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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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF
NANTONG YAOHAN COMMERCE & TRADE

The Board is pleased to announce that Wuxi Springland, an indirectly wholly-owned subsidiary of the Company has entered into the S&P Agreement to acquire approximately 38.23% equity interest of Nantong Yaohan Commerce & Trade for an aggregate consideration of approximately RMB348million on 28 October 2015. Nantong Yaohan Commerce & Trade engages in the holding and operation of Nantong Yaohan department store in Nantong City, Jiangsu Province. After Completion of the Acquisition, the Group will hold approximately 96.33% equity interest in Nantong Yaohan Commerce & Trade.

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 for the Acquisition 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 Wuxi Springland, an indirectly wholly-owned subsidiary of the Company has entered into the S&P Agreement to acquire approximately 38.23% equity interest of Nantong Yaohan Commerce & Trade for an aggregate consideration of approximately RMB348million (the “**Acquisition**”) on 28 October 2015. Nantong Yaohan Commerce & Trade engages in the holding and operation of Nantong Yaohan department store in Nantong City, Jiangsu Province. After Completion of the Acquisition, the Group will hold approximately 96.33% equity interest in Nantong Yaohan Commerce & Trade.

THE S&P AGREEMENT

The principal terms of the S&P Agreement are as follows:

Date	:	28 October 2015
Parties	:	(1) 吳美琴 (Ms. Wu Meiqin); 張建平 (Mr. Zhang Jianping); 楊建平 (Mr. Yang Jianping); 巫仲堯 (Mr. Wu Zhongyao); 顧維鈞 (Mr. Gu Weijun); collectively as the Vendors (2) Wuxi Springland .
Equity interest proposed to be acquired	:	Wuxi Springland proposed to acquire approximately 38.23% equity interest in Nantong Yaohan Commerce & Trade held by the Vendors.
Consideration	:	The aggregate consideration of approximately RMB348million, which was paid on 28 October 2015 by bank remittance into bank accounts jointly operated by the Vendors and the Wuxi Springland.
Basis of the Consideration	:	The consideration was determined based on normal commercial terms and after arm's length negotiations between Wuxi Springland and the Vendors, taking into account the terms of the Put Option.
Pre-Completion Procedure	:	After execution of the S&P Agreement, a general meeting of Nantong Yaohan Commerce & Trade shall be held on 29 October 2015 and all the relevant documents for modifying the registered information of Nantong Yaohan Commerce & Trade in respect of the Acquisition shall be submitted to and filed with competent authorities on the same day and after the relevant resolutions regarding the Acquisition were passed on such general meeting.
Completion	:	Completion shall take place on the date when Nantong Yaohan Commerce & Trade receives the new business license and all the requisite registration and filing procedures are completed.

INFORMATION ON THE COMPANY, THE VENDORS AND NANTONG 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 Region.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries as at the date of this announcement, the Vendors (Nantong Promoters and the then minority shareholders of Nantong Yaohan Commerce & Trade) are Independent Third Parties.

Nantong Yaohan Commerce & Trade is a limited liability company established in September 1993 under the laws of the PRC. As at the date of the S&P agreement, Wuxi Springland owned approximately 58.10% equity interest and the Vendors owned approximately 38.23% equity interest in Nantong Yaohan Commerce & Trade. The registered share capital of Nantong Yaohan Commerce & Trade is approximately RMB 31.94 million and has been fully paid. Nantong Yaohan Commerce & Trade engages in the holding and operation of a department store, Nantong Yaohan department store, in Nantong City, Jiangsu Province, which opened in September 1993.

In August 2009, the Nantong Promoters, acting in their own interests and on behalf of Nantong Yaohan Commerce & Trade and its minority shareholders, entered into a framework agreement ("the Nantong Framework Agreement") with Jiangsu Springland for the purpose of coordinating and procuring the acquisition of a controlling interest in Nantong Yaohan Commerce & Trade. As disclosed in the Prospectus, pursuant to the Nantong Framework Agreement, the Group granted each of the Nantong Promoters a Put Option for an indefinite term to sell their shares in Nantong Yaohan Commerce & Trade at the same price per share as agreed in the Nantong Framework Agreement as adjusted in accordance with the change in equity per share from 31 December 2008 to the latest practicable audited financial statements date before the exercise of the Put Option.

The audited net profit (before and after taxation) in the year ended 31 December 2013 and 2014 of Nantong Yaohan Commerce & Trade are set out as follows:

	For the year ended 31 December	
	RMB'000	
	2014	2013
Net profit before taxation and extraordinary items	38,768	29,507
Net profit after taxation and extraordinary items	38,768	29,507

Based on the terms of the Nantong Framework Agreement, if the Put Option was exercised, the Consideration for the acquisition of approximately 38.23% equity interest of Nantong Yaohan Commerce & Trade would have been approximately RMB287.47 million. As the Vendors were unwilling to exercise the Put Option based on the above price, after arm's length negotiation between the parties, the Consideration was agreed for the Acquisition.

The Company determined the Consideration of the Acquisition with reference to the market value of Nantong Yaohan Commerce & Trade and the average market price or assessed value of similar property in the locality. The Consideration will be satisfied by the Group's internal financial resources.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The terms of the S&P Agreement were determined in accordance with arm's length negotiation between Wuxi Springland and the Vendors, taking into account the terms of the Put Option. After acquiring approximately 38.23% equity interest in Nantong Yaohan Commerce & Trade, the Group will hold approximately 96.33% equity interest in Nantong Yaohan Commerce & Trade.

Nantong Yaohan Commerce & Trade holds and operates Nantong Yaohan department store, which has a gross floor area of 58,522 square meters. It is situated on Renmin Middle Road, Nantong City, Jiangsu Province.

The Acquisition will enable the Company to increase its controlling stake in Nantong Yaohan Commerce & Trade and Nantong Yaohan department store and fully implement the Company's management and operation strategies. The Board (including the independent non-executive Directors) believes that the terms of the S&P Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the shareholders as a whole. The Board (including the 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 implementation of the Company's management and operation strategies.

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 for the Acquisition 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 approximately 38.23% equity interest in Nantong Yaohan Commerce & Trade by Wuxi Springland from the Vendors in accordance with the S&P Agreement
“associate”	has the meaning ascribed to such term in the Listing Rules

“Board”	the board of directors of the Company
“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 Acquisition in accordance with the terms and conditions of the S&P Agreement
“Completion Date”	the date on which Nantong Yaohan Commerce & Trade receives the new business license and all the requisite registration and filing procedures are completed
“Directors”	the director(s) of the Company
“Greater Yangtze River Delta”	the region that comprises the triangular-shaped territory that comprised 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 and Zhejiang’s Hangzhou, Ningbo, Shaoxing, Huzhou, Jiaxing, Zhoushan and Taizhou 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
“Independent Third Party”	person, or in the case of company, the company and its ultimate beneficial owner(s), who are independent of and not connected with the Company and its subsidiaries and its connected persons, or their respective associates

“Jiangsu Springland”	江蘇華地國際控股集團有限公司(Jiangsu Springland Enterprise Investment Holding (Group) Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Nantong Yaohan Commerce & Trade”	南通八佰伴商貿股份有限公司(Nantong Yaohan Commerce & Trade Joint Stock Company Limited*, formerly known as 南通市百貨大樓股份有限公司(Nantong General Merchandise Building Co., Ltd.*)), a joint stock company established in the PRC on 16 September 1993 which become the Group’s subsidiary in November 2009. The Group held approximately 58.10% equity interest before the Acquisition
“Nantong Promoters”	collectively 吳美琴 (Ms. Wu Meiqin), 張建平 (Mr. Zhang Jianping), 楊建平 (Mr. Yang Jianping) and 巫仲堯(Mr. Wu Zhongyao), being the promoters of Nantong Yaohan Commerce & Trade during its incorporation and the major shareholders of Nantong Yaohan Commerce & Trade immediately prior to our acquisition of a controlling interest in Nantong Yaohan Commerce & Trade in November 2009
“Put 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
“S&P Agreement”	the sale and purchase agreement dated 28 October 2015 entered into between Wuxi Springland as purchaser and Vendors in respect of the acquisition of approximately [38.23]% equity interest in Nantong Yaohan Commerce & Trade
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	吳美琴 (Ms. Wu Meiqin); 張建平 (Mr. Zhang Jianping); 楊建平 (Mr. Yang Jianping); 巫仲堯 (Mr. Wu Zhongyao); 顧維鈞 (Mr. Gu Weijun);

“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

“%”

per cent

By order of the Board

Chen Jianqiang

Chairman

Hong Kong, 28 October 2015

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.

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