

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SPRINGLAND
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)

**CLARIFICATION ANNOUNCEMENT IN RELATION TO
THE ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2010**

The Board would like to make certain clarifications with regard to its 2010 annual results announcement issued on 16 March 2011 relating to the Company's use of proceeds received from its initial public offering in October 2010 and the ageing analysis of the accounts payable of the Group.

Reference is made to the announcement dated 16 March 2011 in relation to the annual results of the Company for the year ended 31 December 2010 (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

The board of directors (the "**Board**") of Springland International Holdings Limited (the "**Company**") would like to make certain clarifications with regard to the Announcement relating to the Company's use of proceeds received from its initial public offering in October 2010 (the "**IPO**") and the ageing analysis of the accounts payable of the Group.

USE OF IPO PROCEEDS

The Board has come to notice that the relevant descriptions in the section headed "Use of Proceeds from Initial Public Offering" in the Announcement did not accurately reflect the actual usage of the proceeds from the IPO. As opposed to applying the IPO proceeds in full in the year ended 31 December 2010 as stated in the Announcement, the Company has only applied a total of HK\$1,059.2 million out of the aggregate amount of IPO proceeds of HK\$2,854.3 million.

In particular, the Board would like to clarify that: (i) the amount of HK\$1,580 million used for repayment of bank loan during the year ended 31 December 2010 as stated in the Announcement consisted of HK\$714 million from IPO proceeds (equivalent to approximately 25% of the total IPO proceeds received by the Company), and HK\$866 million from internal resources of the Group; and (ii) only HK\$284 million (as opposed to HK\$1,213 million as stated in the Announcement) out of the IPO proceeds, were used as working capital of the Group during the year ended 31 December 2010, which mainly comprised of inventories costs, operation costs in relation to supermarket business and repayment of trade payable to concessionaires, as well as payment of staff salaries and benefits.

As such, during the year ended 31 December 2010, the Board has utilized the IPO proceeds in accordance with the proposed usages and in the respective proportions as set out in the Company's prospectus dated 8 October 2010 (the "**Prospectus**"). The unutilized portion of the IPO proceeds is currently deposited with banks in Hong Kong and the PRC and the Company plans to utilize the remaining portion of such IPO proceeds in accordance with the proposed usages and in the respective portions as set out in the Prospectus.

Accordingly, the section headed "Use of Proceeds from the Initial Public Offering" as set out on page 23 of the Announcement should read as follows:

"The proceeds from the Company's issue of new shares at the time of its listing on the Stock Exchange in October 2010, after deduction of related issuance expenses, amounted to approximately HK\$2,854.3 million (equivalent to approximately RMB2,451.8 million). A total of HK\$1,059.2 million of the aggregate proceeds from the Company's initial public offering was applied during the year ended 31 December 2010 in accordance with the proposed applications set out in the Company's prospectus, in the following ways:

- approximately HK\$60.0 million (equivalent to RMB51.5 million) was used to develop the department stores and supermarkets networks currently under construction; refurbishing or expanding existing stores and developing other suitable department store or supermarket opportunities to be implemented in the Greater Yangtze River Delta region;
- approximately HK\$714 million (equivalent to RMB612.8 million) was used to repay bank loans;
- approximately HK\$1.2 million (equivalent to RMB1.0 million) was used to further develop the management system, enhance the logistics support system and to expand the headquarters of the Group; and
- approximately HK\$284 million (equivalent to RMB243.8 million) was applied as additional working capital of the Group."

AGEING ANALYSIS

Furthermore, the Company noted that ageing analysis of its accounts payable as required under paragraph 4(2)(c)(ii) of Appendix 16 to the Listing Rules has not been included in the Announcement.

Accordingly, the Company would like to clarify the following information in the Announcement:

1. the following note be added in respect of the item, “Trade payables” under the section headed “**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2010**” on page 3 of the Announcement, as note “**13. Trade payables**” of the section headed “**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**” of the Announcement:

“13. Trade payables

The trade payable are non-interest-bearing and are normally settled terms up to 60-day.

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

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Within three months	692,302	517,835
Over three months but within six months	51,903	58,546
Over six months but within one year	33,032	9,818
Over one year	17,406	11,346
	<u>794,643</u>	<u>597,545</u>

Included in the above balances was an amount due to Shanghai Fengziyi Company Limited (上海風姿逸有限公司), which was 50% owned by a relative of a director, Mr. Chen Jianqiang, of RMB499,000 as at 31 December 2010 (2009: RMB581,000).

Included in the above balances was an amount due to Jiangsu Spring Trading Co., Ltd., which was controlled by a relative of a director, Mr. Chen Jianqiang, of RMB2,598,000 as at 31 December 2009.”

2. note “**13. Issued capital**” of the section headed “**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**” of the Announcement be amended as note “**14. Issued capital**” on pages 11 and 12 of the Announcement.

For the avoidance of doubt, all other information in the Announcement remained unchanged.

By order of the Board

Chen Jianqiang

Chairman

Hong Kong, 22 March 2011

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