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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
EXTENSION PAYMENT TERM OF
OUTSTANDING CONSIDERATION ARRANGEMENT**

Reference is made to the announcements of the Company dated 2 May 2014 in relation to the connected transaction - Disposal of Deposit & Financial Product and inside information announcement and 16 December 2014 in relation to the connected transaction – Extension Payment Term of Outstanding Consideration Arrangement.

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 and Xishan Yaohan agreed to dispose the Deposit to Mr. Chen for the Consideration of totalling RMB280,000,000, to be paid on or before 31 December 2014. On 16 December 2014, Jiangsu Springland, Xishan Yaohan and Mr. Chen entered into the 2014 Supplemental Agreement and extended the payment date for RMB182,000,000 to 31 December 2016.

On 1 December 2016, Jiangsu Springland, Xishan Yaohan and Mr. Chen entered into the 2016 Supplemental Agreement and extended the payment date for the Outstanding Consideration of RMB118,000,000 to 31 December 2019.

LISTING RULES IMPLICATIONS

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 amount of the 2016 Supplemental Agreement are more than 0.1% but less than 5% under Rule 14A.32 of the Listing Rules, the arrangement is subject to reporting and announcement requirements, but is exempt from the approval of independent shareholders under Chapter 14A of the Listing Rules.

Reference is made to the announcements of the Company dated 2 May 2014 in relation to the connected transaction - Disposal of Deposit & Financial Product and inside information announcement and 16 December 2014 in relation to the connected transaction – Extension Payment Term of Outstanding Consideration Arrangement (the “**Announcements**”). Unless otherwise stated, terms used on this announcement shall have the same meanings as those defined in the Announcements.

On 30 April 2014, Jiangsu Springland and Xishan Yaohan, an indirect wholly-owned subsidiaries of the Company, entered into the agreement with Mr. Chen, whereby Jiangsu Springland agreed to dispose the Financial Product and Xishan Yaohan agreed to dispose the Deposit to Mr. Chen for the total consideration of RMB280,000,000 (“**Consideration**”) to be paid on or before 31 December 2014. On 16 December 2014, Jiangsu Springland, Xishan Yaohan and Mr. Chen entered into the 2014 Supplemental Agreement and extended the payment date for RMB182,000,000 (being the then balance of the Consideration) to 31 December 2016.

On 1 December 2016, Jiangsu Springland, Xishan Yaohan and Mr. Chen entered into the 2016 Supplemental Agreement and extended the payment date for RMB118,000,000 (the balance of the Consideration) (the “**Outstanding Consideration**”) to 31 December 2019.

Since 1 January 2015 and up to the date of the announcement, Mr. Chen settled RMB64,000,000 and interest of RMB11,854,000 in cash to the Group.

THE 2016 SUPPLEMENTAL AGREEMENT

The principal terms of the 2016 Supplemental Agreement are as follows:

Date : 1 December 2016

Parties : (1) Jiangsu Springland, an indirect wholly-owned subsidiary of the Company, as lender;

(2) Xishan Yaohan, an indirect wholly-owned subsidiary of the Company, as lender; and

(3) Mr. Chen Jianqiang, as borrower.

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.

Subject Matter : Pursuant to the 2016 Supplemental Agreement, Jiangsu Springland, Xishan Yaohan and Mr. Chen agreed to extend the payment date for the Outstanding Consideration to 31 December 2019.

Outstanding Consideration	:	RMB118,000,000
Interest rate	:	3.5% per annum, to be charged on the Outstanding Consideration as from 1 January 2017. Interests for the Outstanding Consideration shall be settled by the Borrower on an annual basis.
Term	:	36 months commencing from 1 January 2017
Repayment	:	Mr. Chen shall repay the Outstanding Consideration together with the interest accrued on or before 31 December 2019
Prepayment	:	Mr. Chen may at any time repay the Outstanding Consideration and the interests accrued in full or in part by giving prior written notice before 31 December 2019

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 EXTENSION PAYMENT TERM OF OUTSTANDING CONSIDERATION

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 and Xishan Yaohan agreed to dispose the Deposit to Mr. Chen for the Consideration of totalling RMB280,000,000, to be paid on/before 31 December 2014. On 16 December 2014, Jiangsu Springland, Xishan Yaohan and Mr. Chen entered into the 2014 Supplemental Agreement and extended the payment date for RMB182,000,000 to 31 December 2016.

Mr. Chen has initiated and continuing with the legal proceedings to recover the balance under the Financial Product and the cost of the Deposit. However, a final decision has not been made by the court and the case has not settled.

The terms of the 2016 Supplemental Agreement, including the interest rate applicable, were determined following arm's length negotiation between Jiangsu Springland, Xishan Yaohan and Mr. Chen, taking into account the prevailing market interest rates and practices. The Board (including independent non-executive Directors) consider that the extension of the payment date of the Outstanding Consideration would be beneficial to the Group in terms of return and risk control. In view of the above, the Board (including independent non-executive Director) are of the opinion that the terms of the 2016 Supplemental Agreement are fair and reasonable, on normal commercial terms in the ordinary and usual course of business of the Group and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

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 amount of the 2016 Supplemental Agreement are more than 0.1% but less than 5% under Rule 14A.32 of the Listing Rules, the arrangement 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 extension payment term of the Outstanding Consideration and has abstained from voting on the Board resolution to approve the 2016 Supplemental Agreement in relation to the extension of payment date of the Outstanding Consideration. Save as disclosed, none of the other Directors has a material interest in the extension payment term of the Outstanding Consideration.

DEFINITIONS

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

“2014 Supplemental Agreement”	The supplemental agreement dated 16 December 2014 entered into Jiangsu Springland, Xishan Yaohan and Mr. Chen in relation to the extension of payment date for RMB182,000,000
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“2016 Supplemental Agreement”	The supplemental agreement dated 1 December 2016 entered into Jiangsu Springland, Xishan Yaohan and Mr. Chen in relation to the extension of payment date for the Outstanding Consideration
“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
“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
“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 Holdings (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

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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, 1 December 2016

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.