



銀泰商業

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



2015

INTERIM REPORT



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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 17 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 2015, the Group operated and managed a total of 29 department stores and 16 shopping malls with a total gross floor area of 2,733,793 square meters, including 20 department stores and 9 shopping malls located in the principal cities of Zhejiang province, 6 department stores and 1 shopping mall located in Hubei province, 1 department store located in Beijing, 3 shopping malls located in Anhui province, 1 shopping mall located in Hebei province, 1 shopping mall located in Guangxi province, and 2 department stores and 1 shopping mall 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, online store and online-to-offline (O2O) business. The Group positions its merchandise in the medium to high-end market with a commitment to offering 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:

CHEN Xiaodong
SHEN Guojun (resigned on 5 June 2015)

Non-Executive Directors:

ZHANG Yong (*Chairman*)
XIN Xiangdong
SUN Xiaoning
LEE Hon Chiu (resigned on 5 June 2015)

Independent Non-Executive Directors:

YU Ning
CHOW Joseph
SHI Chungui (resigned on 5 June 2015)
CHEN Jiangxu (appointed on 5 June 2015)

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*)
CHEN Jiangxu (appointed on 5 June 2015)
YU Ning
SHI Chungui (resigned on 5 June 2015)

REMUNERATION COMMITTEE

CHEN Jiangxu (*Chairman*)
(appointed on 5 June 2015)
YU Ning
CHOW Joseph
SHI Chungui (resigned on 5 June 2015)

NOMINATION COMMITTEE

YU Ning (*Chairman*)
CHEN Jiangxu (appointed on 5 June 2015)
CHOW Joseph
SHI Chungui (resigned on 5 June 2015)

STRATEGIC DEVELOPMENT COMMITTEE

ZHANG Yong (*Chairman*)
CHEN Xiaodong (appointed on 5 June 2015)
SHEN Guojun (resigned on 5 June 2015)

LEGAL ADVISERS AS TO HONG KONG LAW

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

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

Management Discussion & Analysis

MACROECONOMIC OVERVIEW

In the first half of 2015, facing the pressure of domestic economic downturn, the Chinese government launched a series of measures to maintain economic growth within a reasonable range. According to the National Bureau of Statistics of China, China's gross domestic products ("GDP") grew at 7.0% for the first half of 2015, representing a decrease in growth of 0.4 percentage point compared with the corresponding period last year. The People's Bank of China lowered the benchmark interest rates of RMB loan and deposit of financial institutions for three times in order to further reduce corporate financing costs, and reduce the deposit reserve requirement ratio of all categories of financial institutions for three times in order to further support the real economy development.

In the first half of 2015, the total retail sales of consumer goods in China reached RMB14,157.7 billion, representing a year-on-year rise of 10.4%. In particular, the online retail sales reached RMB1,645.9 billion, a year-on-year growth of 39.1%, among which the online retail sales of physical goods were RMB1,375.9 billion, an increase of 38.6%, and the online retail sales of non-physical goods were RMB270.0 billion, an increase of 41.9%. The residents' income also grew steadily. The per capita disposable income of urban residents in China increased by 8.1% year-on-year to RMB15,699 for the first six months of 2015.

The economy of Zhejiang province, where the Group has achieved a leading market position, achieved a steady GDP growth rate of 8.3% year-on-year for the first half of 2015. The total retail sales of consumer goods in Zhejiang province rose by 7.7% to RMB901.9 billion for the six months ended 30 June 2015. The per capita disposable income of urban households in Zhejiang province also increased by 8.1% year-on-year to RMB22,640 for the first six months of 2015.

OPERATIONAL REVIEW

For the six months ended 30 June 2015, the Group achieved a steady growth of its business and further enhanced its competitive strength, despite an overall slowdown in the traditional retail industry and intensifying market competition. Total gross sales proceeds of the Group (that is, the aggregate proceeds from direct sales, gross revenue from concessionaire sales, rental income, management fee income and commissions from sale of goods) increased to RMB8,550.8 million, representing an increase of 8.0% compared with the same period last year. The same store sales growth of the Group reached 2.1% in the first half of 2015. Total revenue of the Group increased to RMB3,056.0 million, representing an increase of 30.0% compared with the same period last year. Profit attributable to owners of the parent was RMB713.1 million, representing an increase of 19.7% compared with the same period last year.

Management Discussion & Analysis

Expansion of Network

During the period under review, the Group continued to proactively and prudently seek potential opportunities to expand retail network. In June 2015, Wuhu Intime City, the Group's third shopping mall in Anhui Province, commenced operations. Wuhu is the second largest economy in Anhui Province and one of the key cities alongside Yangtze River. With a gross floor area of approximately 133,000 square meters, Wuhu Intime City is a cultural shopping centre integrating fashion, leisure, dining, entertainment and cultural functions.

As at 30 June 2015, the Group operated and managed a total of 29 department stores and 16 shopping malls with a total gross floor area of 2,733,793 square meters, including 20 department stores and 9 shopping malls located in the principal cities of Zhejiang province, 6 department stores and 1 shopping mall located in Hubei province, 1 department store located in Beijing, 3 shopping malls located in Anhui province, 1 shopping mall located in Hebei province, 1 shopping mall located in Guangxi province, and 2 department stores and 1 shopping mall located in Shaanxi province. All of the Group's stores and shopping malls are located in prime shopping locations of their respective cities and aimed to provide the Group's customers with pleasant and perfect shopping experience.

Disposal of Non-Core Assets

On 26 May 2015, Hangzhou Intime North Hill Enterprise Management Co., Ltd. ("Hangzhou North Hill"), an indirect wholly-owned subsidiary of the Company, and Art Capital Holdings Limited ("Art Capital") entered into an equity transfer agreement (the "Equity Transfer Agreement") pursuant to which Hangzhou North Hill agreed to dispose of and Art Capital agreed to acquire the 50% equity interest in Hangzhou Xin Hubin Commercial Development Co., Ltd. ("Hangzhou Xin Hubin") for a consideration of RMB305,369,900. Upon completion of the above transfer, the Company will cease to have any equity interest in Hangzhou Xin Hubin. In addition, the shareholder's loan, being a loan owed by the Hangzhou Xin Hubin to Hangzhou North Hill in the amount of RMB384,000,000, shall be repaid to Hangzhou North Hill by 20 December 2016. Art Capital shall pledge its interest in Hangzhou Xin Hubin to Hangzhou North Hill, as guarantee of the Hangzhou Xin Hubin's payment obligations in connection with the shareholder's loan. As Art Capital is wholly beneficially owned by Mr. Shen Guojun, an executive Director and the chairman of the Company at the time of the transaction, it was a connected person of the Company pursuant to the Listing Rules. Accordingly, the transaction under the Equity Transfer Agreement constituted as a connected transaction under Chapter 14A of the Listing Rules.

Management Discussion & Analysis

Hangzhou Xin Hubin has been operating at a loss since its inception and is not expected to be able to generate profit in the near future given the current operating and economic environment. The investment returns of Hangzhou Xin Hubin have also not met the Board's original expectation. By disposing of the 50% equity interest in Hangzhou Xin Hubin, the Group can be released from the financial burden of Hangzhou Xin Hubin and thus can optimize its assets and liabilities structure and improve its financial performance. The Group's financial and management resources can be better devoted to its other existing business. The net proceeds from the disposal of the 50% equity interest in Hangzhou Xin Hubin will be utilized as general working capital of the Group and, where appropriate, to pursue other potentially more profitable investment opportunities in the future in order to strengthen its core business of operation and management of department stores and shopping malls.

Appointment of New Chairman

At the annual general meeting held on 5 June 2015 ("AGM"), Mr. Shen Guojun ("Mr. Shen") did not offer himself for re-election as he would like to focus his time and energy on his other business endeavors, Mr. Shen ceased to be and resigned as an executive Director with effect from the conclusion of the AGM. Mr. Shen also resigned from his roles as the chairman of the Board and chairman of the strategic development committee of the Company with effect from the conclusion of the AGM.

Mr. Zhang Yong, a non-executive Director, has been appointed as the chairman of the Board and the chairman of the strategic development committee of the Company, with effect from the conclusion of the AGM. Mr. Chen Xiaodong, an executive Director and the chief executive officer of the Company, has also been appointed as a member of the strategic development committee of the Company, with effect from the conclusion of the AGM.

Mr. Zhang Yong has been appointed as the chief executive officer of Alibaba Group Holding Limited ("Alibaba") with effect from 10 May 2015. Mr. Zhang Yong is also a director of Alibaba.

Transfer of Shares by the Controlling Shareholder

As disclosed in the announcement of the Company dated 4 May 2015, the Company has been informed by Mr. Shen Guojun that, on 3 May 2015, he agreed to transfer 60,000,000 shares of the Company to Mr. Chen Xiaodong, an executive Director and the chief executive officer of the Company.

As disclosed in the announcement of the Company dated 19 July 2015, the Company has been informed by Mr. Shen Guojun that he agreed to transfer an aggregate of 398,040,000 shares of the Company to two of his close relatives and two other independent third parties of the Company (the "Transfers"). Following the completion of the Transfers, which are expected to take place on or before 31 August 2015, assuming there are no other changes in the share capital of the Company, Mr. Shen Guojun will cease to be the controlling shareholder (as defined in the Listing Rules) of the Company.

Management Discussion & Analysis

Consumption Solution Provider Driven by Big Data

The Group aims at becoming a consumption solution provider driven by big data, so that customers could spend more time and have their needs fulfilled at any one of our newly designed department stores, shopping malls, online stores and online-to-offline (O2O) channels. Since last year's strategic cooperation with Alibaba, the Group has accelerated its omni-channel strategies and has rolled out O2O initiatives such as Miaojie (喵街), Miaohuo (喵貨), Choice (西選), I Choice (意選) and Miaoke (喵客). These initiatives, combined with the online platform Yintai.com, Intime store on Tmall and offline interactive shopping experience, have provided a solid foundation for the Group to further explore in O2O, deepen the notion of putting customers' needs first, fasten the omni-channel construction and better the customers shopping experience.

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 its customers. We have made continuous efforts to achieve greater operating synergy and economies of scale in daily retail operations, to enhance the integration of new stores with the existing network and to enhance the integration of its online and offline channels. Taking care of customers is taking care of business. We take pride in serving as a housekeeper for our customers' needs and are committed to providing shopping solutions that are relevant and rewarding for customers both in stores and online.

OUTLOOK

To succeed in today's highly competitive marketplace, we need to take into account consumers' rapidly evolving shopping preferences, and to explore various aspects of an omni-channel strategy. The Group is an innovation-oriented enterprise that is always open to reforms and cooperation. With rapid development of technologies, we are clearly aware of the needs to learn and apply new technologies to our business. We will be more proactive to adapt to changes of our customers. We believe enterprises which understand their customers, leverage technology to evolve the customer experience and seek to differentiate themselves, such as the Group, have an opportunity to thrive in the market.

By adhering to the principle of "customer orientation, care for staff, innovation & reform", and by adopting the means of "digitalization, omni-channelization, platformization and entertainmentization", the Group is committed to establish as a consumption solution provider driven by big data. The Group plans to comprehensively cooperate with Alibaba on O2O services. We believe customer loyalty and consumption will increase with the further integration of online and offline products. With the strategic cooperation with Alibaba, we believe that the Group is well positioned to benefit in the "Internet+" era.

The Chinese economic development has entered into a new norm in 2015. We believe that the Chinese government will maintain the continuity and stability of macro-economic policies in order to keep a reasonable economic growth in the second half of 2015. The Group is confident about its future development and will strive to create more value for its shareholders through persistent efforts.

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FINANCIAL REVIEW

Total gross sales proceeds and revenue

For the six months ended 30 June 2015, total gross sales proceeds of the Group (that is, the aggregate proceeds from direct sales, gross revenue from concessionaire sales, rental income, management fee income and commissions from sale of goods) increased to RMB8,550.8 million, representing an increase of 8.0% from RMB7,917.2 million recorded in the corresponding period of last year. The growth was primarily attributable to the same store sales growth of approximately 2.1%, the inclusion of the full six month's sales performances of the new shopping malls and store opened in 2014 and the significant increase in rental income.

Among the total gross sales proceeds of the Group, total sales proceeds from concessionaire sales accounted for 83.4% (2014 first half: 85.4%) and those derived from direct sales accounted for 11.2% (2014 first half: 11.3%). Sales proceeds from concessionaire sales increased by 5.4% to RMB7,129.1 million in the first half of 2015. The commission rate of concessionaire sales was stable at 17.4% in the first half of 2015 (2014 first half: 17.7%).

In line with the Group's strategy to strengthen direct sales and to enhance overall profitability, total sales proceeds from direct sales increased by 7.6% to RMB959.2 million in the first half of 2015. Direct sales margin was approximately 16.9% for the six months ended 30 June 2015, which was better than the sales margin of 16.5% recorded in the first half of 2014.

Rental income increased by 83.3% to RMB432.8 million in the first half of 2015. The increase was mainly due to the increase in rentable areas from the new shopping malls opened in the year 2014.

The Group's total revenue for the six months ended 30 June 2015 amounted to RMB3,056.0 million, representing an increase of 30.0% as compared with RMB2,351.5 million recorded in the same period of last year. Product mix is one of the decisive criteria for the success of the Group's operations. The Group has been constantly reviewing the performance of the suppliers and concessionaires, with an aim to enhance and strengthen the product mix and to provide better shopping choices to its customers.

Other income and gains

For the six months ended 30 June 2015, the Group's other income amounted to RMB239.5 million, representing an increase of 17.6% from RMB203.6 million recorded for the corresponding period of last year. The increase was largely due to an increase in advertisement, promotion and administration income during the period under review.



Management Discussion & Analysis

Other gains of the Group amounted to RMB220.7 million for the six months ended 30 June 2015 (2014 first half: RMB240.6 million), which was mainly comprised of the gain on disposal of shares of Wuhan Department Store Group Co. Ltd. and the gain on disposal of the entire equity interests in Shenyang Northern Intime Co., Ltd.

Purchases of goods and changes in inventories

The purchases 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 RMB797.0 million for the six months ended 30 June 2015, representing an increase of 7.2% from RMB743.8 million recorded in the corresponding period of last year.

Sale of properties, cost of properties sold, properties development expenses and finance costs of properties development

The Group's cost of properties sold, properties development expenses and finance costs of properties development amounted to RMB209.7 million, RMB50.2 million and RMB14.2 million, respectively, which were related to the sale of properties amounted to RMB391.6 million for the six months ended 30 June 2015.

Staff costs

For the six months ended 30 June 2015, the Group's staff costs increased to RMB386.7 million, representing an increase of 2.5% from RMB377.1 million recorded in the corresponding period of last year. The increase was mainly due to the inclusion of the staff costs for the new shopping malls and store opened in 2014 and a general wage rise. Staff costs as a percentage of total revenue in first half of 2015 was 12.7%, which was lower than 16.0% recorded in the same period of last year.

Depreciation and amortisation

For the six months ended 30 June 2015, Group's depreciation and amortisation increased to RMB242.2 million, representing an increase of 12.9% from RMB214.6 million recorded in the corresponding period of last year. The increase was primarily due to the inclusion of depreciation and amortisation costs for the new shopping malls and store opened in 2014. Depreciation and amortisation as a percentage of total revenue in first half of 2015 was 7.9%, which was lower than 9.1% recorded in the same period of last year.

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Other expenses

Other expenses, which mainly consisted of utility expenses, rental expenses, advertising expenses, credit card charges and other tax expenses, amounted to RMB873.8 million for the six months ended 30 June 2015, representing an increase of 18.8% from RMB735.8 million recorded in the same period of last year. Other expenses as a percentage of total revenue in first half of 2015 was 28.6%, which was lower than 31.3% recorded in the same period of last year.

Share of losses of a joint venture

This refers to the share of losses in Hangzhou Xin Hubin, a joint venture of the Company. The share of losses of Hangzhou Xin Hubin for the six months ended 30 June 2015 amounted to RMB21.4 million, while the share of losses of Hangzhou Xin Hubin for the six months ended 30 June 2014 amounted to RMB15.2 million.

Share of profits and losses of associates

The share of net profits of associates for the six months ended 30 June 2015 amounted to RMB180.6 million, representing an increase of 16.1% from RMB155.6 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 2015, finance income of the Group amounted to RMB105.0 million, representing a slight decrease of 4.8% from RMB110.3 million recorded in the corresponding period of last year.

Finance costs of retailing

For the six months ended 30 June 2015, finance costs of retailing of the Group amounted to RMB91.6 million, representing an increase of 32.9% from RMB68.9 million recorded in the corresponding period of last year. The increase was due to the lower capitalisation of finance charges in line with the progressive completion of development projects.

Income tax expense

The Group's income tax expense for the six months ended 30 June 2015 amounted to RMB354.8 million, representing an increase of 38.5% from RMB256.2 million recorded in the first half of 2014. Effective tax rate of the Group for the six months ended 30 June 2015 was 31.8% (2014 first half: 28.3%).



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Profit for the period

As a result of the reasons mentioned above, profit for the six months ended 30 June 2015 amounted to RMB760.1 million, representing an increase of 16.9% from RMB650.0 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 2015 amounted to RMB713.1 million, representing an increase of 19.7% from RMB595.8 million recorded in the corresponding period of last year.

Liquidity and financial resources

The Group's cash and cash equivalents amounted to RMB1,876.0 million as at 30 June 2015, representing a decrease of RMB253.4 million from the balance of RMB2,129.4 million as at 31 December 2014. During the period under review, the Group's net cash outflow in operating activities amounted to RMB301.6 million, the net cash outflow from financing activities amounted to RMB127.4 million and the net cash inflow in investment activities amounted to RMB185.8 million.

As at 30 June 2015, the Group's borrowings, including interest-bearing bank and other borrowings and convertible bonds amounted to RMB6,329.3 million (31 December 2014: RMB6,175.6 million). The gearing ratio, calculated by the total interest-bearing bank and other borrowings and convertible bonds over the total assets of the Group, remained stable at 23.1% (31 December 2014: 22.2%).

Net current liabilities and net assets

The net current liabilities of the Group as at 30 June 2015 amounted to RMB2,984.6 million, while it was RMB1,077.9 million as at 31 December 2014. Net assets of the Group as at 30 June 2015 amounted to RMB12,305.5 million, representing an increase of 4.5% from RMB11,781.1 million as at 31 December 2014.

Pledge of assets

Certain buildings, investment properties, land use rights, completed properties held for sale, properties under development and time deposits with a carrying amount of RMB2,865.7 million have been pledged to the Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China, Standard Chartered Bank and the Hong Kong and Shanghai Banking Corporation Limited to obtain bank facilities in the aggregate amount of RMB3,893.1 million as at 30 June 2015.

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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 dual-currency term loan facility with a syndicate of banks is denominated in Hong Kong dollars and United States dollars. In addition, the Company pays dividends in Hong Kong dollars. Any significant exchange rate fluctuations of Hong Kong dollars and United States dollars against RMB may have financial impacts 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, Hong Kong dollars and United States dollars exchange rate movement.

Staff and remuneration policy

As at 30 June 2015, the total number of employees of the Group was 8,988. 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 25 to the Interim Condensed Consolidated Financial Statement.

ACTUAL USE OF PROCEEDS OF SUBSCRIPTION SHARES & CONVERTIBLE BONDS

Reference is made to the announcement of the Company dated 31 March 2014 and the circular of the Company dated 9 June 2014 (the "Circular") in relation to, among other things, the issue of subscription shares and convertible bonds to Alibaba Investment Limited (the "Subscription").

As disclosed in the Circular, the proceeds from the Subscription amounted to approximately HK\$5,368 million and the Company had intended to use the proceeds from the Subscription for the following purposes and in the amounts set out below, subject to changes in light of the Company's evolving business needs and changing market conditions:

- (i) approximately HK\$1,500 million for synergizing the Group's online-to-offline (O2O) business with its omni-channel strategies so as to create a highly convenient and expedient shopping experience;



Management Discussion & Analysis

- (ii) approximately HK\$700 million for expansion of the Group's retail business network by opening of new stores;
- (iii) approximately HK\$1,000 million for possible acquisition of high quality assets and/or retail businesses in order to complement the Group's retail business;
- (iv) approximately HK\$1,100 million for repayment or prepayment of existing debt, and such repayment or prepayment will not be made in respect of indebtedness owed to any shareholders of the Company; and
- (v) approximately HK\$1,068 million for general working capital.

In light of the Company's evolving business needs and in order to adapt to changing market conditions, the Company has applied and currently intends to apply the proceeds from the Subscription as follows:

- (i) as at 30 June 2015, approximately HK\$300 million has been used for synergizing the Group's online-to-offline (O2O) business with its omni-channel strategies so as to create a highly convenient and expedient shopping experience;
- (ii) as at 30 June 2015, approximately HK\$500 million has been used for expansion of the Group's retail business network by opening of new stores;
- (iii) as at 30 June 2015, approximately HK\$1,000 million has been used for acquisition of high quality retail assets in order to complement the Group's retail business;
- (iv) as at 30 June 2015, approximately HK\$1,800 million has been used for repayment or prepayment of existing debt, and such repayment or prepayment was not be made in respect of indebtedness owed to any shareholders of the Company;
- (v) as at 30 June 2015, approximately HK\$800 million has been used for general working capital; and
- (vi) the remaining balance of approximately HK\$968 million is intended to be used for developing O2O business.

Other Information

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

As at 30 June 2015, 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 ⁽¹⁾	Approximate percentage of interest in such corporation
Mr. Chen Xiaodong	Beneficial owner ⁽²⁾	L52,200,000	2.38%

Notes:

- (1) The Letter "L" denotes the person's long position in such Shares.
- (2) Mr. Chen Xiaodong, an executive director and the Chief Executive Officer of the Company, is the beneficial owner of 41,800,000 shares of the Company. He also holds options in respect of a total of 10,400,000 shares of the Company.

Save as disclosed above, as at 30 June 2015, 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.

Other Information

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

As at 30 June 2015, 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:

Name of shareholders	Nature of Interest	Number and Class of Securities ⁽¹⁾	Approximate percentage of interest in such corporation
Mr. Shen Guojun	Interest of controlled corporation ⁽²⁾	L661,014,015	30.20%
Fortune Achieve Group Ltd.	Interest of controlled corporation ⁽²⁾	L656,814,015	30.01%
Glory Bless Limited	Interest of controlled corporation ⁽²⁾	L656,814,015	30.01%
Intime International Holdings Limited	Beneficial Owner ⁽²⁾	L656,814,015	30.01%
Alibaba Investment Limited	Beneficial Interest ⁽³⁾	L710,142,614	32.44%
Alibaba Group Holding Limited	Interest in controlled corporation ⁽³⁾	L711,967,614	32.53%

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 656,814,015 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. 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) Alibaba Investment Limited is wholly owned by Alibaba Group Holding Limited. Accordingly, Alibaba Group Holding Limited is deemed to be interested in all the shares in which Alibaba Investment Limited is interested.

Other Information

Save as disclosed above, as at 30 June 2015, so far as 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. As at 30 June 2015, the Scheme has a remaining life of approximately 1 year and 9 months. 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.

Other Information

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.

As at 30 June 2015, the title number of shares available for issue under the Scheme is 91,588,000 shares, representing approximately 4.18% of the issued share capital of the Company.

The movements in share options granted under the share option scheme adopted by the Company for the six months ended 30 June 2015 are shown below:

Name or category of participant	Date of Grant	Exercise Price per share HK\$	Number of share options					As at 30 June 2015	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 2015	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
Director & Chief Executive Officer Chen Xiaodong	11/4/2008	5.64	300,000	-	300,000	-	-	-	12/4/2009-11/4/2015	5.60	7.11
	4/3/2009	1.88	450,000	-	450,000	-	-	-	5/3/2010-4/3/2015	1.83	5.38
	28/8/2009	6.63	2,250,000	-	2,250,000	-	-	-	29/8/2010-28/8/2015	5.15	12.86
	26/5/2010	6.49	2,250,000	-	1,800,000	-	-	450,000	27/5/2011-26/5/2016	6.24	9.44
	1/4/2011	10.77	1,500,000	-	-	500,000	-	1,000,000	2/4/2012-1/4/2017	10.56	-
	22/6/2012	7.56	1,800,000	-	450,000	-	-	1,350,000	23/6/2013-22/6/2018	7.35	9.95
	10/4/2013	9.27	1,800,000	-	-	-	-	1,800,000	11/4/2014-10/4/2019	9.05	-
	25/6/2014	6.85	2,800,000	-	-	-	-	2,800,000	26/6/2015-25/6/2020	6.80	-
	27/3/2015	4.85	-	3,000,000	-	-	-	3,000,000	28/3/2016-27/3/2021	4.95	-

Other Information

Name or category of participant	Date of Grant	Exercise Price per share HK\$	Number of share options						Closing price immediately before the date of grant HK\$	Weighted Average closing price immediately before the date of exercise HK\$	
			As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2015			Exercise Period
Other employees in aggregate	4/3/2009	1.88	1,478,000	-	1,308,000	170,000	-	-	5/3/2010-4/3/2015	1.83	4.56
	20/10/2009	5.50	250,000	-	250,000	-	-	-	21/10/2010-20/10/2015	5.35	13.76
	26/5/2010	6.49	5,394,000	-	4,050,000	-	170,000	1,174,000	27/5/2011-26/5/2016	6.24	10.29
	26/8/2010	9.00	1,200,000	-	585,000	-	-	615,000	27/8/2011-26/8/2016	8.93	11.92
	1/4/2011	10.77	9,443,000	-	924,000	390,000	3,254,000	4,875,000	2/4/2012-1/4/2017	10.56	13.48
	22/6/2012	7.56	14,959,500	-	5,127,500	-	1,110,000	8,722,000	23/6/2013-22/6/2018	7.35	10.48
	10/4/2013	9.27	5,089,000	-	605,000	-	1,584,500	2,899,500	11/4/2014-10/4/2019	9.05	12.15
	25/6/2014	6.85	3,722,000	-	-	-	542,000	3,180,000	26/6/2015-25/6/2020	6.80	-
	27/3/2015	4.85	-	16,598,000	-	-	990,000	15,608,000	28/3/2016-27/3/2021	4.95	-
Total			54,685,500	19,598,000	18,099,500	1,060,000	7,650,500	47,473,500			

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the six months ended 30 June 2015, the Company repurchased a total of 125,000 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. All the repurchased shares were cancelled. 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\$)
March 2015	125,000	5.10	5.10	637,500

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 2015.



Other Information

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the six months ended 30 June 2015.

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 2015.

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 have confirmed that throughout the six months ended 30 June 2015, they have complied with the required standard set out in the Model Code.

INTERIM AND SPECIAL DIVIDENDS

The Board has declared the payment of an interim dividend of RMB0.10 per share (six months ended 30 June 2014: RMB0.10 per share) and a special dividend of RMB0.10 per share (six months ended 30 June 2014: Nil) for the six months ended 30 June 2015 to shareholders whose names appear on the register of members of the Company on 9 October 2015. The interim dividend and the special 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 9 October 2015. The interim dividend and the special dividend will be payable on 6 November 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders’ entitlement to the interim dividend and the special dividend, the register of members of the Company will be closed from Tuesday, 6 October 2015 to Friday, 9 October 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the declared interim dividend and the special 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 4:30pm on Monday, 5 October 2015.

Other Information

REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee of the Board has reviewed the unaudited interim results of the Group for the six months ended 30 June 2015 and considered that the results complied with the relevant accounting standards, rules and regulations and appropriate disclosure has been duly made. The Audit Committee has three members comprised of three independent non-executive Directors, namely, Mr. Chow Joseph, Mr. Chen Jiangxu 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 results announcement is published on the websites of Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.intime.com.cn>). The interim report of the Group for the six months ended 30 June 2015 containing all the relevant information required by the Listing Rules will be dispatched to all shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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
Zhang Yong
Chairman

Beijing, 19 August 2015

Interim Condensed Consolidated Statement of Profit or Loss

For the six months period ended 30 June 2015

	Notes	For the six months period ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Retail revenue		2,664,387	2,351,514
Sale of properties		391,567	–
Total revenue	4	3,055,954	2,351,514
Other income and gains	5	460,160	444,205
Purchases of goods and changes in inventories	6	(796,969)	(743,835)
Cost of properties sold	6	(209,702)	–
Properties development expenses	6	(50,247)	–
Staff costs	6	(386,650)	(377,098)
Depreciation and amortisation	6	(242,164)	(214,609)
Other expenses		(873,776)	(735,798)
Share of profits and losses of:			
A joint venture		(21,368)	(15,231)
Associates		180,587	155,629
Finance income	7	104,955	110,329
Finance costs of retailing	7	(91,598)	(68,949)
Finance costs of properties development	7	(14,218)	–
Profit before tax		1,114,964	906,157
Income tax expense	8	(354,833)	(256,185)
Profit for the period		760,131	649,972
Attributable to:			
Owners of the parent		713,144	595,799
Non-controlling interests		46,987	54,173
		760,131	649,972
Interim and special dividends	9	437,766	223,058
Earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)			
Basic			
– For profit for the period	10	0.33	0.30
Diluted			
– For profit for the period	10	0.28	0.30

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months period ended 30 June 2015

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Profit for the period	760,131	649,972
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	3,953	(25,635)
Reclassification adjustments for gains included in the consolidated statement of profit or loss – gain on partial disposal of interests in an associate	580	–
Other comprehensive income/(loss) for the period, net of tax	4,533	(25,635)
Total comprehensive income for the period	764,664	624,337
Attributable to:		
Owners of the parent	717,677	570,164
Non-controlling interests	46,987	54,173
	764,664	624,337

Interim Condensed Consolidated Statement of Financial Position

30 June 2015

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,927,189	5,994,300
Investment properties	12	5,745,000	5,699,000
Prepaid land lease payments	11	1,576,055	1,603,314
Prepayments, deposits and other receivables	15	90,000	825,485
Goodwill		535,609	535,609
Other intangible assets		51,079	53,065
Prepaid rental		53,236	56,428
Investment in a joint venture		–	190,605
Interests in associates		2,541,730	2,617,218
Loans and receivables – third parties		275,654	275,654
Loans and receivables – related parties	28	1,249,453	558,190
Deferred tax assets		272,150	265,919
Total non-current assets		19,317,155	18,674,787
CURRENT ASSETS			
Inventories	13	447,634	495,026
Completed properties held for sale	14	1,528,928	1,151,768
Properties under development	14	–	550,335
Prepayments, deposits and other receivables	15	920,073	903,332
Loans and receivables – third parties		47,024	33,813
Loans and receivables – related parties	28	337,123	240,258
Due from related parties	28	1,251,600	1,801,406
Trade receivables	16	40,304	36,021
Cash in transit	17	103,036	91,691
Pledged deposits	18	67,000	67,000
Restricted bank balances	18	89,576	106,133
Cash and cash equivalents	18	1,875,951	2,129,429
Assets of disposal group classified as held for sale		1,327,310	1,513,183
Total current assets		8,035,559	9,119,395

Interim Condensed Consolidated Statement of Financial Position

30 June 2015

	Notes	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	19	1,383,120	2,080,461
Other payables and accruals	20	5,545,712	6,110,722
Interest-bearing bank and other borrowings	21	3,073,940	1,120,911
Due to related parties	28	64,091	12,482
Tax payable		497,409	535,187
		10,564,272	9,859,763
Liabilities directly associated with the assets classified as held for sale		455,870	337,512
Total current liabilities		11,020,142	10,197,275
NET CURRENT LIABILITIES		(2,984,583)	(1,077,880)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,332,572	17,596,907
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	21	379,000	2,219,804
Deferred tax liabilities		724,557	713,354
Deferred subsidy income		47,111	47,778
Convertible bonds	21	2,876,393	2,834,878
Total non-current liabilities		4,027,061	5,815,814
NET ASSETS		12,305,511	11,781,093
EQUITY			
Equity attributable to owners of the parent			
Share capital	22	164	163
Equity component of convertible bonds		126,417	126,417
Reserves		11,122,799	10,307,900
Proposed final dividend		–	260,503
		11,249,380	10,694,983
Non-controlling interests		1,056,131	1,086,110
Total equity		12,305,511	11,781,093

Interim Condensed Consolidated Statement of Changes in Equity

For the six months period ended 30 June 2015

	Attributable to owners of the parent														
	Issued capital RMB'000 (note 22)	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000	Reserve for fair value changes of available-investments RMB'000	Discretionary reserves fund RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Equity component of convertible bonds RMB'000	Share option reserve RMB'000 (note 23)	Proposed final dividend RMB'000	Total equity RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2015	163	4,422,632	10	385,971	179	7,032	594,938	4,854,991	(20,942)	126,417	63,089	260,503	10,694,983	1,086,110	11,781,093
Profit for the period	-	-	-	-	-	-	-	713,144	-	-	-	-	713,144	46,987	760,131
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	3,953	-	-	-	-	3,953	-	3,953
Partial disposal of interests in an associate	-	-	-	618	(38)	-	-	-	-	-	-	-	580	-	580
Total comprehensive income for the period	-	-	-	618	(38)	-	-	713,144	3,953	-	-	-	717,677	46,987	764,664
Exercise of share options	1	124,536	-	-	-	-	-	-	-	(28,061)	-	-	96,476	-	96,476
Repurchase of shares	-	(505)	-	-	-	-	-	-	-	-	-	-	(505)	-	(505)
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	-	-	-	-	16,973	-	-	(16,973)	-	-	-	-	-
Equity-settled share option arrangements	-	-	-	-	-	-	-	-	-	7,685	-	-	7,685	-	7,685
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	850	850
Dividend on shares issued for employee share options exercised after 31 December 2014	-	(1,993)	-	-	-	-	-	-	-	-	-	(1,993)	-	-	(1,993)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,976)	(11,976)
Final 2014 dividend declared	-	-	-	-	-	-	-	-	-	-	-	(260,503)	(260,503)	-	(260,503)
Acquisition of non-controlling interest	-	-	-	(4,440)	-	-	-	-	-	-	-	-	(4,440)	(65,840)	(70,280)
At 30 June 2015 (Unaudited)	164	4,544,670	10	382,149	141	7,032	594,938	5,585,108	(16,989)	126,417	25,740	-	11,249,380	1,056,131	12,305,511

Interim Condensed Consolidated Statement of Changes in Equity

For the six months period ended 30 June 2015

	Attributable to owners of the parent														
	Issued capital RMB'000 (note 22)	Share premium RMB'000	Capital redemption reserve RMB'000	Capital reserve RMB'000	Reserve for fair value changes of available-for-sale investments RMB'000	Discretionary reserves fund RMB'000	Statutory reserves RMB'000	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Equity component of convertible bonds RMB'000	Share option reserve RMB'000 (note 23)	Proposed final dividend RMB'000	Total equity RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2014 (Restated)	154	3,883,524	5	385,971	59	7,032	504,642	3,812,899	(22,484)	-	67,909	220,675	8,860,366	1,174,803	10,035,169
Profit for the period (Restated)	-	-	-	-	-	-	585,799	585,799	-	-	-	-	585,799	54,173	649,972
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(25,635)	(25,635)	-	-	-	(25,635)	-	(25,635)
Total comprehensive income for the period	-	-	-	-	-	-	585,799	(25,635)	-	-	-	-	570,164	54,173	624,337
Exercise of share options	-	19,383	-	-	-	-	-	-	-	(4,585)	-	-	14,798	-	14,798
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	-	-	-	-	9,925	-	-	(9,925)	-	-	-	-	-
Equity-settled share option arrangements	-	-	-	-	-	-	-	-	-	8,944	-	-	8,944	-	8,944
Contribution by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	63,877	63,877
Dividend on shares issued for employee share options exercised after 31 December 2013	-	(416)	-	-	-	-	-	-	-	-	-	-	(416)	-	(416)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,260)	(10,260)
Final 2013 dividend declared	-	-	-	-	-	-	-	-	-	-	(220,675)	(220,675)	(220,675)	-	(220,675)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	63,817	63,817
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(235,526)	(235,526)
At 30 June 2014 (Restated)	154	3,902,491	5	385,971	59	7,032	504,642	4,418,623	(48,119)	-	62,343	-	9,233,201	1,110,884	10,344,085

Interim Condensed Consolidated Statement of Cash Flows

For the six months period ended 30 June 2015

	Notes	For the six months period ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,114,964	906,157
Adjustments for:			
Finance costs of retailing	7	91,598	68,949
Finance costs of properties development	7	14,218	–
Share of profits and losses of a joint venture		21,368	15,231
Share of profits and losses of associates		(180,587)	(155,629)
Finance income	7	(104,955)	(110,329)
Gain on disposal of items of property, plant and equipment		(171)	(46)
Gain on disposal of a subsidiary		(30,744)	(9,200)
Gain on disposal of held-to-maturity investments		–	(1,059)
Gain on partial disposal of interests in an associate		(188,542)	–
Equity-settled share option expense	23	7,685	8,944
Depreciation of property, plant and equipment	11	208,354	189,953
Fair value gains on investment properties		(10,894)	(270,333)
Amortisation of prepaid land lease payments	11	28,165	22,776
Amortisation of other intangible assets		5,645	1,880
Amortisation of prepaid rental		149,465	142,581
		1,125,569	809,875
Decrease in restricted cash		16,557	307,236
Increase in prepayments, deposits and other receivables		(71,017)	(109,040)
(Increase)/decrease in trade receivables		(4,283)	19,878
(Increase)/decrease in cash in transit		(11,345)	74,087
Decrease in inventories		47,392	89,095
Decrease in trade and bills payables		(697,341)	(44,015)
(Decrease)/increase in advances from customers		(51,145)	392,248
Increase in amounts due from related parties		(55,424)	(46,595)
Decrease in amounts due to related parties		(4,615)	(588)
Increase in properties under development		(252,293)	(295,364)
Decrease in completed properties held for sale		209,702	–
Decrease in other payables and accruals		(20,039)	(21,806)
Cash generated from operations		231,718	1,175,011

Interim Condensed Consolidated Statement of Cash Flows

For the six months period ended 30 June 2015

	Notes	For the six months period ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Interest paid		(65,928)	(115,542)
Income tax paid		(467,370)	(311,190)
Net cash flows (used in)/from operating activities		(301,580)	748,279
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		131,143	67,495
Purchases of items of property, plant and equipment and investment properties		(687,798)	(949,843)
Purchases of other intangible assets		(3,659)	(10,001)
Acquisition of non-controlling interest		(14,056)	–
Acquisition of a subsidiary not constituting a business combination, net of cash acquired		–	(82,523)
Acquisition of prepaid land lease payments		(287)	–
Acquisition of equity interests in an associate		–	(9,880)
Disposal of a subsidiary	24	372,202	279,970
Proceeds from disposal of held-to-maturity investments		–	13,059
Advance from disposal of subsidiaries		–	87,216
Proceeds from disposal of items of property, plant and equipment		12,766	706
Proceeds from partial disposal of interests in an associate		391,699	–
Advances to third parties		(30,400)	(33,600)
Repayment of advances from third parties		33,017	8,436
Loans to related parties		(654,113)	–
Repayment of loans and receivables from related parties		206,850	150,000
Advances to related parties		–	(62,300)
Dividend received from an associate		40,257	100,000
Repayment of advances from a related party		239,688	–
Repayment of advances to third parties		(164,748)	(34,562)
Receipt of government grants		–	38,344
Repayment from non-controlling shareholders		–	27,849
Net cash flows used in investing activities		(127,439)	(409,634)

Interim Condensed Consolidated Statement of Cash Flows

For the six months period ended 30 June 2015

	Notes	For the six months period ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		96,476	14,798
Capital contribution from non-controlling shareholders		850	63,877
Proceeds from interest-bearing bank and other borrowings		1,256,488	1,459,037
Repayments of interest-bearing bank and other borrowings		(1,144,263)	(1,875,174)
Dividends paid		(22,043)	(221,091)
Dividends paid to non-controlling shareholders		(1,224)	(10,260)
Repurchase of shares		(505)	–
Advance from a related party		–	20,593
Net cash flows from/(used in) financing activities		185,779	(548,220)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the period		2,174,746	1,814,440
Effect of foreign exchange rate changes, net		7,910	(6,780)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
1,939,416			
1,598,085			
Analysis of balances of cash and cash equivalents			
Cash and bank balances		1,875,951	1,570,584
Cash and cash equivalents as stated in the statement of financial position	18	1,875,951	1,570,584
Cash and short term deposits attributable to the disposal group held for sale		63,465	27,501
Cash and cash equivalents as stated in the statement of cash flows		1,939,416	1,598,085

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

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 investment properties and 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 2014.

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 2014, except for the adoption of the revised Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretations as of 1 January 2015, noted below:

The following new standard and amendment to standards are mandatory for the first time for the financial year beginning 1 July 2014.

Amendments to HKAS 19 <i>Annual Improvements</i> <i>2010-2012 Cycle</i>	<i>Defined Benefit Plans: Employee Contributions</i> ¹ Amendments to a number of HKFRSs ¹
<i>Annual Improvements</i> <i>2011-2013 Cycle</i>	Amendments to a number of HKFRSs ¹

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

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> ³
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	<i>Investment Entities: Applying the Consolidation Exception</i> ¹
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i> ²
HKFRS 14	<i>Regulatory Deferral Accounts</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ³
Amendments to HKAS 1	<i>Disclosure Initiative</i> ¹
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> ¹
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i> ¹
Amendments to HKAS 27	<i>Equity Method in Separate Financial Statements</i> ¹
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs ¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

⁴ Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group.

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 2015

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on income derived from business and has four reportable operating segments as follows:

- the department store segment operates and manages department stores in Mainland China;
- the shopping mall segment operates shopping malls in Mainland China;
- the property development segment develops and sells properties in Mainland China; and
- the others segment comprises, principally, the Group's trading business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that share of profits and losses of associates, share of profits and losses of a joint venture, finance income, finance costs, fair value gains on investment properties, unallocated gains and losses, net, and other unallocated head office and corporate expenses are excluded from this measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Period ended 30 June 2015	Department store RMB'000	Shopping mall RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
Segment revenue					
Sales to external customers	1,871,149	683,434	391,567	109,804	3,055,954
Intersegment sales	-	-	-	31,606	31,606
	1,871,149	683,434	391,567	141,410	3,087,560
<i>Reconciliation:</i>					
Elimination of intersegment sales					31,606
Revenue					3,055,954
Segment results	590,163	68,730	131,618	14,028	804,539
<i>Reconciliation:</i>					
Share of profits and losses of:					
A joint venture					(21,368)
Associates					180,587
Finance income					104,955
Finance costs					(105,816)
Equity-settled share option expense					(7,685)
Fair value gains on investment properties					10,894
Unallocated gains and losses, net					209,790
Corporate and other unallocated expenses					(60,932)
Profit before tax					1,114,964
Other segment information:					
Depreciation and amortisation	134,573	104,249	850	2,492	242,164
Capital expenditure (a)	96,242	594,575	338	589	691,744

Note:

- (a) Capital expenditure consists of additions to property, plant and equipment, investment properties, prepaid land lease payments and other intangible assets.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Period ended	Department store	Shopping mall	Property development	Others	Total
30 June 2014	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue					
Sales to external customers	1,798,539	451,145	–	101,830	2,351,514
Intersegment sales	–	–	–	35,569	35,569
	1,798,539	451,145	–	137,399	2,387,083
<i>Reconciliation:</i>					
Elimination of intersegment sales					35,569
Revenue					2,351,514
Segment results					
	494,281	25,650	–	28,560	548,491
<i>Reconciliation:</i>					
Share of profits and losses of:					
A joint venture					(15,231)
Associates					155,629
Finance income					110,329
Finance costs					(68,949)
Equity-settled share option expense					(8,944)
Fair value gains on					
investment properties					270,333
Unallocated gains and losses, net					(29,684)
Corporate and					
other unallocated expenses					(55,817)
Profit before tax					906,157
Other segment information:					
Depreciation and amortisation	148,101	65,024	–	1,484	214,609
Capital expenditure	114,274	845,237	–	333	959,844

All the Group's operations are carried out in Mainland China. No revenue from operations amounting to 10 percent or more of the Group's revenue was derived from sales to a single customer for the period ended 30 June 2015 and 2014. All non-current assets (excluding financial instruments and deferred tax assets) of the Group are located in Mainland China.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

4. REVENUE

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Sale of goods – direct sale	959,199	891,227
Commissions from concessionaire sales	1,242,749	1,198,909
Rental income	432,772	236,039
Rental income from investment properties and owner-occupied properties	233,961	152,996
Sublease rental income	168,557	66,796
Contingent rental income	30,254	16,247
Management fee income from operation of department stores	23,037	17,211
Commissions from sale of goods	6,630	8,128
Retail revenue	2,664,387	2,351,514
Sale of properties	391,567	–
	3,055,954	2,351,514

The commissions from concessionaire sales are analysed as follows:

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Gross revenue from concessionaire sales	7,129,144	6,764,550
Commissions from concessionaire sales	1,242,749	1,198,909

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.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

5. OTHER INCOME AND GAINS

	Note	For the six months period ended 30 June	
		2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Other income			
Advertisement, promotion and administration income		212,011	156,919
Supplementary income		10,696	17,987
Subsidy income		3,352	12,095
Others		13,417	16,555
		239,476	203,556
Gains/(losses)			
Gain on disposal of items of property, plant and equipment		171	46
Gain on partial disposal of interests in an associate		188,542	–
Gain on disposal a subsidiary	24	30,744	9,200
Fair value gains on investment properties		10,894	270,333
Others		(9,667)	(38,930)
		220,684	240,649
		460,160	444,205

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

6. PROFIT BEFORE TAX

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

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Purchases of goods and changes in inventories	796,969	743,835
Cost of properties sold	209,702	–
Depreciation and amortisation	242,164	214,609
Staff costs (including directors' and chief executive's remuneration):	386,650	377,098
Wages, salaries and bonuses	290,313	283,159
Pension costs – defined contribution schemes	55,497	53,602
Welfare, medical and other benefits	33,155	31,393
Equity-settled share option expense	7,685	8,944
Utility expenses	180,983	136,605
Rental expenses	354,091	280,867
Credit card charges	45,052	43,789
Advertising expenses	104,755	106,023
Properties development expenses	50,247	–
Auditors' remuneration	1,000	1,000
Professional service charges	4,924	14,404
Other tax expenses	55,303	38,320
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	45,736	26,696
Rental income on investment properties less direct operating expenses of RMB45,736,000 (six months period ended 30 June 2014: RMB26,696,000)	(69,479)	(45,572)

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

7. FINANCE INCOME/FINANCE COSTS

Finance income

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Interest income from bank deposits	18,891	10,506
Interest income from loans and receivables	52,765	39,751
Interest income from a joint venture	10,356	9,858
Interest income from associates	13,005	9,762
Other interest income	9,938	40,452
	104,955	110,329

Finance costs

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Interest expenses on bank loans and other borrowings wholly repayable within five years	79,440	100,136
Interest on convertible bonds	42,552	–
Interest on guaranteed bonds due July 2014	–	24,396
Less: Interest capitalised	(16,176)	(55,583)
	105,816	68,949
The finance costs are analysed as follows:		
Finance costs of retailing	91,598	68,949
Finance costs of properties development	14,218	–
	105,816	68,949

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

8. INCOME TAX

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Current income tax – Mainland China	290,492	199,769
Current – PRC LAT for the period	57,616	–
Deferred taxation	6,725	56,416
	354,833	256,185

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 2014: 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 2014: 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 2015 (six months period ended 30 June 2014: 25%).

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

9. INTERIM AND SPECIAL DIVIDENDS

On 19 August 2015, the board of directors of the Company resolved to declare an interim dividend of RMB0.10 per share for the six months period ended 30 June 2015 (six months period ended 30 June 2014: RMB0.10 per share) and a special dividend of RMB0.10 per share for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

The calculation of the interim and special dividends for the six months ended 30 June 2015 is based on the declared interim dividend per ordinary share, and the total number of ordinary shares as at 19 August 2015.

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 2,176,627,946 (six months period ended 30 June 2014: 2,007,840,610) 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, where applicable. 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.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

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

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

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Restated) RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	713,144	595,799
Interest on convertible bonds	42,552	–
Profit attributable to ordinary equity holders of the parent before interest on convertible bonds	755,696	595,799

	Number of shares For the six months period ended 30 June	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	2,176,627,946	2,007,840,610
Effect of dilution – weighted average number of ordinary shares:		
Share options	273,493	4,553,166
Convertible bonds	475,428,069	–
Weighted average number of ordinary shares used in diluted earnings per share calculation	2,652,329,508	2,012,393,776

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

11. PROPERTY, PLANT AND EQUIPMENT AND PREPAID LAND LEASE PAYMENTS

During the six months period ended 30 June 2015, the Group acquired property, plant and equipment and construction in progress with a cost of RMB1,159,504,000 (six months period ended 30 June 2014: RMB1,457,226,000). Depreciation for property, plant and equipment is approximately RMB208,270,000 (six months period ended 30 June 2014: RMB186,499,000) during the period.

During the six months period ended 30 June 2015, amortisation for prepaid land lease payments is RMB28,165,000 (six months period ended 30 June 2014: RMB31,369,000, including RMB8,593,000 capitalised in construction in progress) during the period.

The Group pledged certain of its buildings and investment properties to secure the Group's banking facilities. The carrying amounts of these buildings as at 30 June 2015 are approximately RMB1,351,963,000 (31 December 2014: RMB1,177,423,000) (note 21).

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 2015 are approximately RMB752,727,000 (31 December 2014: RMB739,976,000) (note 21).

The application for the ownership certificates of certain buildings located in Xi'an City of Shaanxi Province, the PRC, with a carrying amount of RMB514,000,000 as at 30 June 2015 (31 December 2014: RMB520,000,000), is in process.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

12. INVESTMENT PROPERTIES

Group

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
At beginning of period/year	5,699,000	3,340,907
Additions	29,356	265,910
Transfer from property, plant and equipment	5,750	1,859,274
Transfer from prepaid land lease payments	–	379,532
Transfer to assets held for sale	–	(570,907)
Government grant received	–	(10,445)
Fair value gains on investment properties	10,894	434,729
At end of period/year	5,745,000	5,699,000

The Group pledged certain of its investment properties to secure the Group's banking facilities (note 21). The carrying amounts of these investment properties as at 30 June 2015 are approximately RMB681,000,000 (31 December 2014: RMB285,000,000).

13. INVENTORIES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Store merchandise, at cost or net realisable value	445,359	492,213
Low value consumables	2,275	2,813
	447,634	495,026

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

14. COMPLETED PROPERTIES HELD FOR SALE AND PROPERTIES UNDER DEVELOPMENT

Completed properties held for sale

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
At beginning of period/year	1,151,768	–
Transfer from properties under development	586,862	1,431,342
Transfer to cost of properties sold	(209,702)	(279,574)
At end of period/year	1,528,928	1,151,768

Properties under development

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
At beginning of period/year	550,335	905,067
Additions	36,527	1,050,248
Transfer from prepaid land lease payments	–	49,576
Transfer to completed properties held for sale	(586,862)	(1,431,342)
Government grant received	–	(23,214)
At end of period/year	–	550,335

The Group pledged certain of completed properties held for sale to secure the Group's banking facilities. The carrying amounts of these pledged completed properties held for sale as at 30 June 2015 are approximately RMB12,975,000 (31 December 2014: RMB18,400,000) (note 21).

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Current:		
Advance to subsidiaries disposed of	30,362	20,223
Rental deposits	102,039	94,585
Prepaid rental	30,701	17,649
Advances to suppliers	21,183	25,259
Advances to third parties	424,599	424,927
Prepaid tax	93,284	108,316
Prepayments	71,719	76,296
Guarantee deposits	20,000	20,000
Others	126,186	116,077
	920,073	903,332
Non-current:		
Advance to the subsidiary disposed of	–	9,293
Prepayment for acquisition of an investment property	–	726,192
Prepayment for acquisition of a non-controlling interest of a subsidiary	90,000	90,000
	90,000	825,485
	1,010,073	1,728,817

Note:

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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

16. TRADE RECEIVABLES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Trade receivables	40,304	36,021
Impairment	–	–
	40,304	36,021

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 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within 1 month	25,460	21,021
1 to 2 months	8,070	7,143
2 to 3 months	3,994	3,703
Over 3 months	2,780	4,154
	40,304	36,021

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

16. 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 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Neither past due nor impaired	37,524	31,867
Less than one month past due	2,780	4,154
	40,304	36,021

17. CASH IN TRANSIT

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Cash in transit	103,036	91,691

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

30 June 2015

18. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Cash and bank balances	2,032,527	2,302,562
Less: Pledged time deposit	(67,000)	(67,000)
Restricted bank balances	(89,576)	(106,133)
Cash and cash equivalents	1,875,951	2,129,429

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.

19. 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 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within 1 month	1,036,152	1,709,736
1 to 2 months	256,554	306,791
2 to 3 months	47,806	32,784
over 3 months	42,608	31,150
	1,383,120	2,080,461

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 2015

20. OTHER PAYABLES AND ACCRUALS

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Payables for purchase of property, plant and equipment, investment properties and properties under development	991,184	1,264,386
Advances from retail customers	1,470,418	1,568,628
Advances from pre-sale of properties under development	880,058	1,239,180
Advances from third parties (note (i))	121,536	108,481
Other tax payables	89,282	153,784
Bonus and welfare payables	119,419	146,194
Deposits received from suppliers/concessionaires	415,582	402,681
Accruals	438,652	384,550
Accrued interest	4,162	5,790
Deferred revenue	72,465	61,924
Deferred government subsidy	1,333	1,600
Advances from disposal of subsidiaries	559,463	669,049
Dividend payable	262,434	22,043
Dividend payable due to non-controlling interests	10,752	–
Others	108,972	82,432
	5,545,712	6,110,722

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 2015

21. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2015 (Unaudited)			31 December 2014 (Audited)		
	Effective/ contractual interest rate (%)	Maturity	RMB'000	Effective/ contractual interest rate (%)	Maturity	RMB'000
Current:						
Bank loans – unsecured	5.600-6.000	2016	69,830	5.600-6.000	2015	30,400
Bank loans – secured (a)	2.003-6.375	2016	941,829	2.153-7.000	2015	589,768
Current portion of long term bank loans – secured (a)	6.528-7.259	2016	82,000	6.528-7.590	2015	50,000
Current portion of long term bank loans – unsecured	-	-	-	5.843	2015	10,000
Syndicated loan	LIBOR plus 230 basis points for US\$ borrowings and HIBOR plus 230 basis points for HK\$ borrowings	2016	1,980,281	LIBOR plus 230 basis points for US\$ borrowings and HIBOR plus 230 basis points for HK\$ borrowings	2015	440,743
			3,073,940			1,120,911
Non-current:						
Secured bank loans (a)	6.528-7.205	2018-2019	379,000	6.528-7.205	2016-2018	416,831
Unsecured bank loans	-	-	-	5.843	2016	40,000
Syndicated loan	-	-	-	LIBOR plus 230 basis points for US\$ borrowings and HIBOR plus 230 basis points for HK\$ borrowings	2016	1,762,973
Convertible bonds	Weighted average of 2.99	2017	2,876,393	Weighted average of 2.99	2017	2,834,878
			3,255,393			5,054,682
			6,329,333			6,175,593

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Analysed into:		
Within one year or on demand	3,073,940	1,120,911
In the second year	104,500	1,906,804
In the third to fifth years, inclusive	3,150,893	3,147,878
	6,329,333	6,175,593

Notes:

- (a) Secured bank and other loans of RMB1,402,829,000 as at 30 June 2015 were secured by certain of the Group's buildings, investment properties, prepaid land lease payment, completed properties held for sale and time deposits, the total carrying amount of which at 30 June 2015 was RMB2,865,665,000 (31 December 2014: RMB2,287,799,000) (note 11, 12, 14 and 18).
- (b) The Group has the following undrawn banking facilities:

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
At floating rate:		
Expiring within 1 year	1,977,423	1,641,434
Expiring within 2 to 4 years, inclusive	864,888	1,330,003
Expiring after 5 years	154,000	148,000
	2,996,311	3,119,437

The Group's banking facilities were secured by certain investment properties, buildings, construction in progress, completed properties held for sale (note 14) and prepaid land lease payments (note 11) and time deposits (note 18).

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

22. SHARE CAPITAL

During the period ended 30 June 2015, the movements in share capital were as follows:

The subscription rights attaching to 18,099,500 share options were exercised at the average subscription price of HK\$6.75 per share, resulting in the issue of 18,099,500 shares of US\$0.00001 each for a total cash consideration, before expenses, of HK\$122,245,000 (RMB96,476,000 equivalent). An amount of RMB28,061,000 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 125,000 shares of US\$0.00001 each of the Company for an aggregate consideration of HK\$637,500 (RMB505,000 in equivalent). The repurchased shares were cancelled on 4 May 2015.

23. SHARE OPTION SCHEME

On 27 March 2015, 19,598,000 share options with an exercise price of HK\$4.85 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 2015, the expense recognised in the consolidated statement of profit or loss for the share option scheme amounted to RMB7,685,000 (six months period ended 30 June 2014: RMB8,944,000).

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

24. DISPOSAL OF A SUBSIDIARY

	Note	For the six months period ended 30 June 2015 RMB'000
Net assets disposed of:		
Investment properties		570,907
Deposits, prepayments and other receivables		5,130
Trade receivables		15,941
Cash and cash equivalents		769
Other payables and accruals		(85,912)
Tax payable		(3,023)
Deferred tax liabilities		(45,333)
		458,479
Gain on disposal of a subsidiary	5	30,744
Satisfied by:		
Cash received		482,557
Cash not yet received		6,666

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

24. DISPOSAL OF A SUBSIDIARY (CONTINUED)

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

	For the six months period ended 30 June 2015
	<i>RMB'000</i>
Cash consideration received in 2014	109,586
Cash consideration received in 2015	372,971
Cash and cash equivalents disposed of	(769)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	481,788

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

25. CONTINGENT LIABILITIES

- (1) As at 30 June 2015, 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 RMB553,779,000 (31 December 2014: RMB581,129,000). 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.

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Guarantees given to banks in connection with facilities granted to associates	922,000	872,000
Guarantees given to banks and other financial institutions in connection with borrowings to a joint venture	180,000	285,000

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

26. OPERATING LEASE ARRANGEMENTS

(a) As lessor

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

At 30 June 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within one year	817,223	650,398
In the second to fifth years, inclusive	2,028,822	1,732,484
After five years	1,336,438	1,065,519
	4,182,483	3,448,401

The amounts above include future minimum sublease payments expected to be received under non-cancellable subleases amounting to RMB1,583,978,000 as at 30 June 2015 (31 December 2014: RMB1,280,978,000).

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

26. OPERATING LEASE ARRANGEMENTS (CONTINUED)

(b) As lessee

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

At 30 June 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Within one year	913,952	661,142
In the second to fifth years, inclusive	3,610,432	3,237,757
After five years	10,876,844	10,301,438
	15,401,228	14,200,337

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

27. COMMITMENTS

In addition to the operating lease commitments detailed in note 26(b) above, the Group had the following capital commitments at the end of the reporting period:

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Contracted, but not provided for:		
Land and buildings	198,517	47,755
Leasehold improvements	2,173	121,400
	200,690	169,155
Authorised, but not contracted for:		
Land and buildings	26,318	20,268
Leasehold improvements	37,590	52,620
	63,908	72,888
	264,598	242,043

In addition, the Group's share of a joint venture's own capital commitments, which are not included in the above, is as follows:

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Contracted, but not provided for	–	47,880

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

28. 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
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
Beijing Youyi Lufthansa Shopping City Co., Ltd. Beijing Lufthansa Centre ("Beijing Youyi Lufthansa")	Associate of the Group
Bozhou Hualun International Culture Investment Co., Ltd. ("Bozhou Hualun")	Associate of the Group
Hefei Hualun Cultural Investment Co., Ltd. ("Hefei Hualun")	Associate of the Group
Zhejiang Intime Electronic Commerce Co., Ltd., ("Zhejiang Intime Electronic Commerce")	Associate of the Group
Hangzhou Xin Hubin Commercial Development Co., Ltd. ("Xin Hubin")	Joint venture
Beijing Intime Jixiang Commercial Co., Ltd. ("Jixiang Commercial") (Formerly known as "Beijing Intime Lotte Department Store Co., Ltd.")	Subsidiary of China Yintai
Hangzhou Hubin International Commercial Development Co., Ltd. ("Hubin International")	Mr. Shen Guojun is the chairman
Metro Land Corporation Land ("Metro Land")	Associate of China Yintai
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

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

28. RELATED PARTY TRANSACTIONS (CONTINUED)

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

Name	Relationship
Zhejiang Fuqiang Properties Co., Ltd. ("Zhejiang Fuqiang")	Subsidiary of China Yintai
Ningbo Economic Technology Development Area Taiyue Properties Co. Ltd. ("Ningbo Taiyue")	Subsidiary of China Yintai
Beijing New Yansha Holding (Group) Co., Ltd. ("Beijing New Yansha")	Controlling shareholder of an associate
Fenghua Yintai Properties Co., Ltd ("Fenghua Yintai")	49% of the voting rights are controlled by Mr. Shen Guojun
Huzhou Jialefu Mall Co., Ltd. ("Huzhou Jialefu")	50% of the voting rights are controlled by Mr. Shen Guojun
Art Capital Holdings Limited ("Art Capital")	100% of the voting rights are controlled by Mr. Shen Guojun
Hangzhou Longxiang Commercial Development Co., Ltd. ("Longxiang Commercial")	Associate of Beijing Guojun

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

28. 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	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Rental expense and management fee expenses:		
Metro Land	–	1,150
Huzhou Jialefu (note (i))	16,792	16,792
	16,792	17,942
Advances to related parties:		
Anhui Hualun	–	4,300
Bozhou Hualun	–	58,000
	–	62,300
Repayment of advances from a related party		
Zhongda Shenma	239,688	–
Loans and receivables made to related parties:		
Zhejiang Intime Electronic Commerce (note (ii))	139,575	–
Zhongda Shengma (note (iii))	371,538	–
Xin Hubin (note (iv))	143,000	–
	654,113	–

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

28. 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	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Repayment of loans and receivables from related parties:		
Hangzhou Intime	–	152,654
Xin Hubin	75,000	–
Zhongda Shengma	152,352	27,814
	227,352	180,468
Interest income from related parties:		
Xin Hubin	10,664	10,385
Hangzhou Intime	–	1,967
Zhongda Shengma	20,987	27,680
Zhejiang Intime Electronic Commerce	24,380	8,688
Anhui Hualun	16,814	10,410
Bozhou Hualun	7,081	6,768
	79,926	65,898
Management fee from a related party		
Beijing New Yansha	4,860	2,549
Customer payments to related parties by the Group's prepaid cards (net off the payments made by related parties' prepaid card used):		
Jixiang Commercial	(224)	506
Zhejiang Intime Electronic Commerce	12,514	(5,096)
Hubin International	(2,204)	45,804
Xin Hubin	4,461	(2,499)
Ningbo Taiyue	2,032	–
Hangzhou Intime	(637)	–
	15,942	38,715
Advances from a related party:		
Beijing Metro Land Property	–	20,593

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

28. 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	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Commissions from a related party		
Zhejiang Intime Electronic Commerce (note (v))	6,630	8,128
Guarantees provided to related parties:		
Zhongda Shengma (note (vi))	504,000	504,000
Xin Hubin (note (vii))	180,000	867,500
Anhui Hualun (note (viii))	600,000	600,000
	1,284,000	1,971,500
Acquisition of a subsidiary from a related party:		
Metro Land	–	255,267
Acquisition of non-controlling interest from a related party:		
Metro Land (ix)	70,280	–

Notes to the Interim Condensed Consolidated Financial Statements

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28. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties (continued)

Notes:

- (i) Pursuant to an agreement between Huzhou Jialefu and Zhejiang Intime Investment Co., Ltd. (“Zhejiang Intime Investment”), Zhejiang Intime Investment leased a building for its operation for a period from 28 June 2013 to 27 June 2033. With the establishment of Huzhou Yinjia Department Store Co., Ltd. (“Huzhou Yinjia”) subsequently in May 2013, the lease agreement was transferred to Huzhou Yinjia by Zhejiang Intime Investment.
- (ii) Pursuant to loan agreements between Zhejiang Intime Electronic Commerce and the Group, the Group provided shareholder’s loans with a total amount of RMB139,575,000 to Zhejiang Intime Electronic Commerce with no fixed repayment terms with an annual interest rate of 12%.
- (iii) Pursuant to loan agreements between Zhongda Shengma and the Group, the Group provided loans to Zhongda Shengma with an amount of RMB371,538,000 for a period of 24 months for the construction and development of the department store property with an annual interest of 9%.
- (iv) Pursuant to loan agreements between Xin Hubin and the Group, the Group provided loans with a total amount of RMB143,000,000 to Xin Hubin at one-year benchmark interest rate. On 26 May 2015, Hangzhou Intime North Hill Enterprise Management Co., Ltd. (“Hangzhou North Hill”) entered into an equity transfer agreement with Art Capital, to dispose of all 50% equity interest in Xin Hubin. The Group classified the investment in the joint venture as non-current assets held for sale as at 30 June 2015. In addition, all existing loan owed by Xin Hubin to the Group of RMB384,000,000 shall be repaid by 20 December 2016.
- (v) In 2015, Intime Department Store (Hong Kong) Company Limited (“Intime HK”) and Sin Cheng Holdings Pte Ltd. (“Sin Cheng”) provided overseas procurements agent service to Zhejiang Intime Electronic Commerce.
- (vi) Pursuant to a guarantee agreement among Zhejiang Intime Department Store Co., Ltd. (“Zhejiang Intime”), Zhongda Shengma and certain financial institutions, Zhejiang Intime provided guarantees to Zhongda Shengma with the amount of RMB504,000,000. As at 30 June 2015, the banking facilities granted to Zhongda Shengma by the Group were utilised to the extent of approximately RMB372,000,000 (six months period ended 30 June 2014: RMB198,000,000).
- (vii) 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 RMB180,000,000 (six months period ended 30 June 2014: RMB867,500,000).
- (viii) Pursuant to a guarantee agreement among Anhui Huaqiao Hotel, Anhui Hualun and a bank, Anhui Huaqiao Hotel provided a guarantee to Anhui Hualun with the amount of RMB600,000,000 for a period from 20 June 2013 to 20 June 2028. As at 30 June 2015, the banking facilities granted to Anhui Hualun guaranteed by the Group were utilised to the extent of approximately RMB550,000,000 (six months period ended 30 June 2014: RMB450,000,000).
- (ix) On 8 May 2015, Hangzhou Intime Outlets Commercial Development Co., Ltd. (“Hangzhou Outlets”) entered into an equity transfer agreement with Metro Land, to purchase a 20% equity interest in Jingtaixianghe Property Management Co., Ltd. (“Jingtaixianghe”) for a total consideration of RMB70,280,000. As at 30 June 2015, Hangzhou Outlets has made the down payment of RMB14,056,000.

Notes to the Interim Condensed Consolidated Financial Statements

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28. 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 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Due from related parties:		
Metro Land	720	720
Xin Hubin	590	391,804
Ningbo Hualian Property	70	70
Anhui Hualun	463,158	446,344
Zhejiang Intime Electronic Commerce	269,516	209,271
Jixiang Commercial	–	566
Beijing New Yansha	2,198	4,343
Bozhou Hualun	264,368	257,287
Hangzhou Intime	4,363	5,000
Fenghua Yintai	5,000	5,000
Huzhou Jialefu	2,500	2,500
Zhongda Shengma	–	239,688
Ningbo Taiyue	429	125
Hefei Hualun	238,688	238,688
	1,251,600	1,801,406

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

The amounts due from 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.

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Loans and interest receivable from related parties

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Zhejiang Intime Electronic Commerce	697,820	533,865
Zhongda Shengma	504,756	264,583
Xin Hubin	384,000	–
	1,586,576	798,448

(e) Due to related parties

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

	30 June 2015 (Unaudited) RMB'000	31 December 2014 (Audited) RMB'000
Due to related parties:		
Huzhou Jialefu	6,795	12,436
Jixiang Commercial	665	–
Longxiang Commercial	47	24
Metro Land	56,224	–
Hubin International	360	22
	64,091	12,482

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 2015

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Commitments with related parties

- (i) 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. With the establishment of Fenghua Intime Department Store Co., Ltd. (“Fenghua Intime”) subsequently in August 2012, the lease agreement was transferred to Fenghua Intime by Zhejiang Intime Investment. Fenghua Intime was 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 Fenghua Intime.
- (ii) Pursuant to an agreement between Hangzhou Intime Sanjiang Commercial Development Co., Ltd. (“Intime Sanjiang”) and Hangzhou Intime signed on 15 July 2013, Intime Sanjiang leased certain floors of a building from Hangzhou Intime for its operation for 20 years. Intime Sanjiang was given a rent-free period of two 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 Intime Sanjiang.
- (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. With the establishment of Huzhou Yinjia subsequently in May 2013, the lease agreement was transferred to Huzhou Yinjia by Zhejiang Intime Investment. Huzhou Yinjia was given a rent-free period of three months commencing from the delivery of the property. The Group expects total minimum lease payment to be approximately RMB649,179,000 from 1 January 2014 to 27 June 2033.
- (iv) Pursuant to an agreement between Hangzhou Zhongda and Zhongda Shengma signed on 1 December 2014, Hangzhou Zhongda leased certain floors of a building from Zhongda Shengma for its operation for 20 years. The Group expects total minimum lease payment to be approximately RMB93,836,000 during the first three-year period from 1 January 2015 to 31 December 2017. Pursuant to a supplementary agreement between Hangzhou Zhongda and Zhongda Shengma signed on the same date, rental from 1 January 2018 will be subject to renegotiation and contingent upon whether Hangzhou Outlets will acquire additional equity interest in Zhongda Shengma within three years from 1 January 2015.

Notes to the Interim Condensed Consolidated Financial Statements

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28. RELATED PARTY TRANSACTIONS (CONTINUED)

(g) Key management compensation

	For the six months period ended 30 June	
	2015 (Unaudited) RMB'000	2014 (Unaudited) RMB'000
Salaries, allowances and other benefits	2,848	3,283
Discretionary bonuses	2,758	2,574
Contributions to a retirement plan	508	308
Share option scheme	2,900	2,875
	9,014	9,040

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

29. FINANCIAL INSTRUMENTS BY CATEGORY

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

30 June 2015

Financial assets

	Loans and receivables <i>RMB'000</i>
Financial assets included in prepayments, deposits and other receivables	701,094
Trade receivables	40,304
Loans and receivables	1,909,254
Due from related parties	1,251,600
Cash in transit	103,036
Pledged deposits	67,000
Restricted bank balances	89,576
Cash and cash equivalents	1,875,951
	6,037,815

Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bills payables	1,383,120
Financial liabilities included in other payables and accruals	2,034,040
Due to related parties	64,091
Interest-bearing bank and other borrowings	3,452,940
Convertible bonds	2,876,393
	9,810,584

Notes to the Interim Condensed Consolidated Financial Statements

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29. 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 2014

Financial assets

	Loans and receivables <i>RMB'000</i>
Financial assets included in prepayments, deposits and other receivables	681,332
Trade receivables	36,021
Loans and receivables	1,107,915
Due from related parties	1,801,406
Cash in transit	91,691
Pledged deposits	67,000
Restricted bank balances	106,133
Cash and cash equivalents	2,129,429
	<hr/> 6,020,927

Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i>
Trade and bills payables	2,080,461
Financial liabilities included in other payables and accruals	2,032,006
Due to related parties	12,482
Interest-bearing bank and other borrowings	3,340,715
Convertible bonds	2,834,878
	<hr/> 10,300,542

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2015

30. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts and fair values of the Group's financial instruments are all reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted bank balances, cash in transit, due from related parties, loans and receivables, 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 Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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 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 with similar terms, credit risk and remaining maturities.

31. COMPARATIVE AMOUNTS

Certain comparative amounts have been adjusted or reclassified as a result of the change in accounting policies as disclosed in the Group's annual financial statements for the year ended 31 December 2014.

32. 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 2015.