銀泰商业

INTIME RETAIL (GROUP) COMPANY LIMITED
銀泰商業(集團)有限公司

(Incorporated in the Cayman Islands with Limited Liability)
(Stock Code: 1833)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

HIGHLIGHTS

- Same store sales growth was 0.3%
- Total gross sales proceeds[1] was RMB17,214.4 million, representing an increase of 2.7%
- Retail revenue was RMB5,501.5 million, representing an increase of 6.8%, and total revenue was RMB5,984.3 million, representing an increase of 4.0%
- Profit attributable to owners of the parent was RMB1,319.7 million, representing an increase of 0.2%
- Basic earnings per share for the year decreased to RMB0.54
- Proposed final dividend of RMB0.08 per share

Note 1: Total gross sales proceeds refer to the aggregate proceeds from direct sales, gross revenue from concessionaire sales, rental income, management fee income and commissions income.

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The board of directors (the "Board") of Intime Retail (Group) Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2016

	Notes	**2016** *RMB'000*	2015 *RMB'000*
Retail revenue		**5,501,489**	5,153,198
Sale of properties		**482,773**	602,255
Total revenue	*4*	**5,984,262**	5,755,453
Other income and gains/(losses)	*4*	**1,184,550**	1,075,672
Purchases of goods and changes in inventories	*5*	**(1,703,811)**	(1,533,209)
Cost of properties sold	*5*	**(340,391)**	(435,373)
Property development expenses	*5*	**(77,169)**	(104,601)
Staff costs	*5*	**(769,614)**	(779,268)
Depreciation and amortisation	*5*	**(518,345)**	(497,032)
Other expenses		**(2,093,306)**	(1,920,226)
Share of profits and losses of:			
A joint venture		**–**	(18,648)
Associates		**342,557**	284,502
Finance income	*6*	**200,412**	219,874
Finance costs of retailing	*6*	**(203,646)**	(174,471)
Finance costs of property development	*6*	**(19,480)**	(31,057)
Profit before tax		**1,986,019**	1,841,616
Income tax expense	*7*	**(570,175)**	(492,518)
Profit for the year		**1,415,844**	1,349,098
Attributable to:			
Owners of the parent		**1,319,687**	1,317,474
Non-controlling interests		**96,157**	31,624
		1,415,844	1,349,098
Earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)	*9*		
Basic			
– For profit for the year		**0.54**	0.60
Diluted			
– For profit for the year		**0.50**	0.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2016

	2016	2015
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**1,415,844**	1,349,098
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Changes in fair value of available-for-sale investments	**804**	–
Exchange differences:		
Exchange differences on translation of foreign operations	**(118,000)**	(323,938)
Reclassification adjustments for a foreign operation disposed of during the year	**69,366**	(3,122)
	(48,634)	(327,060)
SHARE OF OTHER COMPREHENSIVE INCOME/(LOSS) OF ASSOCIATES	**(277)**	716
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(48,107)**	(326,344)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,367,737**	1,022,754
Attributable to:		
Owners of the parent	**1,271,580**	991,130
Non-controlling interests	**96,157**	31,624
	1,367,737	1,022,754

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Note	**2016**	2015
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**5,260,801**	5,975,499
Investment properties		**7,353,000**	7,249,000
Prepaid land lease payments		**1,435,171**	1,545,106
Prepayments, deposits and other receivables		**351,774**	90,000
Goodwill		**507,677**	535,609
Other intangible assets		**184,198**	47,550
Prepaid rental		**66,554**	118,075
Investments in associates		**2,604,040**	2,480,903
Loans and receivables – third parties		**243,543**	98,543
Loans and receivables – related parties		**707,655**	1,276,453
Available-for-sale investments		**589,423**	40,253
Deferred tax assets		**335,626**	314,475
Total non-current assets		**19,639,462**	19,771,466
CURRENT ASSETS			
Inventories		**540,873**	523,480
Completed properties held for sale		**1,224,150**	1,567,721
Prepayments, deposits and other receivables		**884,288**	865,443
Loans and receivables – third parties		**79,884**	158,893
Loans and receivables – related parties		**1,184,684**	707,149
Due from related parties		**1,207,569**	1,411,149
Trade receivables	*10*	**37,647**	33,795
Cash in transit		**146,168**	88,263
Pledged deposits		**–**	67,000
Restricted bank balances		**58,038**	46,777
Cash and cash equivalents		**1,700,526**	1,580,529
		7,063,827	7,050,199
Assets of a disposal group classified as held for sale		**45,981**	1,456,517
Total current assets		**7,109,808**	8,506,716

	Note	2016 RMB'000	2015 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	11	**1,765,601**	2,621,636
Other payables and accruals		**4,227,424**	5,504,251
Interest-bearing bank and other borrowings		**2,050,060**	2,564,721
Due to related parties		**67,542**	27,556
Tax payable		**553,691**	488,221
		8,664,318	11,206,385
Liabilities directly associated with the assets classified as held for sale		**28,481**	789,481
Total current liabilities		**8,692,799**	11,995,866
NET CURRENT LIABILITIES		**(1,582,991)**	(3,489,150)
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,056,471**	16,282,316
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**1,683,749**	313,000
Deferred tax liabilities		**867,304**	796,842
Deferred subsidy income		**92,424**	46,444
Convertible bonds		**–**	3,101,509
Total non-current liabilities		**2,643,477**	4,257,795
NET ASSETS		**15,412,994**	12,024,521
EQUITY			
Equity attributable to owners of the parent			
Share capital		**198**	163
Equity component of convertible bonds		**–**	126,417
Reserves		**14,984,485**	10,910,968
		14,984,683	11,037,548
Non-controlling interests		**428,311**	986,973
Total equity		**15,412,994**	12,024,521

1. CORPORATE AND GROUP INFORMATION

Intime Retail (Group) Company Limited 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

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. 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 financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of and Depreciation Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

  (i) the materiality requirements in HKAS 1;

  (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

  (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

  (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

  - HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

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 losses of a joint venture, finance income, finance costs, equity-settled share option expense, 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.

Year ended 31 December 2016	Department store *RMB'000*	Shopping mall *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	**3,716,484**	**1,609,773**	**482,773**	**175,232**	**5,984,262**
Intersegment sales	**–**	**–**	**–**	**64,636**	**64,636**
	3,716,484	**1,609,773**	**482,773**	**239,868**	**6,048,898**
Reconciliation:					
Elimination of intersegment sales					**(64,636)**
Revenue					**5,984,262**
Segment results	**878,573**	**219,534**	**62,159**	**35,056**	**1,195,322**
Reconciliation:					
Share of profits and losses of:					
Associates					**342,557**
Finance income					**200,412**
Finance costs					**(223,126)**
Equity-settled share option expense					**(14,736)**
Fair value gains on investment properties					**104,000**
Unallocated gains and losses, net					**495,963**
Corporate and other unallocated expenses					**(114,373)**
Profit before tax					**1,986,019**
Other segment information:					
Depreciation and amortization	**259,797**	**252,800**	**2,976**	**2,772**	**518,345**
Capital expenditure (a)	**314,163**	**622,131**	**150**	**73,931**	**1,010,375**

Year ended 31 December 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	3,618,997	1,365,487	602,255	168,714	5,755,453
Intersegment sales	–	–	–	80,436	80,436
	3,618,997	1,365,487	602,255	249,150	5,835,889
Reconciliation:					
Elimination of intersegment sales					(80,436)
Revenue					5,755,453
Segment results	935,170	70,548	60,823	20,797	1,087,338
Reconciliation:					
Share of profits and losses of:					
A joint venture					(18,648)
Associates					284,502
Finance income					219,874
Finance costs					(205,528)
Equity-settled share option expense					(13,761)
Fair value gains on investment properties					291,970
Unallocated gains and losses, net					306,409
Corporate and other unallocated expenses					(110,540)
Profit before tax					1,841,616
Other segment information:					
Depreciation and amortization	253,919	237,634	1,458	4,021	497,032
Capital expenditure	242,087	770,382	640	6,327	1,019,436

Note:

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

All the Group's operations are carried out in Mainland China. No revenue from operations amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the years ended 31 December 2016 and 2015. All non-current assets (excluding financial instruments) of the Group are located in Mainland China.

4. REVENUE, OTHER INCOME AND GAINS/(LOSSES)

	2016	2015
	RMB'000	*RMB'000*
Sale of goods – direct sales	**1,999,558**	1,814,296
Commissions from concessionaire sales	**2,382,692**	2,380,301
Rental income	**1,078,440**	912,122
Rental income from investment properties and owner-occupied properties	**605,286**	495,228
Sublease rental income	**407,734**	359,253
Contingent rental income	**65,420**	57,641
Management fee income from operation of department stores	**22,821**	36,959
Commissions income	**17,978**	9,520
Retail revenue	**5,501,489**	5,153,198
Sale of properties	**482,773**	602,255
	5,984,262	5,755,453

The commissions from concessionaire sales are analysed as follows:

	2016	2015
	RMB'000	*RMB'000*
Gross revenue from concessionaire sales	**14,095,566**	13,987,837
Commissions from concessionaire sales	**2,382,692**	2,380,301

	2016	2015
	RMB'000	*RMB'000*
Other income		
Advertisement, promotion and administration income	**461,238**	407,653
Supplementary income	**13,622**	13,660
Subsidy income	**48,476**	24,077
Income from available-for-sale investments	**14,126**	–
Others	**47,125**	31,903
	584,587	477,293
Gains/(losses)		
Loss on disposal of items of property and equipment	**(949)**	(2,435)
Loss on disposal of intangible assets	**(216)**	–
Gain on disposal of an associate	**4,828**	–
Gain on disposal of shares of an associate	**–**	188,542
Gain on disposal of subsidiaries	**492,880**	30,744
Fair value gains on investment properties	**104,000**	291,970
Gain on disposal of a joint venture	**–**	133,413
Gain on deemed partial disposal of an associate	**32,680**	–
Others	**(33,260)**	(43,855)
	599,963	598,379
	1,184,550	1,075,672

5. PROFIT BEFORE TAX

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

	2016	2015
	RMB'000	*RMB'000*
Purchases of goods and changes in inventories	**1,703,811**	1,533,209
Cost of properties sold	**340,391**	435,373
Depreciation and amortisation	**518,345**	497,032
Staff costs (including directors' and chief executive's remuneration):	**769,614**	779,268
Wages, salaries and bonuses	**582,530**	583,707
Pension costs – defined contribution schemes	**106,755**	112,747
Welfare, medical and other benefits	**65,593**	69,053
Equity-settled share option expense	**14,736**	13,761
Impairment of goodwill	**27,932**	–
Exchange gain	**(10,991)**	(908)
Gain on disposal of subsidiaries	**(492,880)**	(30,744)
Fair value gains on investment properties	**(104,000)**	(291,970)
Subsidy income	**(48,476)**	(24,077)
Utility expenses	**405,514**	395,139
Store rental expenses	**827,702**	744,832
Credit card charges	**80,211**	86,805
Advertising expenses	**301,449**	240,548
Property development expenses	**77,169**	104,601
Auditors' remuneration	**3,400**	3,400
Professional service charges	**17,347**	23,706
Other tax expenses	**100,682**	98,226

Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**134,367**	99,476

6. FINANCE INCOME/FINANCE COSTS

An analysis of finance income and finance costs is as follows:

Finance income

	2016	2015
	RMB'000	*RMB'000*
Interest income from bank deposits	**17,397**	29,978
Interest income from loans and receivables	**157,227**	118,643
Interest income from a joint venture	**–**	20,458
Interest income from associates	**17,556**	26,964
Other interest income	**8,232**	23,831
	200,412	219,874

Finance costs

	2016	2015
	RMB'000	*RMB'000*
Interest on bank loans and other loans (including convertible bonds)	**223,126**	221,704
Less: Interest capitalised	**–**	(16,176)
	223,126	205,528

The finance costs are analyzed as follows:

Finance costs of retailing	**203,646**	174,471
Finance costs of property development	**19,480**	31,057
	223,126	205,528

7. INCOME TAX

	2016	2015
	RMB'000	*RMB'000*
Current income tax – Mainland China	**534,306**	449,970
Current – Land appreciation tax ("LAT") for the year	**(13,474)**	(242)
Deferred	**49,343**	42,790
	570,175	492,518

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 is to be provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

The subsidiaries incorporated in Singapore are subject to Singapore income tax at the rate of 17% (2015: 17%).

For the year ended 31 December 2016, the subsidiaries established in Mainland China are subject to corporate income tax ("CIT") at the rate of 25%, except for Dazi Intime Commercial Development Co., Ltd., that is entitled to 15% CIT rate under the policy of Western Region Development, where 40% of profits of Dazi Intime are exempted from tax by local municipal government in the place of establishment in Tibet Autonomous Region.

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.

8. DIVIDENDS

	2016	2015
	RMB'000	*RMB'000*
Interim and special – RMB0.10 (2015: RMB0.20) per ordinary share	**270,500**	437,783
Proposed final – RMB0.08 (2015: RMB0.12) per ordinary share	**217,730**	261,606
	488,230	699,389

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

All dividends declared for the year ended 31 December 2015 totalling RMB261,606,000 and the interim dividend of RMB270,402,000 were paid prior to 31 December 2016.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,444,835,622 (2015: 2,181,187,164) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year 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 year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	2016	2015
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**1,319,687**	1,317,474
Interest on convertible bonds	**46,674**	87,311
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	**1,366,361**	1,404,785

	Number of shares	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**2,444,835,622**	2,181,187,164
Effect of dilution – weighted average number of ordinary shares:		
Share options	**2,382,441**	5,331,821
Convertible bonds	**264,668,410**	519,564,433
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**2,711,886,473**	2,706,083,418

10. TRADE RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
Trade receivables	**37,647**	33,795
Impairment	**–**	–
	37,647	33,795

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:

	2016	2015
	RMB'000	*RMB'000*
Within 1 month	**24,850**	18,918
1 to 2 months	**4,489**	6,388
2 to 3 months	**3,321**	4,741
Over 3 months	**4,987**	3,748
	37,647	33,795

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

	2016	2015
	RMB'000	*RMB'000*
Neither past due nor impaired	**30,854**	30,047
Less than one month past due	**6,793**	3,748
	37,647	33,795

11. 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:

	2016	2015
	RMB'000	*RMB'000*
Within 1 month	**1,322,424**	2,095,944
1 to 2 months	**289,770**	456,989
2 to 3 months	**50,229**	34,731
over 3 months	**103,178**	33,972
	1,765,601	2,621,636

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

MANAGEMENT DISCUSSION & ANALYSIS

MACROECONOMIC OVERVIEW

In 2016, faced with the complicated international environment and increased downward economic pressure, the gross domestic product (GDP) annual growth rate of China slowed down to 6.7%, as compared to the annual growth rate of 6.9% recorded in 2015. China's retail sales growth rate continued to slow down. The total retail sales of consumer goods in 2016 grew by 10.4% year-on-year, which was lower than the growth rate of 10.7% recorded in 2015. The annual growth rate of national per capita disposable income of China also slowed to approximately 8.4% in 2016, as compared to approximately 8.9% in 2015.

According to the China National Commercial Information Center, retail sales of 100 key large-scale retail enterprises dropped by 0.5% year-on-year in 2016. China's e-commerce has continued to play a major role in supporting the growth of retail sales in China. In 2016, the total online retail sales grew by 26.2% year-on-year.

Zhejiang province achieved a steady GDP growth rate of 7.5% in 2016, which was lower than the growth rate of 8.0% recorded in 2015. The total retail sales of consumer goods in Zhejiang province rose by 11.0% to RMB2,197.1 billion in 2016. The per capita disposable income of urban households in Zhejiang province increased by 8.1% to RMB47,237 in 2016.

OPERATIONAL OVERVIEW

Amid the overall slowdown in the traditional retail industry, the intensifying market competition, and the weakening in consumption growth, the Group reported a total gross sales proceeds (that is, the aggregate proceeds from direct sales, gross revenue from concessionaire sales, rental income, management fee income and commissions income) of RMB17,214.4 million for the year ended 31 December 2016, representing an increase of 2.7% as compared to that of last year. The year-on-year same store sales growth of the Group was 0.3%. For the year ended 31 December 2016, total revenue of the Group increased to RMB5,984.3 million, representing an increase of 4.0% as compared to that of last year. Profit attributable to owners of the parent was RMB1,319.7 million, representing an increase of 0.2% as compared to that of last year.

Expansion of Network

During the year under review, the Group continued to expand its retail network. In January 2016, the Group opened its first factory outlet in Xiasha of Hangzhou with a gross floor area of approximately of 65,000 square meters. In September 2016, Jingmen Intime City, with a gross floor area of approximately of 97,326 square meters, was opened in Hubei. In December 2016, Wenzhou Intime City, with a gross floor area of approximately of 138,414 square meters, was opened in Zhejiang. In addition, in December 2016, Bengbu Intime City, with a gross floor area of approximately of 162,719 square meters, was opened in Anhui.

As at 31 December 2016, the Group operated and managed a total of 29 department stores and 20 shopping malls with a total gross floor area of 3,301,023 square meters, including 20 department stores and 11 shopping malls located in the principal cities of Zhejiang province, 6 department stores and 2 shopping malls located in Hubei province, 1 department store located in Beijing, 4 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.

Offering Good Products at Reasonable Price

Offering good products at reasonable price is the basic fundamental of the retail industry. During the year under review, the Group focused on enhancing operational efficiency and improving the merchandize mix and brand mix in order to stay ahead of the market competition. The Group has strengthened its efforts to monitor store sales activities and shopping preference in order to provide better shopping choices to its customers. In addition, the Group has continued with its strategy to reduce layers of supplies and to improve the efficiency of the supply chain in order to provide competitive merchandize to customers.

Online to Offline Integration

During the year under review, the Group cooperated with Alibaba Group Holding Limited ("Alibaba") on developing the online-to-offline ("O2O") initiatives and providing better consumption solution to the market. We have benefited not only from the information technology and big data expertise of Alibaba, but also from the learning of internet thinking and experience from Alibaba. Apart from the O2O initiatives such as Miaojie, Miaohuo, Choice, I Choice and Miaoke, which have been performed reasonably well, the Group has introduced new online to offline integration platforms, namely Jihood and InJunior. These initiatives have provided a foundation for the Group to attract new customers, deepen the notion of putting customers' needs first, fasten the omni-channel development and better the customers shopping experience.

The Group has achieved further integration with Alibaba's platform. On one hand, the Group has supported online brands on Alibaba's platforms to sell at the Company's physical stores. On the other hand, the Group has stepped up efforts to encourage the Company's offline brands to sell on Alibaba's platforms. Focusing on the customers' needs, the Group aims to integrate O2O platforms through unifying the online and offline information about customers, products and services.

Implementation of Asset-Light Strategies

As disclosed in the Company's announcement dated 17 May 2016, the Group entered into a series of agreements pursuant to which the Group agreed to (i) transfer the entire equity interests in Beijing Jingtai Xianghe Asset Management Limited Liability Company ("Jingtai Xianghe") to Harvest Capital Management Co., Ltd. ("Harvest Capital") for a total consideration of RMB325,546,710.17 (the "Equity Transfer Agreement"); (ii) enter into a lease agreement with Jingtai Xianghe for the lease of the Beijing Dahongmen Store (the "Lease Agreement"); (iii) make an investment of RMB330 million into an asset management scheme managed by Minsheng Securities Co. Ltd. ("Minsheng Securities") with China Merchant Bank Co. Ltd. (Shanghai Branch) ("CMB (Shanghai)") as the asset custodian ("Minsheng Asset Management Contract (Intime)"), which will in turn invest in an asset management scheme operated by Harvest Capital ("HCJX Asset Management Scheme"), with Jingtai Xianghe as part of its asset; (iv) (a) acquire the interests under the asset management contract dated 17 May 2016 between China Merchant Bank Co. Ltd. ("CMB"), Minsheng Securities (as asset manager) and CMB (Shanghai) (as asset custodian) pursuant to which CMB agreed to deposit an investment amount of RMB500 million as entrusted assets to a designated account with CMB (Shanghai) ("Minsheng Asset Management Contract (CMB)"), which will in turn also invest in the HCJX Asset Management Scheme; or (b) dispose of its interests under the Minsheng Asset Management Contract (Intime) in accordance with the terms of a right of first refusal agreement between CMB and Zhejiang Intime Department Store Co., Ltd., an indirect wholly-owned subsidiary of the Company ("Zhejiang Intime"), (the "Right of First Refusal Agreement"), pursuant to which CMB grants a right of first refusal to Zhejiang Intime to acquire all the rights/interests of CMB under the Minsheng Asset Management Contract (CMB) (the "Dahongmen Project Asset-Light Arrangement").

The main asset of Jingtai Xianghe is the Beijing Dahongmen Store. The Dahongmen Project Asset-Light Arrangement enables the Group to pursue asset-light strategies and to restructure the way it holds the property interest in Beijing Dahongmen Store. The net proceeds from the disposal of the equity interest of Jingtai Xianghe have been used by the Group to open new shopping malls and for general working capital purpose. In addition, Jingtai Xianghe was indebted to other members of the Group for intra-group loans which amounted to approximately RMB500 million in aggregate (the "Shareholder Loan"). In this respect, the HCJX Asset Management Scheme provided the financial resources for Jingtai Xianghe to settle the Shareholder Loan in May 2016, after the completion of the Equity Transfer Agreement in May 2016.

As its overall strategy, the Group seeks opportunities to enhance its financial flexibility by adopting asset-light strategies. The Dahongmen Project Asset-Light Arrangement represents the Group's plan to transform into an asset-light company and to realize the value in Jingtai Xianghe. In particular, the Dahongmen Project Asset-Light Arrangement, as enabled by the participation of CMB, allows the Company to release the capital previously invested in the Beijing Dahongmen Store, while continuing to conduct the Group's department store business at the Beijing Dahongmen Store through the Lease Agreement.

In addition, the Dahongmen Project Asset-Light Arrangement provides a platform which offers flexibility to the Group as to the manner in which it can liquidize fixed assets. In this respect, the terms of the Minsheng Asset Management Contract (Intime) and the Right of First Refusal Agreement enable the Group to exit its investment under the Minsheng Asset Management Contract (Intime) in several ways, including by way of public offering of REITs. As contemplated under the Right of First Refusal Agreement, subject to compliance with the relevant laws and regulations and the instruction of CMB and the Group, the HCJX Asset Management Scheme will take the form of a REITs for public offering as the preferred exit strategy, through which the Group can exit from its investment under the Minsheng Asset Management Contract (Intime).

Completion of the Issue of Conversion Shares to Alibaba Investment Limited

As disclosed in the Company's announcement dated 29 June 2016, the Company received a conversion notice (the "Conversion Notice") from the Alibaba Investment Limited on 29 June 2016 in relation to the conversion (the "Conversion") of all of the outstanding convertible bonds held by Alibaba Investment Limited at the conversion price of approximately HK$7.1309. Pursuant to the Conversion Notice, a total of 535,185,846 conversion shares were issued and allotted to Alibaba Investment Limited on 30 June 2016 upon full conversion of all of the outstanding convertible bonds held by Alibaba Investment Limited. Immediately after the completion of the Conversion, Alibaba Investment Limited has become the single largest shareholder of the Company.

Proposal for the Privatisation of the Company by the Joint Offerors and Proposed Withdrawal of Listing

Reference is made to the joint announcement issued by the Company, Alibaba Investment Limited and Intime International Holdings Limited (the "Joint Offerors") on 10 January 2017 (the "10 Jan Announcement").

As disclosed in the 10 Jan Announcement, on 28 December 2016, the Joint Offerors requested the Board to put forward the proposal (the "Proposal") to the Scheme Shareholders (as defined in the 10 Jan Announcement) regarding the proposed privatisation of the Company by way of a scheme of arrangement (the "Scheme") under Section 86 of the Companies Law (2016 Revision) of the Cayman Islands, involving the cancellation of the Scheme Shares (as defined in the 10 Jan Announcement) and, in consideration thereof, the payment to the Scheme Shareholders of the cancellation price of HK$10.00 in cash for each Scheme Share, the withdrawal of the listing of the Company's shares on the Stock Exchange, and the option offer (the "Option Offer") to be made by or on behalf of the Joint Offerors to the holders of the outstanding share options of the Company, subject to the fulfillment or waiver (as applicable) of certain conditions. For further details and progress of the Proposal, please refer to the 10 Jan Announcement and the subsequent announcements published by the Company and/or the Joint Offerors, as well as the scheme document which is currently expected to be despatched no later than 31 March 2017 and which will contain, among others, the expected timetable for the Proposal.

Shareholders and potential investors should be aware that the implementation of the Proposal, the Scheme and the Option Offer are subject to certain conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

OUTLOOK

The future of consumer retail will be a combination of both the online and offline experience. By adhering to the principle of "customer orientation, care for staff, innovation & reform", and by adopting the means of "digitalization, omni-channelizaton, platformization and entertainmentization", the Group seeks to establishing itself as a consumption solution provider driven by big data to meet consumers' expectations. Given the continuing decline of economic growth rate in China, the rise of consumer sophistication and new retail concept, and the growth of e-commerce, the growth prospects of traditional retailers remain challenging. The Group plans to comprehensively cooperate with Alibaba on O2O business integration and development to drive the Group's growth in the future.

FINANCIAL REVIEW

Total gross sales proceeds and revenue

For the year ended 31 December 2016, 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 income) was RMB17,214.4 million, representing an increase of 2.7% from RMB16,760.7 million in 2015. The growth was mainly attributable to the same store sales growth of approximately 0.3% and the inclusion of the sales performances of the new shopping malls opened in the year of 2016 and 2015.

Among the total gross sales proceeds of the Group, total sales proceeds from concessionaire sales accounted for 81.9% (2015: 83.5%) and those derived from direct sales accounted for 11.6% (2015: 10.8%). Sales proceeds from concessionaire sales increased by 0.8% to RMB14,095.6 million in the year of 2016. The commission rate of concessionaire sales remained stable at approximately 16.9% for the year of 2016 (2015: 17.0%).

In line with the Group's strategy to strengthen direct sales, total sales proceeds from direct sales increased by 10.2% to RMB1,999.6 million for the year of 2016. Direct sales margin was 14.8% for the year of 2016 (2015: 15.5%). Rental income increased by 18.2% to RMB1,078.4 million for the year of 2016. The increase was mainly due to a more efficient use of the rental area and an increase in rentable areas from the shopping malls opened in the year of 2016 and 2015.

The Group's total retail revenue for the year ended 31 December 2016 amounted to RMB5,501.5 million, representing an increase of 6.8% from RMB5,153.2 million in 2015. Including sale of properties, the Group's total revenue for the year ended 31 December 2016 amounted to RMB5,984.3 million, representing an increase of 4.0% from RMB5,755.5 million in 2015. The Group has continued to conduct regular reviews on the performance of the suppliers and concessionaires, with an aim to enhance and strengthen the merchandize mix and to provide better shopping choices to its customers.

Other income and gains/(losses)

Other income of the Group, which mainly comprised of advertisement, promotion and administration income, amounted to RMB584.6 million for the year of 2016, representing an increase of 22.5% from RMB477.3 million recorded in the year of 2015.

Other gains of the Group amounted to RMB600.0 million for the year of 2016 (2015: RMB598.4 million), which mainly comprised of the gain on the disposals of the equity interests in Wenling Taiyue Real Estate Development Limited, Wenling Intime Hotel Development Limited and Wenling Intime Properties Limited as disclosed in the Company's announcement dated 10 January 2013.

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 purchases of goods and changes in inventories increased to RMB1,703.8 million for the year ended 31 December 2016, representing an increase of 11.1% from RMB1,533.2 million recorded in the year of 2015.

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

The Group's cost of properties sold, property development expenses and finance costs of property development amounted to RMB340.4 million, RMB77.2 million and RMB19.5 million, respectively, which were related to the sale of properties amounted to RMB482.8 million for the year of 2016.

Staff costs

The Group's staff costs decreased to RMB769.6 million in 2016, representing a decrease of 1.2% from RMB779.3 million in 2015. Staff costs as a percentage of total revenue of the Group for year of 2016 was 12.9%, which was lower than the ratio of 13.5% recorded in the year of 2015.

Depreciation and amortisation

The Group's depreciation and amortisation increased by 4.3% from RMB497.0 million in 2015 to RMB518.3 million in 2016. The increase was primarily due to the inclusion of depreciation and amortisation costs for the renovation and modernization work for stores. Depreciation and amortisation as a percentage of total revenue of the Group for year of 2016 was 8.7% (2015: 8.6%), which remained relatively stable.

Other expenses

Other expenses, which mainly consisted of utility expenses, store rental expenses, advertising expenses, credit card charges, professional service charges and other tax expenses, increased by 9.0% from RMB1,920.2 million in 2015 to RMB2,093.3 million in 2016. Other expenses as a percentage of total revenue of the Group in 2016 was 35.0%, which was slightly higher than the ratio of 33.4% recorded in 2015.

Share of profits and losses of associates

The share of profits and losses of associates for year ended 31 December 2016 amounted to RMB342.6 million, representing an increase of 20.4% from RMB284.5 million recorded in 2015. 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 year ended 31 December 2016, finance income of the Group amounted to RMB200.4 million, representing a decrease of 8.9% from RMB219.9 million recorded in 2015.

Finance costs of retailing

For the year ended 31 December 2016, finance costs of retailing of the Group amounted to RMB203.6 million, representing an increase of 16.7% from RMB174.5 million recorded in 2015.

Income tax expense

The Group's income tax expenses increased by 15.8% from RMB492.5 million in 2015 to RMB570.2 million in 2016. The effective tax rate of the Group was 28.7% in 2016, which was higher than the rate of 26.7% recorded in 2015.

Profit for the year

As a result of the reasons mentioned above, profit for the year ended 31 December 2016 amounted to RMB1,415.8 million, representing an increase of 4.9% from RMB1,349.1 million in 2015.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the year ended 31 December 2016 amounted to RMB1,319.7 million, representing an increase of 0.2% from RMB1,317.5 million in 2015.

Liquidity and financial resources

The Group's cash and cash equivalents amounted to RMB1,700.5 million as at 31 December 2016, representing an increase of RMB120.0 million from the balance of RMB1,580.5 million as at 31 December 2015. For the year ended 31 December 2016, the Group's net cash inflow from operating activities amounted to RMB628.6 million (2015: RMB1,322.3 million), the Group's net cash used in investing activities amounted to RMB804.7 million (2015: RMB579.0 million), and the Group's net cash from financing activities amounted to RMB219.8 million (2015: outflow of RMB1,234.6 million).

As at 31 December 2016, the Group's borrowings, including interest-bearing bank and other borrowings amounted to RMB3,733.8 million (31 December 2015: the total of interest-bearing bank and other borrowings and convertible bonds amounted to RMB5,979.2 million). All the outstanding convertible bonds were converted into ordinary shares of the Company on 30 June 2016. The gearing ratio, calculated by the total interest-bearing bank and other borrowings and convertible bonds (if any) over the total assets of the Group, decreased to 14.0% as at 31 December 2016 (31 December 2015: 21.1%).

Net current liabilities and net assets

The net current liabilities of the Group as at 31 December 2016 amounted to RMB1,583.0 million, while it was RMB3,489.2 million as at 31 December 2015. Net assets of the Group as at 31 December 2016 amounted to RMB15,413.0 million, representing an increase of 28.2% from RMB12,024.5 million as at 31 December 2015.

Pledge of assets

Certain buildings and land use rights with a carrying amount of RMB2,234.4 million have been pledged to the Industrial and Commercial Bank of China, Standard Chartered Bank and the Hong Kong and Shanghai Banking Corporation Limited to obtain bank facilities in the aggregate amount of RMB2,360.6 million as at 31 December 2016.

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. 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. During the year under review, the Group applied forward currency contracts to hedge against exchange risk resulting from a dual-currency term loan facility denominated in Hong Kong dollars and United States dollars. There was no hedging instrument outstanding as at 31 December 2016. The Group will from time to time review and adjust the Group's hedging and financing strategies based on the RMB, Hong Kong dollars and United States dollars exchange rate movement. It is the policy of the Group not to enter into any derivative products for speculative activities.

Staff and remuneration policy

As at 31 December 2016, the total number of employees of the Group was 7,130. 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

(1) As at 31 December 2016, 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 RMB514,792,000 (31 December 2015: RMB799,293,000). 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:

	31 December 2016	31 December 2015
	RMB'000	*RMB'000*
Guarantees given to banks in connection with facilities granted to related parties	**526,250**	970,000

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To the best knowledge, information 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 year ended 31 December 2016.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("Model Code") as its own code of conduct regarding Directors' securities dealing. The Board is pleased to confirm, after making specific enquiries with the Directors, that all Directors have fully complied with the required standard set out in the Model Code throughout the year ended 31 December 2016.

AUDIT COMMITTEE

An Audit Committee ("Committee") has been established by the Company to review and supervise the financial reporting process and internal control procedures of the Group. The Committee has reviewed and discussed with the auditors of the Company the Group's results for the year ended 31 December 2016. The Audit Committee has three members comprising three independent non-executive Directors, namely, Mr. Chow Joseph, Mr. Chen Jiangxu and Mr. Hu Yongmin. Mr. Chow Joseph is the chairman of the Committee.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of the Group's financial results for the year ended December 31, 2016 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Ernst & Young ("EY"), to be consistent with the amounts set out in the Group's consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by EY on this preliminary announcement.

ANNUAL GENERAL MEETING

Unless otherwise announced by the Company to its shareholders, the forthcoming annual general meeting of the Company (the "Annual General Meeting") is scheduled to be held on 23 June 2017 (Friday). A formal notice of the Annual General Meeting will be published and dispatched to shareholders of the Company in due course.

DIVIDEND

The Board has recommended the payment of a final dividend of RMB0.08 per share for the year ended 31 December 2016 (2015: RMB0.12 per share). The Company declared and paid an interim dividend of RMB0.10 per share for the six months ended 30 June 2016 (an interim dividend of RMB0.10 per share and a special dividend of RMB0.10 per share for the six months ended 30 June 2015).

Assuming the payment of the proposed final dividend will be approved by shareholders of the Company at the Annual General Meeting, the Company shall be paying full year dividends of RMB0.18 per share for the year ended 31 December 2016 (2015: RMB0.32 per share). The final 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 RMB into Hong Kong dollars as at 23 June 2017.

Upon the approval to be obtained from the Annual General Meeting, the final dividend will be payable on 21 July 2017 to the shareholders whose name appears on register of members of the Company at close of business on 7 July 2017.

CLOSURE OF REGISTER OF MEMBERS

Unless otherwise announced by the Company to its shareholders, the register of members of the Company will be closed from 20 June 2017 (Tuesday) to 23 June 2017 (Friday) (both days inclusive), during which period no transfer of share(s) will be effected. In order to be eligible to attend and vote at the Annual General Meeting of the Company to be held on Friday, 23 June 2017, all transfers documents, accompanies by the relevant share certificates, must be lodged with Computershare Hong Kong Investors Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 19 June 2017 (Monday).

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders of the Company at the Annual General Meeting. For the purpose of determining the entitlement of the shareholders to the final dividend for the year ended 31 December 2016 (if approved), the register of members of the Company will be closed from 4 July 2017 (Tuesday) to 7 July 2017 (Friday) (both days inclusive), during which period no transfer of share(s) will be effected. To be entitled to the final dividend for the year ended 31 December 2016 (if approved), all transfers documents, accompanied by the relevant share certificates, must be lodged with Computershare Hong Kong Investors Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 3 July 2017 (Monday).

Reference is made to the section headed "Proposal for the Privatisation of the Company by the Joint Offeror and Proposed Withdrawal of Listing" above in this announcement. Scheme Shareholders (as defined in the 10 Jan Announcement) should note that, in the event that the Scheme becomes effective before the record date for the entitlement to the proposed final dividend for the year ended 31 December 2016 (if approved), the Scheme Shareholders (as defined in the 10 Jan Announcement) will not be entitled to the proposed final dividend for the year ended 31 December 2016 (if approved) as their Scheme Shares will have already been cancelled.

PUBLICATION OF FINAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement will be published on the websites of Stock Exchange and the Company. The annual report for the year containing all the information required by Appendix 16 to the Listing Rules will be despatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude to our Board members and management team, and to all the employees, business partners, customers and shareholders of the Group, for their support and contribution to the Group.

By order of the Board
Intime Retail (Group) Company Limited
Zhang Yong
Chairman

Beijing, 22 March 2017

As at the date of this announcement, the executive director of the Company is Mr. Chen Xiaodong, the non-executive directors of the Company are Mr. Zhang Yong and Mr. Xin Xiangdong, and the independent non-executive directors of the Company are Mr. Chen Jiangxu, Mr. Hu Yongmin and Mr. Joseph Chow.

Website: www.intime.com.cn