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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

Financial Highlights

	For the six months ended 30 June		
	2016	2015	+/-
	(unaudited) RMB million	(unaudited) RMB million	
Total Sales Proceeds (“TSP”) ¹	5,712	5,714	-
– department store	4,230	4,268	-0.9%
– supermarket	1,482	1,446	2.5%
Revenue	2,212	2,203	0.4%
Profit before tax	349	505	-31.0%
Profit attributable to owners of the parent	239	350	-31.6%
Earnings per share - basic (RMB: cents)	10	14	-30.9%
Net profit margin	10.8%	15.9%	

- **Total Sales Proceeds and revenue for the six months ended 30 June 2016 recorded flatten and increase of 0.4% respectively. Same store sales change² for department store business represented a decline of 9.0% and same store sales change for supermarket business recorded a drop of 9.1%.**
- **Profit attributable to owners of the parent was RMB239 million, representing a decrease of 31.6%.**

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

² Same store sales change represented the change in TSP for stores with operations through the comparable period.

- Earnings per share was RMB10 cents. Net profit margin maintained at 10.8%.
- Proposed interim dividend of HK\$3 cents per share.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board (the “Board”) of directors (the “Directors”) of Springland International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2016, together with comparative figures for the previous year of 2015. The unaudited condensed consolidated interim results have been reviewed by the audit committee of the Company (the “Audit Committee”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2016

		For the six months ended 30 June	
	<i>Notes</i>	2016	2015
		(unaudited)	(unaudited)
		RMB'000	RMB'000
REVENUE	4	2,212,402	2,203,395
Other income and gains	5	371,036	328,510
Purchase of and changes in inventories		(1,293,124)	(1,254,519)
Staff costs		(327,754)	(292,241)
Depreciation and amortisation		(219,609)	(172,331)
Rental expenses		(39,141)	(56,834)
Other expenses		(313,333)	(239,699)
Finance costs		(41,766)	(8,254)
Shares of loss of a joint venture		-	(2,991)
PROFIT BEFORE TAX		348,711	505,036
Income tax expense	6	(109,843)	(147,187)
PROFIT FOR THE PERIOD		<u>238,868</u>	<u>357,849</u>
Attributable to:			
Owners of the parent		239,374	350,153
Non-controlling interests		(506)	7,696
		<u>238,868</u>	<u>357,849</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB: cents)	8	<u>10</u>	<u>14</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
PROFIT FOR THE PERIOD	<u>238,868</u>	<u>357,849</u>
OTHER COMPREHENSIVE LOSS		
Exchange differences on translation of foreign operations	<u>(19,906)</u>	<u>(1,351)</u>
NET OTHER COMPREHENSIVE LOSS TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	<u>(19,906)</u>	<u>(1,351)</u>
OTHER COMPERHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<u>(19,906)</u>	<u>(1,351)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>218,962</u>	<u>356,498</u>
Attributable to:		
Owners of the parent	219,468	348,802
Non-controlling interests	<u>(506)</u>	<u>7,696</u>
	<u>218,962</u>	<u>356,498</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2016

	Notes	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	8,420,651	8,199,356
Prepaid land premiums	10	1,658,010	1,680,781
Other intangible assets		33,754	35,286
Goodwill		282,112	304,440
Available-for-sale investments		110	110
Long-term prepayments		70,637	75,791
Deferred tax assets		105,910	91,727
Restricted cash	11	106,765	104,725
Time deposits	11	<u>174,028</u>	<u>170,141</u>
Total non-current assets		<u>10,851,977</u>	<u>10,662,357</u>
CURRENT ASSETS			
Inventories		278,873	322,969
Trade receivables	12	11,374	9,781
Prepayments, deposits and other receivables		310,215	276,357
Due from the controlling shareholder	13	152,661	182,000
Restricted cash	11	-	132,872
Cash and cash equivalents	11	<u>753,207</u>	<u>629,061</u>
		1,506,330	1,553,040
Assets of a disposal group classified as held for sale		<u>26,400</u>	<u>26,400</u>
Total current assets		<u>1,532,730</u>	<u>1,579,440</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

30 JUNE 2016

	Notes	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
CURRENT LIABILITIES			
Short-term financing notes	14	517,142	506,747
Interest-bearing bank borrowings	15	1,779,932	1,591,115
Trade payables	16	1,027,658	1,123,786
Other payables and accruals		2,052,258	2,208,522
Tax payable		<u>50,724</u>	<u>78,430</u>
		5,427,714	5,508,600
Liabilities directly associated with the assets classified as held for sales		<u>4,769</u>	<u>4,769</u>
Total current liabilities		<u>5,432,983</u>	<u>5,513,369</u>
NET CURRENT LIABILITIES		<u>(3,899,753)</u>	<u>(3,933,929)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,952,224</u>	<u>6,728,428</u>
NON-CURRENT LIABILITIES			
Interest- bearing bank borrowings	15	-	877,750
Medium-term notes	17	301,392	-
Corporate bonds	18	793,820	-
Long-term payables		55,407	73,370
Deferred tax liabilities		<u>561,547</u>	<u>559,600</u>
Total non-current liabilities		<u>1,712,166</u>	<u>1,510,720</u>
Net assets		<u>5,240,058</u>	<u>5,217,708</u>
EQUITY			
Equity attributable to owners of the parent			
Issued capital		20,620	20,907
Treasury shares		(39)	-
Reserves	7	<u>5,047,678</u>	<u>5,006,911</u>
		5,068,259	5,027,818
Non-controlling interests		<u>171,799</u>	<u>189,890</u>
Total equity		<u>5,240,058</u>	<u>5,217,708</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Springland International Holdings Limited was incorporated as an exempted company with limited liability in the Cayman Islands on 21 June 2006 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman 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 is 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

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2015.

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, fair value gains/(losses) from the Group's financial instruments, as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude available-for-sale investments, deferred tax assets, restricted cash, time deposits, tax recoverable, amounts due from the controlling shareholder, 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, medium-term notes, corporate bonds, interest-bearing bank borrowings, 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)

The following tables presented revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2016 and 2015, respectively.

For the six months ended 30 June 2016 (unaudited)

	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	<u>866,424</u>	<u>1,345,978</u>	<u>2,212,402</u>
Segment results	358,018	88,785	446,803
<i>Reconciliation:</i>			
Interest income and unallocated gains			28,085
Corporate and other unallocated expenses			(84,411)
Finance costs			<u>(41,766)</u>
Profit before tax			<u>348,711</u>

For the six months ended 30 June 2015 (unaudited)

	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment revenue			
Sales to external customers	<u>876,288</u>	<u>1,327,107</u>	<u>2,203,395</u>
Segment results	448,937	93,704	542,641
<i>Reconciliation:</i>			
Interest income and unallocated gains			42,550
Corporate and other unallocated expenses			(68,910)
Share of loss of a joint venture			(2,991)
Finance costs			<u>(8,254)</u>
Profit before tax			<u>505,036</u>

3. Operating segment information (continued)

The following table presents segment assets of the Group's operating segments as at 30 June 2016 and 31 December 2015, respectively:

As at 30 June 2016 (unaudited)

	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment assets	9,674,231	1,343,335	11,017,566
<i>Reconciliation:</i>			
Corporate and other unallocated assets			1,340,741
Assets of a disposal group classified as held for sales			26,400
Total assets			<u>12,384,707</u>
Segment liabilities	2,525,946	684,951	3,210,897
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			3,928,983
Liabilities directly associated with the assets classified as held for sale			4,769
Total liabilities			<u>7,144,649</u>

As at 31 December 2015 (audited)

	Department store RMB'000	Supermarket RMB'000	Total RMB'000
Segment assets	9,303,281	1,394,762	10,698,043
<i>Reconciliation:</i>			
Corporate and other unallocated assets			1,517,354
Assets of a disposal group classified as held for sales			26,400
Total assets			<u>12,241,797</u>
Segment liabilities	2,723,719	787,682	3,511,401
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			3,507,919
Liabilities directly associated with the assets classified as held for sale			4,769
Total liabilities			<u>7,024,089</u>

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 six months ended 30 June 2016 and 2015.

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:

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Sales of goods - direct sales	1,459,770	1,439,909
Commission income from concessionaire sales (<i>Note</i>)	<u>666,726</u>	<u>698,016</u>
Total turnover	2,126,496	2,137,925
Rental income	85,138	64,227
Provision of food and beverage service	<u>768</u>	<u>1,243</u>
Total revenue	<u><u>2,212,402</u></u>	<u><u>2,203,395</u></u>

Note:

The commission income from concessionaire sales is analyzed as follows:

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Gross revenue from concessionaire sales	<u>4,167,492</u>	<u>4,210,032</u>
Commission income from concessionaire sales	<u>666,726</u>	<u>698,016</u>

5. Other income and gains

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
<i>Other income</i>		
Fee income from suppliers	332,557	282,315
Interest income	17,150	30,800
Subsidy income	10,870	10,382
Others	<u>10,459</u>	<u>3,414</u>
	<u>371,036</u>	<u>326,911</u>
<i>Gains</i>		
Fair value gains, net:		
Derivative instruments		
- transactions not qualifying as hedges	-	1,430
Gains on acquisition of a subsidiary	-	95
Gains on disposed of items of property, plant and equipment	<u>-</u>	<u>74</u>
	<u>-</u>	<u>1,599</u>
	<u>371,036</u>	<u>328,510</u>

6. 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 do not have assessable income sourced from Hong Kong during the period. 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 income tax rate became 25% starting from 1 January 2008. Therefore, provision for the PRC income tax has made at the applicable income tax rate of 25% (six months ended 30 June 2015: 25%) on the assessable profits of the Group's PRC subsidiaries.

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Current - PRC corporate income tax charge for the period	109,479	145,036
Deferred	<u>364</u>	<u>2,151</u>
Total tax charge for the period	<u>109,843</u>	<u>147,187</u>

7. Dividends

	For the six months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Dividends on ordinary shares declared and paid during the period:		
Final dividends for 2015: HK\$7 cents (2014: HK\$9 cents)	<u>142,332</u>	<u>174,244</u>
Dividends on ordinary shares proposed (not recognized as a liabilities as at 30 June)		
Proposed interim dividend for 2016: HK\$3 cents (2015: HK\$4 cents)	<u>61,238</u>	<u>80,535</u>

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

The calculation of basic earnings per share amount is based on the profit for the period attributable to the ordinary equity holders of the parent of RMB239,374,000 (six months ended 30 June 2015: RMB350,153,000), and the weighted average number of ordinary shares of 2,414,357,131 (six months ended 30 June 2015: 2,440,422,425) in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during these periods.

9. Property, plant and equipment

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
Carrying amount at 1 January	8,199,356	6,448,638
Additions	442,490	1,654,574
Acquisition of a subsidiary	-	471,967
Depreciation provided during the period/year	(205,482)	(330,484)
Impairment	33,000	(33,000)
Disposals	<u>(48,713)</u>	<u>(12,339)</u>
Carrying amount at 30 June 2016/ 31 December 2015	<u>8,420,651</u>	<u>8,199,356</u>

At 30 June 2016, the application for transferring the land use right certificate to property ownership certificate for the Group's land and buildings amounting to RMB1,186,536,000 (31 December 2015: RMB402,596,000) was still in progress.

10. Prepaid land premiums

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
Carrying amount at 1 January	1,680,781	872,334
Additions	357	853,815
Amortisation capitalised as property, plant and equipment during the period/ year	(10,533)	(33,525)
Recognised as expenses during the period/year	<u>(12,595)</u>	<u>(11,843)</u>
Carrying amount at 30 June 2016/ 31 December 2015	<u>1,658,010</u>	<u>1,680,781</u>

The leasehold land is situated in Mainland China and is held under a long-term lease.

11. Cash and cash equivalents, restricted cash and time deposits

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
Cash and bank balances	554,358	504,393
Time deposits	<u>479,642</u>	<u>532,406</u>
	<u>1,034,000</u>	<u>1,036,799</u>
Less: Restricted cash with maturity date within one year	-	(132,872)
Restricted cash with maturity date over one year	(106,765)	(104,725)
Long-term time deposits at banks	<u>(174,028)</u>	<u>(170,141)</u>
Cash and cash equivalents	<u>753,207</u>	<u>629,061</u>

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

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
RMB	900,502	941,127
US\$	87,255	74,682
HK\$	41,678	19,073
SGD	<u>4,565</u>	<u>1,917</u>
	<u>1,034,000</u>	<u>1,036,799</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between six 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 30 June 2016, certain of the Group's restricted cash amounted to RMB106,765,000 (31 December 2015: RMB104,725,000) represents the above balances deposited in the Group's designated accounts.

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 and aged within one month based on the invoice date.

13. Due from the Controlling Shareholder

The Group had an outstanding balance due from the controlling shareholder of RMB152,661,000 as at 30 June 2016 (31 December 2015: RMB182,000,000). The amount is unsecured and included in the outstanding balance. The remaining principal bears interest at an annual rate of 3.5% from 1 January 2016 and shall be repaid on or before 31 December 2016.

14. Short-term financing notes

On 7 August 2015, the Group 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. The principal together with the interest thereon will be fully paid on 7 August 2016.

15. Interest-bearing bank borrowings

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
Bank loans:		
Secured	-	417,635
Unsecured	<u>1,779,932</u>	<u>2,051,230</u>
	<u>1,779,932</u>	<u>2,468,865</u>
Bank loans repayable:		
Within one year or on demand	1,779,932	1,591,115
Over one year but within two years	<u>-</u>	<u>877,750</u>
Total bank borrowings	1,779,932	2,468,865
Less: Portion classified as current liabilities	<u>(1,779,932)</u>	<u>(1,591,115)</u>
Long-term portion	<u>-</u>	<u>877,750</u>

15. 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 4.1% per annum as at 30 June 2016 and 1.9% to 5.1% per annum as at 31 December 2015.

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

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
RMB	475,000	800,000
US\$	1,304,932	1,204,887
HK\$	-	463,978
	<u>1,779,932</u>	<u>2,468,865</u>

16. Trade payables

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

	30 June 2016 (unaudited) RMB'000	31 December 2015 (audited) RMB'000
Within three months	817,401	945,780
Over three months but within six months	112,459	91,463
Over six months but within one year	50,518	50,028
Over one year	<u>47,280</u>	<u>36,515</u>
	<u>1,027,658</u>	<u>1,123,786</u>

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

17. Medium-term notes

In February 2016, subject to the aggregate principal amount of up to RMB2.0 billion approved by the National Association of Financial Market Institutional Investors the Group issued its first tranche of medium-term notes at par value of RMB300 million to domestic institutional investors in the PRC on 25 March 2016. The nominal interest rate is 4.78% per annum and the effective interest rate is 5.13% per annum. The term of the medium-term notes was 3 years from the date of issuance. The interest shall be paid on an annual basis.

18. Corporate bonds

In May 2016, subject to the aggregate principal amount of up to RMB2.0 billion approved by the China Securities Regulatory Commission and the Shanghai Stock Exchange, the Group has issued its first tranche of corporate bonds at par value of RMB800 million to public qualified investors in the PRC on 21 June 2016. The nominal interest rate is 4.87% per annum and the effective interest rate is 5.22% per annum. The term of the financing notes was 3 years from the date of issuance. The interest shall be paid on an annual basis.

19. Events after the interim reporting period

Subsequent to 30 June 2016 and up to the date of this report, the Company repurchased a total of 11,605,000 shares at an aggregate consideration of HK\$11,891,000 equivalent to RMB10,243,000. The remaining 4,509,000 shares of treasury shares repurchased before 30 June 2016 still have not been cancelled. The number of outstanding shares and treasury shares of the Company as at the date of this report are 2,371,760,000 and 16,114,000 respectively.

On 6 August 2016, the Group has fully paid back the principal together with interests of short-term financing notes.

At a meeting held on 16 August 2016, the Directors declared an interim dividend of HK\$3 cents per ordinary share. This proposed dividend, based on the number of shares outstanding at the date of the meeting, is not reflected as dividend payable in this interim financial statement.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2016, the Group still faced a challenging business environment, as the global economy failed to leverage on the advantages and growth momentum was still weak. Under the dual stress of a weak real economy and excess production capacity, China still sought to strike a balance between steady growth and reform promotion. China's GDP growth in the second quarter of 2016 maintained at 6.7%, which leveled with that of the first quarter. Meanwhile, as the RMB further depreciated, consumer sentiment in the market remained frail, and the overall growth of China's retail market remained steady and recorded no significant increase, with the exception of the short-term booming real estate market.

Under this macro-environment, the Group continued the strategy that focus on quality growth, and achieved a cumulated merchandise sales of RMB5.7 billion in the period, which leveled with that of same period last year. Profits before tax was RMB390 million and profits attributable to shareholders was RMB239 million. Basic earnings per share in the first half of 2016 was RMB10 cents.

BUSINESS REVIEW

The Group believed that in the era of influx of new technologies which dramatically change various sectors in retail market, the top priority of corporate development lies in the planning of strategic transformation, implementing delicate management, upholding ingenuity, as well as strengthening operation and management of innovation of various segments.

As such, the Group enhanced the brand management of our shopping experience. In planning new stores and the modification of existing stores, our stores have increased the element of our new brands, particularly the fashion apparel, accessories and caring products as well as the integrated lifestyle segment with the theme of "LIVE", "Integrated Shopping Mall", "High Cost-performance Ratio" and "YOUNG" in keeping with the lifestyle experience trend of shopping.

In terms of marketing, we focused more on building a lifestyle through organizing activities, and to enrich the content and diversity of the activities, bringing surprises, discoveries and touching moments to our customers. We joined with TV broadcasters to introduce cyber games tournaments, and held graduation ceremonies and similar activities in schools, which overlap the living of our consumers with our stores, elevating our stores from shopping venues to the space for cultural exchange and creation.

The Group also actively pursued in-depth participation in the upstream supply chain to gain control over the commodities and resources, and to explore new development opportunities. The Group has started direct import and procurement of various items such as fruits, mineral water, chocolate, olive oil and biscuits, bringing products differentiation in our stores. At later stage, we would also strengthen supply of these quality goods to stimulate and satisfy consumers' demand for high quality products in order to drive the store sales growth.

In January 2016, Jiaxing Yaohan Lifestyle Shopping Mall, the Group's second comprehensive lifestyle shopping mall, commenced operation. The mall is located at Xiuzhou District in Jiaxing City, Zhenjiang Province, with a total gross floor area of approximately 178,000 square meters. It has integrated fashion shopping, catering, entertainment, leisure and culture activities in one and become the landmark in the city.

For supermarket stores expansion, we have achieved the target of signing up 15 stores and opening 5 stores that centered on the community supermarkets. We believe that these supermarkets which focus on fresh food can quickly cover major urban areas and satisfy the precise needs of the community, which will become a popular business format favored by consumers in the future. After a series of changes, the Group has formed the basic quantitative criteria of small community supermarkets and cooperate with professional third party e-commerce platform operators to realize the connection of family and merchandise. Currently, sales, gross profits and foot traffic of such supermarkets all achieved positive growth, which forms the source of our confidence. We hope to leverage on such products to achieve high density distribution in existing advantaged areas and establish regional leading status.

In addition, departmental integration and restructuring of department stores and supermarkets were carried out in order to streamline management, flatten organizational structure and increase management efficiency on one hand, and actively explore regionalized management format and facilitating further improvement of staff efficiency on the other.

PROSPECTS

According to statistic published by the Ministry of Commerce, economic activities since June 2016 has outperformed the market expectation, and aggregate sales of social consumer products of the month grew by 10.6%, which was the highest growth for a single month of this year, a boost to the continuous downward trend of the economic fundamentals this year. Actual year-on-year growth rate of retail sales of the 5,000 enterprises monitored by the Ministry of Commerce has been gradually climbing for four consecutive months. Therefore, along with the further implementation of various national reform policies and steady increase in residents' income, China's consumer market is expected to show an overall steady and improving trend in the second half of the year. For the long term, with the rise of the middle class, implementation of the two-child policy, strengthening of female purchasing power and upgrading of personalized demands, structural growth in consumption would remain. Benefitting from consumption upgrade, the "She Economy", "Fun Economy" and "Kids Economy" are expected to maintain a high growth rate.

Springland will cater to the cognitive and consumption habits of consumers by combining these hot features, actively seek the way of development to increase operating efficiency, applying new technologies and ideas to achieve innovation within our supply chains, stores, marketing efforts, services as well as management, so as to maintain a steady profitability.

FINANCIAL REVIEW

TSP and Revenue

TSP continued to be under pressure in the challenging market environment, the continuing weak consumer sentiment and fierce competition. The Group's TSP were RMB5,712 million for the six months ended 30 June 2016.

For the six months ended 30 June 2016, TSP of the department store business decreased to RMB4,230 million, representing a decline of 0.9% from the same period in 2015 and same store sales dropped by approximately 9.0%. TSP of supermarket business increased to RMB1,482 million, representing an increase of 2.5% from the corresponding period in 2015 and same store sales dropped by approximately 9.1%.

	For the six months ended 30 June					
	2016			2015		
	Department store business	Supermarket business	Total (RMB'million)	Department store business	Supermarket business	Total
Revenue	866	1,346	2,212	876	1,327	2,203
<i>Add/ (less)</i>						
Provision of food and beverage services	(1)	-	(1)	-	(1)	(1)
Commission income from concessionaire sales	(643)	(24)	(667)	(676)	(22)	(698)
Gross revenue from concessionaire sales	4,008	160	4,168	4,068	142	4,210
TSP	4,230	1,482	5,712	4,268	1,446	5,714
Representing:						
Direct sales	167	1,292	1,459	162	1,278	1,440
Gross revenue from concessionaire sales	4,008	160	4,168	4,068	142	4,210
Rental income	55	30	85	38	26	64
TSP	4,230	1,482	5,712	4,268	1,446	5,714
Same Store sales change	-9.0%	-9.1%		-3.3%	0.2%	

For the six months ended 30 June 2016, the revenue of the Group amounted to RMB2,212 million, representing an increase of 0.4% from RMB2,203 million, as compared to the same period of 2015. Revenue from the department store business decreased to approximately RMB866 million, representing a decrease of 1.1% and revenue from the supermarket business increased to approximately RMB1,346 million, representing an increase of 1.4% as compared to the same period last year.

Department store business:

For the six months ended 30 June 2016, TSP from the department store business decreased to RMB4,230 million (six months ended 30 June 2015: RMB4,268 million) and same store sales dropped by approximately 9.0%. During the period, gross revenue from concessionaire sales contributed approximately 94.7% (six months ended 30 June 2015: 95.3%) and direct sales contributed approximately 4.0% (six months ended 30 June 2015: 3.8%) to TSP in respect of the department store business. Rental income from department store increased 45% to RMB55 million for the period.

TSP by top five stores

The aggregate contribution to TSP from the five largest department stores decreased to 53.9% in the current period from approximately 58.0% in the same comparable period in 2015.

TSP by merchandise categories

The proportion of sale proceeds of department stores from various merchandise categories for the six months ended 30 June 2016 and the corresponding period in 2015 are as follows: fashion and apparel accounted for approximately 39.3% (2015: 38.8%); merchandise related to cosmetics and accessories accounted for approximately 29.4% (2015: 31.0%); footwear accounted for approximately 9.5% (2015: 10.1%); 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 21.8% (2015: 20.1%).

Commission rate from concessionaire sales and comprehensive gross margin³

For the six months ended 30 June 2016, the commission rate from concessionaire sales was 16.0%, representing a reduction of 0.6 percentage point from 16.6% of the same period in 2015. The decrease was mainly due to increase in discount and rebate to customer. The Group intends to maintain the stability of its commission rate by conducting periodic reviews and enhancing the merchandise mix to reflect the changing consumer demands. The Comprehensive Gross Margin was 21.4% for the six months ended 30 June 2016 (six months ended 30 June 2015: 21.0%).

³ Comprehensive Gross Margin = comprehensive gross profit / TSP. Comprehensive gross profit = gross profit of direct sales + commission income from concessionaire sales + rental income + other income (services fee collected from concessionaires and suppliers)

Supermarket business:

For the six months ended 30 June 2016, TSP of supermarket business reached RMB1,482 million, representing an increase of 2.5% as compared to the corresponding period in 2015. It resulted from the net off of drop in same store sales of 9.1% and sales contributed from the newly opened supermarkets. During the period, direct sales contributed approximately 87.2% (six months ended 30 June 2015: 88.4%) and concessionaires sales contributed approximately 10.8% (six months ended 30 June 2015: 9.8%) of TSP of the supermarket business.

TSP by top five stores

The aggregate contribution to TSP generated from the five largest supermarkets decreased to 33.8% for the six months ended 30 June 2016 from approximately 37.6% for the same comparable period in 2015.

TSP by merchandise categories

The proportion of sale proceeds of supermarkets from various merchandise categories for the six months ended 30 June 2016 and the corresponding period in 2015 are as follow: fresh food accounted for approximately 40.4% (2015: 39.0%); dry foods accounted for approximately 32.3% (2015: 32.5%), non-food accounted for approximately 23.0% (2015: 24.4%); and the remaining categories, including rental income and others, accounted for the remaining 4.3% (2015: 4.1%).

Direct sales margin and comprehensive gross margin

Revenue from direct sales in the supermarket business increased from RMB1,278 million for the six months ended 30 June 2015 to RMB1,292 million for the six months ended 30 June 2016, representing an increase of 1.2%. For the six months ended 30 June 2016, direct sales margin for supermarket business was 11.8%, representing a reduction of 1.4 percentage points from 13.2% of the corresponding period in 2015 and Comprehensive Gross Margin was approximately 24.2%, representing an increase of 0.9 percentage point from 23.3% for the same period in 2015. The drop in direct sales margin was due to the increased seasonal promotion and adjustment in the mix of merchandise categories. The Group kept the Comprehensive Gross Margin relatively stable by expanding the sales contributions from fresh food products, increasing food quality and reducing wastage by investing in equipment and technical input.

Purchases of and changes in inventories

Purchases of and changes in inventories represented the cost of merchandise that purchased from suppliers for resale under the direct sales business model. For the six months ended 30 June 2016, purchases of and change in inventories increased to approximately RMB1,293 million, representing an increase of 3.1% as compared to the same period last year. The growth was due to the increase in direct sales.

Expenses

For the six months ended 30 June										
	2016					2015				
	Department store business	Super market business	Head quarter	Total	% of TSP	Department store business	Super market business	Head quarter	Total	% of TSP
	(RMB million)					(RMB million)				
Staff costs	158	126	44	328	5.7%	140	114	38	292	5.1%
Depreciation & amortization	174	44	2	220	3.9%	134	36	2	172	3.0%
Rental expenses	3	33	3	39	0.7%	20	35	2	57	1.0%
Other expenses	211	67	35	313	5.5%	155	58	27	240	4.2%
Total	546	270	84	900	15.8%	449	243	69	761	13.3%

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

For the six months ended 30 June 2016, total expenses of the Group as a percentage of TSP increased to approximately 15.8% (six months ended 30 June 2015: 13.3%) and total expenses increased by 18.2% to RMB900 million (six months ended 30 June 2015: RMB761 million). The growth was primarily attributable to the increase in the number of stores in expansion of stores network, including a new opening of Yixing Yaohan Lifestyle Shopping Mall in November 2015 and Jiaxing Yaohan Lifestyle Shopping Mall in January 2016, which resulted in the rise in staff costs, depreciation and amortization and other operating expenses, as well as an one-off expenses on the disposal loss of property, plant and equipment, impairment of goodwill and other operating expenses of approximately RMB36 million on the closing down of Nanjing Yaohan store.

However, the Group's department stores and supermarkets that are sited in self-owned properties reached 91.2% and 39.0% of the gross floor areas respectively. The self-owned properties mitigated rental cost increases.

Other income and gains

Other income and gains included fee income from suppliers, government subsidy income, interest income and other gains.

For the six months ended 30 June 2016, fee income from suppliers increased to RMB333 million (30 June 2015: RMB 282 million). Fee income from suppliers including promotion fees, management fees paid by suppliers for participating in the promotional activities, reimbursing electricity charge and material, etc. The increase in fee income from suppliers was mainly due to increase in amount received from suppliers for new stores opening.

Profit from operations and operating margin

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

	For the six months ended 30 June	
	2016	2015
	(RMB' million)	
Operating profits by business unit:		
Department store	358	449
Supermarket	89	94
	447	543
<i>Head office and non-operating and unallocated expenses</i>		
Net finance (expenses) / income	(25)	22
Other unallocated gains	11	12
Corporate and other unallocated expenses	(84)	(69)
Share of loss of a joint venture	-	(3)
Profit before tax	349	505
Income tax expenses	(110)	(147)
Profit for the period	239	358

Operation profit for the Group (excluding interest and unallocated gains, corporate and other unallocated expenses and finance costs) decreased to RMB447 million for the six months ended 30 June 2016 from RMB543 million for the corresponding period in 2015, representing a decrease of 17.7%.

For the six months ended 30 June 2016, operation profit for the department store business drop by 20.3% to RMB358 million (six months ended 30 June 2015: RMB449million) and operation margin as a percentage of TSP for department stores decreased to approximately 8.5% (six months ended 30 June 2015: 10.5%). For the supermarket business, profit from operations decreased by approximately 5.2% to RMB89 million (six months ended 30 June 2015: RMB94million) and operating margin as a percentage of TSP decreased to approximately 6.0%, representing a drop of 0.5 percentage point from 6.5% for the same period last year.

Net finance (expenses)/income

Total finance costs increased from RMB34 million to RMB42 million during the period compared with the corresponding period last year. The increase in finance costs was due to the combined effect on increase in total interest expenses and drop in the amount of capitalized interest. During the six months ended 30 June 2016, approximately RMB26 million (six months ended 30 June 2015: RMB43 million) of the interest expenses has been capitalized as property under development.

Net finance (expenses)/income comprised interest income from surplus cash net interest expenses on interest-bearing debts.

Profit before tax

Profit before tax reached RMB349 million for the six months ended 30 June 2016, representing a decrease of 31.0% from the corresponding period last year.

Income tax expenses

Resulted from the decrease in profit before tax, income tax expenses for the six months ended 30 June 2016 cut down RMB37 million from the same period in 2015. The effectively tax rate staged at 31.5% (six months ended 30 June 2015: 29.1%).

Profit for the period and profit for the period attributable to owners of the parent

Profit for the period reached approximately RMB239 million for the six months ended 30 June 2016 (six months ended 30 June 2015: RMB358 million).

Profit for the period attributable to owners of the parent company decreased to approximately RMB239 million for the six months ended 30 June 2016, representing a decline of approximately 31.6% from RMB350 million for the same comparable period in 2015. For the six months ended 30 June 2016, the net profit margin in term of TSP was 4.2% (six months ended 30 June 2015: 6.1%) and the net profit margin in term of revenue was 10.8% (six months ended 30 June 2015: 15.9%). Basic earnings per share attributable to ordinary equity holders of the parent was RMB10 cents for the period

EQUITY AND FINANCING

Equity

At 30 June 2016, the equity attributable to owners of the parent amounted to RMB5,068 million, representing an increase of RMB40 million from 31 December 2015.

During the six months ended 30 June 2016, the Company repurchased 37.7 million shares for a total consideration (including expense) of approximately HK\$43 million.

Funding model

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

In February 2016, the Group obtained approval from the National Association of Financial Market Institutional Investors to issue medium-term notes in one or more tranches 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. On 25 March 2016, the Group issued the first tranche of medium-term notes at par value of RMB300million with the nominal interest rate of 4.78% per annum and the effective interest rate of 5.13% per annum. The medium-term notes are issued to institutional investors in the Inter-bank Bond Market in the PRC.

In May 2016, the Group obtained approval from the China Securities Regulatory Commission and the Shanghai Stock Exchange to issue the domestic corporate bonds in one or more tranches with an aggregate principal amount of up to RMB2.0 billion with a term of no more than 5 years from the date of issuance to qualified investors in the PRC. On 21 June 2016, the Group issued the first tranche of corporate bonds at par value of RMB800 million with a term of 3 years from the date of issuance with the nominal interest rate of 4.87% per annum and the effective interest rate of 5.22% per annum. The interest shall be paid on an annual basis. The corporate bonds are issued to qualified investors in the PRC as well as listed and traded on the Shanghai Stock Exchange.

Gearing

The Group has been carefully and healthy in using debt gearing to expand the business in accordance with the business strategy. At 30 June 2016, the Group's gearing ratio stayed at 52% (31 December 2015: 51%). The gearing ratio is calculated by net debt (including bank borrowings, short-term financing notes, medium-term notes, corporate bonds, trade payables and other payables and accruals minus time deposits and cash and cash equivalents) divided by the capital plus net debt of the Group.

Liquidity, foreign exchange and interest rate exposure

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 stable 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's exposure to the risk of changes in market interest rates related primarily to the Group's bank loans with floating interest rates. The Group manages its interest rate exposure and foreign exchange risk by performing regular review of the Group's interest rate and net foreign exchange exposures. Due to the fluctuation of RMB, the Group has reduced the position of borrowings denominated in HK\$ or US\$. For the six months ended 30 June 2016, the Group recorded net foreign exchange losses of approximately RMB4 million (six months ended 30 June 2015: RMB16million).

Capital expenditure and capital commitment

Capital expenditure of the Group during the six months ended 30 June 2016 amounted to approximately RMB443 million (31 December 2015: RMB2,980 million). The capital expenditure mainly represented the investment in the construction of Anqing and Wuhu projects and the increase in property, plant and equipment due to the new opening of Jiaying Yaohan Lifestyle Shopping Mall.

Capital commitment as of 30 June 2016 amounted to RMB440 million (31 December 2015: RMB685 million), representing mainly construction items which contracted but not provided for 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 six 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.

Restricted cash

Pursuant to the relevant rules and regulations issued by the Ministry of Commerce of the PRC, the Group was required to deposit bank balances in the Group's designated accounts or through issuing the letter of bank guarantee, total amount of which shall not be less than 30% of the balance of advances from customers for sales of prepaid cards. As at 30 June 2016, the Group has deposited cash in the amount of RMB107 million (31 December 2015: RMB105 million) in the Group's designated accounts.

CONTINGENT LIABILITIES

As at 30 June 2016 and 31 December 2015, the Group had no material contingent liabilities.

HUMAN RESOURCES

As at 30 June 2016, the Group employed a total of 8,596 full-time employees, of which 4,029 served the department store business and of which 4,462 served the supermarket business (31 December 2015: 8,215 full-time employee, of which 3,713 served the department store business and of which 4,398 served the supermarket business). Employees included management staff, salesmen, workers for the logistics supporting system and other supporting staff. The staff cost incurred for the six months ended 30 June 2016 were approximately RMB328 million (six months ended 30 June 2015: RMB292 million).

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

CONNECTED TRANACTIONS

During the six months ended 30 June 2016, the Group entered into the following continuing connected transactions.

On 30 April 2014, Jiangsu Springland International Holdings (Group) Ltd (“Jiangsu Springland”) and Wuxi Xishan Yaohan Lifestyle Center Co., Ltd (“Xishan Yaohan”), being indirect wholly-owned subsidiaries of the Company, as sellers entered into an agreement with Mr. Chen whereby Jiangsu Springland disposed the Financial Product and Xishan Yaohan disposed the Deposit for RMB180 million and RMB100 million respectively to Mr. Chen. It is agreed that the consideration shall be paid on or before 31 December 2014.

On 16 December 2014, Jiangsu Springland, Xishan Yaohan and Mr. Chen entered into the supplemental agreement and extended the payment date for the RMB182 million to 31 December 2016. The amount was the outstanding consideration due from Mr. Chen from the disposal of the above Financial Product and the Deposit by Jiangsu Springland and Xishan Yaohan respectively. Starting from 1 January 2015, an interest with 3.5% per annum is charged on the amount due from Mr. Chen. As at 30 June 2016, the Group had an outstanding balance due from the controlling shareholder in the amount of RMB153 million (2015: RMB182 million).

Mr. Chen, the Chairman and the controlling shareholder of the Company, is a connected person of the Company under the Listing Rules. Details of the transactions have been set out in the announcements dated 2 May 2014 and 16 December 2014 issued by the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

The Company complied with the code provisions set out in the Code on Corporate Governance Practice (the “Corporate Governance Code”) and Corporate Governance Report under Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange throughout the six months ended 30 June 2016. No incident of non-compliance by Directors was noted by the Company in the period.

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 on the Stock Exchange 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 throughout the six months ended 30 June 2016.

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

During the six months ended 30 June 2016, pursuant to the general mandate given to the Directors of the Company, the Company repurchased a total of 37,685,000 ordinary shares of HK\$0.01 each of the Company on the Stock Exchange at an aggregate consideration of approximately HK\$43 million. 33,176,000 repurchased shares were cancelled during the period. On 30 June 2016, 4,509,000 repurchased shares were not cancelled and recognized as treasury shares with nominal value of approximately HK\$45,000, equivalent to RMB39,000. Particulars of the shares repurchased during the six months ended 30 June 2016 are as follows:

Month of repurchase	No. of shares of HK\$0.01 each	Price per share		Aggregate consideration HK\$’000	Aggregate consideration equivalent to RMB’000
		Highest	Lowest		
		HK\$	HK\$		
April 2016	5,740,000	1.54	1.40	8,518	7,092
May 2016	11,785,000	1.33	1.00	14,289	12,101
June 2016	20,160,000	1.04	0.95	20,151	17,222
	<u>37,685,000</u>			<u>42,958</u>	<u>36,415</u>

Subsequent to 30 June 2016 and up to the date of this announcement, the Company repurchased a total of 11,605,000 shares at an aggregate consideration of approximately HK\$11.9 million. The number of issued shares of the Company as of 30 June 2016 and the date of this announcement is 2,387,874,000.

The Directors consider that 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 period.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public.

DIRECTORS' RESPONSIBILITY IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the interim financial statements of the Company. The Directors consider that in preparing the unaudited condensed consolidated interim financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed. The Directors are not aware of any material or significant exposures exist, other than as reflected in this announcement. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The unaudited condensed consolidated interim financial statements are continually prepared on a going concern basis.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016. The Audit Committee is appointed by the Board of Directors and has three members, all of whom are Independent Non-executive Directors, being Dr. Lin Zhijun (chairman), Dr. Zhang Weijiong and Mr. Cheung Yat Ming.

INTERIM DIVIDEND

The Board proposed to pay an interim dividend of HK\$3 cents per ordinary share of the Company for the six months ended 30 June 2016 to the shareholders whose names appear on the register of members of the Company on 26 September 2016. It is expected that the interim dividend will be paid on or about 20 October 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 22 September 2016 to 26 September 2016 (both days inclusive) during which period no transfer of share(s) will be effected. In order to qualify for the interim dividend, all transfer 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 21 September 2015.

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 interim report for the six months ended 30 June 2016 will be dispatched to shareholders of the Company and published on the above mentioned websites in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank all the Directors, senior management and staff members of the Group for their invaluable contribution to the Group. My gratitude also goes to all the shareholders and business partners for their constant care and support.

By order of the Board

Chen Jianqiang

Chairman

Hong Kong, 16 August 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.