



# 銀泰商业

Intime Retail (Group) Company Limited

銀泰商業(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1833



Interim Report  
2013

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## Corporate Profile

Intime Retail (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 and shopping malls 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 15 years of development, the Group has established a leading position in Zhejiang province and secured strategic footholds in Hubei province, Shaanxi province, Anhui province, Hebei province and Beijing. As at 30 June 2013, the Group operated and managed a total of 27 department stores and 5 shopping malls with a total gross floor area of 1,477,906 square meters, including 18 department stores and 2 shopping malls located in the principal cities of Zhejiang province, 6 department stores located in Hubei province, 1 department store located in Beijing, 1 shopping mall located in Anhui province, 1 department store located in Hebei province, and 1 department store and 2 shopping malls located in Shaanxi province. All of the Group’s stores and shopping malls are located in prime shopping locations of their respective cities and aim to provide the Group’s customers with pleasant and perfect shopping experience. In addition, the Group also holds a 50% equity interest in Beijing Youyi Lufthansa Shopping City Co., Ltd. Beijing Lufthansa Centre.

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 and online store. 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

LIU Dong

WONG Luen Cheung Andrew (appointed on 31 May 2013)

LEE Ka Kit (retired on 31 May 2013)

#### 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

1063-3, Creative Culture Industrial Park,

Sihui East Road,

Chaoyang District,

Beijing 100124

PRC

Tel: +86 10 87159300

Fax: +86 10 87159385

Email: info@intime.com.cn

### COMPANY SECRETARY

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1703, Tower II

Admiralty Centre

18 Harcourt Road

Hong Kong

## Corporate Information

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
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](http://www.intime.com.cn)

## Interim Condensed Consolidated Income Statement

For the six months period ended 30 June 2013

		For the six months period ended 30 June	
		2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
	Notes		
<b>Revenue</b>	4	2,275,402	1,871,040
Other income and gains	5	455,779	332,769
Purchases of goods and changes in inventories	6	(772,399)	(593,581)
Staff costs	6	(299,766)	(242,649)
Depreciation and amortisation	6	(213,736)	(190,627)
Other expenses		(609,005)	(589,389)
Share of profits and losses of:			
Jointly-controlled entities		1,211	(1,193)
Associates		156,373	140,002
Finance income	7	115,741	115,433
Finance costs	7	(89,656)	(94,747)
<b>Profit before tax</b>		1,019,944	747,058
Income tax expense	8	(255,339)	(171,234)
<b>Profit for the period</b>		764,605	575,824
<b>Attributable to:</b>			
Owners of the parent		732,452	547,329
Non-controlling interests		32,153	28,495
		764,605	575,824
<b>Interim dividends</b>	9	200,261	199,749
<b>Earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)</b>			
Basic			
– For profit for the period	10	0.36	0.27
Diluted			
– For profit for the period	10	0.36	0.27

## Interim Condensed Consolidated Statement of Comprehensive Income

For the six months period ended 30 June 2013

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
<b>Profit for the period</b>	<b>764,605</b>	<b>575,824</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>		
Share of other comprehensive loss of an associate	–	(366)
Exchange differences on translation of foreign operations	(15,888)	(23,938)
<b>Net other comprehensive loss to be reclassified to profit or loss in subsequent periods</b>	<b>(15,888)</b>	<b>(24,304)</b>
<b>Other comprehensive loss for the period, net of tax</b>	<b>(15,888)</b>	<b>(24,304)</b>
<b>Total comprehensive income for the period</b>	<b>748,717</b>	<b>551,520</b>
<b>Attributable to:</b>		
Owners of the parent	716,564	523,025
Non-controlling interests	32,153	28,495
	<b>748,717</b>	<b>551,520</b>

## Interim Condensed Consolidated Statement of Financial Position

30 June 2013

		30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	4,892,055	4,276,023
Investment properties	11	2,591,754	2,545,476
Prepaid land lease payments	11	2,110,679	2,177,497
Properties under development	11	273,736	239,729
Prepayments, deposits and other receivables	14	120,387	–
Goodwill		650,781	650,781
Other intangible assets		29,320	32,213
Prepaid rental		59,912	60,494
Investment in a jointly-controlled entity		278,403	281,463
Interests in associates		2,364,483	2,351,490
Loans and receivables – third parties		30,000	100,000
Loans and receivables – related parties	27	653,648	314,110
Available-for-sale investments		–	24,466
Deferred tax assets		171,042	163,625
<b>Total non-current assets</b>		<b>14,226,200</b>	<b>13,217,367</b>
<b>CURRENT ASSETS</b>			
Inventories	13	280,353	361,277
Properties under development	11	519,610	478,229
Prepayments, deposits and other receivables	14	1,297,223	823,981
Loans and receivables – third parties		103,255	237,736
Loans and receivables – related parties	27	287,959	579,644
Due from related parties	27	1,094,487	898,593
Trade receivables	15	40,446	51,840
Cash in transit	16	151,788	407,455
Pledged deposits	17	102,500	175,500
Restricted bank balances	17	24,205	28,538
Cash and cash equivalents	17	1,702,841	2,117,380
		5,604,667	6,160,173
Assets of disposal group classified as held for sale	12	852,485	1,916,459
<b>Total current assets</b>		<b>6,457,152</b>	<b>8,076,632</b>



## Interim Condensed Consolidated Statement of Financial Position

30 June 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	18	1,290,696	2,376,210
Other payables and accruals	19	3,674,353	3,525,951
Interest-bearing bank and other borrowings	20	1,677,755	1,150,551
Due to related parties	27	503,733	599,830
Tax payable		319,506	262,379
Convertible bonds	20	1,624,973	1,645,123
		<b>9,091,016</b>	<b>9,560,044</b>
Liabilities directly associated with the assets classified as held for sale	12	51,168	1,088,104
<b>Total current liabilities</b>		<b>9,142,184</b>	<b>10,648,148</b>
<b>NET CURRENT LIABILITIES</b>		<b>(2,685,032)</b>	<b>(2,571,516)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>11,541,168</b>	<b>10,645,851</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables and accruals	19	210,792	–
Guaranteed bonds due July 2014	20	1,016,489	996,764
Interest-bearing bank and other borrowings	20	1,110,000	1,012,000
Deferred tax liabilities		398,903	409,839
Deferred subsidy income		51,345	52,141
<b>Total non-current liabilities</b>		<b>2,787,529</b>	<b>2,470,744</b>
<b>NET ASSETS</b>		<b>8,753,639</b>	<b>8,175,107</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	21	155	154
Treasury shares	21	(68,744)	–
Equity component of convertible bonds		23,607	23,607
Reserves		7,833,507	7,058,033
Proposed final dividend		–	180,274
		<b>7,788,525</b>	<b>7,262,068</b>
<b>Non-controlling interests</b>		<b>965,114</b>	<b>913,039</b>
<b>Total equity</b>		<b>8,753,639</b>	<b>8,175,107</b>

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months period ended 30 June 2013

Attributable to owners of the parent																
	Reserve for fair value changes of			Capital redemption reserve	Discretionary			Statutory reserves	Retained profits	Exchange fluctuation reserve	Equity component of		Share option reserve	Proposed final dividend	Non-controlling interests	Total Equity
	Treasury shares	Share premium	Capital reserve		available-for-sale investments	reserves	fund				convertible bonds	RMB'000				
Issued capital	(note 21)	(note 21)										(note 22)				
At 1 January 2013	154	-	4,292,022	4	362,364	59	3,284	395,540	1,991,564	(42,175)	23,607	65,371	180,274	7,262,068	913,039	8,175,107
Profit for the period	-	-	-	-	-	-	-	-	732,452	-	-	-	-	732,452	32,153	764,605
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(15,888)	-	-	-	(15,888)	-	(15,888)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	732,452	(15,888)	-	-	-	716,564	32,153	748,717
Exercise of share options	1	-	60,914	-	-	-	-	-	-	-	-	(15,362)	-	45,553	-	45,553
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	-	-	-	-	-	-	575	-	-	(575)	-	-	-	-
Equity-settled share option arrangements	-	-	-	-	-	-	-	-	-	-	-	14,498	-	14,498	-	14,498
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,282	41,282
Dividend on shares issued for employee share options exercised after 31 December 2012	-	-	-	-	-	-	-	-	(1,140)	-	-	-	-	(1,140)	-	(1,140)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,360)	(21,360)
Final 2012 dividend declared	-	-	-	-	-	-	-	-	-	-	-	-	(180,274)	(180,274)	-	(180,274)
Repurchase of shares	-	(68,744)	-	-	-	-	-	-	-	-	-	-	-	(68,744)	-	(68,744)
At 30 June 2013 (Unaudited)	155	(68,744)	4,352,936	4	362,364	59	3,284	395,540	2,713,451	(58,063)	23,607	63,932	-	7,788,525	985,114	8,753,639

For the six months period ended 30 June 2013

## Interim Condensed Consolidated Statement of Cash Flows

For the six months period ended 30 June 2013

	Note	For the six months period ended 30 June	
		2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Net cash flows used in operating activities		(188,300)	(92,994)
Net cash flows used in investing activities		(670,775)	(919,658)
Net cash flows from financing activities		440,521	217,703
Decrease in cash and cash equivalents		(418,554)	(794,949)
Cash and cash equivalents as stated in the statement of financial position at beginning of the period		2,117,380	1,779,253
Cash and short term deposits attributable to the disposal group held for sale		126,606	4,586
Cash and cash equivalents as stated in the statement of cash flows at beginning of the period		2,243,986	1,783,839
Effects of foreign exchange rate changes, net		(27,919)	(14,330)
Cash and cash equivalents at end of the period		1,797,513	974,560
Analysis of balance of cash and cash equivalents			
Cash and bank balances		1,698,608	931,075
Non-pledged time deposits with original maturity of less than three months when acquired	17	4,233	–
Cash and cash equivalents as stated in the statement of financial position	17	1,702,841	931,075
Cash and short term deposits attributable to the disposal group held for sale		94,672	43,485
Cash and cash equivalents as stated in the statement of cash flows		1,797,513	974,560

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 1. CORPORATE INFORMATION

Intime Retail (Group) Company Limited (formerly known as 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 and shopping malls in Mainland China.

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, except for available-for-sale investments, which have been measured at fair value. 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 2012.

## 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 2012, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretations as of 1 January 2013, noted below:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

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

HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	<i>Amendments to HKAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Improvements to HKFRSs 2009-2011 Cycle	<i>Amendments to a number of HKFRSs issued in June 2012</i>

The adoption of these new and revised HKFRSs had no significant financial effect on these financial statements.

### 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 9	<i>Financial Instruments</i> <sup>2</sup>
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	<i>Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities</i> <sup>1</sup>
HKAS 32 Amendments	<i>Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> <sup>1</sup>
HKAS 36 Amendments	<i>Amendments to HKAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> <sup>1</sup>
HKAS 39 Amendments	<i>Amendments to HKAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> <sup>1</sup>
HK(IFRIC)-Int 21	<i>Levies</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2015

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.

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 2.4 SIGNIFICANT ACCOUNTING POLICIES

### Treasury shares

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

## 3. SEGMENT INFORMATION

For management purposes, the Group has a single operating and reportable segment – the operation and management of department stores and shopping malls 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 shopping malls 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 period ended 30 June 2013 and 2012. All non-current assets (excluded financial instruments and deferred tax assets) of the Group are located in Mainland China.

## 4. REVENUE

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Sale of goods – direct sale	921,266	710,207
Commissions from concessionaire sales	1,156,196	989,525
Rental income	175,422	149,144
Rental income from investment properties	105,740	75,002
Sublease rental income	53,559	64,304
Contingent rental income	16,123	9,838
Management fee income from operation of department stores	22,518	22,164
	2,275,402	1,871,040

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 4. REVENUE (CONTINUED)

The commissions from concessionaire sales are analysed as follows:

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Gross revenue from concessionaire sales	6,668,424	5,706,854
Commissions from concessionaire sales	1,156,196	989,525

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

	Note	For the six months period ended 30 June	
		2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
<b>Other income</b>			
Advertisement, promotion and administration income		109,382	144,749
Supplementary income		21,574	20,418
Subsidy income		12,400	12,671
Others		19,811	30,738
		163,167	208,576
<b>Gains/(losses)</b>			
Gain on disposal of shares of an associate		–	126,938
Gain on disposal of subsidiaries	23	326,998	–
Impairment of available-for-sale investments		–	(2,745)
Others		(34,386)	–
		292,612	124,193
		455,779	332,769



# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 6. PROFIT BEFORE TAX

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

	For the six months period ended 30 June	
	2013	2012
	(Unaudited) RMB'000	(Unaudited) RMB'000
Purchases of goods and changes in inventories	772,399	593,581
Depreciation and amortisation	213,736	190,627
Staff costs (including directors' and chief executive's remuneration):	299,766	242,649
Wages, salaries and bonuses	225,621	178,977
Pension costs – defined contribution schemes	37,436	30,512
Welfare, medical and other benefits	22,211	19,467
Equity-settled share option expense	14,498	13,693
Utility expenses	109,759	91,878
Store rental expenses	218,438	233,240
Credit card charges	45,593	42,401
Advertising expenses	87,614	66,395
Auditors' remuneration	1,000	1,000
Professional service charges	5,595	9,601
Other tax expenses	49,839	46,363
Direct operating expenses (including repairs and maintenance, but excluding depreciation and amortisation) arising on rental-earning investment properties	39,194	25,318
Rental income on investment properties less direct operating expenses of RMB39,194,000 (six months period ended 30 June 2012: RMB25,318,000)	(66,546)	(49,684)

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 7. FINANCE INCOME/FINANCE COSTS

### Finance income

	For the six months period ended 30 June	
	2013	2012
	(Unaudited) RMB'000	(Unaudited) RMB'000
Interest income from bank deposits	7,673	4,887
Interest income from loans and receivables	62,651	93,471
Interest income from a jointly-controlled entity	4,271	5,411
Interest income from associates	11,960	6,133
Other interest income	29,186	5,531
	<b>115,741</b>	<b>115,433</b>

### Finance costs

	For the six months period ended 30 June	
	2013	2012
	(Unaudited) RMB'000	(Unaudited) RMB'000
Interest expenses on bank loans and other borrowings		
wholly repayable within five years	67,579	55,686
Interest on convertible bonds	40,524	39,886
Interest on guaranteed bonds due July 2014	24,881	23,896
Less: Interest capitalised	(43,328)	(24,721)
	<b>89,656</b>	<b>94,747</b>

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 8. INCOME TAX

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Current income tax – Mainland China	273,692	190,770
Deferred taxation	(18,353)	(19,536)
	<b>255,339</b>	<b>171,234</b>

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 Cayman Islands income tax.

The subsidiaries incorporated in the British Virgin Islands (the “BVI”) are not subject to income tax as such subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI.

Hong Kong profits tax has been provided at the rate of 16.5% (six months period ended 30 June 2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The subsidiaries incorporated in Singapore are subject to Singapore income tax at the rate of 17% (six months period ended 30 June 2012: 17%).

All the subsidiaries established in Mainland China are subject to corporate income tax (“CIT”) at the rate of 25% for the six months period ended 30 June 2013 (six months period ended 30 June 2012: 25%).

## 9. INTERIM DIVIDEND

On 19 August 2013, the board of directors of the Company declared an interim dividend of RMB0.10 per share for the six months period ended 30 June 2013 (six months period ended 30 June 2012: RMB0.10).

## Notes to the Interim Condensed Consolidated Financial Statements

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### 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 2,010,713,665 (six months period ended 30 June 2012: 1,995,044,513) 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.

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

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	732,452	547,329
Interest on convertible bonds	40,524	39,886
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	772,976	587,215

# Notes to the Interim Condensed Consolidated Financial Statements

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

	Number of shares For the six months period ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	2,010,713,665	1,995,044,513
Effect of dilution – weighted average number of ordinary shares:		
Share options	9,817,707	16,145,466
Convertible bonds	151,996,868	148,281,131
Weighted average number of ordinary shares used in diluted earnings per share calculation	2,172,528,240	2,159,471,110

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

During the six months period ended 30 June 2013, the Group acquired property, plant and equipment and construction in progress with a cost of RMB720,916,000 (six months period ended 30 June 2012: RMB432,091,000). Depreciation for property, plant and equipment is approximately RMB149,014,000 (six months period ended 30 June 2012: RMB134,753,000) during the period.

During the six months period ended 30 June 2013, the Group acquired investment properties with a cost of RMB124,775,000 (six months period ended 30 June 2012: RMB26,090,000). Depreciation for investment properties is approximately RMB37,524,000 (six months period ended 30 June 2012: RMB30,574,000) during the period.

During the six months period ended 30 June 2013, amortisation for prepaid land lease payments is RMB28,033,000 (including RMB3,771,000 capitalised in construction in progress) (six months period ended 30 June 2012: RMB28,318,000) during the period.

## Notes to the Interim Condensed Consolidated Financial Statements

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### 11. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, PREPAID LAND LEASE PAYMENTS AND PROPERTIES UNDER DEVELOPMENT (CONTINUED)

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 2013 are approximately RMB2,296,609,000 (31 December 2012: RMB1,162,498,000) (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 2013 are approximately RMB984,945,000 (31 December 2012: RMB777,175,000) (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 2013 are approximately RMB54,856,000 (31 December 2012: RMB10,205,000) (note 20).

The application for the ownership certificates of certain buildings located in Xiantao City of Hubei Province, Cixi City, Ningbo City of Zhejiang Province and Xi'an City of Shaanxi Province, the PRC, with a carrying amount of RMB1,042,407,000 as at 30 June 2013 (31 December 2012: RMB1,434,647,000), is in process.

### 12. DISPOSAL GROUP HELD FOR SALE

On 9 January 2013, the Company entered into three equity transfer agreements with Xintai Investment Co., Ltd., to dispose each of its 70% equity interests in Wenling Taiyue Real Estate Development Limited, Wenling Intime Properties Limited and Wenling Intime Hotel Development Limited, subsidiaries of the Company, for a total consideration of RMB405,574,900. The transaction was still in progress as at 30 June 2013 and the above subsidiaries were classified as a disposal group held for sale.

### 13. INVENTORIES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Store merchandise, at cost or net realisable value	277,925	358,807
Low value consumables	2,428	2,470
	280,353	361,277

# Notes to the Interim Condensed Consolidated Financial Statements

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## 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>Current:</b>		
Advance to subsidiaries disposed of	161,398	155,072
Rental deposits	83,554	78,600
Prepaid rental	25,352	21,830
Advances to suppliers	48,581	25,414
Advances to third parties	446,028	251,314
Prepaid tax	52,181	19,831
Prepayments	113,800	118,500
Guarantee deposits	89,866	49,055
Receivable on disposal of a subsidiary	5,654	–
Dividend receivable from an associate	150,000	–
Others	120,809	104,365
	<b>1,297,223</b>	<b>823,981</b>
<b>Non-current:</b>		
Advance to subsidiaries disposed of	30,387	–
Prepayment for acquisition of non-controlling interest of a subsidiary	90,000	–
	<b>120,387</b>	<b>–</b>
	<b>1,417,610</b>	<b>823,981</b>

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

## Notes to the Interim Condensed Consolidated Financial Statements

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### 15. TRADE RECEIVABLES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Trade receivables	40,446	51,840
Impairment	–	–
	40,446	51,840

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within 1 month	30,448	36,801
1 to 2 months	8,638	12,438
2 to 3 months	1,015	2,186
Over 3 months	345	415
	40,446	51,840



# Notes to the Interim Condensed Consolidated Financial Statements

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## 15. TRADE RECEIVABLES (CONTINUED)

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Neither past due nor impaired	40,101	51,425
Less than one month past due	345	415
	40,446	51,840

## 16. CASH IN TRANSIT

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Cash in transit	151,788	407,455

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.

## Notes to the Interim Condensed Consolidated Financial Statements

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### 17. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Cash and bank balances	1,825,313	2,297,560
Time deposits	4,233	23,858
	1,829,546	2,321,418
Less: Pledged time deposits	(102,500)	(175,500)
Restricted bank balances	(24,205)	(28,538)
Cash and cash equivalents	1,702,841	2,117,380

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 approximate 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 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within 1 month	985,524	1,568,342
1 to 2 months	189,988	679,842
2 to 3 months	55,956	100,469
over 3 months	59,228	27,557
	1,290,696	2,376,210

Trade and bills payables as at the end of each reporting period were denominated in RMB.

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 19. OTHER PAYABLES AND ACCRUALS

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>Current:</b>		
Payables for purchase of property, plant and equipment, investment properties and properties under development	465,434	421,027
Advances from customers	1,520,454	1,543,917
Advances from pre-sale of properties under development	633,557	275,274
Advances from a non-controlling shareholder of a subsidiary	–	67,000
Advances from third parties (note(i))	99,370	101,471
Other liabilities to local government	21,446	21,446
Other tax payables	148,827	254,332
Bonus and welfare payables	97,108	111,123
Deposits received from suppliers/concessionaires	172,809	161,260
Deposits received from building contractors	7,146	–
Accruals	305,151	314,511
Accrued interest	21,979	21,442
Deferred revenue	28,750	27,533
Deferred government subsidy	2,661	3,277
Advances from disposal of subsidiaries	28,100	102,000
Others	121,561	100,338
	<b>3,674,353</b>	<b>3,525,951</b>
<b>Non-current:</b>		
Advances from disposal of subsidiaries	210,792	–
	<b>210,792</b>	<b>–</b>
	<b>3,885,145</b>	<b>3,525,951</b>

Note:

(i) The advances from third parties are interest-free and have no fixed repayment terms.

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2013 (Unaudited)			31 December 2012 (Audited)		
	Effective/ contractual interest rate (%)	Maturity	RMB'000	Effective/ contractual interest rate (%)	Maturity	RMB'000
<b>Current:</b>						
Bank loans – unsecured	3.125-6.888	2013-2014	474,862	5.880-7.840	2013	339,000
Bank loans – secured (a)	1.486-7.500	2013-2014	797,893	2.399-6.941	2013	596,551
Current portion of long term bank loans – secured (a)	6.000-7.020	2013-2014	350,000	6.65-7.755	2013	190,000
Current portion of long term bank loans – unsecured	6.150-6.650	2013-2014	30,000	6.650	2013	25,000
Secured other loans (a)	7.380	2014	25,000			–
			1,677,755			1,150,551
Convertible bonds	Weighted average of 5.13	2013	1,624,973	Weighted average of 5.13	2013	1,645,123
			3,302,728			2,795,674
<b>Non-current:</b>						
Secured bank loans (a)	6.150-7.590	2014-2018	1,005,000	6.650-7.980	2014-2018	702,000
Unsecured bank loans	5.843-5.895	2014-2016	105,000	6.120-7.040	2014-2015	110,000
Secured other loans (a)			–	7.980	2014	200,000
			1,110,000			1,012,000
Guaranteed bonds due July 2014	Weighted average of 4.93	2014	1,016,489	Weighted average of 4.93	2014	996,764
			2,126,489			2,008,764
			5,429,217			4,804,438

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Analysed into:		
Within one year or on demand	3,302,728	2,795,674
In the second year	1,466,489	1,536,764
In the third to fifth years, inclusive	660,000	472,000
	<b>5,429,217</b>	<b>4,804,438</b>

Notes:

(a) Secured bank and other loans of RMB1,564,837,000 as at 30 June 2013 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 2013 was RMB2,876,896,000 (31 December 2012: RMB1,949,878,000) (note 11). Secured bank loans of RMB613,056,000 as at 30 June 2013 (31 December 2012: RMB192,334,000) were pledged by the Group's time deposits of RMB102,500,000 (31 December 2012: RMB175,500,000) (note 17) and investment properties of RMB459,514,000 (31 December 2012: Nil) (note 11).

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
At floating rate:		
Expiring within 1 year	2,244,580	65,000
Expiring within 2 to 4 years, inclusive	1,857,643	1,659,499
Expiring after 5 years	1,749,500	367,500
	<b>5,851,723</b>	<b>2,091,999</b>

The Group's banking facilities were secured by time deposits (note 17), certain buildings, investment properties, construction in progress, properties under development and prepaid land lease payments (note 11) of the Group.

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 21. SHARE CAPITAL

During the period ended 30 June 2013, the movements in share capital were as follows:

The subscription rights attaching to 11,563,000 share options were exercised at the average subscription price of HK\$4.89 per share, resulting in the issue of 11,563,000 shares of US\$0.00001 each for a total cash consideration, before expenses, of HK\$56,543,000 (RMB45,553,000). An amount of RMB15,362,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

The Company repurchased on the Stock Exchange a total of 12,000,000 shares of US\$0.00001 each of the Company for an aggregate consideration of HK\$86,363,000 (RMB68,744,000 in equivalent). The repurchased shares were cancelled on 8 July 2013.

## 22. SHARE OPTION SCHEME

On 10 April 2013, 7,698,000 share options with an exercise price of HK\$9.27 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 2013, the expense recognised in the income statement for the share option scheme amounted to RMB14,498,000 (six months period ended 30 June 2012: RMB13,693,000).

## 23. DISPOSAL OF SUBSIDIARIES

	Note	2013 RMB'000
Net assets disposed of:		
Property, plant and equipment		49,241
Properties under development		680,078
Prepaid land lease payments		87,711
Loans and receivables – third parties		37,900
Deposits, prepayments and other receivables		118,048
Cash and cash equivalents		44,713
Other payables and accruals		(1,094,723)
Deferred tax liabilities		(14,312)
		(91,344)
Gain on disposal of subsidiaries	5	326,998
Satisfied by:		
Cash		235,654

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 23. DISPOSAL OF SUBSIDIARIES (CONTINUED)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2013 RMB'000
Cash consideration received	128,000
Cash and cash equivalents disposed of	(44,713)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	83,287

### 24. CONTINGENT LIABILITIES

- (1) On 8 November 2007, Jiaxing Investment Management Company Limited ("Jiaxing Intime") and Intime Department Store Co., Ltd. ("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 the 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.

## Notes to the Interim Condensed Consolidated Financial Statements

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### 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 pre-sale properties amounted to RMB124,229,000 (31 December 2012: RMB318,957,000). 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 losses during the financial period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's pre-sale 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.

- (3) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Guarantees given to a bank in connection with facilities granted to an associate	154,000	94,600
Guarantees given to banks and other financial institutions in connection with borrowings to a jointly-controlled entity	737,500	652,500



## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 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 twenty 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 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within one year	282,708	258,680
In the second to fifth years, inclusive	819,388	817,394
After five years	628,546	787,600
	<b>1,730,642</b>	<b>1,863,674</b>

The amounts above include future minimum sublease payments expected to be received under non-cancellable subleases amounting to RMB789,972,000 as at 30 June 2013 (31 December 2012: RMB859,654,000).

#### (b) As lessee

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

At 30 June 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Within one year	426,249	363,667
In the second to fifth years, inclusive	1,998,363	1,819,001
After five years	5,621,923	5,335,090
	<b>8,046,535</b>	<b>7,517,758</b>

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 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 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Contracted, but not provided for:		
Land and buildings	1,334,397	1,609,397
Leasehold improvements	101,445	33,832
	1,435,842	1,643,229
Authorised, but not contracted for:		
Land and buildings	234,246	359,246
Leasehold improvements	56,092	183,665
	290,338	542,911
	1,726,180	2,186,140

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 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Contracted, but not provided for	52,651	57,428
Authorised, but not contracted for	30,000	75,000
	82,651	132,428

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 27. RELATED PARTY TRANSACTIONS

### (a) Name and relationship of related parties

Name	Relationship
Mr. Shen Guojun	Shareholder of the Company
Intime International Holdings Limited ("Intime International")	Shareholder of the Company
Beijing Yintai Properties 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
Hangzhou Zhongda Shengma Property Co., Ltd. ("Zhongda Shengma")	Associate of the Group
Anhui Hualun Gangwan Culture Investment Co., Ltd. ("Anhui Hualun")	Associate of the Group
Bozhou Hualun International Culture Investment Co., Ltd. ("Bozhou Hualun")	Associate of the Group
Zhejiang Intime Electronic Commerce Co., Ltd. ("Zhejiang Intime Electronic Commerce")	Associate of the Group
Xi'an Qujiang Intime International Shopping Mall Co., Ltd. ("Xi'an Qujiang Intime")	Associate of the Group before 30 November 2012
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 Hualian Property Development Co., Ltd. ("Ningbo Hualian 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
Beijing Youyi Commercial Service Co., Ltd. ("Beijing Youyi")	Controlling shareholder of an associate
Fenghua Yintai Properties Co., Ltd. ("Fenghua Yintai")	49% of voting rights are controlled by Mr. Shen Guojun
Huzhou Jialefu Mall Co., Ltd. ("Huzhou Jialefu")	50% of voting rights are controlled by Mr. Shen Guojun

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 27. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Transactions with related parties

The following transactions were carried out with related parties:

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Rental expense and management fee expenses:		
Beijing Yintai	–	1,830
Metro Land	1,150	21,602
Xi'an Qujiang Intime	–	10,179
Beijing Metro Land Property (note(i))	22,254	22,254
	23,404	55,865
Advances to related parties:		
Anhui Hualun	–	24,510
Xin Hubin (note(ii))	75,612	64,000
Bozhou Hualun (note(iii))	43,500	78,300
	119,112	166,810
Repayment of advances from related parties:		
Anhui Hualun	18,777	–
Xin Hubin	–	105,738
	18,777	105,738
Loans and receivables made to related parties:		
Zhejiang Intime Electronic Commerce	40,000	49,390
Zhongda Shengma	–	84,000
	40,000	133,390
Repayment of loans and receivables from related parties:		
China Yintai	–	106,664
Hangzhou Intime	15,167	22,875
Zhongda Shengma	23,398	21,888
	38,565	151,427

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 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 period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Interest income from related parties:		
China Yintai	–	3,297
Xin Hubin	8,573	11,242
Hangzhou Intime	15,064	22,750
Zhongda Shengma	23,269	23,005
Zhejiang Intime Electronic Commerce	8,085	1,157
Anhui Hualun	12,179	9,422
Bozhou Hualun	4,908	1,298
	72,078	72,171
Management fee from a related party:		
Beijing Youyi	2,683	3,098
Customer payments to/(receipts from) related parties by the Group's prepaid cards (net off the payments made by related parties' prepaid card used):		
Intime Lotte	(6,885)	12,167
Zhejiang Intime Electronic Commerce	(1,711)	3,181
Hubin International	2,528	1,199
Xin Hubin	577	–
	(5,491)	16,547
Prepayments of rental deposits:		
Fenghua Yintai (note(c)(iii))	5,000	–
Huzhou Jialefu (note(c)(iv))	2,500	–
	7,500	–
Payment of utility expense on behalf of a related party:		
Ningbo Yintai Property Management	–	1,182
Sales of goods to a related party:		
Zhejiang Intime Electronic Commerce (note(iv))	104,032	65,661
Guarantees provided by a related party:		
Intime International	200,814	301,250

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 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 period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Guarantees provided to related parties:		
Zhongda Shengma (note(v))	264,000	–
Xin Hubin (note(vi))	737,500	–
	<b>1,001,500</b>	<b>–</b>

Notes:

- (i) Pursuant to an agreement between Beijing Metro Land Property and Zhejiang Intime Department Store Co., Ltd. ("Zhejiang Intime"), Zhejiang Intime leased a building for its operation for a period from 18 January 2010 to 31 January 2032.
- (ii) The Group provided Xin Hubin advances amounting to RMB75,612,000 (six months period ended 30 June 2012: RMB64,000,000) at one-year benchmark interest rate with no fixed repayment term.
- (iii) Anhui Province Huaqiao Hotel Company Limited ("Anhui Huaqiao Hotel") provided advances amounting to RMB43,500,000 (six months period ended 30 June 2012: RMB78,300,000) to Bozhou Hualun at one-year benchmark interest rate with no fixed repayment term.
- (iv) In 2013, Intime Department Store (HK) Company Limited sold goods to Zhejiang Intime Electronic Commerce for overseas procurements.
- (v) Pursuant to a guarantee agreement among Zhejiang Intime, Zhongda Shengma and a bank, Zhejiang Intime provided a guarantee to Zhongda Shengma with the amount of RMB264,000,000 for a period from 17 September 2012 to 17 September 2015. As at 30 June 2013, the banking facilities granted to Zhongda Shengma guaranteed by the Group were utilised to the extent of approximately RMB154,000,000 (six months period ended 30 June 2012: Nil).
- (vi) Pursuant to guarantee agreements between Zhejiang Intime, Xin Hubin and certain financial institutions, Zhejiang Intime provided guarantees to Xin Hubin's borrowings with the amount of RMB737,500,000 (six months period ended 30 June 2012: Nil).

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 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 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Due from related parties:		
Anhui Hualun	386,501	393,199
Xin Hubin	359,916	276,985
Zhejiang Intime Electronic Commerce	155,510	90,074
Bozhou Hualun	170,006	121,598
Metro Land	20	20
Beijing Metro Land Property (note(i))	6,000	6,000
Beijing Youyi	2,683	5,431
Ningbo Yintai Property Management	3,400	3,400
Beijing Yintai (note(ii))	1,816	1,816
Fenghua Yintai (note(iii))	5,000	–
Huzhou Jialefu (note(iv))	2,500	–
Intime Lotte	1,065	–
Ningbo Hualian Property	70	70
	<b>1,094,487</b>	<b>898,593</b>

Notes:

- (i) The amount due from Beijing Metro Land Property represents a deposit of RMB6,000,000 in connection with a lease agreement between Zhejiang Intime and Beijing Metro Land Property entered into on 18 January 2010.
- (ii) The amount due from Beijing Yintai represents a deposit of RMB1,816,000 in connection with a lease agreement between Zhejiang Intime and Beijing Yintai entered into on 30 November 2010.
- (iii) The amount due from Fenghua Yintai represents a deposit of RMB5,000,000 in connection with a lease agreement between Zhejiang Intime Investment Co., Ltd. ("Zhejiang Intime Investment") and Fenghua Yintai entered into on 21 September 2012.
- (iv) The amount due from Huzhou Jialefu represents a deposit of RMB2,500,000 in connection with a lease agreement between Zhejiang Intime Investment and Huzhou Jialefu entered into on 25 February 2013.

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 27. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Due from related parties (Continued)

The amounts due from Zhejiang Intime Electronic Commerce are mainly denominated in HK\$, which are unsecured, interest-free and repayable on demand.

The amounts due from Xin Hubin, Anhui Hualun and Bozhou Hualun are denominated in RMB, unsecured, bear interest at the one-year benchmark interest rate and have no fixed repayment term.

The remaining amounts due from related parties are denominated in RMB, unsecured, interest-free and repayable on demand.

#### (d) Loans and interest receivable from related parties

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Hangzhou Intime	200,814	200,917
Zhejiang Intime Electronic Commerce	248,969	200,884
Zhongda Shengma	491,824	491,953
	941,607	893,754



# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 27. RELATED PARTY TRANSACTIONS (CONTINUED)

### (e) Due to related parties

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

	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
Due to related parties:		
Intime Lotte	–	2,920
Metro Land (note(i))	458,000	588,000
Beijing Metro Land Property (note(f)(i))	39,431	–
Xin Hubin	360	–
Zhejiang Intime Electronic Commerce	–	2,587
Hubin International	5,942	6,323
	<b>503,733</b>	<b>599,830</b>

Note:

- (i) Pursuant to an agreement between 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 and subleased back to Metro Land certain areas in year 2009. Metro Land ceased to lease areas from Shanghai Intime since January 2010. Pursuant to an assets transfer agreement between Intime Department Store (Ningbo Haishu) Co., Ltd. ("Ningbo Haishu") (a subsidiary of Shanghai Intime) and Metro Land, Ningbo Haishu purchased the building from Metro Land at a consideration of RMB658,000,000 and the lease agreement was terminated at 30 September 2012. As at 30 June 2013, Ningbo Haishu has made the payment of the consideration of RMB200,000,000 and the remaining consideration will be paid before the earlier date of 31 December 2013 or the legal title transfer date of the building.

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.

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 27. RELATED PARTY TRANSACTIONS (CONTINUED)

### (f) Commitments with related parties

- (i) On 18 January 2010, Zhejiang Intime entered into a twenty-year agreement ending 31 January 2032, with Beijing Metro Land Property, to lease a building for its operation. The total amount of lease for the period and the rental deposit is included in note 27(c)(i). The Group expects total minimum lease payment to be approximately RMB860,465,000 from 1 July 2013 to 31 January 2032.
- (ii) Pursuant to an agreement between Zhejiang Intime Investment and Fenghua Yintai signed on 21 September 2012, Zhejiang Intime Investment leased certain floors of a building from Fenghua Yintai for its operation for 20 years. Zhejiang Intime Investment will be given a rent-free period of three years commencing from the delivery of the property. The annual rental for the remaining years will be calculated as 5% of the net revenue of Zhejiang Intime Investment.
- (iii) Pursuant to an agreement between Zhejiang Intime Investment and Huzhou Jialefu signed on 25 February 2013, Zhejiang Intime Investment leased certain floors of a building from Huzhou Jialefu for its operation for 20 years. Zhejiang Intime Investment will be given a rent-free period of three months commencing from the delivery of the property, which is expected to take place no later than 4 September 2013. The Group expects total minimum lease payment to be approximately RMB671,679,000.

### (g) Key management compensation

	For the six months period ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Salaries, allowances and other benefits	3,205	2,271
Discretionary bonuses	1,886	2,873
Contributions to a retirement plan	322	193
Equity-settled share option expense	5,537	5,802
	10,950	11,139

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 28. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each category of financial instruments as at the reporting date are as follows:

30 June 2013

#### *Financial assets*

	Loans and receivables <i>RMB'000</i>
Financial assets included in prepayments, deposits and other receivables	1,087,696
Trade receivables	40,446
Loans and receivables	1,074,862
Due from related parties	1,094,487
Cash in transit	151,788
Pledged deposits	102,500
Restricted bank balances	24,205
Cash and cash equivalents	1,702,841
	<b>5,278,825</b>

#### *Financial liabilities*

	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bills payables	1,290,696
Financial liabilities included in other payables and accruals	1,006,853
Due to related parties	503,733
Interest-bearing bank and other borrowings	2,787,755
Convertible bonds	1,624,973
Guaranteed bonds due July 2014	1,016,489
	<b>8,230,499</b>

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 28. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each category of financial instruments as at the reporting date are as follows:  
(continued)

31 December 2012

#### Financial assets

	Loans and receivables RMB'000	Available- for-sale investments RMB'000	Total RMB'000
Available-for-sale investments	–	24,466	24,466
Financial assets included in prepayments, deposits and other receivables	637,744	–	637,744
Trade receivables	51,840	–	51,840
Loans and receivables	1,231,490	–	1,231,490
Due from related parties	898,593	–	898,593
Cash in transit	407,455	–	407,455
Pledged deposits	175,500	–	175,500
Restricted bank balances	28,538	–	28,538
Cash and cash equivalents	2,117,380	–	2,117,380
	5,548,540	24,466	5,573,006

#### Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bills payables	2,376,210
Financial liabilities included in other payables and accruals	1,036,424
Due to related parties	599,830
Interest-bearing bank and other borrowings	2,162,551
Convertible bonds	1,645,123
Guaranteed bonds due July 2014	996,764
	8,816,902

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

## 29. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments are as follows:

	Carrying amounts		Fair values	
	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
<b>Financial assets</b>				
Cash and cash equivalents	1,702,841	2,117,380	1,702,841	2,117,380
Pledged deposits	102,500	175,500	102,500	175,500
Restricted bank balances	24,205	28,538	24,205	28,538
Cash in transit	151,788	407,455	151,788	407,455
Due from related parties	1,094,487	898,593	1,094,487	898,593
Loans and receivables	1,074,862	1,231,490	1,074,862	1,231,490
Trade receivables	40,446	51,840	40,446	51,840
Financial assets included in prepayments, deposits and other receivables	1,087,696	637,744	1,087,696	637,744
Available-for-sale investments	–	24,466	–	24,466
	<b>5,278,825</b>	<b>5,573,006</b>	<b>5,278,825</b>	<b>5,573,006</b>
<b>Financial liabilities</b>				
Trade and bills payables	1,290,696	2,376,210	1,290,696	2,376,210
Financial liabilities included in other payables and accruals	1,006,853	1,036,424	1,006,853	1,036,424
Due to related parties	503,733	599,830	503,733	599,830
Interest-bearing bank and other borrowings	2,787,755	2,162,551	2,787,755	2,162,551
Convertible bonds	1,624,973	1,645,123	1,624,973	1,645,123
Guaranteed bonds due July 2014	1,016,489	996,764	1,016,489	996,764
	<b>8,230,499</b>	<b>8,816,902</b>	<b>8,230,499</b>	<b>8,816,902</b>

## Notes to the Interim Condensed Consolidated Financial Statements

30 June 2013

### 29. FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, pledged deposits, restricted bank balances, cash in transit, due from related parties, trade receivables, financial assets included in prepayments, deposits and other receivables, interest-bearing bank and other borrowings, amounts due to related parties, financial liabilities included in other payables and accruals and trade and bills payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the loans to third parties and related parties, interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities. The fair value of the liability portion of the convertible bonds and guaranteed bonds due July 2014 is estimated using an equivalent market interest rate for a similar bond.

The fair values of listed equity investments are based on quoted market prices.

### 30. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 19 August 2013.

## Management Discussion and Analysis

### MACROECONOMIC OVERVIEW

China's GDP growth slowed down to 7.6% in the first half of 2013, amid the weakness in export and fixed-asset investment growth. Consumption growth in China also slowed down but remained healthy as consumer confidence sustained and household income continued to grow steadily. The total retail sales of consumer goods reached RMB11,076.4 billion in the first half of 2013, representing a year-on-year growth of 12.7%. The per capita disposable income of urban households increased by 9.1% year-on-year to RMB13,649 for the first six months of 2013.

The economy of Zhejiang province, where the Group has achieved a leading position, achieved a steady GDP growth rate of 8.3% year-on-year for the first half of 2013. Consumer spending in Zhejiang province remained well supported by the steady income growth and government policies to boost consumption. The total retail sales of consumer goods in Zhejiang province rose by 11.1% to RMB708.1 billion for the six months ended 30 June 2013. The per capita disposable income of urban households in Zhejiang province also increased by 8.8% year-on-year to RMB20,461 for the first six months of 2013.

The economy of Hubei province, where the Group has built up a significant presence, continued to grow steadily in the first half of 2013 with a GDP growth rate of 9.7% year-on-year. The total retail sales of consumer goods in Hubei province for the six months ended 30 June 2013 rose to RMB493.9 billion, representing a year-on-year growth of 13.1%. The per capita disposable income of urban households in Hubei province also increased by 9.0% year-on-year to RMB11,809 for the first six months of 2013.

The economy of Shaanxi province, where the Group has operated one department store and two shopping centres, performed remarkably well in the first half of 2013 with a GDP growth rate of 11.0%. The total retail sales of consumer goods in Shaanxi province for the six months ended 30 June 2013 rose to RMB231.5 billion, representing a year-on-year growth of 13.6%. The per capita disposable income of urban households in Shaanxi province also increased by 9.8% year-on-year to RMB11,736 for the first six months of 2013.

The economy of Anhui province also performed reasonably well in the first half of 2013 with a GDP growth rate of 10.9%. The total retail sales of consumer goods in Anhui province for the six months ended 30 June 2013 rose to RMB306.3 billion, representing a year-on-year growth of 13.6%. The per capita disposable income of urban households in Anhui province also increased by 9.6% year-on-year to RMB11,719 for the first six months of 2013.

## OPERATIONAL REVIEW

For the six months ended 30 June 2013, the Group maintained a steady and stable growth in revenue. Total gross sales proceeds of the Group increased to RMB7,787.6 million, representing an increase of 18.2% compared with the same period last year. The same store sales growth reached 13.7% in the first half of 2013. Total revenue surged to RMB2,275.4 million, representing an increase of 21.6% compared with the same period last year. Profit attributable to owners of the parent reached RMB732.5 million, representing an increase of 33.8% compared with the same period last year.

### Expansion of Network

During the period under review, the Group further strengthened its position as the leading department store and shopping mall operator in Zhejiang province by opening the Shaoxing Keqiao Store in April 2013. With a gross floor area of approximately 40,000 square meters, the store aims at offering modern urban household with a broad range of leading fashion merchandise across various lifestyles and becoming the main recreational and leisure shopping centre in the region.

In April 2013, the Group opened its third store in Xi'an, namely the Xi'an Xiaozhai Intime City. With a gross floor area of approximately 70,000 square meters, it is the first community shopping mall in Xi'an offering a wide range of shopping, restaurant, entertainment and recreational facilities. Featuring the lifestyle of "Youth, Fashion, Trend, Taste", the Xi'an Xiaozhai Intime City is aiming to set new standards in fashion and lifestyle shopping in Xi'an.

As at 30 June 2013, the Group operated and managed a total of 27 department stores and 5 shopping centres with a total gross floor area of 1,477,906 square meters, including 18 department stores and 2 shopping centres located in the principal cities of Zhejiang province, 6 department stores located in Hubei province, 1 department store located in Beijing, 1 shopping centre located in Anhui province, 1 department store located in Hebei province, and 1 department store and 2 shopping centres located in Shaanxi province. All of the Group's stores and shopping centres are located in prime shopping locations of their respective cities and aim to provide the Group's customers with pleasant and perfect shopping experience.



## Management Discussion and Analysis

### Disposal of Non-Core Assets

In order to focus on its core business of operation of department stores and shopping malls, on 9 January 2013, the Company entered into three equity transfer agreements with Xintai Investment Co. Ltd. to dispose all of its 70% equity interests in Wenling Taiyue Real Estate Development Limited, Wenling Intime Hotel Development Limited and Wenling Intime Properties Limited for a total cash consideration of RMB405,574,900. On the same day, the Company entered into an equity transfer agreement with Taizhou Ouxin Investment Limited to purchase 30% equity interests in Wenling Intime Shopping Mall Development Co., Ltd., for a total cash consideration of RMB90,000,000. Upon completion of the above transfers, Wenling Taiyue Real Estate Development Limited, Wenling Intime Hotel Development Limited and Wenling Intime Properties Limited will cease to be subsidiaries of the Company, while Wenling Intime Shopping Mall Development Co., Ltd. will become a wholly-owned subsidiary of the Company. Pursuant to the acquisition agreement, Taizhou Ouxin Investment Limited shall also be responsible for managing, developing, building and constructing the Wenling Intime Shopping Mall until full completion of the same in accordance with the standard and schedule specified by the Company and shall be responsible for all the constructions cost of the Wenling Intime Shopping Mall. The Group intends to open a new shopping centre at Wenling Intime Shopping Mall. The above transactions were approved by the Company's independent shareholders at the extraordinary general meeting held on 3 May 2013.

### Change of Company Name

A special resolution in relation to the change of the English name of the Company from “Intime Department Store (Group) Company Limited” to “Intime Retail (Group) Company Limited” and the Chinese name of the Company from “銀泰百貨(集團)有限公司” to “銀泰商業(集團)有限公司” was duly passed by the Company's shareholders at the annual general meeting held on 31 May 2013. The new Company's name better reflects the Group's renewed strategy and focus on operating and developing three core business – Intime Department Stores (銀泰百貨), Intime Shopping Centres (銀泰購物中心) and Yintai.com (銀泰網) simultaneously.

### Shopping Solution Provider

The Group aims to become a premium “one-stop” shopping solution provider (消費解決方案提供商), so that shoppers could spend more time and have their needs fulfilled at any one of our newly designed department stores, shopping malls and online store. During the period under review, the Group continued its efforts to improve operational efficiency, merchandise mix and service quality and to provide richer shopping experience to our customers. We have made continuous efforts to achieve greater operating synergy and economies of scale in daily retail operation and to enhance the integration of new stores with the existing network. Taking care of customers is taking care of business. We take pride in serving as a housekeeper (消費管家) for our customers' needs and are committed to providing shopping solution that is relevant and rewarding for customers both in store and online.

## OUTLOOK

Looking forward, the Chinese Government is expected to maintain a proactive fiscal policy and a prudent monetary policy to promote the steady and relatively fast economic growth in the second half of 2013. China is still undergoing a rapid process of industrialization, urbanization, marketization and internationalization, which is expected to unleash huge investment and consumption potential to bolster the economy.

The Group will continue to adhere to its “regional pre-dominance” strategy to develop itself into a leading national retail chain, managing a portfolio of large department stores and shopping malls, with competitive or dominating presence in various regions in China. The Group will continue to focus on improving the operational efficiency of the existing stores and make every effort to shorten the fostering period of those new stores. We will focus on operating trendy department stores while also actively developing multi-functional, lifestyle-driven shopping malls. In addition, the Group will continue to develop the online store and leverage on the existing physical stores to enhance its online-offline interaction. The Group is confident of a year of promising development in 2013.

## FINANCIAL REVIEW

### Total gross sales proceeds and revenue

For the six months ended 30 June 2013, total gross sales proceeds of the Group (i.e., aggregate proceeds from direct sales, gross revenue from concessionaire sales, rental income and management fee income) increased to RMB7,787.6 million, representing an increase of 18.2% from RMB6,588.4 million recorded in the corresponding period of last year. The growth was mainly contributed by the same store sales growth of approximately 13.7% and the inclusion of the sales performances of the new stores opened in the year of 2012.

Among the total gross sales proceeds of the Group, total sales proceeds from concessionaire sales accounted for 85.6% (2012 first half: 86.6%) and those derived from direct sales accounted for 11.8% (2012 first half: 10.8%). Sales proceeds from concessionaire sales increased by 16.8% to RMB6,668.4 million in the first half of 2013. The commission rate of concessionaire sales was approximately 17.3% in the first half of 2013 (2012 first half: 17.3%).

In line with the Group's strategy to increase the proportion of direct sales and to improve its overall profitability, total sales proceeds from direct sales increased by 29.7% to RMB921.3 million in the first half of 2013. Direct sales margin was approximately 16.2% for the six months ended 30 June 2013 (2012 first half: 16.4%). The decrease in direct sales margin was mainly due to an expansion of merchandize mix that contributed to higher sales growth but had a lower margin.

## Management Discussion and Analysis

Rental income increased by 17.6% to RMB175.4 million in the first half of 2013. The increase was mainly due to a more efficient use of the rental area and an increase in rentable areas from new stores opened in the year 2012.

The Group's total revenue for the six months ended 30 June 2013 amounted to RMB2,275.4 million, representing a solid growth of 21.6% as compared with RMB1,871.0 million recorded in the same period of last year. The Group will conduct regular reviews on the performance of the suppliers and concessionaires, with an aim to enhance and strengthen the merchandize mix and to provide better shopping choices to its customers.

### Other income and gains

For the six months ended 30 June 2013, the Group's other income amounted to RMB163.2 million, representing a decrease of 21.8% from RMB208.6 million recorded for the corresponding period of last year. The decrease was largely due to a decrease in the advertisement and promotion income during the period under review.

Other gains of the Group amounted to RMB292.6 million for the six months ended 30 June 2013 (2012 first half: RMB124.2 million), which is mainly comprised of a gain from the disposal of the entire equity interest in 慈溪銀泰置業有限公司 (Cixi Intime Property Co., Ltd) as disclosed in the Company's announcements dated 9 January 2012 and 22 August 2012.

### Purchase of goods and change in inventories

The purchase of goods and changes in inventories represent the cost of the direct sales. In line with the growth of direct sales, the Group's cost of sales increased to RMB772.4 million for the six months ended 30 June 2013, representing an increase of 30.1% from RMB593.6 million recorded in the corresponding period of last year.

### Staff costs

For the six months ended 30 June 2013, Group's staff costs increased to RMB299.8 million, representing an increase of 23.6% from RMB242.6 million recorded in the corresponding period of last year. The increase was mainly due to the inclusion of the staff costs for new stores opened in the year of 2012 and 2013. Staff costs as a percentage of total revenue in first half of 2013 was 13.2%, which was slightly higher than 13.0% recorded in the same period of last year.

### Depreciation and amortisation

For the six months ended 30 June 2013, Group's depreciation and amortisation increased to RMB213.7 million, representing an increase of 12.1% from RMB190.6 million recorded in the corresponding period of last year. The increase was primarily due to the inclusion of depreciation and amortisation costs for new stores opened in the year of 2012. Depreciation and amortisation as a percentage of total revenue in first half of 2013 was 9.4%, which was lower than 10.2% recorded in the same period of last year.

### Other operating expenses

Other operating expenses, which mainly consisted of utility expenses, store rental expenses, advertising expenses, credit card charges and other tax expenses, amounted to RMB609.0 million for the six months ended 30 June 2013, representing a slight increase of 3.3% from RMB589.4 million recorded in the same period of last year. Other expenses as a percentage of total revenue in first half of 2013 was 26.8%, which was lower than 31.5% recorded in the same period of last year, reflecting the improvement made in the overall operating efficiency of the Group during the period under review.

### Share of profits of a jointly-controlled entity

The share of profits of a jointly-controlled entity for the six months ended 30 June 2013 amounted to RMB1.2 million, while the share of losses of a jointly-controlled entity for the six months ended 30 June 2012 amounted to RMB1.2 million.

### Share of profits and losses of associates

The share of net profits of associates for the six months ended 30 June 2013 amounted to RMB156.4 million, representing an increase of 11.7% from RMB140.0 million recorded in the corresponding period of last year. The share of profits and losses of associates mainly represents the Group's share of results of its equity interests in Beijing Youyi Lufthansa Shopping City Co., Ltd. Beijing Lufthansa Centre and Wuhan Department Store Group Co., Ltd..

### Finance income

For the six months ended 30 June 2013, finance income of the Group amounted to RMB115.7 million, representing a slight increase of 0.3% from RMB115.4 million recorded in the corresponding period of last year.

### Finance costs

For the six months ended 30 June 2013, finance costs of the Group amounted to RMB89.7 million, representing a decrease of 5.3% from RMB94.7 million recorded in the corresponding period of last year. Such decrease was mainly due to an increase in amount of interest capitalised during the period.

## Management Discussion and Analysis

### Income tax expense

The Group's income tax expenses for the six months ended 30 June 2013 amounted to RMB255.3 million, representing an increase of 49.1% from RMB171.2 million recorded in the first half of 2012. Effective tax rate of the Group for the six months ended 30 June 2013 was 25.0% (2012 first half: 22.9%).

### Profit for the period

As a result of the reasons mentioned above, profit for the six months ended 30 June 2013 amounted to RMB764.6 million, representing an increase of 32.8% from RMB575.8 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 2013 amounted to RMB732.5 million, representing an increase of 33.8% from RMB547.3 million recorded in the corresponding period of last year.

### Liquidity and financial resources

The Group continues to be in a solid financial position. Cash and cash equivalents of the Group amounted to RMB1,702.8 million as at 30 June 2013, representing a decrease of RMB414.6 million from the balance of RMB2,117.4 million as at 31 December 2012. During the period under review, the Group's net cash outflow in operating activities amounted to RMB188.3 million, the net cash inflow from financing activities amounted to RMB440.5 million and the net cash outflow in investment activities amounted to RMB670.8 million.

As at 30 June 2013, the Group's borrowings, including bank and other borrowings, convertible bonds and guaranteed bonds, amounted to RMB5,429.2 million (31 December 2012: RMB4,804.4 million). The gearing ratio, calculated by the total interest-bearing bank and other borrowings, convertible bonds and guaranteed bonds over the total assets of the Group, increased to 26.2% (31 December 2012: 22.6%). The Group believes that the increased gearing ratio is still at a healthy level.

On 28 June 2013, the Group entered into a dual-currency three-year term loan facility agreement for amounts up to USD266,588,000 and HKD750,000,000 respectively with a syndicate of banks (the "Term Loan Facility"). The Term Loan Facility will be used to refinance the Group's existing indebtedness, including the HKD1,941,000,000 convertible bonds due October 2013, and to finance the Group's general corporate funding requirements. The Group is confident that all the loan and credit facilities on hand can meet the funding needs of the Group in respect of its operations and business development.

### Net current liabilities and net assets

The net current liabilities of the Group as at 30 June 2013 amounted to RMB2,685.0 million, while it was RMB2,571.5 million as at 31 December 2012. Net assets of the Group as at 30 June 2013 amounted to RMB8,753.6 million, representing an increase of 7.1% from RMB8,175.1 million as at 31 December 2012.

### Pledge of assets

Certain buildings, investment properties, construction in progress, land use rights and properties under development with a carrying amount of RMB3,336.4 million have been pledged to the Industrial and Commercial Bank of China, Agricultural Bank of China, China CITIC Bank, Huaxia Bank, Standard Chartered Bank and Xiantao Rural Credit Union to obtain bank facilities in the aggregate amount of RMB7,853.1 million as at 30 June 2013. The RMB guaranteed bonds are guaranteed by certain subsidiaries of the Group.

### Foreign exchange risk

The operations of the Group are mainly carried out in Mainland China with most transactions settled in RMB. Certain of the Group's cash and bank deposits are denominated in Hong Kong 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 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 and Hong Kong dollars exchange rate movement.

### Staff and remuneration policy

As at 30 June 2013, the total number of employees for the Group was 8,213. 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. Such rewards are aimed to further align the interests of its employees with that of the Group, to attract talented individuals, and to create long term incentives for its staff.

### Contingent Liabilities

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

## Other Information

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

As at 30 June 2013, the interests and short positions of the 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 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 Officer	Nature of Interest	Number and class of securities <sup>(1)</sup>	Approximate percentage of interest in such corporation
Mr. Shen Guojun	Interest of controlled corporations <sup>(2)</sup>	L666,014,015	33.06%
Mr. Chen Xiaodong	Beneficial owner <sup>(3)</sup>	L15,834,500	0.79%

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 661,814,015 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. Mr. Shen Guojun is also the beneficial owner of the entire share capital of East Jump Management Limited which holds 4,200,000 shares of the Company.
- (3) Mr. Chen Xiaodong, an executive director and the Chief Executive Officer of the Company, is the beneficial owner of 300,000 shares of the Company. He also holds options in respect of a total of 15,534,500 shares of the Company as at 30 June 2013.

Save as disclosed above, as at 30 June 2013, 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 2013, 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% 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 were as follows:

<b>Name of shareholders</b>	<b>Nature of Interest</b>	<b>Number and Class of Securities <sup>(1)</sup></b>	<b>Approximate percentage of interest in such corporation</b>
Fortune Achieve Group Ltd.	Interest of controlled corporation <sup>(2)</sup>	L661,814,015	32.85%
Glory Bless Limited	Interest of controlled corporation <sup>(2)</sup>	L661,814,015	32.85%
Intime International Holdings Limited	Beneficial Owner <sup>(2)</sup>	L661,814,015	32.85%
JPMorgan Chase & Co.	Beneficial owner, investment manager and custodian corporation/ approved lending agent	L263,719,662	13.09%
		S10,681,601	0.53%
		P77,799,200	3.86%
Government of Singapore Investment Corporation Pte Ltd.	Investment Manager	L204,517,677	10.15%
Comax Investment Limited	Beneficial Owner <sup>(3)</sup>	L147,664,835	7.33%



## Other Information

Name of shareholders	Nature of Interest	Number and Class of Securities <sup>(1)</sup>	Approximate percentage of interest in such corporation
Henderson Development Limited	Interest of controlled corporation <sup>(3)</sup>	L147,664,835	7.33%
Henderson Land Development Company Limited	Interest of controlled corporation <sup>(3)</sup>	L147,664,835	7.33%
Hopkins (Cayman) Limited	Interest of controlled corporation <sup>(3)</sup>	L147,664,835	7.33%
Lee Shau Kee	Interest of controlled corporation <sup>(3)</sup>	L147,664,835	7.33%
Riddick (Cayman) Limited	Trustee <sup>(4)</sup>	L147,664,835	7.33%
Rimmer (Cayman) Limited	Trustee <sup>(4)</sup>	L147,664,835	7.33%
Wellington Management Company, LLP	Investment Manager	L121,810,779	6.05%

### 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 661,814,015 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) 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 64.18% 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.
- (4) 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 2013, 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.

## Other Information

The movements in share options granted under the share option scheme adopted by the Company for the six months ended 30 June 2013 are shown below:

Name or category of participant	Date of Grant	Exercise Price per share HK\$	Number of share options						Exercise Period	Closing price immediately before the date of grant HK\$	Weighted Average closing price immediately before the date of exercise HK\$
			As at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2013			
Director & Chief Executive Officer											
Chen Xiaodong	11/4/2008	5.64	600,000	-	300,000	-	-	300,000	12/4/2009-11/4/2014	5.60	10.98
	18/9/2008	3.56	600,000	-	300,000	-	-	300,000	19/9/2009-18/9/2014	3.20	8.22
	4/3/2009	1.88	1,200,000	-	300,000	-	-	900,000	5/3/2010-4/3/2015	1.83	10.64
	28/8/2009	6.63	6,750,000	-	565,500	-	-	6,184,500	29/8/2010-28/8/2015	5.15	8.91
	26/5/2010	6.49	3,000,000	-	750,000	-	-	2,250,000	27/5/2011-26/5/2016	6.24	9.12
	1/4/2011	10.77	2,000,000	-	-	-	-	2,000,000	2/4/2012-1/4/2017	10.56	-
	22/6/2012	7.56	1,800,000	-	-	-	-	1,800,000	23/6/2013-22/6/2018	7.35	-
	10/4/2013	9.27	-	1,800,000	-	-	-	1,800,000	11/4/2014-10/4/2019	9.05	-
Other employees in aggregate	11/4/2008	5.64	2,860,000	-	1,894,500	-	-	965,500	12/4/2009-11/4/2014	5.60	10.25
	18/9/2008	3.56	2,227,000	-	579,500	-	-	1,647,500	19/9/2009-18/9/2014	3.20	10.32
	4/3/2009	1.88	5,879,000	-	2,797,500	-	-	3,081,500	5/3/2010-4/3/2015	1.83	10.09
	20/10/2009	5.50	750,000	-	250,000	-	-	500,000	21/10/2010-20/10/2015	5.35	10.90
	26/5/2010	6.49	12,402,000	-	3,666,000	-	77,500	8,658,500	27/5/2011-26/5/2016	6.24	9.79
	26/8/2010	9.00	1,600,000	-	150,000	-	-	1,450,000	27/8/2011-26/8/2016	8.93	10.95
	1/4/2011	10.77	13,622,000	-	10,000	-	155,000	13,457,000	2/4/2012-1/4/2017	10.56	10.98
	22/6/2012	7.56	17,018,000	-	-	-	170,000	16,848,000	23/6/2013-22/6/2018	7.35	-
	10/4/2013	9.27	-	5,898,000	-	-	-	5,898,000	11/4/2014-10/4/2019	9.05	-
	Total			72,308,000	7,698,000	11,563,000	-	402,500	68,040,500		

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2013, the Company repurchased a total of 12,000,000 ordinary shares of the Company on the Stock Exchange. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole in enhancing the net assets and earnings per share of the Company. The repurchased shares were cancelled on 8 July 2013. Details of the repurchase are summarized as follows:

Month of repurchase	Total number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate Consideration paid HK\$
June 2013	12,000,000	7.40	6.94	86,362,925

Save as disclosed above, neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2013.

## SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the six months ended 30 June 2013.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To the knowledge and belief of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and are not aware of any non-compliance with the CG Code for the six months ended 30 June 2013.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. All Directors of the Company have confirmed that throughout the six months ended 30 June 2013, they have complied with the required standard set out in the Model Code.

## DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

On 28 June 2013, the Group entered into a dual-currency three-year term loan facility agreement for amounts up to USD266,588,000 and HKD750,000,000 respectively with a syndicate of banks (the "Term Loan Facility").

Pursuant to the terms of the Term Loan Facility, it is, among others, an event of default if at any time when the entire or part of the Term Loan Facility remains outstanding, Mr. Shen Guojun, the Company's Chairman and Executive Director, ceases to (i) be the single largest shareholder of the Company; (ii) hold, directly or indirectly, at least 30% of the total issued share capital of the Company; (iii) be the chairman of the Board; or (iv) exercise power to direct the policies and management of the Company, whether by contract or otherwise. Upon occurrence of an event of default, all loans together with accrued interest and any other amounts accrued under the Term Loan Facility may become immediately due and payable. As at the latest practicable date, none of the above events of default has occurred.

## Other Information

Save as disclosed above, our Company does not have any other disclosure obligations under Rule 13.18 the Listing Rules.

### INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of RMB0.10 per share for the six months ended 30 June 2013 (six months ended 30 June 2012: RMB0.10 per share) to shareholders whose names appear on the register of members of the Company on 11 October 2013. The interim dividend will be paid in Hong Kong dollars, such amount is to be calculated by reference to the middle rate published by People's Bank of China for the conversion of Renminbi to Hong Kong dollar as at 11 October 2013. The interim dividend will be payable on or around 8 November 2013.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, 8 October 2013 to Friday, 11 October 2013, both days inclusive, during which period no transfer of shares 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 Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 pm on Monday, 7 October 2013.

### CHANGE OF DIRECTOR

Mr. Lee Ka Kit resigned as a non-executive Director of the Company with effect from 31 May 2013.

Mr. Wong Luen Cheung Andrew was elected as a non-executive Director of the Company with effect from 31 May 2013.

### REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2013 and considered that the results complied with relevant accounting standards, rules and regulations and appropriate disclosure have been duly made. The Audit Committee has three members comprised of three independent non-executive Directors, namely, Mr. Chow Joseph, Mr. Shi Chungui and Mr. Yu Ning. Mr. Chow Joseph is the chairman of the Audit Committee.

### PUBLICATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim report of the Group for the six months ended 30 June 2013 is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.intime.com.cn>).

### 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 Retail (Group) Company Limited  
Shen Guojun  
*Chairman*

Beijing, 19 August 2013