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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY**

The Board is pleased to announce that on 13 April 2011, Wuxi Springland, an indirect wholly-owned subsidiary of the Company, as purchaser and Xuancheng Development as vendor entered into the Framework Agreement pursuant to which Wuxi Springland agreed to purchase and Xuancheng Development agreed to sell the Property for an aggregate cash consideration of RMB461.62 million, subject to adjustment upon the terms set out in the Framework Agreement. The Land on which the Property will be constructed, is situated at the prime location on Diezhang Road of Xuancheng City, Anhui Province in the PRC. The Expected Gross Floor Area of the Property under the Framework Agreement is approximately 53,000 square meters.

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate amount payable by the Group under the Framework Agreement exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 13 April 2011, Wuxi Springland Investment Management Co., Ltd. (“**Wuxi Springland**”), an indirect wholly-owned subsidiary of the Company, as purchaser and Xuancheng Guo Gou Plaza Development Company Limited (“**Xuancheng Development**”), as vendor entered into the Framework Agreement pursuant to which Wuxi Springland agreed to purchase and Xuancheng Development agreed to sell the Property for an aggregate cash consideration of RMB461.62 million, subject to adjustment upon the terms set out in the Framework Agreement. The Land on which the Property will be constructed, is situated at the prime location on Diezhang Road of Xuancheng City, Anhui Province in the PRC, with thriving business atmosphere in the surrounding areas and favourable geographical location. The Expected Gross Floor Area of the Property under the

Framework Agreement is approximately 53,000 square meters. The Company plans to open a new department store and supermarket in the Property to be acquired.

THE FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are as follows:

Date : 13 April 2011

Parties : (1) Xuancheng Development, as vendor
(2) Wuxi Springland, an indirect wholly-owned subsidiary of the Company, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Xuancheng Development and its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

Subject Matter : The Property with an Expected Gross Floor Area of 53,000 square meters in the Building to be constructed by Xuancheng Development situated on the Land.

The construction of the Building is currently expected to be completed in or around May 2012.

Consideration : The Consideration for the acquisition of the Property is RMB461.62 million (subject to adjustment as described below) and shall be settled in cash by Wuxi Springland in six instalments payable upon completion of different stages of construction of the Property according to the terms of the Framework Agreement.

The Consideration was determined based on arm's length negotiation between Wuxi Springland and Xuancheng Development taking into account, among other things, the prime location of the Property and the potential for business expansion in the area where the Property will be constructed. The Company intends to fund the Consideration by internal resources.

Adjustment of the Consideration : The Consideration for the acquisition of the Property shall be adjusted in the following manner:

- (i) if the Actual Gross Floor Area exceeds the Expected Gross Floor Area by more than 1% but less than or equal to 3%, an additional amount equivalent to the difference of the Actual Gross Floor Area and the Expected Gross Floor Area times the relevant Unit Construction Price shall be payable by Wuxi Springland;

- (ii) if the Actual Gross Floor Area is less than the Expected Gross Floor Area by more than 1% but less than or equal to 3%, an amount equivalent to the difference of the Actual Gross Floor Area and the Expected Gross Floor Area times the relevant Unit Construction Price shall be deducted;
- (iii) if the Actual Gross Floor Area exceeds the Expected Gross Floor Area by more than 3% and Wuxi Springland does not elect to terminate the Framework Agreement, an additional amount equivalent to the difference of the Actual Gross Floor Area and the Expected Gross Floor Area within 3% of the Expected Gross Floor Area times the relevant Unit Construction Price shall be payable by Wuxi Springland; and
- (iv) if the Actual Gross Floor Area is less than the Expected Gross Floor Area by more than 3% and Wuxi Springland does not elect to terminate the Framework Agreement, an aggregate amount of (a) the difference of the Actual Gross Floor Area and the Expected Gross Floor Area within 3% of the Expected Gross Floor Area times the relevant Unit Construction Price and (b) 2 times of the amount equivalent to the difference of the Actual Gross Floor Area and the Expected Gross Floor Area exceeding 3% of the Expected Gross Floor Area times the relevant Unit Construction Price, shall be deducted.

After taken into the above adjustments on the Consideration, the maximum amount of the Consideration for the acquisition of the Property shall be RMB476.51 million.

- Completion** : Completion shall take place within 7 days from the delivery of the building ownership certificate of the Property registered in the name of Wuxi Springland, which shall be on or before 20 May 2012.
- Other terms** : Xuancheng Development has also granted Wuxi Springland a perpetual licence to use 200 car parking lots with an expected site area of approximately 7,000 square meters situated on the Land at nil consideration so long as Wuxi Springland remains as the owner of the Property.

Wuxi Springland may terminate the Framework Agreement if the Actual Gross Floor Area is less than or more than the Expected Gross Floor Area by more than 3%. If Wuxi Springland elects to terminate the Framework Agreement, Xuancheng Development shall return all or any part of the Consideration received by it in full together with interest at a rate of 0.05% per day thereon within 30 days from the termination of the Framework Agreement.

If Completion delays for more than 90 days from 20 May 2012, Wuxi Springland may terminate the Framework Agreement and Xuancheng Development shall repay all Consideration then received by it within 15 days from the notice of termination from Wuxi Springland and a penalty equivalent to 10% of the Consideration as set out in the Framework Agreement before adjustment.

If Completion delays for more than 90 days from 20 May 2012 and Wuxi Springland does not elect to terminate the Framework Agreement, Xuancheng Development shall pay a penalty equivalent to 0.05% of the Consideration already received by it on a daily basis until the actual date of Completion and a penalty equivalent to 10% of the Consideration as set out in the Framework Agreement before adjustment.

The Property is pre-sold by Xuancheng Development prior to its completion of construction and the Vendor has not obtained the pre-sale permit of Commodity Units (商品房預售許可證) for the Property. Within 15 days after the issuance of the Pre-sale Permit of Commodity Units from the relevant PRC authority, Wuxi Springland and Xuancheng Development shall enter into a formal property sale and purchase agreement in respect of the Acquisition.

INFORMATION ON THE GROUP, XUANCHENG DEVELOPMENT AND THE PROPERTY

The Group is a dual-format retail chain operator in the Greater Yangtze River Delta and is principally engaged in the operation of both department stores and supermarkets in the Greater Yangtze River Delta.

So far as the Directors are aware, Xuancheng Development is the owner of the Land and the Property and is principally engaged in real estate development in the PRC.

The Land on which the Property will be constructed, is situated at the prime location on Diezhang Road of Xuancheng City, Anhui Province, with thriving business atmosphere in the surrounding areas and favourable geographical location. Xuancheng City is in the southern part of Anhui province, which is in close proximity with the border connecting Anhui province and Zhejiang province. It is also a major transportation passageway for the south eastern coastal regions of the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Board is of the view that the Property is strategically located at the heart of Xuancheng City in an easily accessible region and along a major transportation passageway, making it an ideal location with great potential for expansion of the network of department stores and supermarkets of the Group. Therefore, the establishment of the new department store and supermarket in the Property will enhance the Company's scale of operations and will further strengthen the Company's market position in Anhui Province. The Board considers that the terms of the Framework Agreement are fair and reasonable and are in the interests of the shareholders of the Company as a whole. The Board also believes that the acquisition of the Property for the operation of the department store and supermarket is in line with the long-term development strategy of the Company and will strengthen the Company's position and business development in the Greater Yangtze River Delta region.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the aggregate amount payable by the Group under the Framework Agreement exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the acquisition of the Property pursuant to the Framework Agreement
“Actual Gross Floor Area”	the aggregate actual gross floor area of the Property as shown on its building ownership certificate to be issued by the relevant PRC authority
“Board”	the board of directors of the Company
“Building”	a building to be constructed and developed by Xuancheng Development located at the Land with an estimated total site area of approximately 57,906 square meters and to be used for residential, commercial and business purposes
“Company”	Springland International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed in on the Main Board of the Stock Exchange
“Completion”	completion of the Framework Agreement

“Consideration”	RMB461.62 million, being the estimated aggregate consideration for the transfer of the Property under the Framework Agreement, subject to adjustment upon the terms set out in the Framework Agreement
“Directors”	the director(s) of the Company
“Expected Gross Floor Area”	the aggregate expected gross floor area of the Property of approximately 53,000 square meters
“Framework Agreement”	合作框架協議書 (Cooperation Framework Agreement) dated 13 April 2011 in respect of the sale and purchase of the Property entered into between Wuxi Springland as purchaser and Xuancheng Development as vendor
“Greater Yangtze River Delta”	the region that comprises the triangular-shaped territory that comprises Shanghai, Jiangsu province and Zhejiang province of the PRC, which includes 16 relatively developed provincial-level and prefecture-level municipalities, such as Shanghai, Nanjing, Suzhou, Wuxi, Yangzhou, Nantong, Changzhou, Zhenjiang, and Taizhou (泰州), and Zhejiang’s Hangzhou, Ningbo, Shaoxing, Huzhou, Jiaxing, Zhoushan and Taizhou (台州) as well as Anhui province in the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a plot of land with an estimated total site area of 57,906 square meters, which is located at the northern side of Diezhang Road and western side of Zhuangyuan Road, Xuancheng City, Xuanzhou District, PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“PRC”	The People’s Republic of China
“Property”	Basement Level 1, Ground Floor and Levels 1 to 4 of the Building with an Expected Gross Floor Area of approximately 53,000 square meters situated on the Land

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Unit Construction Price”	RMB5,000 per square meter in respect of Basement Level 1 and RMB9,368 per square meter in respect of Ground Floor and Levels 1 to 4 of the Building
“Wuxi Springland”	無錫華地投資管理有限公司 (Wuxi Springland Investment Management Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Xuancheng Development”	宣城國購廣場開發有限公司 (Xuancheng Guo Gou Plaza Development Company Limited*), a limited liability company incorporated in the PRC
“%”	per cent

** The English name is a translation of its Chinese name and is included for identification purposes only.*

By order of the Board of Directors
Chen Jianqiang
Chairman

Hong Kong, 13 April 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.