Springland International Holdings Limited
華地國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1700)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

HIGHLIGHTS OF FINAL RESULTS

- **Total Sales Proceeds ("TSP")[1] increased to RMB6,852.6 million, representing a year-on-year growth of 44.7%; TSP from department store business increased to RMB5,103.1 million, representing a year-on-year growth of 53.8% and TSP from supermarket business increased to RMB1,749.5 million, representing a year-on-year growth of 23.4%**
- **Same store sales growth[2] for department store business and supermarket business remains strong at 25.5% and 11.5% respectively**
- **Revenue reached RMB2,990.0 million, representing a year-on-year increase of 30.8%**
- **Profit attributable to owners of the Company was RMB372.2 million, representing a year-on-year increase of 50.2%**
- **Earnings per share was RMB0.18**
- **Proposed final dividend of HK7 cents per share**

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

The board (the "Board") of directors (the "Directors") of Springland International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2010, together with comparative figures for the previous year of 2009 as follows:

1 Total sales proceeds represents the sum of gross revenue from concessionaire sales, revenue from direct sales and rental income.

2 Same store sales growth represents change in total gross sales proceeds for stores having operations through the comparable period.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 RMB'000	2009 RMB'000
REVENUE	4	2,990,032	2,286,050
Other income and gains	5	305,735	236,099
Purchase of and changes in inventories		(1,806,915)	(1,477,285)
Staff costs		(294,155)	(200,068)
Depreciation and amortisation		(204,516)	(146,203)
Rental expenses		(44,303)	(44,217)
Other expenses	6	(337,569)	(242,298)
Finance costs	7	(88,635)	(66,283)
Share of profit of an associate		-	1,306
PROFIT BEFORE TAX		519,674	347,101
Income tax expense	8	(144,261)	(98,293)
PROFIT FOR THE YEAR		375,413	248,808
Attributable to:			
Owners of the parent		372,193	247,723
Non-controlling interests		3,220	1,085
		375,413	248,808
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARRENT			
Basic (RMB)	10	0.18	0.15
Diluted (RMB)	10	0.18	0.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 RMB'000	2009 RMB'000
PROFIT FOR THE YEAR	375,413	248,808
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	(9,249)	720
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	366,164	249,528
Attributable to:		
Owners of the parent	362,944	248,443
Non-controlling interests	3,220	1,085
	366,164	249,528

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

	Notes	2010 RMB'000	2009 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,872,919	3,719,241
Prepaid land premiums		395,486	256,047
Goodwill		127,439	127,439
Investment in an associate		-	-
Available-for-sale investments		2,310	110
Long-term prepayments		91,486	32,093
Deferred tax assets		18,039	15,286
Total non-current assets		4,507,679	4,150,216
CURRENT ASSETS			
Inventories	11	412,916	301,313
Trade receivables	12	10,567	8,984
Prepayments, deposits and other receivables		207,129	194,716
Investments at fair value through profit or loss		35,054	12,521
Pledged deposits		-	742,790
Cash and cash equivalents		1,537,556	612,813
Total current assets		2,203,222	1,873,137
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		10,000	1,746,221
Bills payable		-	57,790
Trade payables		794,643	597,545
Other payables and accruals		1,332,405	960,610
Tax payable		41,067	32,484
Total current liabilities		2,178,115	3,394,650
NET CURRENT ASSETS/(LIABILITIES)		25,107	(1,521,513)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,532,786	2,628,703
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		112,500	983,000
Long-term payables		271,214	256,523
Deferred tax liabilities		332,690	333,146
Total non-current liabilities		716,404	1,572,669
Net assets		3,816,382	1,056,034
EQUITY			
Equity attributable to owners of the parent			
Issued capital	13	21,589	150
Reserves		3,615,715	1,023,625
Proposed final dividend	9	148,908	-
		3,786,212	1,023,775
Non-controlling interests		30,170	32,259
Total equity		3,816,382	1,056,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Springland International Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands on 21 June 2006 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KYI-1111, Cayman Islands. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 21 October 2010.

The Group are principally engaged in the operation of department stores and supermarkets in Mainland China. In the opinion of the Directors, the ultimate holding company of the Group is Netsales Trading Limited, a company incorporated in the British Virgin Islands (the "BVI").

2. Basis of preparation

The annual consolidated financial statements for the year ended 31 December 2010 have been prepared in accordance with International Financial Reporting Standards ("IFRSs'), which comprise standards and interpretations approved by the International Accounting Standards Board, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

In this year, the Group has applied a number of new and revised IFRSs. The adoption of new and revised IFRSs has had no material effect on the consolidated financial statements of the Group for the current accounting period.

3. Operating segment information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- Department store segment
- Supermarket segment

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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, fair value gains/(losses) from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude the Group's investment in an associate, available-for-sale investments, deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, investments at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

3. Operating segment information (continued)

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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 2010	**Department store RMB'000**	**Supermarket RMB'000**	**Total RMB'000**
Segment revenue			
Sales to external customers	1,351,859	1,638,173	2,990,032
Segment results	491,068	167,580	658,648
Reconciliation:			
Interest and dividend income and unallocated gains			20,404
Corporate and other unallocated expenses			(70,743)
Finance costs			(88,635)
Profit before tax			519,674
Segment assets	4,271,407	698,361	4,969,768
Reconciliation:			
Corporate and other unallocated assets			1,741,133
Total assets			6,710,901
Segment liabilities	1,854,721	404,181	2,258,902
Reconciliation:			
Corporate and other unallocated liabilities			635,617
Total liabilities			2,894,519
Other segment information			
Depreciation and amortisation	171,093	30,056	201,149
Corporate and other unallocated amounts			3,367
Total depreciation and amortisation			204,516
Capital expenditure	299,164	127,390	426,554
Corporate and other unallocated amounts			101,533
Total capital expenditure *			528,087
Provision for slow-moving inventories	(2,834)	1,195	(1,639)

3. Operating segment information (continued)

Year ended 31 December 2009	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	945,183	1,340,867	2,286,050
Segment results	272,814	152,523	425,337
Reconciliation:			
Interest and dividend income and unallocated gains			26,097
Share of profit of an associate			1,306
Corporate and other unallocated expenses			(39,356)
Finance costs			(66,283)
Profit before tax			347,101
Segment assets	4,119,554	456,910	4,576,464
Reconciliation:			
Corporate and other unallocated assets			1,446,889
Total assets			6,023,353
Segment liabilities	1,220,595	305,971	1,526,566
Reconciliation:			
Corporate and other unallocated liabilities			3,440,753
Total liabilities			4,967,319
Other segment information			
Depreciation and amortisation	118,354	23,582	141,936
Corporate and other unallocated amounts			4,267
Total depreciation and amortisation			146,203
Capital expenditure	1,159,313	125,483	1,284,796
Corporate and other unallocated amounts			4,322
Total capital expenditure*			1,289,118
Provision for slow-moving inventories	734	205	939

* Capital expenditure consists of additions to property, plant and equipment and prepaid land premiums including assets from the acquisition of subsidiaries.

Geographical information

All of the Group's revenue is derived from customers based in Mainland China and all of the non-current assets of the Group are located in Mainland China.

Information about a major customer

No sales to a single customer or a group of customers under the common control derived 10% or more of the Group's revenue for the year.

4. Revenue

Revenue represents the net amount received and receivable for goods sold by the Group to outside customers, less allowances for returns and trade discounts; commission income from concessionaire sales, net of sales taxes and surcharges; and other revenue that arises in the ordinary course of business.

Analysis of revenue is as follows:

	2010 RMB'000	2009 RMB'000
Sales of goods - direct sales	2,072,844	1,697,117
Commission income from concessionaire sales (Note)	844,110	536,441
Total turnover	2,916,954	2,233,558
Rental income	58,501	39,649
Provision of food and beverage service	14,577	12,843
Total revenue	2,990,032	2,286,050

Note:

The commission income from concessionaire sales is analysed as follows:

	2010 RMB'000	2009 RMB'000
Gross revenue from concessionaire sales	4,721,304	2,997,632
Commission income from concessionaire sales	844,110	536,441

5. Other income and gains

	2010 RMB'000	2009 RMB'000
Other income		
Fee income from suppliers	285,331	210,002
Interest income	14,034	21,238
Dividend income from available-for-sale investments	-	1,700
Subsidy income	245	624
Others	5,758	2,535
	305,368	236,099
Gains		
Gain on disposal of investments at fair value through profit or loss	323	-
Fair value gains, net:		
Investments at fair value through profit or loss - held for trading	44	-
	367	-
	305,735	236,099

6. Other expenses

Other expenses mainly include utility expenses, advertising and promotion expenses, office expenses, maintenance costs, travelling expenses, entertainment expenses, property tax and government surcharges, listing expenses and other miscellaneous expenses.

7. Finance costs

An analysis of finance costs is as follows:

	2010 RMB'000	2009 RMB'000
Interest on bank and other borrowings wholly repayable within five years	58,322	100,198
Interest on bank borrowings wholly repayable over five years	37,465	1,960
Less: Interest capitalised	(7,152)	(35,875)
	88,635	66,283

8. Income Tax

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. The Group and the Company are not liable for income tax in Hong Kong as they do not have assessable income sourced from Hong Kong during the year.

The Company is a tax-exempted company incorporated in the Cayman Island.

On 16 March 2007, the People's Republic of China (the "PRC") Corporate Income Tax Law (the "New CIT Law") was approved by the National People's Congress and became effective on 1 January 2008. Under the New CIT Law, the income tax rate became 25% starting from 1 January 2008. Therefore, provision for the PRC income tax has been provided at the applicable income tax rate of 25% (2009: 25%) on the assessable profits of the PRC Subsidiaries.

	2010 RMB'000	2009 RMB'000
Current - PRC corporate income tax charge for the year	147,470	98,764
Deferred	(3,209)	(471)
Total tax charge for the year	144,261	98,293

8. Income Tax (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2010 RMB'000	2009 RMB'000
Profit before tax	519,674	347,101
Tax at the statutory tax rate of 25% (2009: 25%)	129,919	86,775
Expenses not deductible for tax	13,057	7,097
Tax losses not recognised during the year	2,923	3,456
Utilisation of previously unrecognised deductible tax losses	(8,951)	-
Income not subject to tax	-	(752)
Effect of withholding tax at 5% on the distributable profits of the PRC Subsidiaries	15,563	9,967
Additional deduction on business combination granted by tax authorities	(8,250)	(8,250)
Tax charge at the Group's effective rate	144,261	98,293

9. Dividends

	2010 RMB'000	2009 RMB'000
Proposed final – HK7 cents (2009: Nil) per ordinary share	148,908	-

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

The dividend amounts of RMB25,959,000 and RMB40,916,000 for the years ended 31 December 2009 and 2010, respectively, represented dividends paid to the then shareholders of the Company prior to its initial public offering. The dividend rates are not presented as such information is considered not meaningful for the purpose of this report.

The amount which the PRC Subsidiaries can legally distribute by way of dividend is determined by reference to the distributable profits as reflected in their PRC statutory financial statements prepared in accordance with the accounting rules and regulations in the PRC ("PRC GAAP").

10. Earnings per share attributable to the ordinary equity holders of the parent

The calculation of basic earnings per share is based on the profit attributable to the ordinary equity holders of the parent, adjusted for the after-tax amounts of preference dividends of preference shares classified as equity, and the weighted average number of ordinary shares in issue during each of the years ended 31 December 2009 and 2010 as if the Capitalisation issue, described more fully in note 13 of the financial statements had occurred at the beginning of the years. The calculations of basic earnings per share are based on:

	2010 RMB'000	2009 RMB'000
Earnings		
Profit attributable to owners of the parent	372,193	247,723
Less: preference dividends	-	(6,075)
Profit attributable to owners of the parent, adjusted for the preference dividends	372,193	241,648

	2010 Thousands	2009 Thousands
Shares		
Weighted average number of ordinary shares in issue during the year used in basic earnings per share calculation	2,098,630	1,658,595

The calculation of diluted earnings per share is based on the profit attributable to the ordinary equity holders of the parent and the number of shares as used in the basic earnings per share calculation, adjusted for the weighted average number of ordinary shares assumed to have been issued on the deemed conversion of all convertible preference shares. The calculations of diluted earnings per share are based on:

	2010 RMB'000	2009 RMB'000
Earnings		
Profit attributable to owners of the parent	372,193	247,723

	2010 Thousands	2009 Thousands
Shares		
Weighted average number of ordinary shares in issue during the year used in basic earnings per share calculation	2,098,630	1,658,595
Effect of dilution - weighted average number of ordinary shares:		
Convertible preference shares	-	405,246
	2,098,630	2,063,841

11. Inventories

	2010 RMB'000	2009 RMB'000
Store merchandise, at cost or net realisable value	411,576	298,592
Low value consumables	1,340	2,721
	412,916	301,313

12. Trade receivables

All of the Group's sales are on a cash basis except for certain bulk sales of merchandize which are credit sales. The credit terms offered to customers are generally one month. All balances of the trade receivables at each reporting date are neither past due nor impaired.

An aged analysis of the trade receivables at each reporting date, based on the invoice date, is as follows:

	2010 RMB'000	2009 RMB'000
Within one month	10,567	8,984

13. Issued capital

Authorised

	2010 Thousands HK$0.01 each	2009 Thousands HK$0.01 each
Ordinary shares	10,000,000	39,000
	10,000,000	39,000

Ordinary shares issued and fully paid

	Note	No. of shares at HK$0.01 each Thousands	RMB'000
As at 1 January 2009		12,507	127
1,275,130 ordinary shares of HK$0.01 each repurchased for cash of US$53,670,000 in total on 15 May 2009		(1,275)	(12)
3,432,000 convertible preference shares converted into 3,432,000 ordinary shares of HK$0.01 each on 13 November 2009		3,432	35
As at 31 December 2009		14,664	150
Capitalisation issue	(i)	1,985,336	17,144
Issue of shares for initial public offering	(ii)	500,000	4,295
As at 31 December 2010		2,500,000	21,589

(i) Pursuant to the resolution of shareholder of the Company passed on 30 September 2010, 1,985,336,000 ordinary shares of HK$0.01 each were allotted and issued, converted as fully paid at par, by way of capitalisation of the sum of HK$19,853,360 (equivalent to RMB17,144,000) standing to the credit of the share premium account.

13. Issued capital (continued)

(ii) In connection with the Company's initial public offering, 500,000,000 shares of HK$0.01 each were issued at a price of HK$5.93 per share for a total cash consideration, before expenses, of HK$2,965,000,000 (equivalent to RMB2,546,935,000). Dealings in these shares on the Stock Exchange commenced on 21 October 2010.

Convertible preference shares issued and fully paid

	No. of shares at HK$0.01 each Thousands	RMB'000
As at 1 January 2009	3,432	35
3,432,000 convertible preference shares converted into 3,432,000 ordinary shares of HK$0.01 each on 13 November 2009	(3,432)	(35)
As at 31 December 2009 and 2010	-	-

Each convertible preference share may be converted into an ordinary share of the Company at the option of the shareholder from time to time at a conversion ratio of one convertible preference share to one ordinary share. Holders of the convertible preference shares are entitled to cumulative discretionary dividends in preference to ordinary shares and rank in preference to the holders of ordinary shares in the event of a liquidation.

On 13 November 2009, the convertible preference shares were all converted into ordinary shares of the Company.

MANAGEMENT DISCUSSION AND ANALYSISINDUSTRY OVERVIEW

The Chinese economy made steady progress in 2010 as a result of sustainable urbanization, an increase in national income and growth in the retail market. According to preliminary economic statistics issued by the National Bureau of Statistics, China's gross domestic product in 2010 posted a year-on-year rise of 10.3% while household consumption in urban and rural areas increased steadily. As the blooming of domestic consumption recorded, total retail sales of consumer goods grew 18.4% last year. Under these favorable market conditions, the Group's total gross sales proceeds enjoyed remarkable growth while the rate at which operating margins increased remained stable. We are pleased to report that total gross sales proceeds of the Group recorded RMB6.85 billion, representing a year-on-year increase of 44.7%; profit for the year recorded RMB375.4 million, representing a year-on-year increase of 50.9% last year.

BUSINESS REVIEW

Adhering to our strategy of actively pursuing development at the regional level and exploring possibilities in a practical manner, the Group performed well and boasting both the effectiveness and efficiency of our operations and products. During the year under review, the Group opened seven new stores. These included one department store and six supermarkets. The sound performance of the new store was in line with management expectations and enhanced our lead in the Greater Yangtze River Delta region. The Group also actively explored promising opportunities in keeping with our plan to grow further. In 2010, the Group entered sales and purchase agreements, lease agreements and framework agreements with independent third parties for the new stores in Jintan and Taixing city, Changzhou of Jiangsu Province, Changxing city of Zhejiiang Province and other locations. It is expected to increase gross floor area by 250,000 square meters in the coming 3 years.

In 2010, the Group's same store sales posted year-on-year growth of 21.2% while our flagship Wuxi Yaohan Department Store had an outstanding same store sales growth of 42.6%. Effective management and in-depth understanding of issues related to the merchandise and brand mix, marketing strategy, client loyalty and business assessment systems, helped to improve the quality of the operations in each store. In order to serve the needs of target customers in specific regions better, the Group optimized on its merchandise mix and brand portfolio, improved stores' layouts, integrated suppliers, enhanced cooperation with qualified suppliers and retail partners and introduced key brands to core merchandise categories. Based on respective market and merchandise resources, we adopted effective promotion events such as "Brand Label Private Sale" and "Privilege Sales for Members". These proved to be a suitable platform for displaying selected brand names and categories of merchandise to the benefit of customers and suppliers. This was accompanied by a member-oriented marketing strategy. The Group continued to place great emphasis on the operation of its membership programs. Value added services were enhanced and made available exclusively to members to gain optimum levels of satisfaction and loyalty.

Our goal is to be "the most professional retail operator in China". Besides getting the mix of merchandise right and ensuring we have effective marketing strategies and excellent service, the Group is consistently making our operation more efficient. We are optimizing core company procedures and building up the company's integrated sales, operations management and business assessment system. In addition, the Group is not only strengthening the financial monitoring and vertical management procedures, but also copes with administrative management and risks control. Furthermore, we are also improving the way we manage customer relations and harness information technology within the Group.

The Group deeply understands that staff training and promotion are vital to its development. We continuously provide career development opportunities for our employees so that the Company and the staff can grow together. The Group organizes regular professional training sessions and on-the-job rotations to inspire potential talents and provides fair chances for internal recruitment and promotion. It is expected to cultivate more competent and high caliber staffing for the Group's future expansion and development.

NEW STORE OPENINGS AND NETWORK EXPANSION

In January 2010, the Group opened the Zhenjiang Yaohan Department Store together with the Zhenjiang Datonghua City Centre Supermarket. As the first modern department store and supermarket in Zhenjiang City, with a total gross floor area of over 80,000 square meters, they are located in the core business district of Zhenjiang City. Zhenjiang Yaohan Department Store is positioned as a mid-to-high-end department store which leads and shapes customer preferences in that region. The store has showcased several new domestic and international brands and introduced an optimum mix of brands and merchandise to the Zhenjiang market. In 2010, Zhenjiang Yaohan Department Store was one of the Group's five largest stores in term of sales proceeds, generating bumper sales takings worth over RMB500.0 million. The opening of Zhenjiang Yaohan Department Store further strengthened the Group's reputation and influence over customers and suppliers in the southern of Jiangsu Province.

The Group launched six new supermarkets with a total gross floor area of over 43,000 square meters, three of which are city centre stores (Zhenjiang Datonghua City Centre Supermarket, Ma'anshan Datonghua City Centre Supermarket and Nanjing Datonghua City Centre Supermarket), they are situated in the same building with the department stores. The others are community centre stores located in densely populated residential communities in Hangqiao District, Xiake District of Jiangyin City and Houxiang District of Danyang City. The Group intends to continue its strategy of reinforcing the leading position of its city centre supermarkets and community centre supermarkets. The Group believes that by allowing community centre supermarkets to bring more convenience to local communities, the Group will continue to enhance the profile of the "Datonghua" supermarket brand, further strengthen customer loyalty and increase market share. In addition, city centre supermarkets act as administrative, operational and logistic hubs and support surrounding community centre supermarkets, resulting in better operating leverage. The six new supermarkets generated RMB170.1 million, representing 9.7% of total sales proceeds of the supermarket business in 2010. The opening of those new stores has been consistent with plans to expand the supermarket network in Greater Yangtze River Delta region.

As at 31 December 2010, the Group has ten department stores and twenty supermarkets operating in the Greater Yangtze River Delta region. The gross floor area of the Group's department stores increased by 18.9% to over 421,800 square meters while that of its supermarkets increased by 33.5% to approximately 174,000 square meters in 2010. Moreover, the Group has three department stores and thirteen supermarkets under construction which are expected to open at various time between 2011 and 2012, except for one community centre supermarket in Wuxi City will be open in the end of 2013. The estimated gross floor area of the department stores under construction stands at approximately 85,000 square meters, of which 50,000 square meters will be reserved for operations which commence in 2011. With regards to supermarkets, the estimated gross floor area under construction stands at 126,000 square meters, of which over 76,000 square meters will be operational in 2011.

STRATEGY AND PROSPECT

The Group will keep close tabs on trends associated with China's macro-economic conditions, changes in the competitive landscape and demands of customers to further strengthen our leading position in the regions where our stores are located. The Group will grow market share in Greater Yangtze River Delta region in a selective location through both external expansion and internal growth to realize the goal of being the most effective dual-format retail chain operator in that region.

Opening new stores is a tool for us to pursue our expansion plans. Over the coming year, the Group will keep expanding the scale of our retail chain in the Greater Yangtze River Delta region. We cover the region with our footprint by opening more new stores, upgrading brand image and reinforcing consumer's recognition of the Group in the region. Meanwhile, strategic development plans will also be employed in nearby districts such as Anhui and Zhejiang Province. We will continue to explore new development opportunities that fit with our strategy and requirements on selected location and returns of capital.

In order to enhance internal growth, we need to make greater profitability within existing stores a priority. The Group will focus on operational efficiency such as strengthening budget and expenses control and managing operations in a more innovative way. Individual stores will adopt their own policies according to different market demands and the amount of time the store has been in operation. Furthermore, to maximize the benefits of synergy within the same region, a compact and co-operative relationship between department store and supermarket businesses and among stores in the same region will enable promising performance, have a significant market impact, enhance capability on retail enterprise and reinforce the advantage of chain stores.

In 2011, we foresee keener market competition in the retail sector and Springland's home region will become a key battlefield as local competitors expand rapidly or large international conglomerates enter the market. Pressure on operational costs will arise as a result of forthcoming inflation and strengthened regulations and control policies applied to the retail market will have a further impact on the performance of the Group's management. However, the Group remains optimistic and expects the long-term development of the business to remain positive. The main market driver will be the government's policy of stimulating domestic consumption in the medium to long run. According to the "Twelve Five-Year Plan", which begins in 2011, the focus will be on shifting the emphasis from "national wealth" to "the wealth of citizen". This transition of economy will be characterized by greater level of domestic consumption and expansion of consumption mechanisms. This could contribute to a surge in sales volumes for the commodities business nationwide. It is also believed that changes in the structure of the population, derived from the nation's one child policy will allow China to enter the third peak period of consumption, acting as a powerful stimulus for the retail market. In the meantime, rising product prices are expected to boost retail sales growth during the year.

The Group is confident that it can benefit from its existing operation of business and its leading position in the retail industry thanks to favorable economic prospects in the region in which we operate. As regards new regional markets, we will centralize and enhance internal management and make use of our expertise in retail operations to explore new room for further growth. The new strategic projects of the Group are being scheduled precisely and thoroughly to ensure us a solid ground for establishment of successful domain in retail industry.

FINANCIAL REVIEW

Total Sales Proceeds

	Year ended 31 December					
	2010			2009		
	Department Store business	Supermarket business	Total	Department Store business	Supermarket business	Total
	(RMB millions)					
Total revenue (as reported)	**1,351.8**	**1,638.2**	**2,990.0**	945.2	1,340.9	2,286.1
Add/ (less)						
Provision of food and beverage services	**–**	**(14.6)**	**(14.6)**	–	(12.9)	(12.9)
Commission income from concessionaire sales	**(823.8)**	**(20.3)**	**(844.1)**	(525.2)	(11.2)	(536.4)
Gross revenue of concessionaire sales	**4,575.1**	**146.2**	**4,721.3**	2,897.1	100.5	2,997.6
Total Sales Proceeds	**5,103.1**	**1,749.5**	**6,852.6**	3,317.1	1,417.3	4,734.4
Its represents						
Direct sales	**490.5**	**1,582.3**	**2,072.8**	397.3	1,299.8	1,697.1
Gross revenue of concessionaire sales	**4,575.1**	**146.2**	**4,721.3**	2,897.1	100.5	2,997.6
Rental income	**37.5**	**21.0**	**58.5**	22.7	17.0	39.7
Total Sales Proceeds	**5,103.1**	**1,749.5**	**6,852.6**	3,317.1	1,417.3	4,734.4
Same Store sales growth	**25.5%**	**11.5%**	**21.2%**			

Total Sales Proceeds of the Group increased to approximately RMB6,852.6 million representing an increase of 44.7% from 2009. Growth was mainly attributable to same store sales growth of approximately 21.2%. Total sales proceeds are generated from both the department store and supermarket business. Total sales proceeds of the department store and supermarket business increased to RMB5,103.1 million and RMB1,749.5 million, representing an increase of approximately 53.8% and 23.4% respectively from 2009.

Department store business:

Total sales proceeds from the department store business grew to RMB5,103.1 million was mainly attributable to same store sales growth of approximately 25.5%; the inclusion of the full year sales performance of Nantong Yaohan and Ma'anshan Yaohan (the new stores acquired/opened at the end of 2009); and the sales performance of Zhenjiang Yaohan, opened in January 2010. In addition, a full year of operations following the completion of renovations in 2009 of Wuxi Yaohan (the Group's flagship store), allowed Wuxi Yaohan to achieve remarkable same store sales growth of approximately 42.6% in 2010, maintaining its role as a driving force for the Group's sales growth.

Total sales proceeds derived from Wuxi Yaohan Department Store as a percentage of total sales proceeds of the department store business decreased from approximately 26.7% to 24.8% for the year 2010. This resulted from an increase in the contribution from total sales proceeds from three new stores that opened at the end of 2009 and early 2010 (Nantong Yaohan, Ma'anshan Yaohan and Zhenjiang Yaohan), from approximately 1.6% to 20.3% for the year 2010. The aggregate contribution to total sales proceeds from the five largest stores decreased from approximately 85.2% to 71.3% for the year 2010. The above mentioned three new stores are expected to become a new driving force for the department store business and the Group's sales growth.

During the year 2010, concessionaire sales contributed approximately 89.7% (2009: 87.3%) to total sales proceeds within the department store business. In absolute terms, the amount increased from approximately RMB2,897.1 million to RMB4,575.1 million representing a year-on-year increase of 57.9%. Direct sales accounted for approximately 9.6% (2009: 12.0%) of total sales proceeds of the department store business, amounting to an increase from approximately RMB397.3 million to RMB490.5 million representing a year-on-year increase of approximately 23.5%.

Supermarket business:

Growth in total sales proceeds of supermarket business was mainly derived from same store sales growth of around 11.5% and the inclusion of the proceeds from six supermarkets which were opened in 2010.

The aggregate contribution to total sales proceeds generated from the supermarket business from the five largest stores decreased from approximately 70.2% to 60.6% for the year 2010. Thanks to the opening of six new supermarkets in 2010 and the fact that the new supermarkets accounted for 9.7% of total sales proceeds for the supermarket business during that year, these stores are expected to become a new driving force for the supermarket business.

During the year 2010, direct sales contributed approximately 90.4% (2009: 91.7%) and concessionaires sales accounted for around 8.4% (2009: 7.1%) of total sales proceeds of the supermarket business. In absolute terms, direct sales and concessionaires sales increased from approximately RMB1,299.8 million to RMB1,582.3 million and RMB100.5 million to RMB146.2 million respectively year-on-year.

Total Revenue

	Year ended 31 December								
	2010			2009			2010 vs. 2009 growth rate		
	Department Store business	Supermarket business	Total	Department Store business	Supermarket business	Total	Department Store business	Supermarket business	Total
	(RMB millions)								
Direct sales	**490.5**	**1,582.3**	**2,072.8**	397.3	1,299.8	1,697.1	23.5%	21.7%	22.1%
Commission income from concessionaire sales	**823.8**	**20.3**	**844.1**	525.2	11.2	536.4	56.9%	81.2%	57.4%
Total turnover	**1,314.3**	**1,602.6**	**2,916.9**	922.5	1,311.0	2,233.5	42.5%	22.2%	30.6%
Rental income	**37.5**	**21.0**	**58.5**	22.7	17.0	39.7	65.2%	23.5%	47.4%
Provision of food and beverage services	–	**14.6**	**14.6**	–	12.9	12.9	-	13.2%	13.2%
Total revenue	**1,351.8**	**1,638.2**	**2,990.0**	945.2	1,340.9	2,286.1	43.0%	22.2%	30.8%

Total revenue of the Group increased to RMB2,990.0 million, representing a year-on-year increase of 30.8%

Department store business:

Revenue from the department store business increased to approximately RMB1,351.8 million, representing a year-on-year increase of 43.0% for the year 2010. The rise in revenues was generally in line with the sales proceeds of the department store business.

Revenue from direct sales: Revenue from direct sales in the department store business increased to RMB490.5 million, up 23.5% from 2009. The increase was primarily due to a surge in sales at our stores and the launch of new stores. Revenue from direct sales as a percentage of revenues from the department store business decreased from 42.0% to 36.3% in 2010. This drop was primarily due to a decrease in sales volume of household and electronic appliances, which are mainly sold through direct sales. The gross margin from direct sales was similar to that of 2009.

Commission income from concessionaire sales: Despite the dilution effect on commission rates from concessionaire sales from newly opened stores, including Ma'anshan Yaohan and Zhenjiang Yaohan, (which normally carry a lower commission rate), the commission rate for the year 2010 was 18.0% and remained similar to 2009. As mentioned above, the Total Gross Margin[3] was approximately 21.0% and was also similar to 2009. The Group intends to maintain the stability of its commission rate by conducting periodic reviews and enhancing its mix of merchandise to reflect changing consumption demands.

Supermarket business:

Revenue from direct sales: Revenue from direct sales in the supermarket business increased to RMB1,582.3 million representing a rise of 21.7% from 2009. The increase was primarily due to growing sales and the commencement of operations of six new stores in 2010. Revenues from direct sales as a percentage of revenues from the supermarket store business remained at high levels of 96.6% in 2010 (2009: 96.9%). Gross margin from direct sales remained stable at approximately 13.4% for the year 2010, similar to that of 2009. Total Gross Margin reached a record high of 22.7% for the year 2010 (2009: 22.6%). The Group intends to keep gross margins from direct sales and its Total Gross Margin stable by operating on an increasingly self-sufficient basis with regards to fresh food and stepping up direct sourcing of fresh food products from the original production sites throughout China to reduce costs and ensure quality.

Other income and gains

Other income and gains included other operating income and other non-operating income. Other operating income primarily consisted of fee income from suppliers, including promotion fees, management fees paid by suppliers for participating in our promotional activities and display fees, which represent charges paid by suppliers for placing and displaying their merchandise on the shelves and counters of our stores. Other operating income increased to approximately RMB285.3 million, representing a year-on-year rise of 35.8% for the year 2010. Other non-operating income decreased to approximately RMB20.4 million, and it was mainly due to decrease in interest income.

3 Total Gross Margin included the gross profit of direct sales, commission income from concessionaire sales, rental income and other income, mainly derived from the services fee collected from concessionaires and supplier

Purchases of and changes in inventories

Purchases of and changes in inventories represented the cost of merchandise that we purchase from suppliers for resale under the direct sales business model. Purchases of and changes in inventories increased to approximately RMB1,806.9 million, representing a year-on-year increase of 22.3%. The increase was generally in line with the increase in direct sales for the year 2010.

Staff costs

Our concessionaires and direct sales suppliers are responsible for all staff costs related to their employees who operate the sales counters in our stores. Staff costs increased by approximately RMB94.1 million or 47.0% to approximately RMB294.2 million for the year 2010. The increase was mainly attributable to the inclusion of full year staff costs incurred in two department stores opened at the end of 2009, as well as to staff costs incurred by the Zhenjiang Yaohan store and six new supermarkets opened in 2010.

Total staff costs of the Group as a percentage of total sales proceeds increased to approximately 4.3%, representing a rise of 0.1 percentage point as compared with 4.2% for the year 2009. Operating staff costs of the department store business as a percentage of total sales proceeds of the department store business remained stable at approximately 3.1% (2009: 3.1%). Operating staff costs of the supermarket business as a percentage of total sales proceeds of that business remained stable at approximately 5.7% (2009: 5.7%).

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment primarily consist of the depreciation of property, plant and equipment and amortisation of our prepaid land premium.

Our depreciation and amortisation increased by approximately RMB58.3 million or 39.9% to approximately RMB204.5 million for the year 2010. The increase was primarily due to the inclusion of the full year depreciation and amortisation for two department stores opened at the end of 2009, the depreciation and amortisation charges recognised for Zhenjiang Yaohan and six new supermarkets opened during the year and additional depreciation and amortisation charges for construction, renovation and expansion of the Group's existing department stores during the year 2010.

Total depreciation and amortisation expenses of the Group as a percentage of total sales proceeds decreased to approximately 3.0%, representing a fall of 0.1 percentage point from 3.1% in 2009. Depreciation and amortisation expenses of the department store business as a percentage of total sales proceeds of the department store business decreased to approximately 3.4% (2009: 3.6%) and depreciation and amortisation expenses of the supermarket business as a percentage of total sales proceeds of the supermarket business remained stable at approximately 1.7% (2009: 1.7%).

Rental expenses

Rental expenses primarily consist of rental fees for premises leased for the operation of department stores, supermarkets and office premises. Rental expenses remained stable at RMB44.3 million for the year 2010.

Total rental expenses of the Group as a percentage of total sales proceeds decreased to approximately 0.6%, representing an decrease of 0.3 percentage point from 0.9% in 2009. Rental expenses of the department store business as a percentage to total sales proceeds of the department store business decreased to approximately 0.3% (2009: 0.7%) and rental expenses of the supermarket business as a percentage of total sales proceeds of the supermarket business increased to approximately 1.5% (2009: 1.4%).

Other expenses

Other expenses primarily included other operating costs and non-operating costs. Other operating costs consisted of the costs of utilities, advertising and promotion related expenses, office expenses, decoration and renovation expenses, costs of maintenance and consumables, travelling expenses, bank charges, insurance, property taxes, entertainment expenses, government surcharges and various other costs and expenses. Other non-operating costs consisted of professional fees, loss on disposal of subsidiaries and loss on disposal of property, plant and equipment. Other expenses increased by approximately RMB95.3 million or 39.3% to approximately RMB337.6 million for the year 2010. The increase was primarily due to the inclusion of the full year other operating costs for two department stores opened at the end of 2009, other operating costs for Zhenjiang Yaohan and six new supermarkets opened during the year and an increase in other non-operating costs primarily related to professional fees for the initial public offering in 2010.

Other expenses as a percentage of total sale proceeds decreased by 0.2 percentage point to approximately 4.9% from 5.1% in 2009. Other operating costs and other non-operating costs as a percentage to total sale proceeds are approximately 4.4% and 0.5% respectively (2009: 4.7% and 0.4%).

Profit from operation

Profit from operations (excluded headquarters' interest income and interest expenses, gains on disposal of equity investments, and gain or loss on disposal of subsidiaries and assets, unallocated incomes and expenses) increased by approximately RMB233.3 million or 54.9% to approximately RMB658.6 million for the year 2010. Profit from operations for the department store business increased by approximately RMB218.2 million or 80.0% to approximately RMB491.0 million. Operation margin as a percentage of total sales proceeds for department stores increased to approximately 9.6%, representing an increase of 1.4 percentage points from 8.2% in 2009. For the supermarket business, profit from operations increased by approximately RMB15.1 million or 9.9% to approximately RMB167.6 million and operating margin as a percentage of total sales proceeds decreased to approximately 9.6%, representing a drop of 1.2 percentage points from 10.8% in 2009.

Finance costs

Finance costs were made up of interest expenses on bank and other borrowings. Finance costs increased by approximately RMB22.3 million or 33.6% to approximately RMB88.6 million in the year 2010. This increase was due to a decrease in interests capitalized because of the opening of Zhenjiang Yaohan Store.

Profit before tax

Profit before tax hit RMB519.7 million, representing a year-on-year increase of 49.7% year-on-year. The rise in profit before tax was generally in line with the rise in profit from operation.

Income tax expenses

Income tax expenses of the Group increased by approximately RMB46.0 million or 46.8% to approximately RMB144.3 million due mainly to an increase in profit before tax and it included 5% withholding tax provided for the anticipated dividend distribution to the Company by its subsidiaries established in the PRC. The effective tax rate for the year 2010 was 27.8% (2009: 28.3%).

Profit for the year attributable to owners of the parent

Profit attributable to owners of the parent company increased to approximately RMB372.2 million for the year 2010, representing growth of approximately 50.2% or RMB124.5 million year-on-year. The net profit margin increased to approximately 12.4% from 10.8% mainly due to improved operational efficiency. Basic earnings per share were RMB18 cents for the year 2010, representing growth of approximately 20.0% from 2009.

CAPITAL EXPENDITURE

Capital expenditure of the Group during the year amounted to approximately RMB528.1 million (2009: RMB1,289.1 million). The amount represented the contractual payments made for acquisition of land use rights, land and buildings and construction of greenfield projects, department store chain expansion, including the acquisitions of subsidiaries and the upgrade to retail spaces during the year to further enhance the shopping environment.

LIQUIDITY AND FINANCIAL RESOURCES

The Group relies principally on cash flow generated from its operating activities as a primary source of liquidity. The Group has always pursued a prudent treasury management policy and is in a strong liquidity position with sufficient standby banking facilities to cope with daily operations and future development demands for capital.

As at 31 December 2010, the Group's bank balance, cash on hand and near cash instruments (including bank balances and cash, pledged deposit) stood at approximately RMB1,537.6 million (2009: RMB1,355.6 million), whereas the Group had short-term bank loan of RMB10.0 million (2009: RMB1,746.2 million).

Total assets of the Group as at 31 December 2010 amounted to approximately RMB6,710.9 million (2009: RMB6,023.4 million), whereas total liabilities amounted to approximately RMB2,894.5 million (2009: RMB4,967.3 million), resulting in a net asset position of RMB3,816.4 million (2009: RMB1,056.1 million). The increase was mainly derived from the proceeds of the Group's initial public offering. The gearing ratio, calculated by net debt (including total bank and other borrowings, trade and bills payables and other payables and accruals) divided by the capital plus net debt of the Group decreased to approximately 16.0% (2009: 78%) at the end of 2010.

The capital commitments of the Group as at 31 December 2010 stood at approximately RMB549.7 million (2009: RMB260.2 million), which were contracted for but not provided in the consolidated financial statement for contractual payments for the acquisition of property, plant and equipment, land use rights and interests in a subsidiary.

CONTINGENT LIABILITIES

A subsidiary of the Group is currently a defendant in a lawsuit brought by a party alleging that the subsidiary breached and repudiated a contract to purchase a property located in Ma'anshan in the PRC and claimed for default penalty of RMB15 million. The Directors, based on the advice from the Group's legal counsel, believe that the subsidiary has a valid defence against the allegation and, accordingly, have not provided for any claim arising from the litigation, other than the related legal and other costs.

PLEDGE OF ASSETS

As at 31 December 2010, the balance of bank loans was approximately RMB122.5 million (2009: 2,635.3 million), which was guaranteed by the pledge of Group's certain property, plant and equipment and prepaid land premiums amounting to RMB185.8 million (2009: RMB2,115.0 million).

FOREIGN EXCHANGE EXPOSURE

The Group conducted its business operations in the PRC and its revenues and expenses were denominated in RMB. Certain of the Group's bank balances, short-term bank loans and deposits, including proceeds from the Group's initial public offering, were denominated in HKD or USD. The Company and some of its overseas subsidiaries selected the USD as their functional currency. Significant fluctuations in exchange rates involving HKD, USD and RMB or against each entity's respective functional currency may have a financial impact on the Group.

As at 31 December 2010, the Directors considered the Group's foreign exchange risk to be insignificant. For the year ended 31 December 2010, the Group recorded net foreign exchange gains of approximately RMB1.0 million (2009: nil). During the year 2010, the Group did not use any financial instruments for hedging purposes.

HUMAN RESOURCES

As at 31 December 2010, the Group employed a total of approximately 6,495 full-time employees, 3,054 who served the department store business and 3,117 who served the supermarket business including (2009: 5,273 full-time employee, of which 2,244 who served department store business and 2,766 who served supermarket business). Employees included management, sales people, workers for the logistics support system and other support staff. Remuneration for the Group (including Directors remuneration in the form of salaries, pension and other allowances) was approximately RMB294.2 million (2009: RMB200.1 million), contributing to 33.4% (2009: 31.6%) of the Group's total expenses. This increase was due mainly to a rise in of headcount to support the operation of new department stores and supermarkets and increase average capita salary. The Group's remuneration policy is primarily based on the duties, performance and length of service of each individual employee with reference to prevailing market conditions.

To attract and retain skilled and experienced personnel and to motivate them to strive for future development and expansion of our business, the Group also offers a share option scheme (the "Share Option Scheme"). As at 31 December 2010, no share option was granted by the Group under the Share Option Scheme.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares at the time of its listing on the Stock Exchange in October 2010, after deduction of related issuance expenses, amounted to approximately HK$2,854.3 million (equivalent to approximately RMB2,451.8 million). These proceeds were fully applied during the year ended 31 December 2010 in accordance with the proposed applications set out in the Company's Listing prospectus, in the following ways:

- approximately HK$60.0 million (equivalent to RMB51.5 million) was used to develop the department stores and supermarkets networks currently under construction; refurbishing or expanding existing stores and developing other suitable department store or supermarket opportunities to be implemented in the Greater Yangtze River Delta region;

- approximately HK$1,580.0 million (equivalent to RMB1,357.2 million) was used to repay bank loans;

- approximately HK$1.2 million (equivalent to RMB1.0 million) was used to further develop the management system, enhance the logistics support system and to expand the headquarters of the Group; and

- the remaining balance of HK$1,213.1 million (equivalent to RMB1,032.3 million) was applied as additional working capital of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2010.

CODE ON CORPORATE GOVERNANCE

The Company committed to compliance of statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasizing transparency, independence, accountability, responsibility and fairness. The Board of Directors reviews the corporate governance practices from time to time to ensure alignment of interests and expectations from our shareholders, the investing public and the other stakeholders.

The Directors are in the opinion that the Company has complied with the code provisions set out in the Code on Corporate Governance Practice (the "CG Code") under Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the year ended 31 December 2010 save for the deviation from the code provision A.2.1 which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Code Provision A.2.1 of the Listing Rules sets out that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Tao Qingrong, Chief Executive Officer of the Group has started to be responsible for the day-to-day management of the Group's business and also fully assumed direct supervisory roles in the entire Group's operation since 1 January, 2011. Mr. Chen Jianqiang is responsible for the strategy development of the Group and focus on its investments. He also supervises the Group's overall performance and development. Mr. Chen remains as the executive Director and chairman of the Company. The roles of the Chairman and chief executive officer of the Company are now clearly defined and separately performed by different individuals.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has been established by the Company to review and supervise the financial reporting processes and internal control procedures of the Group. The Group's results for the year ended 31 December 2010 have been reviewed by the Audit Committee. As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Dr. Lin Zhijun, Mr. Zhang Weijong and Dr. Wang Shuaiting. Dr. Lin Zhijun is the chairman of the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Directors are reminded of their obligations under the Model Code on a regular basis. Specific enquiries was made of all Directors and all Directors have confirmed compliance with the required standard set out in the Model Code for the year ended 31 December 2010.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting will be held on Tuesday, 17 May 2011 at Conference Room, 26th Floor, Jinling Hotel, 1 East Xianqian Road, Wuxi, Jiangsu, the People's Republic of China. A formal notice of the Annual General Meeting will be published and dispatched to shareholders of the Company as required by the Listing Rules in due course.

DIVIDEND

The Board recommends the payment of a final dividend of HK7 cents per share, payable to shareholders of the Company whose names appear on the register of members of the Company on 17 May 2011. Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be held on 17 May 2011, the final dividend will be paid on 30 May 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 13 May 2011 to 17 May 2011 (both days inclusive) during which period no transfer of share(s) will be effected. In order to be qualified to entitle to the proposed final dividend to be eligible to attend and vote at the AGM of the Company to be held on 17 May 2011, 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 4:00 p.m. 12 May 2011.

DISCLOSURE OF INFORMATION ON WEBSITES

This announcement will be published on the websites of the Stock Exchange and the Company (www.springlandgroup.com.cn). The annual report for the year will be dispatched to shareholders of the Company and published on the above mentioned websites in due course.

ACKNOWLEDGEMENT

I would like to thank all our shareholders, staff members, business partners and customers for their ongoing and long-lasting support.

By order of the Board
Springland International Holdings Limited
Chen Jianqiang
Chairman

Hong Kong, 16 March 2010

As at the date of this announcement, the Board comprises three executive directors, namely Mr Chen Jianqiang, Mr Tao Qingrong and Mr Fung Hiu Lai; two non-executive directors, namely Mr Wang Lin and Mr Fung Hiu Chuen, John; and three independent non-executive directors, namely Dr Lin Zhijun, Dr Zhang Weijiong and Mr Wang Shuaiting.