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 2014

HIGHLIGHTS OF FINAL RESULTS

- **Total Sales Proceeds ("TSP")[1] recorded RMB11,049 million, representing a YoY change of -0.8%; TSP from the department store business recorded RMB8,262 million, representing a YoY change of -2.5% and TSP from the supermarket business increased to RMB2,787 million, representing a YoY change of 4.6%**
- **Same store sales YoY change[2] for department store business and supermarket business remained at -1.8% and 0.2% respectively**
- **Profit attributable to owners of the parent was RMB634.1 million, representing a YoY change of –13.2 %**
- **Earnings per share was RMB26 cents**
- **Proposed final dividend of HK9.0 cents per share**

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

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

FINAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 hereafter referred to as the "Group") for the year ended 31 December 2014, together with comparative figures for the previous year of 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 RMB'000	2013 RMB'000
REVENUE	4	4,276,284	4,161,600
Other income and gains	5	721,171	708,795
Purchase of and changes in inventories		(2,439,392)	(2,310,047)
Staff costs		(582,732)	(573,236)
Depreciation and amortisation		(332,814)	(317,375)
Rental expenses		(98,196)	(80,842)
Other expenses	6	(525,427)	(494,124)
Finance costs	7	(49,201)	(55,998)
Share of loss of a joint venture		(49,426)	(3,658)
PROFIT BEFORE TAX		920,267	1,035,115
Income tax expense	8	(274,696)	(298,542)
PROFIT FOR THE YEAR		645,571	736,573
Attributable to:			
Owners of the parent		634,065	730,356
Non-controlling interests		11,506	6,217
		645,571	736,573

EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

	Notes	2014	2013
Basic and diluted (RMB)	10	0.26	0.29

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 RMB'000	2013 RMB'000
PROFIT FOR THE YEAR	645,571	736,573
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	33,092	17,039
Reclassification adjustments for gains included in the consolidated statement of profit or loss - gain on disposal	(31,300)	-
Income tax effect	(448)	(4,260)
	1,344	12,779
Exchange differences on translation of foreign operations	(2,174)	22,064
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(830)	34,843
OTHER COMPEHENSIVE INCOME FOR THE YEAR, NET OF TAX	(830)	34,843
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	644,741	771,416
Attributable to:		
Owners of the parent	633,235	765,199
Non-controlling interests	11,506	6,217
	644,741	771,416

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Notes	2014	2013
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		6,448,638	6,131,606
Prepaid land premiums		872,334	899,433
Other intangible assets		38,349	41,412
Goodwill		181,494	206,494
Investment in a joint venture		237,851	257,277
Investment in an associate		45,166	45,166
Available-for-sale investments		110	146,244
Long-term prepayments	11	614,924	181,725
Deferred tax assets		54,197	49,546
Restricted cash	14	227,580	154,445
Long-term time deposits at banks	14	162,304	121,460
Due from the Controlling Shareholder	12	182,000	-
Total non-current assets		9,064,947	8,234,808
CURRENT ASSETS			
Inventories		323,055	383,383
Trade receivables	13	12,164	13,026
Prepayments, deposits and other receivables		237,630	283,225
Derivative financial instruments		389	-
Available-for-sale investments		-	14,000
Structured deposits		115,000	1,887,000
Restricted cash	14	-	400,000
Cash and cash equivalents	14	1,822,664	891,923
		2,510,902	3,872,557
Assets of a disposal group classified as held for sale		26,400	24,738
Total current assets		2,537,302	3,897,295
CURRENT LIABILITIES			
Short-term financing notes	15	-	930,353
Interest-bearing bank borrowings		299,887	941,268
Trade and bills payables	16	1,118,740	1,162,799
Other payables and accruals		1,827,705	2,228,790
Tax payable		78,941	78,102
		3,325,273	5,341,312
Liabilities directly associated with the assets classified as held for sale		4,769	3,107
Total current liabilities		3,330,042	5,344,419
NET CURRENT LIABILITIES		(792,740)	(1,447,124)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,272,207	6,787,684

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Notes	2014 RMB'000	2013 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		2,294,332	992,212
Long-term payables		314,895	300,329
Deferred tax liabilities		465,757	469,259
Total non-current liabilities		3,074,984	1,761,800
Net assets		5,197,223	5,025,884
EQUITY			
Equity attributable to owners of the parent			
Issued capital	17	21,249	21,572
Treasury shares	17	(102)	-
Reserves		4,789,015	4,607,365
Proposed final dividend	9	174,244	167,235
		4,984,406	4,796,172
Non-controlling interests		212,817	229,712
Total equity		5,197,223	5,025,884

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, P.O. Box 2681, Grand Cayman KY1-1111, 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 Octopus Holdings Foundation, a company incorporated in the Cayman Islands.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for some investments and derivative financial instruments which have been measured at fair value. Non-current assets and 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. In this year, the Group has applied a number of revised IFRSs. The adoption of revised IFRSs has had no significant financial effect on the consolidated financial statements of the Group for the current accounting period.

3. Operating segment information

For management purposes, the Group is organised 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, share of loss of a joint venture, dividend income, fair value gains/(losses) from the Group's financial instruments, fair value gains of disposal available-for-sale listed investments, gains on disposal of unquoted current investments stated at cost as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude the Group's investment in a joint venture, investment in an associate, available-for-sale investments, deferred tax assets, restricted cash, long-term time deposits at banks, tax recoverable, amounts due from the Controlling Shareholder, structured deposits, derivative financial instruments, cash and cash equivalents, assets of a disposal group classified as held for sale and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude short-term financing notes, interest-bearing bank borrowings, derivative financial instruments, tax payable, liabilities directly associated with the assets classified as held for sale, 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.

3. Operating segment information (continued)

Year ended 31 December 2014	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	1,702,744	2,573,540	4,276,284
Segment results	822,719	135,752	958,471
Reconciliation:			
Interest and dividend income and unallocated gains			187,558
Corporate and other unallocated expenses			(127,135)
Share of loss a joint venture			(49,426)
Finance costs			(49,201)
Profit before tax			920,267
Segment assets	7,439,677	1,282,561	8,722,238
Reconciliation:			
Corporate and other unallocated assets			2,570,594
Investment in a joint venture			237,851
Investment in an associate			45,166
Assets of a disposal group classified as held for sale			26,400
Total assets			11,602,249
Segment liabilities	2,502,685	642,208	3,144,893
Reconciliation:			
Corporate and other unallocated liabilities			3,255,364
Liabilities directly associated with the assets classified as held for sale			4,769
Total liabilities			6,405,026
Other segment information			
Depreciation and amortisation	257,566	70,772	328,338
Corporate and other unallocated amounts			4,476
Total depreciation and amortisation			332,814
(Write-back of provision) / provision for slow-moving inventories	(970)	1,688	718
Impairment of goodwill	25,000	-	25,000
Capital expenditure	583,024	57,476	640,500
Corporate and other unallocated amounts			5,277
Total capital expenditure*			645,777

3. Operating segment information (continued)

Year ended 31 December 2013	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	1,684,491	2,477,109	4,161,600
Segment results	874,023	151,714	1,025,737
Reconciliation:			
Interest and dividend income and unallocated gains			188,368
Corporate and other unallocated expenses			(119,334)
Share of loss of a joint venture			(3,658)
Finance costs			(55,998)
Profit before tax			1,035,115
Segment assets	6,817,364	1,275,090	8,092,454
Reconciliation:			
Corporate and other unallocated assets			3,712,468
Investment in a joint venture			257,277
Investment in an associate			45,166
Assets of a disposal group classified as held for sale			24,738
Total assets			12,132,103
Segment liabilities	2,879,737	641,432	3,521,169
Reconciliation:			
Corporate and other unallocated liabilities			3,581,943
Liabilities directly associated with the assets classified as held for sale			3,107
Total liabilities			7,106,219
Other segment information			
Depreciation and amortisation	247,352	65,943	313,295
Corporate and other unallocated amounts			4,080
Total depreciation and amortisation			317,375
Write-back of provision for slow-moving inventories	(880)	(419)	(1,299)
Capital expenditure	568,262	106,542	674,804
Corporate and other unallocated amounts			3,016
Total capital expenditure*			677,820

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

3. Operating segment information (continued)

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 major customers

No revenue derived from sales to a single customer or a group of customers under the common control accounted for 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.

An analysis of revenue is as follows:

	2014 RMB'000	2013 RMB'000
Sales of goods - direct sales	2,790,087	2,656,809
Commission income from concessionaire sales (Note)	1,359,633	1,386,741
Total turnover	4,149,720	4,043,550
Rental income	120,272	105,500
Provision of food and beverage service	6,292	12,550
Total revenue	4,276,284	4,161,600

Note:

The commission income from concessionaire sales is analysed as follows:

	2014 RMB'000	2013 RMB'000
Gross revenue from concessionaire sales	8,139,055	8,373,147
Commission income from concessionaire sales	1,359,633	1,386,741

5. Other income and gains

	2014 RMB'000	2013 RMB'000
Other income		
Fee income from suppliers	528,449	516,590
Interest income	127,919	122,718
Dividend income from available-for-sale listed investments	3,301	1,894
Subsidy income	22,523	26,506
Others	5,336	12,668
	687,528	680,376
Gains		
Foreign exchange difference, net	-	25,992
Gains on disposal of unquoted current investments stated at cost	1,736	1,672
Fair value gains, net:		
Available-for-sale listed investments (transfer from equity on disposal)	31,300	-
Derivative instruments - transactions not qualifying as hedges	607	755
	33,643	28,419
	721,171	708,795

6. Other expenses

Other expenses mainly include impairment of goodwill, utility expenses, advertising and promotion expenses, losses on disposal of property, plant and equipment, office expenses, maintenance costs, travelling expenses, entertainment expenses, property tax, government surcharges and other miscellaneous expenses.

7. Finance costs

An analysis of finance costs is as follows:

	2014 RMB'000	2013 RMB'000
Interest on short-term financing notes	10,957	33,953
Interest on bank borrowings wholly repayable within five years	78,612	51,081
Less: Interest capitalised	(40,368)	(29,036)
	49,201	55,998

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 did not have assessable income sourced from Hong Kong during the year.

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

Under the People's Republic of China (the "PRC") Corporate Income Tax Law (the "New CIT Law") the income tax rate became 25% starting from 1 January 2008. Therefore, provision for the PRC income tax has been made at the applicable income tax rate of 25% (2013: 25%) on the assessable profits of the subsidiaries of the Group established in Mainland China (the "PRC Subsidiaries").

	2014 RMB'000	2013 RMB'000
Current - PRC corporate income tax charge for the year	257,692	277,809
Deferred	17,004	20,733
Total tax charge for the year	274,696	298,542

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:

	2014 RMB'000	2013 RMB'000
Profit before tax	920,267	1,035,115
Tax at the statutory tax rate of 25% (2013: 25%)	230,067	258,779
Expenses not deductible for tax	9,316	6,001
Losses attributable to a joint venture	12,357	915
Effect of withholding tax on the distributable profits of the PRC Subsidiaries	14,382	16,613
Tax losses not recognised	8,574	16,234
Tax charge at the Group's effective rate	274,696	298,542

The share of tax credit attributable to a joint venture amounting to RMB1,138,000 (2013: RMB1,219,000) is included in "Share of loss of a joint venture" in the consolidated statement of profit or loss.

9. Dividends

	2014 RMB'000	2013 RMB'000
Interim – HK$8 cents (2013: HK$10 cents) per ordinary share	156,274	198,780
Proposed final – HK$9 cents (2013: HK$8.5 cents) per ordinary share	174,244	167,235
	330,518	366,015

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

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.

10. Earnings per share attributable to the 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 of RMB634,065,000 (2013: RMB730,356,000), and the weighted average number of ordinary shares of 2,472,022,956 (2013: 2,499,847,238) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during those years.

11. Long-term prepayments

	2014 RMB'000	2013 RMB'000
Rental prepayments	21,982	17,504
Prepayment for acquisition of a subsidiary	20,000	-
Prepayment for purchases of land and buildings	572,942	164,221
	614,924	181,725

12. Due from the Controlling Shareholder

The Group had an outstanding balance due from the Controlling Shareholder of RMB182,000,000 as at 31 December 2014 (2013: Nil). This balance is unsecured, bears interest at a rate of 3.5% from 1 January 2015 and shall be repaid on or before 31 December 2016.

13. Trade receivables

All of the Group's sales are on a cash basis except for certain bulk sales of merchandise which are credit sales. The credit terms offered to customers are generally one month.

None of the balances of the trade receivables at each reporting date is either past due or impaired.

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

	2014 RMB'000	2013 RMB'000
Within one month	12,164	13,026

14. Cash and cash equivalents and restricted cash

	2014 RMB'000	2013 RMB'000
Cash and bank balances	534,881	436,361
Time deposits	1,677,667	1,131,467
	2,212,548	1,567,828
Less: Restricted cash with maturity date within one year	-	(400,000)
Restricted cash with maturity date over one year	(227,580)	(154,445)
Long-term time deposits at banks	(162,304)	(121,460)
Cash and cash equivalents	1,822,664	891,923

The Group's cash and bank balances and time deposits at each reporting date are denominated in the following currencies:

	2014 RMB'000	2013 RMB'000
RMB	1,970,079	1,453,223
US$	205,307	45,678
HK$	37,162	68,927
	2,212,548	1,567,828

14. Cash and cash equivalents and restricted cash (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between three months and five years depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks. The carrying amounts of the cash and cash equivalents and time deposits approximate to their fair values.

Pursuant to the relevant rules and regulations issued by the Ministry of Commerce of the People's Republic of China, the Group was required to deposit bank balances (or through issuing the letter of bank guarantee to deposit) in the Group's designated accounts, which amount was no less than 30% of the balance of advances from customers for sales of prepaid cards. As at 31 December 2014, certain of the Group's restricted cash amounted to RMB100,396,000 (2013: RMB554,445,000) represents the above balances deposited in the Group's designated accounts.

As at 31 December 2014, certain of the Group's restricted cash amounted to RMB127,184,000 (2013: Nil) were pledged to banks for bank loans facilities granted to the Group.

15. Short-term financing notes

On 29 March 2013, the Group issued its short-term financing notes at par value of RMB900 million in the national inter-bank market in the PRC. The nominal interest rate is 4.59% per annum and the effective interest rate is 5.01% per annum. The principal together with the interest thereon were fully paid on 29 March 2014.

16. Trade and bills payables

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

	2014 RMB'000	2013 RMB'000
Within three months	943,263	1,022,658
Over three months but within six months	84,998	64,100
Over six months but within one year	62,650	34,164
Over one year	27,829	41,877
	1,118,740	1,162,799

The trade payables are non-interest-bearing and are normally settled on term of up to 60 days.

17. Issued capital

Authorised

	2014 No. of shares at HK$0.01 each Thousands	2013 No. of shares at HK$0.01 each Thousands
Ordinary shares	10,000,000	10,000,000

Ordinary shares issued and fully paid

	No. of shares at HK$0.01 each Thousands	RMB'000
As at 1 January 2013	2,500,000	21,589
Shares repurchased and cancelled	(2,104)	(17)
As at 31 December 2013 and 1 January 2014	2,497,896	21,572
Shares repurchased and cancelled	(37,196)	(323)
As at 31 December 2014	2,460,700	21,249

During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	No. of shares at HK$0.01 each Thousands	Price per share Highest HK$	 Lowest HK$	Aggregate consideration HK$'000	Equivalent to RMB'000
January 2014	8,086	3.96	3.82	31,695	24,920
April 2014	3,951	3.19	2.91	12,451	9,889
May 2014	17,521	3.13	2.57	49,718	39,564
June 2014	7,438	2.99	2.87	21,862	17,353
July 2014	200	3.25	3.21	647	515
	37,196			116,373	92,241
October 2014	315	2.87	2.87	906	718
December 2014	11,605	2.70	2.46	30,663	24,188
	11,920			31,569	24,906
	49,116			147,942	117,147

17. Issued capital (continued)

The Company repurchased 49,116,000 shares during the year ended 31 December 2014. The nominal value of approximately HK$491,000, equivalent to RMB425,000 (2013: HK$20,000, equivalent to RMB17,000) was credited to treasury shares account, and the premium paid or payable and the related costs incurred for the share repurchase of approximately HK$147,451,000, equivalent to RMB116,722,000 (2013: HK$8,227,000, equivalent to RMB6,485,000) was charged against share premium account of the Company.

Included in the repurchased shares, 37,196,000 shares were cancelled during the year ended 31 December 2014. The nominal value of approximately HK$372,000, equivalent to RMB323,000 (2013: HK$20,000, equivalent to RMB17,000) was credited to issued capital account from treasury shares accounts.

The remaining 11,920,000 shares were not cancelled and still recognised as treasury shares as at 31 December 2014. The nominal value was approximately HK$119,000, equivalent to RMB102,000 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Our Group witnessed a challenging year in 2014 in which the global economic performance varied. While US economy was steadily recovering during the year, the quantitative easing policy in the Eurozone clouded the global economy and undermined the market demand. The strong US dollar initiated capital outflow and exerted pressure on commodity prices, thus dragging the development of emerging economies, including China. Being the world's second largest economy, China recorded annual growth in GDP of 7.4% in 2014, which is the lowest record since 1990. Under the "New Normal" phase, China managed to deliver stable economic growth in 2014. Nevertheless, given the complicated situation in China and other countries, challenges prevailed in the course of economic development. Also, since China is in the midst of an economic makeover and plans to switch the economy to a domestic consumption driven mode, the economic growth of China slows down and deflation pressure becomes eminent. Despite the business opportunities in the retail industry brought by the progress of modern urbanization in China, the effectiveness of which was yet to be seen. On the other hand, the consumption behavior of consumers was eventually shaped by the mobile Internet technology and the increasing number of modern shopping malls, thus generating great impact to the existing environment of the retail industry.

In light of the challenging environment, our Group focused on efficiency enhancement and system development. Accordingly, we have achieved our targets set at the beginning of the year. In 2014, the total sales proceed of the Group decreased by 0.8% to RMB11.05 billion as compared with 2013. The profit attributable to owners of the parent fell by 13.2% to approximately RMB634 million as compared with 2013 and the basic earnings per share was RMB26 cents. The Board proposes a final dividend of HK9 cents per share for the year ended 31 December 2014.

DEVELOPMENT STRATEGIES

The market was characterized by the demand for quality as well as that for experiential and lifestyle consumption. Since consumers became more demanding on life quality, the retail industry called for advancement. Our Group was able to restore the nature of the retail industry and to satisfy the consumer demand by enhancing the selection process over the quality of goods, the combination of product resources, the industry integration in different markets and our customer services.

Our department store business was committed to establish linkage between goods and customers. For the purpose of providing desirable merchandise to cater for the shoppers' taste and demand, we have further optimized our supply chain channel so as to ensure the variety of our goods and the availability of respective models in department stores. An annual brand substitution rate of 20% also enabled selected brands to suit the taste of the new generation of consumers. For shopping experience, the upgrading and improvement in the hardware of our stores in Yixing and Changshu, as well as the introduction of shopping mall elements, such as "no-flame" restaurants and dessert joints, upbeat fast trendy food catering and beauty centers, were all targeted to attract more customers to gather around the desired areas on each floor and to satisfy the demand for social networking and experimental consumption of customers. Meanwhile, after years of exploration, apart from mastering the ability for festive campaigning and organizing drum-up activities, our department stores were experienced in membership management, media networking and marketing activities on Weibo and WeChat. The increasing number of themed marketing activities and interactions was able to enhance the designated theme and experimental nature of our stores. All our stores were covered by free WIFI and mobile payment was also available, thereby providing our customers with more convenient shopping experience.

For our supermarket business, the Group continued to emphasize on policy adjustments made to, and resources diverted to, the freshness of food and community-based stores. All year round provision of fresh food, the expansion of direct sourcing from origin and the establishment of processing and logistic centers all served to widen the clientele of our fresh food business, thereby bringing about steady growth in sales. Meanwhile, leveraging on opportunities created by refurbished Dagang and Wuxi stores, the Group upgraded our supermarket business to a standardized supermarket ("SM") model, standardized product types and operation modes to advance the operation system and further optimized the corporate structure and the management system. As a result, the Group was able to develop a comprehensive business management mechanism and opened Xicheng Street No.1 supermarket in Wuxi（無錫錫城一街）in January 2015 as a model of the newest SM with characteristics of Datonghua.

Our Group adopted a steady expansion strategy. In 2014, we established a new supermarket store in Luoshe, Wuxi, and entered into contracts for Anhui Wuhu Project and Changzhou Jiahong Yunding Supermarket Project.

NEW STORE OPENINGS AND NETWORK EXPANSION

In November 2014, the Group acquired the land use rights of a piece of land with a total site area of approximately 38,000 square meters for a consideration of RMB401 million. The land is situated at the intersection of Zhongshan North Road, Yinhu South Road and Changjiang Zhong Road, Wuhu City, Anhui Province, the PRC and is an ideal location for expansion of the network of department stores and supermarkets of the Group. The Group intends to develop the land into a shopping mall, and plans to incorporate a department store, supermarket, dinning, entertainment and recreation function in the shopping mall and an estimated gross floor area of around 150,000 square meters.

In December 2014, the Group acquired the land use rights of a piece of land, which is situated adjacent to Danyang Springland department store, with a total site area of approximately 7,000 square meters for a consideration of RMB177 million. The land is for expansion of phase II of Danyang Springland department store with an additional estimated gross floor area of approximately 43,000 square meters.

In January 2015, the Group bid for the remaining 50% equity interest of Zhenjiang Baisheng Commercial Center Co., Ltd (「鎮江百盛商城有限公司」) with consideration of RMB176 million. After the acquisition, Zhenjiang Baisheng Commercial Center Co., Ltd became a wholly owned subsidiary of the Group and it operates two department stores, Zhenjiang Commercial Building (鎮江商業城) and Zhenjiang Hengsheng Shopping Plaza (鎮江恒盛購物廣場), in Zhenjiang City, Jiangsu Province, the PRC. The stores have total gross floor areas of 78,000 square meters. Moreover, the Group successfully acquired the land use rights of a piece of land, which is situated in north of Yangquan Road, Yicheng Town, Yixing City, with a total site area of approximately 20,000 square meters for a consideration of RMB91 million. The Group intends to develop the land into a supermarket.

During the year, one new supermarket was opened in Wuxi cities, Jiangsu Province, the PRC and it is located along the existing logistic routes. The opening of the new supermarket enhanced the Group "1+N" expansion strategy for the supermarket business, improved the logistics efficiency and had an influence on the market share in the region.

As of 31 December 2014, the Group had a total operational floor area of 711,000 square meters (2013: 692,000 square meters), in which 530,000 square meters (2013: 517,000 square meters) is operated by the department store business and 181,000 square meters (2013: 175,000 square meters) is operated by the supermarket business. Based on the sites secured by the Group for its new store expansion, it is anticipated that these stores will increase the gross floor areas of the Group's chain stores by over 900,000 square meters in the next five years. This will further increase the proportion of the Group's department stores operating at self-owned properties. Furthermore, the Group will continue to focus on high-quality premises that are suitable for the comprehensive lifestyle-one-stop shopping concept and the Group will continue to seek opportunities of investment, co-operation, merger and acquisition that can fulfil the Group's development and investment strategies and objectives, hence laying a solid foundation for the Group's business expansion.

PROSPECTS

Looking forward, consistent demographic dividends will be generated by the official launch of the second-child policy. Subsequent to the short-term suppression to the high-end consumption market caused by anti-corruption campaigns, normal demand for consumption has been seen in the market again. Together with an open request of protecting labor welfare proposed by the General China Federation of Trade Unions, the consumption for labor protection items will be back to normal. High-end consumption will also be recovered.

However, the slower growth of the social economy will persist because the industry is still under the impact of switching consumption mode. Externally, the Group is facing a constant increase in all kinds of costs as well as the pressure from the change in consumption channels. Internally, the Group needs to redefine its business mode and gain consumers' support. Under the circumstances, continuous upheavals and adjustments will be seen in the retail industry and the diversification and consolidation of the whole industry will accelerate, thus facilitating the further concentration of the industry.

The healthy financial position of our Group and the scale of our chain operation in the strategic region will effectively benefit the Group by enhancing its competence in management, sales and marketing activities and risk-taking. Our Group will adopt a pragmatic way for business operation and stick to its direction for future development. With adjustments made to each business segment, including innovative operation, stores upgrading and service improvement, our Group will be able to satisfy the shopping demand of local consumers precisely and to satisfy their demand for a better living style. Also, we will be committed to maintain the Group's competitiveness and profitability and to implement stringent cost control measures. All these can work together to strive for growth in sluggish market, thereby bringing about higher return for our shareholders.

FINANCIAL RESULTS

The Group's TSP were RMB11,049 million for the year ended 31 December 2014. Profit for the year and after non-controlling interests was RMB634 million, as compared with RMB730 million for last year. The Directors of the Company recommended the payment of a final dividend for the year ended 31 December 2014 of HK$9 cents per share (2013: HK$8.5 cents per share).

Revenue & TSP

	Year ended 31 December 2014			Year ended 31 December 2013		
	Department store business	Supermarket business	Total	Department store business	Supermarket business	Total
	RMB million			RMB million		
Revenue						
Direct sales	312	2,478	2,790	277	2,380	2,657
Commission income from concessionaire sales	1,319	41	1,360	1,347	40	1,387
Rental income	72	48	120	61	44	105
Provision of food and beverage services	-	6	6	-	13	13
Total	1,703	2,573	4,276	1,685	2,477	4,162
TSP						
Direct sales	312	2,478	2,790	277	2,380	2,657
Gross revenue of concessionaire sales	7,878	261	8,139	8,132	241	8,373
Rental income	72	48	120	61	44	105
Total	8,262	2,787	11,049	8,470	2,665	11,135
Same store sales change	-1.8%	0.2%		7.1%	-0.9%	

DEPARTMENT STORE BUSINESS:

TSP from the department store business reduced to RMB8,262 million (2013: RMB8,470 million) and same store sales dropped by approximately 1.8% due to decrease in sales of gold and jewelry. Direct sales as a percentage of TSP from the department store business increased from 3.3% to 3.8% while gross revenue of concessionaire sales as a percentage of TSP from the department store business decreased from 96.0% to 95.3% in the year ended 31 December 2014.

TSP BY TOP FIVE LARGEST STORES

Due to the increase in TSP contributions from younger stores and keen market competition, the top five largest stores aggregate contribution to TSP decreased from 60.7% of last year to 59.5% for 2014.

TSP BY MERCHANDISE CATEGORIES

In 2014, fashion and apparel accounted for approximately 39.0% (2013: 38.7%); merchandise related to cosmetics accounted for approximately 5.6% (2013: 5.0%); watches, gold and jewelry accounted for approximately 25.0% (2013: 26.8%); footwear accounted for approximately 10.6% (2013: 10.4%) and the remaining categories including athletic apparel and casual wear, children's and home furnishing, household and electronic appliances, rental income and others accounted for the remaining 19.8% (2013: 19.1%) of TSP of the department stores business.

COMMISSION RATE FROM CONCESSIONAIRE SALES AND COMPREHENSIVE GROSS MARGIN[3]

In 2014, the commission rate from concessionaire sales was 16.7% and it was similar to 16.6% in 2013. The Comprehensive Gross Margin of department store business was 21.1% in 2014, representing a mild growing of 0.4 percentage point from 20.7% in 2013. The growth resulted from the change in the merchandise mix and improving operational efficiency in the regional retail network.

<u>SUPERMARKET BUSINESS:</u>

In 2014, TSP of the supermarket business reached RMB2,787 million (2013: RMB2,665 million). Growth in TSP generated from newly opened supermarkets. Intensified competition and economic slowdown in PRC resulted a mild same store growth of 0.2%.

TSP BY TOP FIVE LARGEST STORES

The aggregate contribution to TSP generated from the supermarket business from the top five largest stores decreased from approximately 39.7% in 2013 to 37.6% in 2014. The proceeds from supermarkets opened in 2013 and 2014 (proceeds not included in calculating the same store sales change) accounted for 8.1% of TSP for the supermarket business. These stores are expected to become a new driving force for the supermarket business of the Group.

TSP BY MERCHANDISE CATEGORIES

Fresh food accounted for approximately 40.0% (2013: 38.6%), dry foods accounted for approximately 29.8% (2013: 30.2%), non-food accounted for approximately 26.0% (2013: 26.7%) and the remaining categories including rental income and others accounted for the remaining 4.2% (2013: 4.5%) of the TSP of the supermarket business.

DIRECT SALES MARGIN AND COMPREHENSIVE GROSS MARGIN

Revenue from direct sales in the supermarket business increased from RMB2,380 million in 2013 to RMB2,478 million in 2014, representing a rise of 4.1%. The direct sales margin stayed at 12.6% (2013: 12.9%). The Comprehensive Gross Margin reached 22.6% (2013: 23.3%). The Group intended to maintain the Comprehensive Gross Margin stable by increasing investments in equipment and technology to expand the contribution from fresh food and to enhance products quality and reduce wastage.

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3 Comprehensive Gross Margin is calculated as comprehensive gross profit divided by Total Sales Proceeds. Comprehensive gross profit 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 suppliers.

Expenses

	Year ended 31 December 2014					Year ended 31 December 2013				
	Department store business	Supermarket business	Headquarter	Total	% of TSP	Department store business	Supermarket business	Headquarter	Total	% of TSP
Staff costs	272	233	77	582	5.3%	267	221	85	573	5.1%
Depreciation and amortisation	258	71	4	333	3.0%	248	66	4	318	2.9%
Rental expenses	27	66	5	98	0.9%	22	54	5	81	0.7%
Other expenses	360	125	41	526	4.7%	339	129	26	494	4.5%
Included: Impairment of goodwill	*25*	-	-	*25*	*0.2%*	-	-	-	-	-
Total	917	495	127	1,539	13.9%	876	470	120	1,466	13.2%

Expenses consisted of staff costs, depreciation and amortisation, rental expenses and other expenses. Other expenses mainly include impairment of goodwill, utility expenses, advertising and promotion expenses, losses on disposal of property, plant and equipment, office expenses, maintenance costs, travelling expenses, entertainment expenses, property tax and government surcharges and other miscellaneous expenses.

In 2014, total expenses of the Group as a percentage of TSP were 13.9% (2013: 13.2%). Total expenses increased by 5.0% to RMB1,539 million (2013: RMB1,466 million) as the Group continued to expand the store network, upgrade the shopping environment, and impairment of goodwill and net exchange losses have been recognised in the year.

Fee Income from Suppliers and Operating Profit

In 2014, fee Income from suppliers increased to RMB528 million (2013: RMB517 million), fee income from suppliers as a percentage of TSP increased to approximately 4.8% for 2014 from 4.6% for 2013.

Operating profits for the Group (excluded impairment of goodwill, share of loss of a joint venture, interest and dividend income and unallocated gains, corporate and other unallocated expenses and finance costs) decreased to approximately RMB983 million in 2014 from RMB1,026 million for the same period in 2013, representing a year-on-year decrease of 4.2%. Operating profits for the department store business decreased from RMB874 million in 2013 to approximately RMB847 million in 2014, representing a year-on-year decrease of 3.0%. However, the operation margin as a percentage of TSP for the department store business stayed at 10.3% (2013: 10.3%). For the supermarket business, operating profits decreased to approximately RMB136 million. However, the operating margin as a percentage of TSP for the supermarket business was 4.9%, representing a decline of 0.8 percentage point from 5.7% in 2013. The decrease in operating margin for the supermarket business was due to pre-operation costs and higher operating costs contributed by the newly-opened supermarkets.

FINANCIAL REVIEW

An analysis of the results attributable to owners of the parent is set out below:

	Year ended 31 December 2014 RMB'million	Year ended 31 December 2013 RMB'million
Business unit		
Department store	847	874
Less: Impairment of goodwill	(25)	-
	822	874
Supermarket	136	152
	958	1,026
Net finance income	79	68
Dividend, investment income and unallocated gains	60	64
Corporate overheads and others	(127)	(119)
Share of loss of a joint venture	(49)	(4)
Income tax expenses	(275)	(299)
Non-controlling interests	(12)	(6)
	634	730

Impairment of goodwill

The amount comprised impairment of goodwill related to the acquisition of Yangzhou Fengxiang Commerce Co., Ltd. The company is engaged in operation of a department store, Yangzhou Wanjiafu Commercial Building, in Yangzhou, Jiangsu Province.

Net finance income

This comprised interest income from the Group's surplus cash and structured deposit net interest expenses on bank borrowings and short-term financing notes. There were no material changes in gross interest income and gross interest expense. The increase in net finance income was due to the interest expense of RMB40 million (2013: RMB29 million) has been capitalized as property under development.

Dividend, investment income and unallocated gains

This mainly comprised of dividend and investment income received by the Group from its investment in the shares of Wuxi Commercial Building Dadongfang Co., Ltd (無錫商業大廈大東方股份有限公司) and subsidy income. Up to October 2014, the Group disposed all the investment and recognized a net gain on disposal of RMB31.3 million.

Share of loss of a joint venture

The Company held investment in the joint venture of Zhenjiang Baisheng Commercial Center Co., Ltd (鎮江百盛商城有限公司). The joint venture operates 2 department stores in Zhenjiang City, Jiangsu Province, the PRC. In 2014, the Company shared the joint venture operating loss of RMB49 million. The loss in the joint venture arose from that its self-owned department store was closed down for refurbishment and costs for optimized staffing.

Interest tax expenses

Income tax expenses for the current year remained relatively stable as compared with the previous year and the effective tax rate kept at 29.8% (2013: 28.8%).

Property, plant and equipment, prepaid land premium and long term prepayments

Property, plant and equipment, prepaid land premium and long term prepayments amounted to approximately RMB7,936 million (2013: RMB7,213 million). Those assets were held for long-term and for the use in operation.

Capital expenditure of the Group during 2014 amounted to approximately RMB646 million (2013: RMB678 million). The amount represented contractual payments made for the acquisition of land use rights, buildings and construction of greenfield projects and store expansion.

Capital commitment as of 31 December 2014 amounted to RMB1,314 million (2013: RMB1,064 million), representing mainly capital works and construction of Yixing, Jiaxing, Anqing and Wuhu shopping malls.

Structure deposits

The amounts included structured deposits in licensed banks in the PRC. These structured deposits have terms of less than three months and have expected annual rates of return up to 5.9% (2013: 6.3%). Pursuant to the underlying contracts or notices, these structured deposits are capital guaranteed upon the maturity date.

EQUITY, FINANCING AND GEARING

As at 31 December 2014, the equity attributable to owners of the parent amounted to RMB4,984 million, representing an increase of RMB188 million from 31 December 2013. During 2014, the Company repurchased approximately 49.1 million shares for a total consideration (including expenses) of approximately HK$148 million.

Over the past years, we have actively diversified our funding sources, maintained strong long-term relations with lenders and investors and have spread out maturities to reduce refinancing risk. The Group maintained a strong cash position. Cash and cash equivalents, time deposits and restricted cash total stood at RMB2,213 million (2013: RMB1,568 million). Net bank and financial notes borrowings of the Group represented bank borrowings and financial notes, net of cash and cash equivalents, time deposits and restricted cash, and amounted to RMB381 million as at 31 December 2014. Compared with RMB1,296 million as at 31 December 2013. The decrease in net bank and financial notes borrowings during 2014 was mainly due to the Group's surplus cash placed in time deposits.

The maturity profile of the Group's bank and financing notes borrowings are set out below:

	31 December 2014 RMB'million	31 December 2013 RMB'million
Bank and financing notes borrowings repayable:		
Within one year	300	1,872
Over one year but within two years	738	308
Over two years but within five years	1,556	684
Total bank and financing notes borrowings	2,594	2,864
Cash and cash equivalents, time deposits	(1,985)	(1,013)
Restricted cash	(228)	(555)
Net bank and financing notes borrowings	381	1,296

The Group has been careful in using debt gearing to expand our business in accordance with our business strategy. As at 31 December 2014, the Group's gearing ratio stayed at 39% (2013: 37%). The gearing ratio is calculated by net debt (including bank borrowings, financing notes, trade and bills payables and other payables and accruals minus structured deposits, cash and cash equivalents, time deposits and restricted cash) divided by the capital plus net debt of the Group.

TREASURY POLICIES

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. 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.

The Group relied principally on cash flow generated from its operating activities as a primary source of liquidity. 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, bank borrowings and deposits were denominated in HK$ or US$ which exposed the Group to foreign exchange risks attributable to fluctuations in exchange rates between HK$/US$ and RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

For the year ended 31 December 2014, the Group recorded net foreign exchange losses of approximately RMB13 million (2013: net foreign exchange gains of RMB26 million).

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As at 31 December 2014 and 31 December 2013, the Group had no material contingent liabilities.

As at 31 December 2014, certain of the Group restricted cash amounted to RMB127,184,000 (2013: Nil) were pledged to banks for bank loans facilities granted to the Group.

HUMAN RESOURCES

As at 31 December 2014, the Group employed a total of approximately 7,731 full-time employees, of which 3,281 served the department store business and of which 4,349 served the supermarket business (2013: 8,612 full-time employees, of which 3,502 served the department store business and of which 4,946 served the supermarket business). Employees included management staff, sales people, workers for the logistics supporting system and other supporting staff. The Group has been trying its best to provide employees with a stimulating and harmonious working environment advocating lifelong learning, offering training and encouraging them to broaden their field of vision, improving the standard of our employees, supporting their personal growth and offering promotion opportunities. The Group provided additional support on staff training to enhance their performance in their current roles or prepare them for further advancement.

While staff costs are continuously grew stably during 2014, employee remuneration packages are maintained at competitive levels and employees are rewarded on a performance-related basis.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2014 and up to the date of this announcement, the Company repurchased a total of 8,780,000 shares at an aggregate consideration of HK$23,700,000, equivalent to RMB18,716,000. 20,700,000 repurchased shares were cancelled during January of 2015. The number of issued shares of the Company as at the date of this announcement is 2,440,000,000.

On 22 January 2015, the Company entered into an agreement with Jiangsu Hengshun Vinegar-Industry Co., Ltd. (江蘇恒順醋業股份有限公司) to acquire the rest of 50% interest of Zhenjiang Baisheng Commercial Center Co., Ltd. at a consideration of RMB176,300,000.

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

During the year, pursuant to the general mandate given to the Directors of the Company, the Company repurchased a total of 49,116,000 ordinary shares of HK$0.01 each of the Company on the Stock Exchange at an aggregate consideration of approximately HK$147.9 million. 37,196,000 repurchased shares were cancelled during 2014 and the remaining shares were cancelled in January 2015. The number of issued shares of the Company as of 31 December 2014 was 2,460,700,000 shares. Particulars of the repurchased are as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration HK$ million
January	8,086,000	3.96	3.82	31.7
April	3,951,000	3.19	2.91	12.4
May	17,521,000	3.13	2.57	49.7
June	7,438,000	2.99	2.87	21.9
July	200,000	3.25	3.21	0.6
	37,196,000			
October	315,000	2.87	2.87	0.9
December	11,605,000	2.70	2.46	30.7
	11,920,000			
Total	49,116,000			147.9

Subsequent to 31 December 2014 and up to the date of this announcement, the Company repurchased a total of 8,780,000 shares at an aggregate consideration of approximately HK$23.7 million. 20,700,000 repurchased shares were cancelled in January 2015. The number of issued shares of the Company as of the date of this announcement is 2,440,000,000.

The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share and net asset value per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The Board and management are 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 reviews the corporate governance practices from time to time to ensure alignment of interests and expectations from our shareholders, the public investors and the other stakeholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2014, the Company complied with all the code provisions set out in the Code on Corporate Governance Practice (the "Corporate Governance Code") under Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, except for certain derivations as specific with considered reasons below. No incident of non-compliance by Directors was noted by the Company in 2014.

Rule 3.10(1) of the Listing Rules provides that every board of directors of listed issuers must include at least three independent non-executive directors. Moreover, Rule 3.21 of the Listing Rules provides that the audit committee of a listed issuer must comprise a minimum of three members. Subsequent to resignation of Independent Non-executive Director of the Company by Mr. Wang Shuaiting on 17 January 2014, the Company has two Independent Non-executive Directors and two audit committee members, the number of Independent Non-executive Directors and the number of the audit committee members fell below the minimum number as required under Rules 3.10(1) and 3.21 of the Listing Rules. Further, the number of Independent Non-executive Director of the Company fell below one-third of the Board members, which did not comply with Rule 3.10A of the Listing Rules.

On 11 March 2014, the Board appointed Mr. Cheung Yat Ming as an Independent Non-executive Director and member of the audit committee, the remuneration committee and the nomination committee of the Company. Following the appointment of Mr. Cheung, the Company has fully complied with the requirements of Rules 3.10(A), 3.10(1) and 3.21 of the Listing Rules.

Under paragraph E.1.2 of the Corporate Governance Code, the chairman of the Board should attend the annual general meeting of the Company. The chairman of the Board did not attend the 2014 annual general meeting due to an urgent business engagement. An Executive Director chaired the 2014 annual general meeting and answered questions from shareholders. The chairman of the audit committee also attend the 2014 annual general meeting and answer enquired raised by shareholders.

AUDIT COMMITTEE

An Audit Committee has been established by the Company. The principal responsibilities of the Audit Committee include the review of both the Group's consolidated financial statements and the effectiveness of its internal control systems. The Committee also oversees the engagement of the external auditor of the Group and reviews its independence as well as the effectiveness of the audit process. The Board expects the Committee members to exercise independent judgment in conducting the business of the Committee. A high level review of the effectiveness of the internal control systems of the Group is performed at each year end. The Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2014, including the accounting principles and practices adopted by the Group.

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 confirmation has been obtained from each Director to confirm compliance with the required standards set out in the Model Code for the year ended 31 December 2014.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting will be held on Monday, 18 May 2015 at Conference Room I, 10th Floor, United Centre, 95 Queensway, Admiralty, Hong Kong (the "AGM"). A formal notice of the AGM will be published and dispatched to shareholders of the Company as required by the Listing Rules in due course.

DIVIDEND

The Board recommended the payment of a final dividend for the year ended 31 December 2014 of HK9 cents in cash per ordinary share to shareholders who names appeared on the register of members of the Company on 29 May 2015. Subject to the approval of the shareholders of the Company at the forthcoming AGM to be held on 18 May 2015, the final dividend will be paid on 10 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14 May 2015 (Thursday) to 18 May 2015 (Monday) (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 AGM of the Company to be held on 18 May 2015 (Monday), all transfers documents, accompanies by the relevant share certificates, must be lodged with Computershare Hong Kong Investor 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 no later than 4:30 p.m. on 13 May 2015 (Wednesday).

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the AGM. For the purpose of determining the entitlement to the final dividend for the year ended 31 December 2014 (if approved), the register of members of the Company will be closed from 27 May 2015 (Wednesday) to 29 May 2015 (Friday) (both dates 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 2014 (if approved), all transfers documents, accompanies by the relevant share certificates, must be lodged with Computershare Hong Kong Investor 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 26 May 2015 (Tuesday).

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

Our achievement in China is the best evidence of our hard work and contributions for the last two decades. It cannot be achieved without the efforts of all our management and staff members, the trust from our shareholders and the support from our business partners and customers. On behalf of the Board, I would like to send my gratitude and thanks to all parties and express my sincere appreciation for their continual contributions to the long term development of our Group.

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

Hong Kong, 16 March 2015

As at the date of this announcement, the Board comprises three executive directors, namely Mr Chen Jianqiang, Mr Tao Qingrong and Mr Yu Yaoming; one non-executive director, namely Mr Fung Hiu Chuen, John; and three independent non-executive directors, namely Dr Lin Zhijun, Dr Zhang Weijiong and Mr. Cheung Yat Ming.