) financing activities	**570,312**	(64,265)
Decrease in cash and cash equivalents	**(107,075)**	(428,668)
Cash and cash equivalents at beginning of the period	**1,322,602**	990,631
Effects of foreign exchange rate changes, net	**6,436**	(8,162)
Cash and cash equivalents at end of the period	**1,221,963**	553,801

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2011

1. CORPORATE INFORMATION

Intime Department Store (Group) Company Limited (the "Company") was incorporated in the Cayman Islands on 8 November 2006 as an exempted company with limited liability under the Cayman Islands Companies Law. The address of the Company's registered office is M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The Company and its subsidiaries (together the "Group") are principally engaged in the operation and management of department stores in the People's Republic of China (the "PRC").

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 March 2007.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise stated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of the new and revised Hong Kong Financial Reporting Standards and interpretations as noted below.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards-Limited Exemptions from Comparative HKFRS 7 Disclosure for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendment to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised) and Improvements to HKFRSs 2010, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 24 (Revised) – *Related Party Disclosures*

The revised standard clarifies and simplifies the definitions of related parties. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the measurement options available for non-controlling interest have been amended. Only components of non-controlling interests that constitute a present ownership interest that entitles their holders to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the transition requirements of HKAS 27 (as revised in 2008) shall be applied to consequentially amended standards.

- HK(IFRIC)-Int 13 *Customer Loyalty Programmes*: The amendment clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amounts of discounts or incentives otherwise granted to customers not participating in the award credit scheme are to be taken into account.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards-Severe Hyperinflation and Removal of Fixed Dates for first-time Adopters*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfer of Financial Assets*[1]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 (Revised)	*Presentation of Financial Statements on the Presentation of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

For management purposes, the Group has a single operating and reportable segment – the operation and management of department stores in Mainland China. All the Group's operations are carried out in Mainland China. All revenues from external customers are generated from business relating to the operation and management of department stores and no revenue from operations amounted to 10 percent or more of the Group's revenue was derived from sales to a single customer for the six months ended 30 June 2011 and 2010. All non-current assets of the Group are located in the Mainland China.

4. REVENUE

	For the six months ended 30 June	
	2011 (Unaudited) *RMB'000*	2010 (Unaudited) *RMB'000*
Sale of goods – direct sale	572,154	359,890
Commissions from concessionaire sales	879,756	649,945
Rental income	88,680	66,305
Rental income from investment properties	48,716	37,680
Sublease rental income	31,673	26,539
Contingent rental income	8,291	2,086
Management fee income from operation of department stores	16,945	18,336
	1,557,535	1,094,476

The commissions from concessionaire sales are analyzed as follows:

	For the six months ended 30 June	
	2011 (Unaudited) *RMB'000*	2010 (Unaudited) *RMB'000*
Gross revenue from concessionaire sales	4,883,410	3,561,837
Commissions from concessionaire sales	879,756	649,945

The direct sales and gross revenue from concessionaire sales are mainly settled in cash, debit card, or credit card. The Group has no fixed credit policy.

5. OTHER INCOME AND GAINS

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Other income		
Interest income	**87,476**	20,027
Interest income from bank deposits	**5,222**	2,572
Interest income from loans and receivables	**77,617**	17,172
Interest income from a jointly-controlled entity	**2,282**	178
Other interest income	**2,355**	105
Advertisement, promotion and administration income	**99,368**	68,488
Credit card handling income	**1,230**	1,011
Subsidy income	**5,822**	7,270
Others	**18,075**	10,337
	211,971	107,133
Gains		
Gain on disposal of shares of associate held for sale	**73,123**	65,434
Gain on bargain purchase	**14,895**	–
	88,018	65,434
	299,989	172,567

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2011 (Unaudited) *RMB'000*	2010 (Unaudited) *RMB'000*
Purchases of goods and changes in inventories	**464,805**	282,603
Depreciation and amortization	**136,155**	116,788
Staff costs	**220,391**	137,529
Wages, salaries and bonuses	**167,228**	102,454
Pension costs – defined contribution schemes	**22,213**	16,348
Welfare, medical and other benefits	**16,520**	9,752
Equity-settled share option expense	**14,430**	8,975
Utility expenses	**62,883**	56,676
Store rental expenses	**174,535**	149,896
Credit card charges	**35,943**	23,985
Advertising expenses	**38,331**	29,284
Auditors' remuneration	**1,000**	1,000
Professional service charges	**4,231**	2,190
Other tax expenses	**52,600**	35,291
Direct operating expenses (including repairs and maintenance, but excluding depreciation and amortization) arising on rental-earning investment properties	**16,661**	15,797
Rental income on investment properties less direct operating expenses of RMB16,661,000 (six months ended 30 June 2010: RMB15,797,000)	**(32,055)**	(21,883)

7. FINANCE COSTS

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest expenses on bank loans and other loans wholly repayable within five years	**44,325**	25,324
Interest on convertible bonds	**39,926**	–
Less: Interest capitalized	**(7,884)**	–
	76,367	25,324

8. TAX

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income tax – PRC	**135,657**	103,928
Deferred taxation	**3,574**	(11,180)
	139,231	92,748

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law and is exempted from the payment of the Cayman Islands income tax. The Company's wholly-owned subsidiaries North Hill Holdings Limited and River Three Holdings Limited were incorporated in the British Virgin Islands (the "BVI") as exempted companies with limited liability under the Company Law of the BVI and are exempted from the payment of the BVI income tax. The Company's wholly-owned subsidiary Intime Department Store (Hong Kong) Company Limited that was incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (six months ended 30 June 2010: 16.5%). The Company's wholly-owned subsidiary Sin Cheng Holdings Pte Ltd. that was incorporated in Singapore is subject to Singapore Income tax of 17%.

8. TAX (CONTINUED)

The subsidiaries established in Mainland China are subject to corporate income tax ("CIT") at the rate of 25% (six months ended 30 June 2010: 25%), except for the head office of Intime Department Store Co., Ltd. (the "head office of Shanghai Intime"), which is subject to CIT at the rate of 24% (six months ended 30 June 2010: 22%). From 1 January 2008, the lower preferential tax rates enjoyed by the head office of Shanghai Intime shall gradually be increased to the statutory tax rate within five years from the date on which the new CIT Law comes into effect. The existing tax rate of head office of Shanghai Intime of 24% will be increased to 25% in 2012.

9. INTERIM DIVIDEND

On 30 August 2011, the board of directors of the Company declared an interim dividend of RMB0.10 per share for the six months ended 30 June 2011 (six months ended 30 June 2010: RMB0.10).

10. EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary share of 1,911,207,854 (six months ended 30 June 2010: 1,752,447,572) in issue during the period.

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

10. EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**481,417**	300,404
Interest on convertible bonds	**39,926**	–
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	**521,343**	300,404

	Number of shares For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,911,207,854**	1,752,447,572
Effect of dilution – weighted average number of ordinary shares:		
Share options	**26,600,090**	15,619,308
Convertible bonds	**145,830,203**	–
Weighted average number of ordinary shares used in diluted earnings per share calculation	**2,083,638,147**	1,768,066,880

11. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, PREPAID LAND LEASE PAYMENTS AND PROPERTIES UNDER DEVELOPMENT

During the six months ended 30 June 2011, the Group acquired property, plant and equipment with a cost of RMB328,869,000 (six months ended 30 June 2010: RMB124,504,000). Depreciation for property, plant and equipment is approximately RMB96,523,000 (six months ended 30 June 2010: RMB77,123,000) during the period.

During the six months ended 30 June 2011, the Group acquired investment properties with a cost of RMB34,125,000 (six months ended 30 June 2010: Nil). Depreciation for investment properties is approximately RMB23,587,000 (six months ended 30 June 2010: RMB21,659,000) during the period.

During the six months ended 30 June 2011, amortization for prepaid land lease payments is RMB19,004,000 (including RMB3,635,000 capitalized in construction in progress) (six months ended 30 June 2010: RMB19,891,000) during the period.

The Group pledged certain of its buildings, construction in progress and investment properties to secure the Group's banking facilities. The carrying amounts of these buildings, construction in progress and investment properties as at 30 June 2011 are approximately RMB1,702,156,000 (31 December 2010: RMB1,165,083,000) (note 20).

The Group pledged certain of prepaid land lease payments to secure the Group's banking facilities. The carrying amounts of these prepaid land lease payments as at 30 June 2011 are approximately RMB1,428,179,000 (31 December 2010: RMB1,196,001,000) (note 20).

The Group pledged certain of properties under development to secure the Group's banking facilities. The carrying amounts of these pledged properties under development as at 30 June 2011 are approximately RMB195,975,000 (31 December 2010: RMB172,513,000) (note 20).

The transfer of the ownership certificates of the land located in Haining and Wenling, Zhejiang Province and Suizhou, Hubei Province, the PRC, with a carrying amount of RMB929,465,000 at 30 June 2011 (31 December 2010: RMB828,038,000), was in process.

12. INVESTMENTS IN ASSOCIATES

In January 2011, Anhui Province Huaqiao Hotel Company Limited, an indirect wholly-owned subsidiary of the Company, entered into i) an agreement with Anhui Zheshang Investment Group Co., Ltd., to further acquire a 20% equity interest in Anhui Hualun Gangwan Culture Investment Co., Ltd. ("Anhui Hualun") at a consideration of RMB95,770,000; ii) an agreement with Anhui Xinhua Distribution Group Holding Co., Ltd., to acquire an 8% equity interest in Anhui Hualun at a consideration of RMB38,303,000. The Group held 43% equity interest in Anhui Hualun as at 30 June 2011.

13. ASSOCIATE HELD FOR SALE

The Group disposed of 18,812,016 shares (5%) of Baida Group Co., Ltd. ("Baida") during the six months ended 30 June 2011.

14. INVENTORIES

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Store merchandise, at cost	**186,632**	154,629
Low value consumables	**1,251**	1,120
	187,883	155,749

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Receivable from disposal of a loan made to a subsidiary	–	27,606
Receivable from disposal of a subsidiary	–	78,394
Rental deposits	37,800	37,800
Prepaid rental	11,297	4,667
Advances to suppliers	15,263	55,440
Advances to third parties	166,841	197,698
Dividend receivable from an associate	–	100,000
Prepaid tax	38,812	–
Others	86,703	86,117
	356,716	587,722

The carrying amounts of deposits and other receivables approximate to their fair values.

16. CASH IN TRANSIT

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Cash in transit	27,982	95,711

Cash in transit represents the sales proceeds settled by debit cards or credit cards, which have yet to be credited by the banks to the Group.

17. CASH AND BANK BALANCES

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Cash and bank balances	**1,578,443**	1,366,110
Less: Restricted cash	**(356,480)**	(43,508)
Cash and cash equivalent	**1,221,963**	1,322,602

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

18. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the payment due date, is as follows:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Within 1 month	**676,287**	754,226
1 to 2 months	**368,063**	365,530
2 to 3 months	**74,662**	59,090
Over 3 months	**34,542**	27,405
	1,153,554	1,206,251

The carrying amounts of trade payables approximated to their fair values.

19. OTHER PAYABLES AND ACCRUALS

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Payables for purchase of property, plant and equipment, prepaid land lease payments and properties under development	138,680	171,404
Payable for purchase of a shareholder's loan in respect of acquisition of a subsidiary	–	19,818
Payables for purchase of equity interests	100,000	249,743
Payables to ex-shareholders of a subsidiary	–	14,492
Accruals	219,183	157,140
Bonus and welfare payables	75,312	63,116
Other tax payables	137,982	199,095
Advance from customers and tenants	939,960	834,823
Advance from pre-sale of properties under development	570,836	145,021
Deposits received from suppliers, concessionaires and tenants	108,556	91,187
Deposits received from building contractors	13,536	9,000
Deferred revenue	30,210	28,276
Deferred government subsidy	3,325	3,798
Other liabilities to local government	21,446	21,446
Others	73,213	55,369
	2,432,239	2,063,728

The carrying amounts of other payables approximate to their fair values.

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2011 (Unaudited)			31 December 2010 (Audited)		
	Effective interest rate *(%)*	Maturity	*RMB'000*	Effective interest rate *(%)*	Maturity	*RMB'000*
Current:						
Bank loans and other loans – unsecured	5.103-7.02	2011-2012	714,000	4.455-5.56	2011	289,000
Bank loans and other loans – secured (a)	2.46-6.626	2011	305,480	5.31	2011	78,000
Current portion of long term bank loans – secured (a)	5.346-6.010	2012	129,545	5.94	2011	125,000
			1,149,025			492,000
Non-current:						
Unsecured bank loans	5.85-6.65	2012-2013	66,000	5.85	2012-2013	63,000
Secured bank loans and other loans (a)	5.346-7.98	2012-2015	887,000	5.184-6.556	2012-2015	645,000
			953,000			708,000
Convertible bonds	Weighted Average of 5.13	2013	1,606,377	Weighted Average of 5.13	2013	1,617,947
			2,559,377			2,325,947
			3,708,402			2,817,947

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Analyzed into:		
Within one year or on demand	1,149,025	492,000
In the second year	263,250	190,000
In the third to fifth years, inclusive	2,296,127	2,135,947
	3,708,402	2,817,947

20. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

(a) Secured bank loans of RMB1,072,545,000 as at 30 June 2011 were secured by certain of the Group's buildings, construction in progress, investment properties, prepaid land lease payments and properties under development, the total carrying amount of which at 30 June 2011 was RMB3,326,310,000 (31 December 2010: RMB2,533,597,000) (note 11).

Secured bank loan of HKD300,000,000 (RMB249,480,000 equivalent) as at 30 June 2011 was secured by bank deposit of RMB300,000,000 at 30 June 2011 (31 December 2010: Nil).

(b) The Group has the following undrawn banking facilities:

	2011 (Unaudited) *RMB'000*	2010 (Audited) *RMB'000*
At floating rate:		
Expiring within 1 year	–	–
Expiring within 2 to 5 years, inclusive	2,238,505	1,886,050
Expiring after 5 years	904,500	370,000
	3,143,005	2,256,050

The Group's banking facilities were secured by certain buildings, construction in progress investment properties, prepaid land lease payments and properties under development (note 11) of the Group.

21. SHARE CAPITAL

During the period, the movement in share capital was as follows:

The subscription rights attaching to 5,798,500 share options were exercised at the average subscription price of HK$4.10 per share, resulting in the issue of 5,798,500 shares of US$0.00001 each for a total cash consideration, before expenses, of HK$23,732,000.

22. SHARE OPTION SCHEME

On 1 April 2011, 18,312,000 share options with an exercise price of HK$10.77 were granted to certain management in respect of their service to the Group, under the share option schemes of the Company. Options granted become vested after certain period. An option may be exercised in accordance with the terms of the share option scheme any time during a period to be notified by the board to each grantee or to be resolved by the board at time of grant.

During the period ended 30 June 2011, the expense recognized in the income statement for the share option scheme amounted to RMB14,430,000 (six months ended 30 June 2010: RMB8,975,000).

23. BUSINESS COMBINATION

On 15 November 2010, Zhejiang Intime Investment Co., Ltd. ("Zhejiang Intime Investment") entered into equity transfer agreement with certain individuals to acquire 84.5% equity interest in Hubei New Century Shopping Centre Co., Ltd. ("Hubei New Century") for an aggregate consideration of approximately RMB248,100,000. In addition, on 28 December 2010, Zhejiang Intime Investment entered into an equity transfer agreement with Hubei Xingtai Nonggongmao Co., Ltd. to acquire 0.5% equity interest in Hubei New Century for a consideration of approximately RMB1,468,000. The transaction was completed in January 2011.

The fair values of the identifiable assets and liabilities of Hubei New Century as at the date of acquisition were as follows:

	Fair value recognized on acquisition *RMB'000*
Property, plant and equipment	109,652
Investment property	22,400
Prepaid land lease payments	121,477
Properties under development	342,517
Other intangible assets	441
Prepaid rental	6,200
Deferred tax assets	5,671
Trade receivables	1,166
Prepayments, deposits and other receivables	12,281
Inventories	57,109
Cash and bank balances	78,616
Interest-bearing bank and other borrowings	(46,000)
Trade and bill payables	(61,250)
Other payables and accruals	(457,901)
Tax payable	(5,797)
Deferred tax liabilities	(49,853)
Total identifiable net assets at fair value	136,729
Non-controlling interest	20,509
Identifiable net assets at fair value acquired	116,220
Goodwill on acquisition	133,348
Satisfied by cash	249,568

23. BUSINESS COMBINATION (CONTINUED)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration paid	(249,568)
Cash and cash equivalents acquired	74,265
Net outflow of cash and cash equivalents included in cash flows used in investing activities	(175,303)

24. CONTINGENT LIABILITIES

(1) On 8 November 2007, Jiaxing Investment Management Company Limited ("Jiaxing Intime") and Shanghai Intime entered into a joint venture contract with Jiaxing City Culture Mingcheng Investment Group Company ("Jiaxing Culture"), a third party, to establish a joint venture company, Jiaxing Intime Meiwan Xintiandi Investment and Management Co. Ltd. ("Jiaxing Meiwan").

Jiaxing Meiwan has registered capital of RMB400,000,000. Jiaxing Intime and Shanghai Intime each contributed RMB120,000,000 in cash, which in aggregate represented a 60% equity interest in Jiaxing Meiwan. Jiaxing Culture contributed RMB160,000,000 by way of transferring title of a property with total gross floor area of approximately 20,000 square meters (the "Injected Property") into Jiaxing Meiwan, which represented 40% of equity interest in the joint venture.

Pursuant to the joint venture contract, upon the liquidation of Jiaxing Meiwan or Jiaxing Culture transferred the 40% equity interest it held in Jiaxing Meiwan, Jiaxing Intime and Shanghai Intime shall guarantee a return to Jiaxing Culture the difference between RMB160,000,000 and the market value of the Injected Property at the time of transfer of the 40% equity interest held by Jiaxing Culture, but in any event, the market value to be used to determine such payment shall not be less than RMB9,000/square meter in respect of the Injected Property.

24. CONTINGENT LIABILITIES (CONTINUED)

(2) The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the purchasers of the Group's properties amounted to RMB201,268,000 (31 December 2010: Nil). Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end after the execution of individual purchasers' collateral agreements.

The Group did not incur any material losses during the financial period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The Directors consider that in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

25. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties and subleases its leased assets under operating lease arrangements for terms ranging from one to ten years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 30 June 2011, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Within one year	**121,889**	115,330
In the second to fifth years, inclusive	**384,591**	356,125
After five years	**327,608**	331,475
	834,088	802,930

25. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(a) As lessor (Continued)

The amounts above include future minimum sublease payments expected to be received under non-cancellable subleases amounting to RMB245,078,000 (31 December 2010: RMB221,856,000) as at 30 June 2011.

(b) As lessee

The Group leases certain of its stores and office premises under non-cancellable operating lease agreements.

At 30 June 2011, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Within one year	**246,440**	220,816
In the second to fifth years, inclusive	**1,468,844**	1,370,093
After five years	**4,204,223**	4,133,998
	5,919,507	5,724,907

26. COMMITMENTS

In addition to the operating lease commitments detailed in note 25(b) above, the Group had the following capital commitments at the end of the reporting period:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Contracted, but not provided for:		
Land and buildings	843,872	638,869
Loan to a third party	–	239,688
Leasehold improvements	5,100	4,250
	848,972	882,807
Authorised, but not contracted for:		
Land and buildings	359,755	474,000
Leasehold improvements	67,700	67,700
	427,455	541,700
	1,276,427	1,424,507

In addition, the Group's share of a jointly-controlled entity's own capital commitments, which are not included in the above, is as follows:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Contracted, but not provided for	68,069	68,929
Authorised, but not contracted for	62,990	100,000
	131,059	168,929

27. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Name and relationship of related parties

Name	Relationship
Mr. Shen Guojun	Shareholder of the Company
Beijing Yintai Property Co., Ltd. ("Beijing Yintai")	Controlled by Mr. Shen Guojun
China Yintai Holding Co., Ltd. ("China Yintai")	Controlled by Mr. Shen Guojun
Beijing Guojun Investment Co., Ltd. ("Beijing Guojun")	Controlled by Mr. Shen Guojun
Metro Land Corporation Ltd. ("Metro Land")	24.83% of its shares were held by China Yintai
Baida	Associate of the Group
Anhui Hualun	Associate of the Group
Zhejiang Intime Electronic Commerce Co., Ltd. ("Zhejiang Intime Electronic Commerce")	Associate of the Group
Beijing Youyi Lufthansa Shopping City Co., Ltd Beijing Lufthansa Centre ("Beijing Youyi Lufthansa")	Associate of the Group
Hangzhou Xin Hubin Commercial Development Co., Ltd. ("Xin Hubin")	Jointly-controlled entity
Beijing Intime Lotte Department Store Co., Ltd. ("Intime Lotte")	Jointly-controlled entity of China Yintai
Hangzhou Hubin International Commercial Development Co., Ltd. ("Hubin International")	Jointly-controlled entity of Beijing Guojun
Beijing Metro Land Property Co., Ltd. ("Beijing Metro Land Property")	Subsidiary of Metro Land
Ningbo Yintai Property Management Co., Ltd. ("Ningbo Yintai Property Management")	Subsidiary of Metro Land
Hangzhou Intime Shopping Centre Co., Ltd. ("Hangzhou Intime")	Subsidiary of China Yintai
Zhejiang Fuqiang Properties Co., Ltd. ("Zhejiang Fuqiang")	Subsidiary of China Yintai

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

The following transactions were carried out with related parties:

	For the six months ended 30 June	
	2011 **(Unaudited)** ***RMB'000***	2010 (Unaudited) *RMB'000*
Sales to a related party:		
Zhejiang Intime Electronic Commerce	**16,371**	–
Renal expense and management fee:		
Beijing Yintai (note (i))	**1,830**	1,816
Metro Land (note (ii))	**22,062**	21,166
	23,892	22,982
Advances to related parties:		
Anhui Hualun	**294,088**	–
Zhejiang Intime Electronic Commerce	**14,485**	3,903
	339,973	3,903
Loans made to related parties:		
Zhejiang Intime Electronic Commerce	**31,400**	–
Hangzhou Intime (note (iv))	**300,000**	–
	331,400	–
Advance to a jointly-controlled entity:		
Xin Hubin	**106,000**	5,743
Advance from a related party:		
Zhejiang Intime Electronic Commerce	**–**	10,000
Repayment of advance from a jointly controlled entity:		
Xin Hubin	**4,968**	60,000
Repayment of loans and receivables from related parties:		
Beijing Guojun	**–**	151,920
Intime Lotte	**22,953**	20,379
China Yintai	**21,414**	–
	44,367	172,299
Interest income from related parties:		
Beijing Guojun	**–**	8,069
China Yintai	**3,359**	3,452
Intime Lotte	**351**	3,007
Xin Hubin	**2,282**	178
Hangzhou Intime	**3,196**	–
	9,188	14,706

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

The following transactions were carried out with related parties: (continued)

	For the six months ended 30 June	
	2011 (Unaudited) ***RMB'000***	2010 (Unaudited) *RMB'000*
Management fee from related parties		
Baida (note (iii))	**16,945**	18,336
Purchases from a related party:		
Ningbo Yintai Property Management	**–**	8,530
Customers' consumptions in related parties with the Group's prepaid cards (net-off with related parties' prepaid card used in the Group's department stores):		
Baida	**100,029**	55,037
Intime Lotte	**3,129**	2,609
Zhejiang Intime Electronic Commerce	**1,230**	–
	104,388	57,646
Payment of utility expense on behalf of a related party:		
Ningbo Yintai Property Management	**1,648**	–

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (Continued)

Notes:

(i) In 2008, Zhejiang Intime Department Store Co., Ltd. ("Zhejiang Intime") entered into an agreement with Beijing Yintai, to lease certain floors of an office building for its operation and renewed the agreement on 25 June 2010. As Zhejiang Intime changed areas of the building to lease, both parties signed a new agreement on 30 November 2010 and the monthly rental expense increased to RMB305,000 started from January 2011.

(ii) Pursuant to an agreement between Intime Department Store Co., Ltd. ("Shanghai Intime") and Metro Land signed on 31 March 2005 and a supplementary agreement dated on 18 January 2010, Shanghai Intime leased certain floors of a building from Metro Land for its operations.

(iii) Zhejiang Intime entered into a management agreement (the "Management Agreement") with Baida on 30 January 2008. Pursuant to the Management Agreement, Zhejiang Intime is entrusted to manage the department store operations of certain subsidiaries and branches (the "Operating Entities") of Baida for a period of 20 years starting from 1 March 2008 to 28 February 2028 (the "Management Periods"). The Management Agreement has been approved at the shareholders' meeting of Baida on 28 February 2008.

On 5 July 2010, Zhejiang Intime signed a supplemental agreement with Baida in relation to the Management Agreement to increase an additional area under management.

According to the Management Agreement and the supplemental agreement, Zhejiang Intime is entitled to an annual management fee computed on the basis stipulated in the Management Agreement. During the six months ended 30 June 2011, Zhejiang Intime recognised management fee income of RMB16,945,000 (six months ended 30 June 2010: RMB18,336,000) from managing the operation of the Operating Entities of Baida.

(iv) On 31 May 2011, Zhejiang Intime entered into an agreement with Hangzhou Intime and Zhejiang Fuqiang pursuant to which Zhejiang Intime made RMB300,000,000 to Hangzhou Intime with an interest of 15% per annum for the construction and development of the department store property in Hangzhou City.

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Due from related parties

The Group had the following significant balances due from related parties at the end of the reporting period:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Due from related parties:		
Xin Hubin	**194,681**	91,367
Zhejiang Intime Electronic Commerce	**53,010**	22,211
Metro Land (note (i))	**6,500**	6,500
Beijing Youyi Lufthansa	**–**	4,500
Baida	**1,722**	8,884
Beijing Metro Land Property (note (ii))	**4,000**	4,000
Beijing Yintai (note (iii))	**1,816**	1,816
Ningbo Hualian Property	**102**	102
Ningbo Yintai Property Management	**2,289**	2,752
Anhui Hualun	**297,163**	3,075
Hubin International	**–**	658
Intime Lotte	**3,136**	–
	564,419	145,865

Notes:

(i) The amount due from Metro Land represents a deposit of RMB6,500,000 in connection with a lease agreement between Shanghai Intime and Metro Land entered into on 31 March 2005, and a supplementary agreement signed on 18 January 2010.

(ii) The amount due from Beijing Metro Land Property represents a deposit of RMB4,000,000 in connection with a lease agreement between Zhejiang Intime and Beijing Metro Land Property entered into on 18 January 2010.

(iii) The amount due from Beijing Yintai represents a deposit of RMB1,816,000 in connection with a renewal lease agreement between Zhejiang Intime and Beijing Yintai entered into on 30 November 2010.

All the amounts due from related parties are denominated in RMB, are unsecured and interest-free, have no predetermined term of repayment.

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Loans and interest receivable from related parties

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Intime Lotte	–	22,602
China Yintai	100,000	118,055
Hangzhou Intime	303,196	–
Zhejiang Intime Electronic Commerce	31,400	–
	434,596	140,657

(e) Due to related parties

The Group had the following significant balances due to related parties:

	30 June 2011 (Unaudited) *RMB'000*	31 December 2010 (Audited) *RMB'000*
Due to related parties:		
Baida	12,707	–
Intime Lotte	1,224	1,592
Zhejiang Intime Electronic Commerce	232	–
Metro Land	2,462	13,579
Beijing Yintai	–	303
	16,625	15,474

All amounts due to related parties are denominated in RMB, and are unsecured, interest-free, and payable on demand.

The carrying amounts of these related party balances approximate to their fair values.

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Key management compensation

	For the six months ended 30 June	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Salaries, allowances and other benefits	**2,645**	2,679
Discretionary bonuses	**3,463**	3,242
Contributions to a retirement plan	**205**	232
Share option scheme	**6,696**	5,518
	13,009	11,671

28. EVENTS AFTER THE REPORTING PERIOD

On 19 July 2011, the Company issued 4.65% guaranteed bonds with an aggregate principal amount of RMB1,000,000,000. Unless previously redeemed, purchased and cancelled, the bonds will be redeemed at their principal amount on the interest payment date falling on, or nearest to 19 July 2014. The bonds carry interest at a rate of 4.65% per annum, which is payable semi-annually in arrears on 19 January and 19 July in each year.

29. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorized for issue by the board of directors on 30 August 2011.

Management Discussion and Analysis

MACROECONOMIC OVERVIEW

China's economy maintained a steady and stable growth in the first half of 2011 with the national GDP growing at a steady rate of 9.6% year-on-year. Domestic demand was the major growth driver of the economy in the PRC as the total retail sales of consumer goods for the six months ended 30 June 2011 reached RMB8,583.3 billion, representing a year-on-year growth of 16.8%. The per capita disposable income of urban households in the PRC gained 13.2% to RMB11,041 for the first six months of 2011 as compared to the six months ended 30 June 2010, which provided further support for consumer spending.

The economy of Zhejiang province, where most of the Group's sales and profit were generated, achieved a stable GDP growth rate of 9.9% year-on-year. Retail consumption remained buoyant with the total retail sales of consumer goods in Zhejiang province for the six months ended 30 June 2011 rose by 16.9% to RMB564.0 billion. The per capita disposable income of urban households in Zhejiang province also increased by 12.8% to RMB16,835 for the first six months of 2011 as compared to the six months ended 30 June 2010.

The economy of Hubei province, where the Group is currently operating six stores, continued to grow steadily at a GDP growth rate of 14.1% year-on-year. The total retail sales of consumer goods in Hubei province for the six months ended 30 June 2011 rose to RMB374.7 billion, representing a year-on-year growth of 17.7%. The per capita disposable income of urban households in Hubei province also increased by 13.6% to RMB9,485 for the first six months of 2011 as compared to the six months ended 30 June 2010.

OPERATIONAL REVIEW

For the six months ended 30 June 2011, the Group maintained a strong growth in its business operations. Total gross sales proceeds of the Group increased to RMB5,561.2 million, representing an increase of 38.8% compared with the same period last year. The Group's same store sales achieved a rapid year-on-year growth of 28.4%. Total revenue surged to RMB1,557.5 million, representing an increase of 42.3% compared with the same period last year. Profit attributable to owners of the parent reached RMB481.4 million, representing an increase of 60.3% compared with the same period last year.

During the period under review, the Group continued to pursue its "regional pre-dominance" strategy to consolidate its leading position in Zhejiang province and further strengthen its competitive position in Hubei province, Anhui province and Beijing. Having completed the acquisition of 85% equity interest in Hubei New Century Shopping Centre Co., Ltd. ("Hubei New Century") in January 2011, the Group currently operates and manages a network of 23 department stores with a total gross floor area ("GFA") of 898,939 sq.m., including 16 department stores located in the principal cities in Zhejiang province, six department stores located in Hubei province and one store located in Shaanxi province.

Management Discussion and Analysis

The Group continued its efforts to improve the operational efficiency of its existing stores and to strengthen the integration and nurturing of its new stores. By leveraging on its leading position in Zhejiang province and its increasing presence in Hubei province and Anhui province, together with its centralized merchandising function, the Group aims to achieve greater operating synergy and economies of scale in regional merchandising, marketing, storefront management, costs and staff's training and development.

During the period under review, the Group continued to focus on increasing sales per sq. m., revenue and profit of existing stores by identifying fashion trends and constantly monitoring and adjusting its mix of concessionaires and direct sales suppliers. In the 2011 Suppliers Conference, the Group further strengthened its established relationships with the concessionaires and direct sales suppliers. The Group currently works with over 3,200 internationally and domestically renowned brands, some of which have formed a national strategic partnership with the Group.

The Group continued to conduct promotional activities to draw existing and new customers into its stores and to further strengthen customer loyalty by promoting and improving its customer loyalty programme. The number of members in the Group's VIP programme has grown to approximately 860,000 as at 30 June 2011. In addition, the Group has extended its product offering to include higher-end fashion with stronger brand recognitions. The Group also continued to adopt more advanced technologies to improve its administrative efficiency and supplier relationships.

Strategic Business Development

On 27 April 2011, the Group entered into an agreement with Zhejiang Juheng Real Estate Limited for a lease of total GFA of approximately of 40,000 sq.m. at Shaoxing Keqiao Juyin International Commercial Centre. Shaoxing Keqiao Juyin International Commercial Centre is a large scale business complex integrating hypermarket, department store, catering and entertainment, with a total GFA of approximately 150,000 sq.m. Entering the Shaoxing market was an important step in the Group's strategic plan of expanding its presence and enhancing its leadership in Zhejiang province. Located at north central of Zhejiang province, Shaoxing is one of the 16 hub cities in the Yangtze River Delta. In 2010, Shaoxing city achieved a GDP of RMB278.3 billion, which represented a year-on-year rise of 11.0% and put the city at the fourth place in the province-wide economic ranking.

On 31 May 2011, Zhejiang Intime Department Store Co., Ltd. ("Zhejiang Intime"), a wholly-owned subsidiary of the Company, entered into the Co-Development Agreement with Zhejiang Fuqiang Properties Co., Ltd. ("Zhejiang Fuqiang") and Hangzhou Intime Shopping Centre Co., Ltd. ("Hangzhou Intime"), pursuant to which Zhejiang Intime agreed to make available to Zhejiang Fuqiang and Hangzhou Intime an amount not exceeding RMB300 million for the construction and development of the department store property of the Chengxi Project. Zhejiang Fuqiang and Hangzhou Intime will pay a fee of 15% per annum to Zhejiang Intime in consideration of the fund provided by Zhejiang Intime. Zhejiang Intime is entitled to a preemptive right to purchase and a priority to lease certain units of the department store property of the Chengxi Project. Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), Zhejiang Fuqiang and Hangzhou Intime are connected persons of the Company.

The Chengxi Project is located at a prime area in the west side of Hangzhou, PRC. The area is a developed and highly populated urban area, but without any major high-class shopping outlets. The Group has planned to open stores in the area for years, and the availability of such prime commercial property provides the Group with an attractive opportunity for such entry. If the Group exercises the preemptive right to purchase or the priority to lease under the Co-Development Agreement, the Group will be able to fulfill its strategic goal of opening a store in the west side of Hangzhou, and further strengthens its position as the leading department store operator in Zhejiang province.

On 19 July 2011, the Group further strengthened its presence in Shaoxing market by signing an agreement with Xilinmen Group Shaoxing Jiaye Construction Development Co., Ltd. to operate a department store in the Silver Street Shopping Mall Project. The Silver Street Shopping Mall Project is situated at the northern part of Jiefang Road, the main urban district and the prime commercial avenue in Shaoxing city.

On 22 June 2011, the Group entered into an agreement with Baotou MCC Real Estate Co., Ltd. for a lease of total GFA of approximately of 70,000 sq.m. at the Times Square of Baotou, Inner Mongolia. The planned GFA of the entire project undertaken by Baotou MCC Real Estate Co., Ltd. is approximately 1.1 million sq.m. Upon completion in late 2013, the project will become a super urban complex comprising multiple functions such as shopping centre, office buildings, residential buildings and starred hotels.

As the biggest city in the Inner Mongolia Autonomous Region, Baotou is hailed as one of the "Four Cities with the Fastest Economic Growth in North China". As at the end of 2010, the Baotou had a population of 2.65 million, including 1.90 million urban populations, which made it one of the 23 big cities nationwide with an urban population of over 1 million. The per capita disposable income of urban resident of Baotou reached RMB25,862 in 2010, which ranked first among the prefecture level cities in Inner Mongolia. The Group's entry into Baotou marks one of its moves to tap into the northern market of China. The Group will leverage its various resources in Zhejiang and Beijing to accelerate its development in the northern regional markets adjacent to Beijing, including Inner Mongolia.

Management Discussion and Analysis

During the first half of 2011, the Group further disposed part of its equity interest in Baida. The disposal generated total cash proceeds of RMB160.6 million and before-tax disposal gain of approximately RMB73.1 million. As at 30 June 2011, the Group holds a 5.0% equity interest in Baida. In addition, the Group increased its equity interest in Wushang to 24.48% as at the 30 June 2011. Such increase in equity interest in Wushang is consistent with the Group strategy to expand its market presence and competitiveness in the Hubei market.

Constituent Stock of MSCI China Indices

On 17 May 2011, the Company was selected as a constituent stock of Morgan Stanley Capital International (MSCI) China Indices under the MSCI Global Standard Indices, effective from the market close on 31 May 2011. The Board believes that the inclusion will further enhance the Company's recognition in the international capital market.

OUTLOOK

The global economic recovery has been overshadowed by the recent European sovereign debt crisis and the prospect of a significant slowdown in the US economy. Amidst such international macroeconomic environment, the persistent surge of consumer price inflation in China has resulted in further tightening of monetary policy. Although the Chinese economy is not immune to the current economic problem in the West, the Group believes that the outlook for the department store industry remains promising as the Chinese government is committed to the ongoing process of steering its economy away from export-driven growth to domestic consumption-driven growth and is implementing policy initiatives to raise Chinese residents' disposable income. Going forward, the Group will continue to focus on improving the operations of the existing stores and explore opportunities of further business development by leveraging on the established foundation. The Group's strategic projects in a few provincial cities were well-chosen and laid solid foundations for the Group's long term growth prospects. With its pool of talented management staff and its thoroughly defined business plan, the Group is confident that it will continue to overcome challenges and extend its track record of achievements.

FINANCIAL REVIEW

Total gross sales proceeds and revenue

For the six months ended 30 June 2011, total gross sales proceeds of the Group (that is, aggregate proceeds from direct sales, gross revenue from concessionaire sales, rental income and management fee income from operation of department stores) increased to RMB5,561.2 million, representing an increase of 38.8% from RMB4,006.4 million recorded in the corresponding period of last year. The growth was mainly driven by the same store sales growth of approximately 28.4%. Among the total gross sales proceeds of the Group, total sales proceeds from concessionaire sales accounted for 87.8% (2010: 88.9%) and those derived from direct sales accounted for 10.3% (2010: 9.0%).

Sales proceeds from concessionaire sales increased by 37.1% to RMB4,883.4 million in the first half of 2011. The commission rate of concessionaire sales was approximately 18.0% in the first half of 2011, which is slightly below the rate of 18.2% recorded in the same period of last year. Such decrease was mainly due to the lower commission rate recorded by new stores during the initial operating period and the enhancement of merchandise mix and the introduction of new businesses (such as supermarket and home appliance retailing business of Hubei New Century). The Group will conduct regular reviews on the performance of the suppliers and concessionaires, with the aim to enhance and strengthen the merchandize mix and provide better shopping choices to its customers.

In line with the Group's strategy to increase the proportion of direct sales and to improve the Group's overall profitability, total sales proceeds from direct sales increased by 59.0% to RMB572.2 million for the first half of 2011. Direct sales margin declined from 21.5% for the six months ended 30 June 2010 to 18.8% for the period under review, mainly due to the expansion of merchandise mix (such as supermarket and home appliance retailing business of Hubei New Century) and increase of promotional activities.

The Group's total revenue for the six months ended 30 June 2011 amounted to RMB1,557.5 million, representing a remarkable growth of 42.3% as compared with RMB1,094.5 million recorded in the corresponding period of last year. Such increase reflects the strong underlying growth trend of the retail consumption in Zhejiang province and Hubei province.

Management Discussion and Analysis

Other income and gains

For the six months ended 30 June 2011, the Group's other income amounted to RMB212.0 million, representing an increase of 97.9% from RMB107.1 million recorded for the corresponding period of last year. The growth was largely due to a significant increase in the interest income and advertisement and promotion administration income during the period under review.

Other gains of the Group amounted to RMB88.0 million for the six months ended 30 June 2011, which was mainly comprised of a gain of RMB73.1 million from the disposal of its equity interest in Baida.

Purchase of goods and change in inventories

The purchase of goods and changes in inventories refer to the cost of the direct sales. In line with the growth of direct sales, the Group's cost of sales increased to RMB464.8 million for the period ended 30 June 2011, representing an increase of 64.5% from RMB282.6 million recorded in the corresponding period of last year.

Staff costs

For the six months ended 30 June 2011, Group's staff costs increased to RMB220.4 million, representing an increase of 60.3% from RMB137.5 million recorded in the corresponding period of last year. The increase was generally in line with the growth in profit for the period. The increase in staff cost is also associated with the inclusion of full six months' staff cost of new stores opened and acquired in 2010 and in early 2011.

Depreciation and amortization

For the six months ended 30 June 2011, Group's depreciation and amortization increased to RMB136.2 million, representing an increase of 16.6% from RMB116.8 million recorded in the corresponding period of last year. The increase was primarily due to the inclusion of depreciation and amortization costs for new stores opened and retail properties acquired in 2010 and in early 2011.

Other expenses

Other expenses, which mainly consisted of utility expenses, store rental expenses, advertising expenses, credit card charges and other tax expenses, amounted to RMB449.5 million for the six months ended 30 June 2011, representing an increase of 32.8% from RMB338.6 million recorded in the same period of last year. Other expenses as a percentage to total revenue for the period were 28.9%, which was lower than the 30.9% recorded in the corresponding period of last year, reflecting the improvement was made in the overall operating efficiency of the Group during the period under review.

Finance costs

For the six months ended 30 June 2011, finance costs of the Group amounted to RMB76.4 million, representing an increase of 202.0% as compared to RMB25.3 million for the same period of last year. This was due to the increase in average balance of bank loans as compared to the same period of last year and the issuance of convertible bonds in October 2010.

Share of losses of a jointly-controlled entity

The share of losses of a jointly-controlled entity for the six months ended 30 June 2011 amounted to RMB1.4 million, which was slightly higher than the losses of RMB0.8 million recorded in the corresponding period of last year.

Share of profits and losses of associates

The share of net profits of associates for the six months ended 30 June 2011 amounted to RMB136.5 million, representing an increase of 220.4% from RMB42.6 million recorded in the corresponding period of last year. The increase was mainly due share of profit from its 50% equity interest in Beijing Youyi Lufthansa Shopping City Co. Ltd. Beijing Lufthansa Centre, which the Group acquired in December 2010.

Income tax expense

The Group's income tax expenses for the six months ended 30 June 2011 amounted to RMB139.2 million, representing an increase of 50.2% from RMB92.7 million recorded in the first half of 2010. Effective tax rate of the Group for the six months ended 30 June 2011 was 21.6%, slightly lower than that of the same period of last year.

Profit for the period

As a result of the reasons mentioned above, profit for the six months ended 30 June 2011 amounted to RMB506.2 million, representing an increase of 60.5% from RMB315.3 million recorded in the corresponding period of last year.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the six months ended 30 June 2011 amounted to RMB481.4 million, representing an increase of 60.3% from RMB300.4 million recorded in the corresponding period of last year.

Management Discussion and Analysis

Liquidity and financial resources

Cash and bank balances of the Group amounted to RMB1,578.4 million as at 30 June 2011, representing an increase of RMB212.3 million from the balance of RMB1,366.1 million as at 31 December 2010. During the period under review, the Group's net cash inflow from operating activities amounted to RMB401.1 million, the net cash inflow from financing activities amounted to RMB570.3 million and the net cash outflow from investment activities amounted to RMB1,078.4 million.

As at 30 June 2011, the Group's borrowings, including bank and other borrowings and outstanding convertible bonds, amounted to RMB3,708.4 million (31 December 2010: RMB2,817.9 million). The gearing ratio, calculated by total interest-bearing bank and other borrowings and convertible bonds over total assets of the Group, was increased to 26.3% (31 December 2010: 22.9%). The Group believes that the increased gearing ratio is still within a healthy range.

Net current liabilities and net assets

The net current liabilities of the Group as at 30 June 2011 amounted to RMB953.2 million, while it was RMB465.8 million as at 31 December 2010. Net assets of the Group as at 30 June 2011 amounted to RMB6,302.7 million, representing an increase of 10.3% from RMB5,715.0 million as at 31 December 2010.

Pledge of assets

Certain buildings, investment properties, construction in progress, land use rights and properties under development with carrying amount of RMB3,326.3 million have been pledged to the Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China CITIC Bank and Suizhou Rural Credit Union to obtain bank facilities in the amount of RMB4,215.6 million. A time deposit of RMB300 million has been pledged to the Industrial and Commercial Bank of China to obtain a bank loan in the amount of HKD300 million.

Foreign exchange risk

The operations of the Group are mainly carried out in the PRC with most transactions settled in RMB. Certain of the Group's cash and bank deposits are denominated in Hong Kong dollars and United States dollars. The convertible bonds are denominated in Hong Kong dollars. In addition, the Company pays dividend in Hong Kong dollars. Any significant exchange rate fluctuations of Hong Kong dollars or United States dollars against RMB may have financial impact on the Group. The Group has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure. Nevertheless, the Group will from time to time review and adjust the Group's investment and financing strategies based on the RMB, United States dollars and Hong Kong dollars exchange rate movement.

Staff and remuneration policy

As at 30 June 2011, the total number of employees for the Group was 6,042. The Group strives to offer a good working environment, a diversified range of training programs as well as an attractive remuneration package to its employees. The Group endeavours to motivate its staff with performance based remuneration. On top of the basic salary, staff with outstanding performance will be rewarded by way of bonuses, share options, honorary awards or a combination of all the above to further align the interests of its employees and that of the Group, to attract talented individuals, and to create long-term incentive for its staff.

Contingent Liabilities

Details of the contingent liabilities are set out in Note 24 to the Interim Condensed Consolidated Financial Statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2011, the interests and short positions of the directors of the Company ("Directors") and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules were as follows:

Name of Directors/ Chief Executive	Nature of Interest	Number and class of securities[1]	Approximate percentage of interest in such corporation
Mr. Shen Guojun	Interest of controlled corporations[2]	L719,316,255	37.56%
Mr. Chen Xiaodong	Beneficial owner[3]	L16,500,000	0.86%
Mr. Lee Ka Kit	Beneficiary of a trust[4]	L147,664,835	7.71%

Notes:

(1) The Letter "L" denotes the person's long position in such Shares.

(2) Mr. Shen Guojun, an executive Director and the Chairman of the Board, is the beneficial owner of the entire share capital of Fortune Achieve Group Ltd., which in turn is the beneficial owner of the entire issued share capital of Glory Bless Limited, which in turn is the beneficial owner of the entire issued share capital of Intime International Holdings Limited, which holds 719,316,255 shares of the Company. Mr. Shen Guojun is a director of each of Fortune Achieve Group Ltd., Glory Bless Limited and Intime International Holdings Limited.

(3) Mr. Chen Xiaodong, an executive director and the Chief Executive Officer of the Company, held options in respect of a total of 16,500,000 shares of the Company as at 30 June 2011.

(4) Mr. Lee Ka Kit, a non-executive Director, is a beneficiary of a private trust which holds 147,664,835 shares of the Company as at 30 June 2011.

Save as disclosed above, as at 30 June 2011, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2011, so far as is known to any Director or chief executive of the Company, the persons (other than the Directors and the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were directly or indirectly, interested in 10% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of shareholders	Nature of Interest	Number and Class of Securities [1]	Approximate percentage of interest in such corporation
Fortune Achieve Group Ltd.	Interest of controlled corporation[2]	L719,316,255	37.56%
Glory Bless Limited	Interest of controlled corporation[2]	L719,316,255	37.56%
Intime International Holdings Limited	Beneficial owner[2]	L719,316,255	37.56%
JPMorgan Chase & Co	Interest of controlled corporation[3]	L210,789,468	11.01%
		S5,441,000	0.28%
		P31,427,801	1.64%
Comax Investment Limited	Beneficial owner[4]	L147,664,835	7.71%
Henderson Development Limited	Interest of controlled corporation[4][5]	L147,664,835	7.71%
Henderson Land Development Company Limited	Interest of controlled corporation[4]	L147,664,835	7.71%
Hopkins (Cayman) Limited	Interest of controlled corporation[4]	L147,664,835	7.71%
Lee Shau Kee	Interest of controlled corporation[4]	L147,664,835	7.71%
Riddick (Cayman) Limited	Trustee[5]	L147,664,835	7.71%
Rimmer (Cayman) Limited	Trustee[5]	L147,664,835	7.71%
Artio Global Management LLC	Investment manager	L97,433,000	5.09%

Notes:

1. The letter “L” denotes the person’s long position in such shares of the Company; the letter “S” denotes the person’s short position in such shares of the Company; the letter “P” denotes the person’s lending pool in such shares of the Company.

2. Mr. Shen Guojun is the beneficial owner of the entire issued share capital of Fortune Achieve Group Ltd., which in turn is the beneficial owner of the entire issued share capital of Glory Bless Limited, which in turn is the beneficial owner of the entire issued share capital of Intime International Holdings Limited, which holds 719,316,255 shares of the Company. Mr. Shen Guojun is a director in each of Fortune Achieve Group Ltd., Glory Bless Limited and Intime International Holdings Limited.

3. JPMorgan Chase & Co. is interested in the shares of the Company via various entities which it directly or indirectly controls and has interests in the shares of the Company, including (i) JPMorgan Chase Bank, N.A. which is 100% controlled by JPMorgan Chase & Co.; (ii) JF Asset Management Limited, which is 100% controlled by JPMorgan Asset Management (Asia) Inc., which in turn is 100% controlled by JPMorgan Asset Management Holdings Inc., which in turn is 100% controlled by JPMorgan Chase & Co.; (iii) JPMorgan Asset Management (Taiwan) Limited, which in turn is 100% controlled by JPMorgan Asset Management (Asia) Inc.; (iv) JF International Management Inc., which is 100% controlled by JPMorgan Asset Management (Asia) Inc.; (v) JPMorgan Asset Management (Singapore) Limited, which is 100% controlled by JPMorgan Asset Management (Asia) Inc.; (vi) J.P. Morgan Securities Ltd., which was 98.95% controlled by J.P. Morgan Chase International Holdings, which in turn is 100% controlled by J.P. Morgan Chase (UK) Holdings Limited, which in turn is 100% controlled by J.P. Morgan Capital Holdings Limited, which in turn is 100% controlled by J.P. Morgan International Finance Limited, which in turn is 100% controlled by Bank One International Holdings Corporation, which in turn is 100% controlled by J.P. Morgan International Inc., which is 100% controlled by JPMorgan Chase Bank, N.A.; (vii) China International Fund Management Co. Ltd., which is 49% owned by JPMorgan Asset Management (UK) Limited, which in turn is 100% controlled by JPMorgan Asset Management Holdings (UK) Limited, which in turn is 100% controlled by JPMorgan Asset Management International Limited, which in turn is 100% controlled by JPMorgan Asset Management Holdings Inc.; (viii) J.P. Morgan Whitefriars Inc., which is 100% controlled by J.P. Morgan Overseas Capital Corporation, which is 100% controlled by J.P. Morgan International Finance Limited; (ix) JPMorgan Asset Management (UK) Limited, which is 100% controlled by JPMorgan Asset Management Holdings (UK) Limited.

4. Lee Shau Kee is the beneficial owner of the entire issued share capital of Hopkins (Cayman) Limited, which in turn is the beneficial owner of the entire issued share capital of Henderson Development Limited. Henderson Development Limited is the beneficial owner of 60.33% of the entire issued share capital of Henderson Land Development Company Limited, which in turn is the beneficial owner of the entire issued share capital of Jetrich Global Limited. Jetrich Global Limited is the beneficial owner of the entire issued share capital of Comax Investment Limited, which holds 147,664,835 shares of the Company. Therefore, each of Lee Shau Kee, Hopkins (Cayman) Limited, Henderson Development Limited and Henderson Land Development Company Limited is deemed to be interested in the shares held by Comax Investment Limited.

5. Rimmer (Cayman) Limited (“Rimmer”) and Riddick (Cayman) Limited (“Riddick”), as trustees of respective discretionary trusts, hold units in a unit trust in which Hopkins (Cayman) Limited act as a trustee. Accordingly, Rimmer and Riddick are deemed to be interested in the shares held by Comax Investment Limited.

Save as disclosed above, as at 30 June 2011, so far is known to the Directors or the chief executive of the Company, no other person (not being a Director or chief executive of the Company) had any interests or short positions in the shares, underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or, who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHARE OPTION SCHEME

Pursuant to the Company's share option scheme approved by the resolution of the Company's shareholders dated 24 February 2007, the Company may grant options (the "Options") to any employee, management member or director of the Company, or any of the Company's subsidiaries and third party service providers (the "Scheme"). The purpose of the Scheme is to attract skilled and experienced personnel, to incentivise them to remain within the Group and to give effect to the Group's customer-focused corporate culture, and to motivate them to strive for the Group's future development and expansion, by providing them with the opportunity to acquire equity interests in the Company. The amount payable on acceptance of an option is HK$1.00. Details of the Scheme were disclosed in the Company's prospectus dated 7 March 2007.

The Scheme will remain valid for a period of ten years commencing on 20 March 2007, after which no further share options will be granted but the provisions of the Scheme shall remain in full force and effect in other respects. Share options complying with the provisions of the Listing Rules which are granted during the duration of the Scheme and remain unexercised immediately prior to the end of the 10-year period shall continue to be exercisable in accordance with their terms of grant within the share option period for which share options are granted, notwithstanding the expiry of the Scheme. The maximum number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue as at the date of listing of shares of the Company (such 10% representing 180,000,000 shares), without prior approval from the Company's shareholders. No option may be granted to any one person such that the total number of shares issued and to be issued upon the exercise of the Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time, unless the approval of our shareholders is obtained. Options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates in the 12-month period in excess of 0.1% of the Company's issued share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within the time limit specified in the offer letter. The period with which the Options must be exercised will be specified by the Company at the time of grant and must expire no later than 10 years from the date of grant of the Options (being the date on which the board makes a written offer of grant of the Options to the relevant proposed beneficiary) unless the Company obtains specified shareholder's approval in relation to such grant. The exercise price for the shares under the Share Option Scheme will not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant; and (iii) the nominal value of a share of the Company.

The movements in share options granted under the share option scheme adopted by the Company for the six months ended 30 June 2011 are shown below:

			Number of share options								
Name or category of participant	Date of Grant	Exercise Price per share HK$	As at 1 Jan 2011	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 Jun 2011	Exercise Period	Closing price immediately before the date of grant HK$	Weighted Average closing price immediately before the date of exercise HK$
Director & Chief Executive Officer											
Chen Xiaodong	11/4/2008	5.64	600,000	-	-	-	-	600,000	12/4/2009-11/4/2014	5.60	-
	18/9/2008	3.56	900,000	-	200,000	-	-	700,000	19/9/2009-18/9/2014	3.20	12.42
	4/3/2009	1.88	1,500,000	-	300,000	-	-	1,200,000	5/3/2010-4/3/2015	1.83	12.31
	28/8/2009	6.63	9,000,000	-	-	-	-	9,000,000	29/8/2010-28/8/2015	5.15	-
	26/5/2010	6.49	3,000,000	-	-	-	-	3,000,000	27/5/2011-26/5/2016	6.24	-
	1/4/2011	10.77	-	2,000,000	-	-	-	2,000,000	2/4/2012-1/4/2017	10.56	-
Retired Director (1)											
Ching Siu Leung	21/3/2007	6.44	1,100,000	-	1,100,000	-	-	-	22/3/2009-21/3/2012	6.44	12.30

			Number of share options								
Name or category of participant	Date of Grant	Exercise Price per share *HK$*	As at 1 Jan 2011	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 Jun 2011	Exercise Period	Closing price immediately before the date of grant *HK$*	Weighted Average closing price immediately before the date of exercise *HK$*
Other employees in aggregate	11/4/2008	5.64	5,640,500	–	1,134,000	–	–	4,506,500	12/4/2009-11/4/2014	5.60	12.59
	18/9/2008	3.56	5,653,000	–	572,000	–	604,000	4,477,000	19/9/2009-18/9/2014	3.20	12.52
	4/3/2009	1.88	11,788,000	–	1,943,000	–	540,000	9,305,000	5/3/2010-4/3/2015	1.83	12.40
	20/10/2009	5.50	1,000,000	–	250,000	–	–	750,000	21/10/2010-20/10/2015	5.35	13.34
	26/5/2010	6.49	16,410,000	–	299,500	–	400,000	15,710,500	27/5/2011-26/5/2016	6.24	13.50
	26/8/2010	9.00	1,600,000	–	–	–	–	1,600,000	27/8/2011-26/8/2016	8.93	–
	1/4/2011	10.77	–	16,312,000	–	–	–	16,312,000	2/4/2012-1/4/2017	10.56	–
Total			58,191,500	18,312,000	5,798,500	–	1,544,000	69,161,000			

Note:

(1) Mr. Ching Siu Leung retired as a Director on 7 June 2011.

PURCHASE, SALE AND REDEMPTION OF COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2011.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of RMB0.10 per share for the six months ended 30 June 2011 (six months ended 30 June 2010: RMB0.10 per share) to shareholders whose names appear on the register of members of the Company on 14 October 2011. The interim dividend is expected to be paid on or around 8 November 2011.

CLOSURE OF REGISTERS OF MEMBERS

The Company's register of members will be closed from 11 October 2011 to 14 October 2011 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the declared interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 10 October 2011.

Other Information

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the six months ended 30 June 2011.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practice as contained in Appendix 14 of the Listing Rules for the six months ended 30 June 2011.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code") as its own code of conduct regarding Directors' securities dealing. The Board is pleased to confirm, after making specific enquiries with the Directors, that all Directors have fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2011.

AUDIT COMMITTEE

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control and financial reporting with the management, including the review of the unaudited condensed consolidated accounts for the period ended 30 June 2011 of the Group. The Audit Committee considered that the interim financial results for the six months ended 30 June 2011 is in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has three members comprising three independent non-executive Directors, namely, Mr. Chow Joseph, Mr. Shi Chungui and Mr. Yu Ning. Mr. Chow Joseph is the chairman of the Committee.

APPRECIATION

The Board would like to express its sincere appreciation to the shareholders, customers, suppliers and staff for their continued support to the Group.

By Order of the Board
Intime Department Store (Group) Company Limited
Shen Guojun
Chairman

Beijing, 30 August 2011