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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)

**CONNECTED TRANSACTION
ACQUISITION OF NANJING YAOHAN COMMERCE & TRADE**

Reference is made to the Option granted by Wuxi Yinian to Wuxi Yaohan Commerce & Trade, a wholly-owned subsidiary of the Company, as disclosed in the Prospectus.

The Board is pleased to announce that on 13 March 2013, Wuxi Yaohan Commerce & Trade and Wuxi Yinian executed the Confirmation, where they agreed and consented that Zhenjiang Yaohan Commerce & Trade, a wholly-owned subsidiary of the Company, may exercise the Option in place of Wuxi Yaohan Commerce & Trade, and on the same date, the Option was exercised and Zhenjiang Yaohan Commerce & Trade as purchaser and Wuxi Yinian as vendor entered into the Equity Transfer Agreement in relation to the acquisition of the entire equity interest in Nanjing Yaohan Commerce & Trade at nil consideration. The consideration is based on the terms of the Option.

Wuxi Yinian is owned as to 90% by Mr Chen Jianhui, a brother of Mr Chen Jianqiang, a controlling shareholder of the Company and one of the executive Directors. As such, Wuxi Yinian is a connected person of the Company pursuant to the Listing Rules. Under Rule 14A.68 of the Listing Rules, the exercise of the Option by Zhenjiang Yaohan Commerce & Trade through entering into the Equity Transfer Agreement with Wuxi Yinian constitutes a connected transaction of the Company.

Under the terms of the Option and the Confirmation, the exercise of the Option to acquire the entire equity interest in Nanjing Yaohan Commerce & Trade is at the discretion of Zhenjiang Yaohan Commerce & Trade. As the applicable percentage ratios calculated with reference to the transaction contemplated under the Equity Transfer Agreement and Rule 14A.70(2) of the Listing Rules are more than 0.1% but less than 5% under Rule 14A.32 of the Listing Rules, the Acquisition is subject to reporting and announcement requirements, but is exempt from the approval of independent shareholders under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the supplemental agreement dated 29 September 2010 to amend the terms of an equity transfer agreement dated 20 June 2010 in respect of 100% equity interest in Nanjing Yaohan Commerce & Trade, all between Wuxi Yinian and Wuxi Yaohan Commerce & Trade, a wholly-owned subsidiary of the Company, as disclosed in the Prospectus, pursuant to which the Option was granted by Wuxi Yinian to Wuxi Yaohan Commerce & Trade.

The Board is pleased to announce that on 13 March 2013, Wuxi Yaohan Commerce & Trade and Wuxi Yinian executed the Confirmation, where they agreed and consented that Zhenjiang Yaohan Commerce & Trade, a wholly-owned subsidiary of the Company, may exercise the Option in place of Wuxi Yaohan Commerce & Trade, and on the same date, the Option was exercised and Zhenjiang Yaohan Commerce & Trade as purchaser and Wuxi Yinian as vendor entered into the Equity Transfer Agreement in relation to the acquisition of the entire equity interest in Nanjing Yaohan Commerce & Trade at nil consideration. The consideration is based on the terms of the Option.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

Date	:	13 March 2013
Parties	:	(1) Wuxi Yinian, as vendor (2) Zhenjiang Yaohan Commerce & Trade, a wholly-owned subsidiary of the Company, as purchaser
Equity interest proposed to be acquired	:	<p>Zhenjiang Yaohan Commerce & Trade proposed to acquire the entire equity interest in Nanjing Yaohan Commerce & Trade held by Wuxi Yinian.</p> <p>Nanjing Yaohan Commerce & Trade holds and operates a department store, Nanjing Yaohan Store, in Nanjing, Jiangsu Province. The Nanjing Yaohan Store was opened in September 2008.</p>
Consideration	:	<p>The consideration for the acquisition of the entire equity interest in Nanjing Yaohan Commerce & Trade is zero.</p> <p>The consideration was determined based on the terms of the Option.</p>
Completion	:	Completion shall take place on date of the Equity Transfer Agreement
Other Terms:		Wuxi Yinian shall be responsible for all contingent and other liabilities of Nanjing Yaohan Commerce & Trade up to the date of completion of the Acquisition which were not disclosed to Zhenjiang Yaohan Commerce & Trade.

INFORMATION ON THE COMPANY, WUXI YINIAN AND NANJING YAOHAN COMMERCE & TRADE

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, Wuxi Yinian owns the entire equity interest in Nanjing Yaohan Commerce & Trade. Wuxi Yinian is owned as to 90% by Mr Chen Jianhui, a brother of Mr Chen Jianqiang, a controlling shareholder of the Company and one of the executive Directors. Wuxi Yinian is in the business of investment holding.

Nanjing Yaohan Commerce & Trade is a limited liability company established in November 2007 under the laws of the PRC. As at the date of the Equity Transfer Agreement, Wuxi Yinian owned the entire equity interest in Nanjing Yaohan Commerce & Trade. The registered share capital of Nanjing Yaohan Commerce & Trade is RMB 19 million and has been fully paid. Nanjing Yaohan Commerce & Trade engaged in operation of department store and it holds and operates a department store, Nanjing Yaohan Store, in Nanjing, Jiangsu Province. The Nanjing Yaohan Store was opened in September 2008.

Pursuant to the equity transfer agreement dated 20 June 2010 in respect of 100% equity interest in Nanjing Yaohan Commerce & Trade as amended by a supplemental agreement dated 29 September 2010, all between Wuxi Yinian and Wuxi Yaohan Commerce & Trade as disclosed in the Prospectus, Wuxi Yinian acquired the entire equity interest in Nanjing Yaohan Commerce & Trade from Wuxi Yaohan Commerce & Trade at nil consideration, completion of which took place on 28 June 2010. In addition, Wuxi Yinian granted Wuxi Yaohan Commerce & Trade an option (“**Option**”) exercisable by Wuxi Yaohan Commerce & Trade for a term five years from 28 June 2010, and upon its exercise Wuxi Yinian is required to sell 100% equity interest of Nanjing Yaohan Commerce & Trade to Wuxi Yaohan Commerce & Trade at the consideration equal to the lower of (a) the net asset value of Nanjing Yaohan Commerce & Trade determined from the audited financial statements of Nanjing Yaohan Commerce & Trade for the financial year immediately preceding the date of exercise of such option; and (b) the market value of Nanjing Yaohan Commerce & Trade as at the date of exercise of such option as valued by the independent valuer or independent financial adviser jointly appointed by Wuxi Yinian and Wuxi Yaohan Commerce & Trade.

The audited net profit (before and after taxation) in the year ended 31 December 2012 and 2011 of Nanjing Yaohan Commerce & Trade are set out as follows:

	For the year ended 31 December	
	RMB'000	
	2012	2011
Net (loss) before taxation and extraordinary items	(1,279)	(9,683)
Net (loss) after taxation and extraordinary items	(1,023)	(7,151)

Based on the audited accounts prepared under the PRC accounting standards, as at 31 December 2012, the net liabilities value of Nanjing Yaohan Commerce & Trade was approximately RMB 22.7 million. The market value of the Nanjing Yaohan Commerce & Trade will be RMB11.9 million with reference to the fair valuation of Nanjing Yaohan Commerce & Trade by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer jointly appointed by Wuxi Yinian and Zhenjiang Yaohan Commerce & Trade. As a result, the price for exercise of the Option, being the consideration under the Equity Transfer Agreement, is zero.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The terms of the Equity Transfer Agreement were determined in accordance with the terms of the Option which came about from arm's length negotiation between Wuxi Yinian and Wuxi Yaohan Commerce & Trade at the time of grant of the Option. After acquiring the entire equity interest of Nanjing Yaohan Commerce & Trade, the Group will hold and operate Nanjing Yaohan Store. Nanjing Yaohan Store has gross floor areas of 23,000 square meters. It is situated on Hunan Road, Nanjing City and is linked to the exit of Xuanwumen Station of Nanjing subway line I. The Acquisition will enhance the Company's scale of operations and will further strengthen the Company's market position in Jiangsu Province. The Board (including independent non-executive Directors) considers that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable and are in the interests of the shareholders of the Company as a whole. The Board (including independent non-executive Directors) also believes that the Acquisition 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

Wuxi Yinian is owned as to 90% by Mr Chen Jianhui, a brother of Mr Chen Jianqiang, a controlling shareholder of the Company and one of the executive Directors. As a result, Wuxi Yinian is a connected person of the Company pursuant to the Listing Rules. Under Rule 14A.68 of the Listing Rules, the exercise of the Option by Zhenjiang Yaohan Commerce & Trade through entering into the Equity Transfer Agreement with Wuxi Yinian constitutes a connected transaction of the Company.

Under the terms of the Option and the Confirmation, the exercise of the Option to acquire the entire equity interest in Nanjing Yaohan Commerce & Trade is at the discretion of Zhenjiang Yaohan Commerce & Trade.

As the applicable percentage ratios calculated with reference to the transaction contemplated under the Equity Transfer Agreement and Rule 14A.70(2) of the Listing Rules are more than 0.1% but less than 5% under Rule 14A.32 of the Listing Rules, the Acquisition is subject to reporting and announcement requirements, but is exempt from the approval of independent shareholders under Chapter 14A of the Listing Rules.

Mr Chen Jianqiang, a controlling shareholder of the Company and an executive Director, is deemed to have material interests in the Acquisition and have abstained from voting on the Board meeting to approve the Equity Transfer Agreement in related to the Acquisition. Save as disclosed, none of the other Directors has a material interest in the Acquisition.

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 entire equity interest in Nanjing Yaohan Commerce & Trade by Zhenjiang Yaohan Commerce & Trade from Wuxi Yinian in accordance with the Equity Transfer Agreement
“Board”	the board of Directors
“Company”	Springland International Holdings Limited (華地國際控股有限公司), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Equity Transfer Agreement

“Confirmation”	the confirmation dated the date of the Equity Transfer Agreement executed by Wuxi Yaohan Commerce & Trade and Wuxi Yinian, pursuant to which each of them agreed and consented to the exercise of the Option by Zhenjiang Yaohan Commerce & Trade instead of Wuxi Yaohan Commerce & Trade
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the director(s) of the Company
“Equity Transfer Agreement”	股權轉讓合同 (Equity Transfer Agreement) dated 13 March 2013 entered into between Zhenjiang Yaohan Commerce & Trade as purchaser and Wuxi Yinian as vendor in respect of the acquisition of the entire equity interest of Nanjing Yaohan Commerce & Trade
“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
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Nanjing Yaohan Commerce & Trade”	南京八佰伴商貿有限公司((Nanjing Yaohan Commerce & Trade Co., Ltd*), a limited liability company incorporated in the PRC and prior to the Acquisition, a company wholly-owned by Wuxi Yinian. The company holds and operates a department store, Nanjing Yaohan Store, in Nanjing, Jiangsu Province.
“Option”	has the meaning ascribed to such term in the main body of this announcement
“PRC”	The People’s Republic of China

“Prospectus”	the prospectus of the Company dated 8 October 2010
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuxi Yaohan Commerce & Trade”	無錫八佰伴商貿中心有限公司(Wuxi Yaohan Commerce & Trade Centre Co., Ltd*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Wuxi Yinian”	無錫億年投資管理有限公司(Wuxi Yinian Investment Management Co., Ltd.*), a limited liability company incorporated in the PRC, and a connected person of the Company
“Zhenjiang Yaohan Commerce & Trade”	鎮江市八佰伴商貿有限公司 (Zhenjiang Yaohan Commerce & Trade Co., Ltd. *), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“%”	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 March 2013

As at the date of this announcement, the Board comprises four executive Directors, namely Mr Chen Jianqiang, Mr Tao Qingrong, Mr Fung Hiu Lai and Mr Yu Yaoming; 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.