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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
DISPOSAL OF DEPOSIT & FINANCIAL PRODUCT
AND
INSIDE INFORMATION ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 30 April 2014, Jiangsu Springland and Xishan Yaohan, indirect wholly-owned subsidiaries of the Company, entered into the Agreement with Mr. Chen, whereby Jiangsu Springland agreed to dispose the Financial Product to Mr. Chen for RMB180,000,000 and Xishan Yaohan agreed to dispose the Deposit to Mr. Chen for RMB100,000,000. The considerations are determined after considering the costs paid by Jiangsu Springland and Xishan Yaohan for the Financial Product and the Deposit respectively.

As Mr Chen is a controlling shareholder of the Company and one of the executive Directors, he is a connected person of the Company pursuant to the Listing Rules. As the applicable percentage ratios calculated with reference to the Disposal are more than 0.1% but less than 5% under Rule 14A.32 of the Listing Rules, the Disposal is subject to reporting and announcement requirements, but is exempt from the approval of independent shareholders under Chapter 14A of the Listing Rules.

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 30 April 2014, Jiangsu Springland and Xishan Yaohan, indirect wholly-owned subsidiaries of the Company, entered into the Agreement with Mr. Chen, whereby Jiangsu Springland agreed to dispose the Financial Product to Mr.

Chen at a cash consideration equal to at RMB180,000,000 and Xishan Yaohan agreed to dispose the Deposit to Mr. Chen at a cash consideration equal to RMB100,000,000. The considerations are determined after considering the costs paid by Jiangsu Springland and Xishan Yaohan for the Financial Product and the Deposit respectively.

THE AGREEMENT

The principal terms of the Agreement are as follows:

- Date** : 30 April 2014
- Parties** : (1) Jiangsu Springland, an indirect wholly-owned subsidiary of the Company, as vendor
- (2) Xishan Yaohan, an indirect wholly-owned subsidiary of the Company, as vendor
- (3) Mr. Chen Jianqiang, as purchaser.
- Mr. Chen is a controlling shareholder of the Company and one of the executive Directors. As such, Mr. Chen is a connected person of the Company pursuant to the Listing Rules.
- Asset to be disposed** : (1) The Financial Product with a balance of RMB180,000,000; and
- (2) The Deposit of RMB100,000,000.
- Consideration** : RMB280,000,000, being the aggregate of the balance of the Financial Product and the face value of the Deposit, all in cash, and which shall be paid on/before 31 December 2014.
- Completion** : Completion shall take place on the date of the Agreement
- Other Terms:** Mr. Chen shall be responsible for all contingent and other liabilities and losses incurred for recovery of the full amount of the Deposit and the balance of the Financial Product.

INFORMATION ON THE COMPANY, JIANGSU SPRINGLAND & XISHAN YAOHAN

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.

Jiangsu Springland is a limited liability company established on 12 February 1996 under the laws of the PRC, and is an indirect wholly-owned subsidiary of the Company. Jiangsu Springland is engaged in investment holding in the PRC.

Xishan Yaohan is a limited liability company established on 14 August 2013 under the laws of the PRC, and is an indirect wholly-owned subsidiary of the Company. Xishan Yaohan is engaged in operation of department stores in the PRC.

REASONS FOR AND BENEFITS OF THE DISPOSAL

On 15th April 2013, Jiangsu Springland purchased the Financial Product from the Bank at cost.

In January 2014, Xishan Yaohan placed a one year fixed deposit of RMB100,000,000 with the Bank with an interest rate equal to 3.25% per annum (the "**Deposit**"), payable upon maturity.

Upto the date of this announcement, a balance of RMB180,000,000 remains outstanding under the Financial Product. Our management made enquiries with the Bank as soon as they became aware of this event. In the course of enquiries, it was discovered that a pledge has been registered on the Deposit.

As a precaution, our management made full scale enquiries and investigations with all its other banks and financial institutions in the PRC where cash deposits are made or financial products were purchased, and no irregularities were discovered.

It is anticipated that Jiangsu Springland and Xishan Yaohan will incur substantial time, effort and possible legal and other expenses for recovery of the entire balance of the Financial Product and removal of the pledge registered on the Deposit. To reduce further incurrence of time and costs by the Group arising therefrom, Mr. Chen agreed to acquire the Financial Product from Jiangsu Springland for RMB180,000,000 and the Deposit from Xishan Yaohan for RMB100,000,000 in cash. In doing so, at Completion, Jiangsu Springland and Xishan Yaohan would immediately recover the balance under the Financial Product and the Deposit at cost respectively, and prevent possible losses and incurrence of further time and costs by the Group and its shareholders.

The terms of the Disposal were determined following arm's length negotiation between Jiangsu Springland, Xishan Yaohan and Mr. Chen, considering the original costs for purchase of the Financial Product and of the Deposit. Considering the above, the Board (including independent non-executive Directors) believes that the Disposal would prevent incurrence of further time, costs and possible losses to the Group and its shareholders and hence are fair and reasonable and in the interests of the shareholders of the Company as a whole. The Board (including independent non-executive Directors) also believes that the Disposal would allow the Group to fully recover the costs paid by the Group to purchase the Financial Product and the Deposit in an expedient manner without incurring further time and costs.

LISTING RULES IMPLICATIONS

As Mr. Chen is a controlling shareholder of the Company and one of the executive Director, he is a connected person of the Company pursuant to the Listing Rules.

As the applicable percentage ratios calculated with reference to the transaction contemplated under the Agreement are more than 0.1% but less than 5% under Rule 14A.32 of the Listing Rules, the Disposal 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, a controlling shareholder of the Company and an executive Director, is deemed to have material interests in the Disposal and has abstained from voting on the Board resolution to approve the Agreement in relation to the Disposal. Save as disclosed, none of the other Directors has a material interest in the Disposal.

DEFINITIONS

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

“Agreement”	The agreement dated 30 April 2014 between Jiangsu Springland, Xishan Yaohan and Mr. Chen relating to the Disposal
“Bank”	中國建設銀行股份有限公司無錫城北支行 (China Construction Bank Corporation Wuxi Chengbei Branch*) - purchased the Financial Product; and 中國建設銀行股份有限公司無錫迎賓支行 (China Construction Bank Corporation Wuxi Yingbin Branch*) - placed the Deposit
“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 Disposal
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

"Deposit"	has the meaning ascribed to it in the announcement
"Directors"	the director(s) of the Company
"Disposal"	The disposal of the Financial Product by Jiangsu Springland to Mr. Chen for a consideration equal to RMB180,000,000 and the disposal of the Deposit by Xishan Yaohan to Mr. Chen for a consideration equal to RMB100,000,000 on the terms and conditions set out in the Agreement
"Financial Product"	the financial product purchased by Jiangsu Springland from the Bank for RMB200,000,000 maturing on 17 April 2014
"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
"Jiangsu Springland"	江蘇華地國際控股集團有限公司 (Jiangsu Springland International Holding (Group) Ltd.*), a limited liability company incorporated in the PRC on 12 February 1996 and an indirect wholly-owned subsidiary of the Company
"Listing Rules"	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Mr. Chen"	Mr. Chen Jianqiang (陳建強), a controlling shareholder of the Company and an executive Director.
"PRC"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xishan Yaohan”	無錫錫山八佰伴生活廣場有限公司 (Wuxi Xishan Yaohan Lifestyle Center Co., Ltd*), a limited liability company incorporated in the PRC on 14 August 2013 and an indirect 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, 2 May 2014

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.