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 2015

HIGHLIGHTS OF FINAL RESULTS

- **Total Sales Proceeds ("TSP")[1] recorded RMB10,696 million, representing a YoY change of -3.2%; TSP from the department store business recorded RMB7,907 million, representing a YoY change of -4.3% and TSP from the supermarket business mainatined at RMB2,789million**
- **Same store sales YoY change[2] for department store business and supermarket business remained at -5.1% and -4.1% respectively**
- **Profit for the year was RMB490 million, representing a YoY change of -24.1 %**
- **Earnings per share was RMB20 cents**
- **Proposed final dividend of HK7 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 2015

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 2015, together with comparative figures for the previous year of 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 DECEMBER 2015

	Notes	2015 RMB'000	2014 RMB'000
REVENUE	4	4,167,905	4,276,284
Other income and gains	5	606,359	721,171
Purchase of and changes in inventories		(2,413,998)	(2,439,392)
Staff costs		(610,233)	(582,732)
Depreciation and amortisation		(345,390)	(332,814)
Rental expenses		(118,308)	(98,196)
Other expenses	6	(553,969)	(525,427)
Finance costs	7	(33,768)	(49,201)
Share of loss of a joint venture		(2,991)	(49,426)
PROFIT BEFORE TAX		695,607	920,267
Income tax expense	8	(205,401)	(274,696)
PROFIT FOR THE YEAR		490,206	645,571
Attributable to:			
Owners of the parent		480,288	634,065
Non-controlling interests		9,918	11,506
		490,206	645,571
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	10	0.20	0.26

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2015

	2015 RMB'000	2014 RMB'000
PROFIT FOR THE YEAR	490,206	645,571
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
Reclassification adjustments for gains included in the consolidated statement of profit or loss - gain on disposal	-	(31,300)
Income tax effect	-	(448)
	-	1,344
Exchange differences on translation of foreign operations	(54,702)	(2,174)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-	(830)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	-	(830)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	435,504	644,741
Attributable to:		
Owners of the parent	425,586	633,235
Non-controlling interests	9,918	11,506
	435,504	644,741

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015

	Notes	2015 RMB'000	2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		8,199,356	6,448,638
Prepaid land premiums		1,680,781	872,334
Other intangible assets		35,286	38,349
Goodwill		304,440	181,494
Investment in a joint venture		-	237,851
Investment in an associate		-	45,166
Available-for-sale investments		110	110
Long-term prepayments	11	75,791	614,924
Deferred tax assets		91,727	54,197
Restricted cash	14	104,725	227,580
Long-term time deposits at banks	14	170,141	162,304
Due from the Controlling Shareholder	13	-	182,000
Total non-current assets		10,662,357	9,064,947
CURRENT ASSETS			
Inventories		322,969	323,055
Trade receivables	12	9,781	12,164
Prepayments, deposits and other receivables		276,357	237,630
Due from the Controlling Shareholder	13	182,000	-
Derivative financial instruments		-	389
Structured deposits		-	115,000
Restricted cash	14	132,872	-
Cash and cash equivalents	14	629,061	1,822,664
		1,553,040	2,510,902
Assets of a disposal group classified as held for sale		26,400	26,400
Total current assets		1,579,440	2,537,302
CURRENT LIABILITIES			
Short-term financing notes	15	506,747	-
Interest-bearing bank borrowings	16	1,591,115	299,887
Trade and bills payables	17	1,123,786	1,118,740
Other payables and accruals		2,208,522	1,827,705
Tax payable		78,430	78,941
		5,508,600	3,325,273
Liabilities directly associated with the assets classified as held for sale		4,769	4,769
Total current liabilities		5,513,369	3,330,042
NET CURRENT LIABILITIES		(3,933,929)	(792,740)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,728,428	8,272,207

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 DECEMBER 2015

	Notes	2015 RMB'000	2014 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	16	877,750	2,294,332
Long-term payables		73,370	314,895
Deferred tax liabilities		559,600	465,757
Total non-current liabilities		1,510,720	3,074,984
Net assets		5,217,708	5,197,223
EQUITY			
Equity attributable to owners of the parent			
Issued capital	18	20,907	21,249
Treasury shares	18	-	(102)
Reserves		5,006,911	4,963,259
		5,027,818	4,984,406
Non-controlling interests		189,890	212,817
Total equity		5,217,708	5,197,223

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 include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the International Accounting Standards Board (the “IASB”), accounting principles generally accepted in Hong Kong and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. 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 on 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 2015	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	1,623,725	2,544,180	4,167,905
Segment results	676,162	112,181	788,343
Reconciliation:			
Interest and dividend income and unallocated gains			66,559
Corporate and other unallocated expenses			(122,536)
Share of loss of a joint venture			(2,991)
Finance costs			(33,768)
Profit before tax			695,607
Segment assets	9,303,281	1,394,762	10,698,043
Reconciliation:			
Corporate and other unallocated assets			1,517,354
Assets of a disposal group classified as held for sale			26,400
Total assets			12,241,797
Segment liabilities	2,723,719	787,682	3,511,401
Reconciliation:			
Corporate and other unallocated liabilities			3,507,919
Liabilities directly associated with the assets classified as held for sale			4,769
Total liabilities			7,024,089
Other segment information			
Depreciation and amortisation	264,445	76,495	340,940
Corporate and other unallocated amounts			4,450
Total depreciation and amortisation			345,390
(Write-back of provision) / provision for slow-moving inventories	847	(546)	301
Impairment of property, plant and equipment	33,000	-	33,000
Capital expenditure	2,676,971	292,846	2,969,817
Corporate and other unallocated amounts			10,539
Total capital expenditure*			2,980,356

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 of 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)

* Capital expenditure consists of additions to property, plant and equipment, prepaid land premiums and other intangible assets 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 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 external 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:

	2015 RMB'000	2014 RMB'000
Sales of goods - direct sales	2,754,409	2,790,087
Commission income from concessionaire sales (Note)	1,278,120	1,359,633
Total turnover	4,032,529	4,149,720
Rental income	133,987	120,272
Provision of food and beverage service	1,389	6,292
Total revenue	4,167,905	4,276,284

Note:

The commission income from concessionaire sales is analysed as follows:

	2015 RMB'000	2014 RMB'000
Gross revenue from concessionaire sales	7,807,255	8,139,055
Commission income from concessionaire sales	1,278,120	1,359,633

5. Other income and gains

	2015 RMB'000	2014 RMB'000
Other income		
Fee income from suppliers	534,379	528,449
Interest income	47,900	127,919
Dividend income from available-for-sale listed investments	-	3,301
Subsidy income	17,461	22,523
Others	5,094	5,336
	604,834	687,528
Gains		
Gains on disposal of unquoted current investments stated at cost	-	1,736
Gains on disposal of investments at fair value through profit or loss	1,430	-
Gains on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	95	-
Fair value gains, net:		
Available-for-sale listed investments (transfer from equity on disposal)	-	31,300
Derivative instruments - transactions not qualifying as hedges	-	607
	1,525	33,643
	606,359	721,171

6. Other expenses

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

7. Finance costs

An analysis of finance costs is as follows:

	2015 RMB'000	2014 RMB'000
Interest on short-term financing notes	8,247	10,957
Interest on bank borrowings wholly payable within five years	92,720	78,612
Less: Interest capitalised	(67,199)	(40,368)
	33,768	49,201

8. Income tax

The Group is subject to income tax on an entity basis on profits 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% (2014: 25%) on the assessable profits of the subsidiaries of the Group established in Mainland China (the "PRC Subsidiaries").

	2015 RMB'000	2014 RMB'000
Current - PRC corporate income tax charge for the year	207,390	257,692
Deferred	(1,989)	17,004
Total tax charge for the year	205,401	274,696

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:

	2015 RMB'000	2014 RMB'000
Profit before tax	695,607	920,267
Tax at the statutory tax rate of 25% (2014: 25%)	173,902	230,067
Expenses not deductible for tax	14,343	9,316
Losses attributable to a joint venture	748	12,357
Effect of withholding tax on the distributable profits of the PRC Subsidiaries	13,057	14,382
Tax losses not recognised	3,351	8,574
Tax charge at the Group's effective rate	205,401	274,696

The share of tax credit attributable to a joint venture amounting to RMB186,000 (2014: RMB1,138,000) is included in "Share of loss of a joint venture" in the consolidated statement of profit or loss.

9. Dividends

	2015 RMB'000	2014 RMB'000
Interim – HK4 cents (2014: HK8 cents) per ordinary share	80,535	156,274
Proposed final – HK7 cents (2014: HK9 cents) per ordinary share	142,332	174,244
	222,867	330,518

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 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 RMB480,288,000 (2014: RMB634,065,000), and the weighted average number of ordinary shares of 2,435,780,337 (2014: 2,472,022,956) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

11. Long-term prepayments

	2015 RMB'000	2014 RMB'000
Rental prepayments	24,752	21,982
Prepayment for acquisition of a subsidiary	-	20,000
Prepayment for purchases of land and buildings	51,039	572,942
	75,791	614,924

12. 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:

	2015 RMB’000	2014 RMB’000
Within one month	9,781	12,164

13. Due from the Controlling Shareholder

The Group had an outstanding balance due from the Controlling Shareholder of RMB182,000,000 as at 31 December 2015 (2014: RMB182,000,000). 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.

14. Cash and cash equivalents and restricted cash

	2015 RMB’000	2014 RMB’000
Cash and bank balances	504,393	534,881
Time deposits	532,406	1,677,667
	1,036,799	2,212,548
Less: Restricted cash with maturity date within one year	(132,872)	-
Restricted cash with maturity date over one year	(104,725)	(227,580)
Long-term time deposits at banks	(170,141)	(162,304)
Cash and cash equivalents	629,061	1,822,664

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

	2015 RMB’000	2014 RMB’000
RMB	941,127	1,970,079
US$	74,682	205,307
HK$	19,073	37,162
SGD$	1,917	-
	1,036,799	2,212,548

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 2015, certain of the Group's cash amounting to RMB104,725,000 (2014: RMB100,396,000) represents the above balances in the Group's designated accounts.

As at 31 December 2015, certain of the Group's cash amounting to RMB132,872,000 (2014: RMB127,184,000) was restricted to use to secure bank loan facilities granted to the Group.

15. Short-term financing notes

On 7 August 2015, the Group has issued its short-term financing notes at par value of RMB500 million to domestic institutional investors in the PRC. The nominal interest rate is 3.85% per annum and the effective interest rate is 4.16% per annum. The term of the financing notes was 366 days from the date of issuance.

16. Interest-bearing bank borrowings

	2015 RMB'000	2014 RMB'000
Bank loans:		
Secured	417,635	391,731
Unsecured	2,051,230	2,202,488
	2,468,865	2,594,219
Bank loans repayable:		
Within one year or on demand	1,591,115	299,887
Over one year but within two years	877,750	737,953
Over two years but within five years	-	1,556,379
	2,468,865	2,594,219
Total bank borrowings	2,468,865	2,594,219
Less: Portion classified as current liabilities	(1,591,115)	(299,887)
Long-term portion	877,750	2,294,332

16. Interest-bearing bank borrowings (continued)

Bank loans bear interest at fixed rates or floating rates.

The Group's bank loans bore effective interest rates from 1.9% to 4.9% per annum as at 31 December 2015 and 1.9% to 2.6% per annum as at 31 December 2014.

As at 31 December 2015, certain of the Group's cash amounting to RMB132,872,000 (2014: RMB127,184,000) was restricted to use to secure the bank loan facilities granted to the Group.

The Group's interest-bearing bank borrowings at each reporting date are denominated in the following currencies:

	2015 RMB'000	2014 RMB'000
RMB	800,000	-
US$	1,204,887	2,091,421
HK$	463,978	502,798
	2,468,865	2,594,219

17. 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:

	2015 RMB'000	2014 RMB'000
Within three months	945,780	943,263
Over three months but within six months	91,463	84,998
Over six months but within one year	50,028	62,650
Over one year	36,515	27,829
	1,123,786	1,118,740

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

18. Issued capital

	2015 RMB'000	2014 RMB'000
Issued and fully paid 2,421,050,000 (2014: 2,460,700,000) ordinary shares	20,907	21,249

A summary of the movements of the Company's issued capital is as follows:

	No. of shares at HK$0.01 each Thousands	RMB'000
At 1 January 2014	2,497,896	21,572
Shares repurchased and cancelled	(37,196)	(323)
At 31 December 2014 and 1 January 2015	2,460,700	21,249
Shares repurchased and cancelled	(27,730)	(240)
Cancellation of treasury shares	(11,920)	(102)
At 31 December 2015	2,421,050	20,907

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 2015	8,780	2.75	2.61	23,753	18,803
July 2015	1,120	2.38	2.25	2,565	2,024
August 2015	1,023	2.12	2.02	2,111	1,741
September 2015	7,447	2.10	1.99	15,267	12,529
October 2015	4,950	2.09	1.92	9,985	8,182
November 2015	2,390	1.93	1.82	4,479	3,696
December 2015	2,020	1.80	1.67	3,494	2,927
	27,730			61,654	49,902

18. Issued capital (continued)

The Company repurchased and cancelled 27,730,000 shares during the year ended 31 December 2015. The nominal value of approximately HK$277,000, equivalent to RMB240,000 (2014: HK$491,000, equivalent to RMB425,000) was credited to issued capital account, and the premium paid or payable and the related costs incurred for the share repurchase of approximately HK$61,377,000, equivalent to RMB49,662,000 (2014: HK$147,451,000, equivalent to RMB116,722,000) was charged against the share premium account of the Company.

As at 31 December 2014, 11,920,000 shares were repurchased but not cancelled and still recognised as treasury shares, the nominal value was approximately HK$119,000, equivalent to RMB102,000, and the premium paid and the related costs incurred for the shares repurchased of approximately HK$31,078,000, equivalent to RMB24,481,000. These shares were cancelled during the year ended 31 December 2015 and was credited to issued capital account from treasury share accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

During 2015, the economy of mainland China has undergone ongoing adjustments and challenges and the Group's business environment has also suffered as a result.

The world's major economies remain in downturn, thus weakening the overall demand. However, the US economy is reviving and the strong US dollar, following the signaled first interest rate rise at the end of 2015, continues to get stronger. The economy of mainland China is sluggish and the growth in the year further slowed down to 6.9%, which is the first time it has been below 7% since 1990. This indicates that the economic growth lacks momentum. Structural adjustments and the effect of economic incentive policies are far from expectation. The declining economy and change of consumption environment undermines residents' consumption needs, so the domestic consumption growth is lower than anticipated. Under such a trend, there is no significant increase in retail market of mainland China and the traditional retail industry is still facing challenges in terms of costs and profits.

Regardless of the challenging business environment, the Group managed to achieve the business target set at the beginning of 2015. The total sales proceeds of the Group slightly down by 3.2% to RMB10,696 million as compared with 2014. The profit for the year decreased by 24.1% to approximately RMB490 million as compared with 2014 and the basic earnings per share was RMB20 cents. In light of the financial performance of the Group, the Board proposes a final dividend of HK$7 cents per share for the year ended 31 December 2015.

Strategies

Looking back on 2015, improved life quality, cultural features, personal character and unique experience have become new prerequisites of consumption. Considering these demands, the Group kept leveraging upon its ability in professional planning, technological development, service experiences and channel consolidation to promote and highlight the brand of its own.

As to department stores, we spared no effort to adopt smart and new technologies by having intelligent upgrading on payment methods, information matching, mobile internet, foot traffic monitoring and parking systems, thereby making shopping a more convenient task. In each store, we proactively promoted the development of essential elements of shopping mall. Accordingly, we presented the mode of one-stop stores for selected categories and brands as well as created a fresh shopping experience for customers.

The Group also made adjustments and upgrades in respect of brands for its stores. We upgraded all our brand lineups and combinations, strengthened the lineup of bestselling brands together with expanded competitive brands and further reduced the overlap with market competitors in order to increase loyalty of our customers.

In respect of supermarkets, the formation of new commercial models and deepening of supply chains were key supporting factors to value the enhancement of our supermarket business and its efficiency. The Group paid more attention to the residents and their neighbourhoods when considering product category identification, consumption frequency, community service quality and customer interaction. We believe, with the attention and support to community commercial modules made during the establishing of smart cities, this will become one of the major sources of business growth of our supermarket business. In the deepening of supply chains, we further expanded the direct procurement channels from fresh food bases together with increased the source procurement of first-tier and second-tier product categories. In addition, we emphasized on promoting in-depth cooperation with bases of featured agricultural products, thus achieving the goal of making standardized direct source procurement viable.

Meanwhile, the Group put more effort on importing high quality products. This is complementary to the present operational system and we also believe sales of those products will deliver promising results with improved operating efficiency in terms of tariffs, market supply, logistics and payment methods.

Moreover, the Group realized a steady expansion of its store network despite the adverse market condition. Supported by the asset light model, the Group maintained and increased our impact in the region. As of the date, we opened three comprehensive lifestyle shopping malls, upgraded one department store, opened nine new supermarkets and entered into a light asset arrangement contract for a shopping mall. These projects reinforced the Group's strategy of having multiple stores in the same city and securing our leading position in the cities that and likely to have a booming retail market in the future.

Strategic transformation: modification of department store and introduction of new technology

It is believed that Chinese reform measures and development policies will pave the way for sustainable economic development in the long term. In these challenging circumstances, the Group is deploying several key transformation strategies that strengthen the business.

In 2015, the Group accelerated its strategic transformation and modification from traditional department store to comprehensive lifestyle shopping mall with experiential consumption, by constantly reviewing as well as optimizing the merchandise mix to further enhance its competitiveness together with boost sales and profit growth.

The Group is embracing digital integration to enrich our business operations. Free WiFi and mobile payment were launched in all our stores. Most of the marketing and interaction with customers are now done through social media platforms to foster closer ties and increase customer loyalty. Also, the Group continues to develop its social customer relationship management and build its own "big data" database and improve on its business intelligence system.

Network expansion

In February 2015, the Group acquired the remaining 50% equity interest of Zhenjiang Baisheng Commercial Center Co., Ltd (鎮江百盛商城有限公司), for a consideration of RMB176.3 million and it became a wholly owned subsidiary of the Group. This subsidiary operates a department store, Zhenjiang Commercial Building (鎮江商業城), in Zhenjiang City, Jiangsu Province. The store, with a total gross floor area of approximately 45,000 square meters, was closed down for refurbishment to increase experiential consumption element for customers during the year and it was re-opened November 2015.

In the fourth quarter of 2015, the Group acquired 40.48% equity interest in Nantong Yaohan Commerce & Trade Joint Stock Company Limited ("Nantong Yaohan Commerce & Trade") (南通八佰伴商貿股份有限公司), for a consideration of RMB368.5 million. After the acquisition, the Group held 98.58% equity interest of Nantong Yaohan Commerce & Trade. Nantong Yaohan Commerce & Trade holds and operates Nantong Yaohan department store, which has a gross floor area of approximately 58,000 square meters in Nantong City, Jiangsu Province. The acquisition will better implement the Company's management and operation strategies. In 2016, the store will be transformed into a comprehensive lifestyle mall by strengthening its catering and entertainment services to increase experiential consumption.

In November 2015, Yixing Yaohan Lifestyle Shopping Mall, the Group's first comprehensive lifestyle shopping mall project, commenced operation. The shopping mall is located at the Dongjiu (東氿商圈) business district in Yixing with a gross floor area of approximately 210,000 square meters. It has integrated fashion shopping, catering, entertainment, leisure and culture activities in one, bringing an innovative lifestyle shopping together with entertainment experience to customers. The area for comprehensive lifestyle functions and amenities accounted for over 50% of the total operating area of Yixing Yaohan Lifestyle Shopping Mall. The diversified merchandise and amenities offers effectively attracted foot traffic as well as brought in young and fashionable customers.

In January 2016, the Group introduced the second comprehensive lifestyle shopping mall in Jiaxing City, Zhejiang Province. Jiaxing Yaohan Lifestyle Shopping Mall is located at the core business areas in Jiaxing with a gross floor area of approximately 166,000 square meters. Jiaxing Yaohan Lifestyle Shopping Mall has integrated fashion shopping, catering, entertainment, leisure, culture activities and has introduced various features and fashionable brands along with a comprehensive range of business forms in Jiaxing to quickly become the landmark in the city.

Showing remarkable management ability, the Group further expanded its network by providing management services to property owners. During the year, the Group entered an operation management contract for Gaochun store at Nanjing. Gaochun Yaohan Department Store, which opened in January 2016, has introduced various brands, catering, recreation and entertainment to provide a one-stop shopping mall.

During the year, 6 supermarkets were opened in Wuxi cities, Jiangsu Province and they are located along existing logistic routes. The opening of the new supermarkets enhanced the Group "1+N" expansion strategy for the supermarket business, improved logistic efficiency and had an influence on the market share in the region.

As of 31 December 2015, the Group operated 18 department stores and comprehensive lifestyle shopping malls, with a total operational floor area of 594,000 square meters (2014: 530,000 square meters), representing increase of 12.0% from 31 December 2014. The Group also operated 38 supermarkets, with a total operational floor area of 212,000 square meters (2014: 181,000 square meters), representing increase of 17.7% from last year.

Based on the sites secured by the Group for its new store expansion, it is anticipated that these stores will increase the gross floor area of the Group's chain stores by over 570,000 square meters in the next five years. Furthermore, the Group will continue to focus on high-quality premises that are suitable for the comprehensive lifestyle-one-stop shopping concept and will continue to seek opportunities of investment, co-operation, merger and acquisition that can fulfil the Group's development, investment strategies and objectives, hence laying a solid foundation for the Group's business expansion.

Prospects

The growth of the aggregate retail amount of social consumer products in 2015 has slowed down as compared with 2014. However, in light of the anticipation in the market of a declining economy, we can hardly be optimistic about the growth of sales in consumer products in 2016. Competition within the retail industry is fierce and finding profit is still difficult. Divisions, merges and acquisitions of within the industry are expected as well as the centralization of physical retail is also inevitable. This is a development progress in which we have to explore changes in innovation, break through impediments and pursue positive growth amid the unfavourable environment.

In 2016, professionalization, refinement, differentiation along with expedience will be the response to new consumption demands and this is also Springland's direction of constant innovation in the future. Springland will constantly enhance its ability to identify product quality, consolidate product resources, integrate businesses under different market conditions and commercial sectors as well as serve its customers. We will take advantage of the new internet technologies to promote our brand and move forward.

FINANCIAL RESULTS

TSP continued to be under pressure in the challenging market environment, weak consumer sentiment and intensifying competition. The Group's TSP were RMB10,696 million for the year ended 31 December 2015. Profit for the year was RMB490 million, as compared with RMB646 million last year. The Directors of the Company recommended the payment of a final dividend for the year ended 31 December 2015 of HK$7 cents per share (2014: HK$9 cents per share).

Revenue & TSP

	Year ended 31 December 2015			Year ended 31 December 2014		
	Department store business	Supermarket business	Total	Department store business	Supermarket business	Total
	RMB million			RMB million		
Revenue						
Direct sales	309	2,446	2,755	312	2,478	2,790
Commission income from concessionaire sales	1,234	44	1,278	1,319	41	1,360
Rental income	81	53	134	72	48	120
Provision of food and beverage services	-	1	1	-	6	6
Total	1,624	2,544	4,168	1,703	2,573	4,276
TSP						
Direct sales	309	2,446	2,755	312	2,478	2,790
Gross revenue of concessionaire sales	7,517	290	7,807	7,878	261	8,139
Rental income	81	53	134	72	48	120
Total	7,907	2,789	10,696	8,262	2,787	11,049
Same store sales change	-5.1%	-4.1%		-1.8%	0.2%	

DEPARTMENT STORE BUSINESS:

TSP from the department store business reduced to RMB7,907 million (2014: RMB8,262 million) and same store sales dropped by approximately 5.1%. Direct sales as a percentage of TSP from the department store business was 3.9% (2014: 3.8%) while gross revenue of concessionaire sales as a percentage of TSP from the department store business was 95.1% (2014: 95.3%) in the year ended 31 December 2015.

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 59.5% of last year to 58.3% for 2015.

TSP BY MERCHANDISE CATEGORIES

In 2015, fashion and apparel accounted for approximately 38.7% (2014: 39.0%); merchandise related to cosmetics accounted for approximately 5.7% (2014: 5.6%); watches, gold and jewelry accounted for approximately 24.8% (2014: 25.0%); footwear accounted for approximately 10.0% (2014: 10.6%) 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 20.8% (2014: 19.8%) of TSP of the department stores business.

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

In 2015, the commission rate from concessionaire sales was 16.4%, representing a drop of 0.3 percentage point from 16.7% in 2014. The Comprehensive Gross Margin of department store business was 21.1% which is the same with that of 2014.

SUPERMARKET BUSINESS:

In 2015, TSP of the supermarket business reached RMB2,789 million, which is similar to TSP in 2014 of RMB2,787 million. It resulted from the net off of drop in same store sales of 4.1% and sales contributed from newly opened supermarkets.

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 37.6% in 2014 to 35.7% in 2015. The proceeds from supermarkets opened in 2014 and 2015 (proceeds not included in calculating the same store sales change) accounted for 5.0% of TSP for the supermarket business.

TSP BY MERCHANDISE CATEGORIES

Fresh food accounted for approximately 40.9% (2014: 40.0%), dry foods accounted for approximately 30.1% (2014: 29.8%), non-food accounted for approximately 24.8% (2014: 26.0%) and the remaining categories including rental income and others accounted for the remaining 4.2% (2014: 4.2%) of the TSP of the supermarket business.

DIRECT SALES MARGIN AND COMPREHENSIVE GROSS MARGIN

Revenue from direct sales in the supermarket business decreased from RMB2,478 million in 2014 to RMB2,446 million in 2015, representing a drop of 1.3%. The direct sales margin stayed at 12.6% (2014: 12.6%). The Comprehensive Gross Margin maintained at 22.5% (2014: 22.6%). 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.

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 2015					Year ended 31 December 2014				
	Department store business	Supermarket business	Head quarter	Total	% of TSP	Department store business	Supermarket business	Headquarter	Total	% of TSP
	(RMB'million)					(RMB'million)				
Staff costs	303	238	69	610	5.7%	272	233	77	582	5.3%
Depreciation and amortisation	264	77	4	345	3.2%	258	71	4	333	3.0%
Rental expenses	44	69	6	119	1.1%	27	66	5	98	0.9%
Other expenses	380	130	44	554	5.2%	360	125	41	526	4.7%
Total	991	514	123	1,628	15.2%	917	495	127	1,539	13.9%

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

In 2015, total expenses of the Group as a percentage of TSP were 15.2% (2014: 13.9%) and total expenses increased by 5.8% to RMB1,628 million from RMB1,539 million in 2014. The growth was primarily attributable to the increase in the number of stores in accordance with the expansion of store network, which resulting the rise in staff costs, rental expenses, depreciation and amortization and other operating expenses; impairment of property, plant and equipment together with exchange losses due to currency fluctuation.

Fee Income from Suppliers and Operating Profit

In 2015, fee income from suppliers increased to RMB534 million (2014: RMB528 million), fee income from suppliers as a percentage of TSP increased to approximately 5.0% for 2015 from 4.8% for 2014.

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 RMB788 million in 2015 from RMB983 million for the same period in 2014, representing a year-on-year decrease of 19.8%. Operating profits for the department store business decreased from RMB847 million in 2014 to approximately RMB676 million in 2015, representing a year-on-year decrease of 20.2%. The operation margin as a percentage of TSP for the department store business was 8.6%, representing a decline of 1.7 percentage point from 10.3% in 2014. For the supermarket business, operating profits decreased from RMB136 million in 2014 to approximately RMB112 million in 2015, representing a year-on-year decrease of 17.4%. The operating margin as a percentage of TSP for the supermarket business was 4.0%, representing a decline of 0.9 percentage point from 4.9% in 2014. The drop in operating profits for the Group, department store and supermarket businesses was mainly attributable to cost incurred by new stores during their ramp up period and higher operating costs contributed by them; and the increasingly competitive landscape of the retail sector which has led to drops in both sales and profit.

FINANCIAL REVIEW

An analysis of the profit for the year was as follows:

	Year ended 31 December 2015 RMB'million	Year ended 31 December 2014 RMB'million
Business unit		
Department store	676	847
Less: Impairment of goodwill	-	(25)
	676	822
Supermarket	112	136
	788	958
Net finance income	14	79
Dividend, investment income and unallocated gains	19	60
Corporate overheads and others	(123)	(127)
Share of loss of a joint venture	(3)	(49)
Income tax expenses	(205)	(275)
Profit for the year	490	646

Impairment of goodwill

The progress of extension and renovation of existing property of Yangzhou Fengxiang Commerce Co., Ltd. did not meet management's expectation, the Company recognised an impairment of goodwill in 2014. The company is engaged in operation of a department store, Yangzhou Wanjiafu Commercial Building, in Yangzhou, Jiangsu Province.

Net finance income

Net finance income comprised interest income from surplus cash and structured deposit net interest expenses on interest-bearing debts. The decrease in net finance income mainly was the resulted of the drop in interest income from surplus cash and structured deposit that was more than the cut in interest expenses.

Dividend, investment income and unallocated gains

Dividend, investment income and unallocated gains mainly comprised of dividend and investment income and subsidy income. The amount of decrease is mainly due to the Group receiving dividend income and recording a gain on disposal of 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) totalling of RMB34.6 million in 2014. The Group disposed all the investment in October 2014.

Share of loss of a joint venture

The Group shared a loss from Zhenjiang Baisheng Commercial Center Co., Ltd. (鎮江百盛商城有限公司), a joint venture of the Company. On 28 February 2015, the Group acquired additional 50% equity interest of the joint venture and it became wholly owned subsidiary of the Group. The share of loss decreased to RMB3 million in 2015 from RMB49 million in 2014.

Income tax expenses

Result from the decrease in profit before tax, income tax expenses for the current year dropped RMB70 million from the previous year. The effective tax rate staged at 29.5% and remained relatively stable as compared with that of 2014.

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 RMB9,956 million (2014: RMB7,936 million). Those assets were held for long-term operation used by the Group.

Capital expenditure of the Group during 2015 amounted to approximately RMB2,980 million (2014: RMB646 million). Capital expenditure consisted of additions to property, plant and equipment, prepaid land premiums and other intangible assets including assets from the acquisition of subsidiaries.

Capital commitments as of 31 December 2015 amounted to RMB685 million (2014: RMB1,314 million), representing mainly construction items which contracted but not provided for of Jiaxing, Anqing and Wuhu projects.

Cash and cash equivalents and time deposits

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between [one] month 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.

Cash and cash equivalents and time deposits decreased from RMB1,986 million as at 31 December 2014 to RMB799 million as at 31 December 2015 mainly result from cost of launching new stores, ongoing projects, payments for the acquisition of a subsidiary and non-controlling interests. The Group will focus on asset light development model which reduce the amount of surplus cash.

Restricted cash

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 in the Group's designated accounts or through issuing the letter of bank guarantee, of a total amount that was not less than 30% of the balance of advances from customers for sales of prepaid cards. As at 31 December 2015, certain of the Group's cash amounting to RMB105 million (2014: RMB100 million) represents the above balances in the Group's designated accounts.

As at 31 December 2015, certain of the Group's cash amounting to RMB133 million (2014: RMB127 million) was restricted to use for securing bank loan facilities granted to the Group.

Structured deposits

In 2014, amounts were included as 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%.

EQUITY AND FINANCING

Equity

As at 31 December 2015, the equity attributable to owners of the parent amounted to RMB5,028 million, representing an increase of RMB43 million from 31 December 2014. During 2015, the Company repurchased approximately 27.7 million shares for a total consideration (including expenses) of approximately HK$62 million.

Funding Model

Over the past years, the Group has actively diversified the funding sources, maintained strong long-term relations with lenders as well as investors and has spread out maturities to reduce refinancing risk.

The Group maintained a strong cash position. Cash and cash equivalents, time deposits and total restricted cash stood at RMB1,037 million (2014: RMB2,213 million). Net bank borrowings and financing notes of the Group represented bank borrowings and financing notes (net of cash and cash equivalents, time deposits and restricted cash), that amounted to RMB1,939 million as at 31 December 2015 (2014: RMB 381 million). The increase in net bank borrowings and financing notes during 2015 was mainly due to surplus cash is used in new stores opening, ongoing projects, payments for the acquisition of a subsidiary and non-controlling interests. As a result, the decrease in the cash and cash equivalents is recorded.

On July 2015, the Group obtained approval from the National Association of Financial Market Institutional Investors to issue short-term financing notes in one tranche or more than one tranche with an aggregate principal amount of up to RMB1.8 billion to domestic institutional investors in the PRC. On 7 August 2015, the Group issued the first tranche of short-term financing notes at par value of RMB500 million with the nominal interest rate of 3.85% per annum and the effective interest rate of 4.16% per annum. The notes are issued to institutional investors in the Inter-bank Bond Market in the PRC.

On February 2016, the Group obtained approval from the National Association of Financial Market Institutional Investors to issue medium-term financing notes in one tranche or more than one tranche with an aggregate principal amount of up to RMB2.0 billion with a term of 3 years from the date of issuance to domestic institutional investors in the PRC.

The maturity profile of the Group's bank borrowings and financing notes were as follows:

	31 December 2015 RMB'million	31 December 2014 RMB'million
Bank borrowings and financing notes repayable:		
Within one year or on demand	2,098	300
Over one year but within two years	878	738
Over two years but within five years	-	1,556
Total bank borrowings and financing notes	2,976	2,594
Cash and cash equivalents and time deposits	(799)	(1,986)
Restricted cash	(238)	(227)
Net bank borrowings and financing notes	1,939	381

Gearing

The Group has been careful in using debt gearing to expand our business in accordance with our business strategy. As at 31 December 2015, the Group's gearing ratio stayed at 51% (2014: 39%). 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.

In 2015, the gearing ratio increased is because surplus cash is used in the new stores opening, ongoing projects, payments for the acquisition of a subsidiary and non-controlling interests. As a result, the cash and cash equivalents, structure deposits, time deposits and restricted cash decreased from RMB 2,328 million as at 31 December 2014 to RMB1,037 million as at 31 December 2015. The Group will focus on asset light development model. Capital expenditure will be reduced due to the completion of ongoing projects, thus, the gearing ratio will be stabilised.

Liquidity, foreign exchange and interest rate exposure

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

The Group conducted its business operations in the PRC and its revenues and expenses were denominated in RMB. 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. Certain of the Group's bank balances, bank borrowings and deposits were denominated in HK$, SGD$ or US$ which exposed the Group to foreign exchange risks attributable to fluctuations in exchange rates between HK$, SGD$ or US$ and RMB.

The Group manages its foreign exchange risk and interest rate exposure by performing regular reviews of the Group's net foreign exchange and interest rate exposures. Due to the fluctuation of RMB, the Group has reduce the position of borrowings denominated in HK$ or US$. The Group's exposure to the risk of changes in market interest rates related primarily to the Group's bank loans with floating interest rates.

For the year ended 31 December 2015, the Group recorded net foreign exchange losses of approximately RMB20 million (2014: net foreign exchange losses of RMB13 million).

CONTINGENT LIABILITIES

As at 31 December 2015 and 31 December 2014, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 31 December 2015, the Group employed a total of approximately 8,215 full-time employees, of which 3,713 served the department store business and of which 4,398 served the supermarket business (2014: 7,731 full-time employees, of which 3,281 served the department store business and of which 4,349 served the supermarket business). Employees included management staff, salesmen, 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 for staff training to enhance their performance in their current roles or prepare them for further advancement.

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

EVENTS AFTER THE REPORTING PERIOD

On 3 February 2016, the Company wrote off the subsidiary company Wuxi Yuandongli Consulting Co., Ltd.

On 16 February 2016, the Company entered into an agreement with the non-controlling shareholder to acquire 20% non-controlling interest of Wuxi Tangtangguozhi Investment Management Co., Ltd. at a consideration of RMB100,000.

On February 2016, the Group obtained approval from the National Association of Financial Market Institutional Investors to issue medium-term financing notes in one tranche or more than one tranche with an aggregate principal amount of up to RMB2.0 billion with a term of 3 years from the date of issuance to domestic institutional investors in the PRC.

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 27,730,000 ordinary shares of HK$0.01 each of the Company on the Stock Exchange at an aggregate consideration of approximately HK$61.7 million. The 27,730,000 repurchased shares and 11,920,000 treasury shares were cancelled during the year 2015. The number of issued shares of the Company as of 31 December 2015 and the date of the announcement was 2,421,050,000 shares. Particulars of the repurchased are as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per share		Aggregate consideration
		Highest HK$	Lowest HK$	HK$ million
January 2015	8,780,000	2.75	2.61	23.7
July 2015	1,120,000	2.38	2.25	2.6
August 2015	1,023,000	2.12	2.02	2.1
September 2015	7,447,000	2.10	1.99	15.3
October 2015	4,950,000	2.09	1.92	10.0
November 2015	2,390,000	1.93	1.82	4.5
December 2015	2,020,000	1.80	1.67	3.5
Total	27,730,000			61.7

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 with 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 2015, the Company complied with all the code provisions ("Code Provision") 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 specific derivations for the considered reasons below. No incident of non-compliance by Directors was noted by the Company in 2015.

Under Code Provision E.1.2, the chairman of the Board should attend the annual general meeting of the Company. Due to other pre-arranged business commitments which must be attended to by him, Mr. Chen Jianqiang, the Chairman, was not present at the 2015 annual general meeting held on 18 May 2015. However, Mr. Tao Qingrong, being an Executive Director and the Chief Executive Officer of the Company, was present at the 2015 annual general meeting and was elected chairman in accordance with the Articles of Association of the Company to ensure an effective communication with shareholders.

AUDIT COMMITTEE

The Audit Committee is appointed by the Board and has three members, all of whom are Independent Non-executive Directors. 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 2015, including the accounting principles and practices adopted by the Group.

THE 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 2015.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting will be held on Monday, 16 May 2016 at Conference Room, 26th Floor, Wuxi Jinling Hotel, No.1 Xianqian East Street, Wuxi, Jiangsu, PRC (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 2015 of HK7 cents in cash per ordinary share to shareholders who names appeared on the register of members of the Company as at 31 May 2016. Subject to the approval of the shareholders of the Company at the forthcoming AGM to be held on 16 May 2016, the final dividend will be paid on 10 June 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 12 May 2016 (Thursday) to 16 May 2016 (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 16 May 2016 (Monday), all transfers documents, accompanied 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 11 May 2016 (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 2015 (if approved), the register of members of the Company will be closed from 27 May 2016 (Friday) to 31 May 2016 (Tuesday) (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 2015(if approved), all transfers documents, accompanied 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 2016 (Thursday).

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 hereby sincerely give thanks to the shareholders, employees, business partners and customers of the Group for their continuous support.

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

Hong Kong, 16 March 2016

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.