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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)**

**MEMORANDUM OF UNDERSTANDING IN RELATION TO**  
**(1) PROPOSED TRANSACTIONS AND**  
**(2) SETTING UP SUPERMARKET BUSINESS CENTRALIZED**  
**MANAGEMENT PLATFORM**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Security and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board would like to announce that on 11 May 2018 (after trading hours), Jiangsu Springland, a wholly-owned subsidiary of the Company, entered into a MOU with Jimailong Management Co. in relation to (1) the Proposed Transactions involving the proposed transfer in by Jiangsu Springland and transfer out by Jimailong Shareholder of 40% of the equity interests of the Target Company, which will be incorporated in the PRC with limited liability. The Target Company will be an investment holding company and owned 100% of the equity interests of Jimailong Management Co.; and the proposed transfer out by Jiangsu Springland and transfer in by Jimailong Shareholder of 21% of equity interest of Jiangsu Datonghua which is an indirect wholly-owned subsidiary of the Company. After setting up of Management Team, the proposed transfer out by Jiangsu Springland and transfer in by Management Team of 9% of the equity interests of Jiangsu Datonghua. The supermarket business (excluding the properties of department stores and shopping malls) of the Company will be restructured into Jiangsu Datonghua Group; and (2) Jiangsu Springland, whether directly or through its subsidiaries, and Jimailong Management Co. intended to create a centralized management platform together, to provide management services for supermarket of both parties.

**If Jiangsu Springland proceeds with the Proposed Transactions and setting up Supermarket Business Centralized Management Platform, it will enter into legally binding agreement(s) in respect of the Proposed Transactions and setting up Supermarket Business Centralized Management Platform.**

**The MOU is not intended to be legally binding and the Proposed Transactions and setting up Supermarket Business Centralized Management Platform may or may not proceed. If the Proposed Transactions and setting up Supermarket Business Centralized Management Platform materialized, it may be constitute discloseable transaction for the Company under Chapter 14 of the Listing Rules and connected transaction for the Company under Chapter 14A of the Listing Rules.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will make further announcement in respect of the Proposed Transactions and setting up Supermarket Business Centralized Management Platform as and when appropriate in accordance with the Listing Rules.**

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## **MEMORANDUM OF UNDERSTANDING**

The principal terms of the MOU are as follows:

**Date:** 11 May 2018

**Partier:**

- (1) Jiangsu Springland
- (2) Jimailong Management Co.

**Proposed Transactions**

- (1) The proposed transfer in by Jiangsu Springland and transfer out by Jimailong Shareholder of 40% of the equity interests of the Target Company, after its incorporation in the PRC with limited liabilities. The Target Company will be an investment holding company and owned 100% equity interest of Jimailong Management Co. following its incorporation.
- (2) The proposed transfer out by Jiangsu Springland and transfer in by Jimailong Shareholder of 21% of equity interest of Jiangsu Datonghua. After setting up of Management Team, the proposed transfer out by Jiangsu Springland and transfer in by Management Team of 9% of the equity interests of Jiangsu Datonghua.

**Consideration**

The transactions do not involve cash. Jiangsu Springland and Jimailong Shareholder hold each other's operating entities a certain proportion of equity interest.

The consideration for Share Transaction in Target Company is proposed to be payable by issuance or swapping Jiangsu Datonghua shares.

**The board of the Target Company and Jimailong Management Co.**

The board of directors of the Target Company and Jimailong Management Co. each shall consist of five directors. The Company shall appoint two directors and Jimailong Shareholder shall appoint three directors.

## **Proposed Setting up Supermarket Business Centralized Management Platform**

After the completion of the Proposed Transactions, Jiangsu Springland, whether directly or through its subsidiaries, and Jimailong Management Co. intended to create a centralized management platform together, to provide management services for supermarkets of both parties. The Supermarket Business Centralized Management Platform will responsible for the management and operation 60 supermarkets under Jiangsu Datonghua Group and 79 supermarkets under Jimailong Management Group.

## **Termination**

The MOU may be terminated upon failure on the restructure on Jiangsu Datonghua Group, Jimailong Management Group and Target Company and serving of termination notice in writing by either party.

The MOU is intended solely as a basis for further discussion, is not intended to be, and does not constitute a legally binding obligation on any party

## **INFORMATION OF THE COMPANY, JIMAILONG MANAGEMENT CO. AND TARGET COMPANY**

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, shopping malls and supermarkets in the Greater Yangtze River Delta Region.

Based on the information provided by Jimailong Management Co., Jimailong Management Co. is a company incorporated in Jiangsu Province, the PRC and under the laws of PRC, and is beneficially 100% owned by Jimailong Shareholder. Jimailong Management Co. is principally engaged in operate and manage of self-owned and franchised supermarkets in Jiangsu Province under the brand of “Jimailong” (“吉麥隆”).

The Target Company will be incorporated as an investment holding company in the PRC with limited liabilities and wholly owned by Jimailong Shareholder. The Target Company will hold 100% equity interest of Jimailong Management Co. following its incorporation.

## **REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS AND SETTING UP SUPERMARKET BUSINESS CENTRALIZED MANAGEMENT PLATFORM**

The Board considers that the Proposed Transactions and setting up Supermarket Business Centralized Management Platform will bring in a strategic partner which will help to broaden the supermarket business and is beneficial for rationalizing the supermarket operation and will promote the overall competitiveness of the supermarket business of the Company, thus it is in line with the development strategies of the Company. The Directors consider the terms of the MOU are fair and reasonable and that the Proposed Transactions and setting up Supermarket Business Centralized Management Platform is in the interest of the Company and Shareholders as a whole.

### **DEFINITIONS**

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

“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
“Consideration for Share Transaction in Target Company ”	The consideration payable by Jiangsu Springland to Jimailong Shareholder for 21% of the equity interests of Jiangsu Datonghua and to Management Team for 9% of the equity interests of Jiangsu Datonghua, which shall be determined after arm’s length negotiation between Jiangsu Springland and Jimailong Shareholder and set out in the Formal Agreements
“Directors”	the director(s) of the Company
“Formal Agreements”	Formal agreements to be entered into amongst Jiangsu Springland, Jimailong Shareholder and Jimailong Management Co. in respect of the Proposed Transactions and incorporating the terms and conditions of the MOU

“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, Jiaying, 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 Datonghua”	江蘇大統華購物中心有限公司*(Jiangsu Datonghua Shopping Center Co., Ltd, a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Jiangsu Datonghua Group”	Jiangsu Datonghua and its subsidiaries (after restructure)
“Jiangsu Springland”	Jiangsu Springland International Holdings (Group) Limited, a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Jimailong Shareholder”	Collectively referring to 14 individual shareholders of Jimailong Management Co.
“Jimailong Management Co.”	江蘇吉麥隆超市管理有限公司* (Jiangsu Jimailong Supermarket Management Ltd), a company incorporated in PRC with limited liabilities and wholly owned by Jimailong Shareholder.
“Jimailong Management Group”	Jimailong Management Co. and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Main Board of the Stock Exchange

“Management Team”	The management team appointed by Supermarket Business Centralized Management Platform for the management and operate of Jiangsu Datonghua Group
“MOU”	the non-legally binding memorandum of understanding dated 11 May 2018 entered into between Jiangsu Springland and Jimailong Management Co., in relation to the Proposed Transactions and setting up Supermarket Business Centralized Management Platform
“PRC”	The People’s Republic of China
“Proposed Transactions”	The Proposed Share Transaction in Target Company and the Proposed Share Transaction in Jiangsu Datonghua collectively
“Proposed Share Transaction in Target Company”	The proposed transfer in by Jiangsu Springland and transfer out by Jimailong Shareholder of 40% of the equity interests of the Target Company
“Proposed Share Transaction in Jiangsu Datonghua”	The proposed transfer out by Jiangsu Springland and transfer in by Jimailong Shareholder of 21% of equity interest of Jiangsu Datonghua. After setting up of Management Team, the proposed transfer out by Jiangsu Springland and transfer in by Management Team of 9% of the equity interests of Jiangsu Datonghua
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supermarket Business Centralized Management Platform”	Jiangsu Springland, whether directly or through its subsidiaries, and Jimailong Management Co. intended to create a centralized management platform together, to provide management services for supermarkets of both parties. The legal entity is Jimailong Management Co.

“Target Company”                      The Target Company will be incorporated as an investment holding company in the PRC with limited liabilities and wholly owned by Jimailong Shareholder. The Target Company will hold 100% equity interest of Jimailong Management Co. following its incorporation.

“%”                                              per cent

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

By order of the Board  
**Chen Jianqiang**  
Chairman

Wuxi, PRC, 11 May 2018

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr Chen Jianqiang and Mr Tao Qingrong; one non-executive Director, namely Mr Fung Hiu Chuen, John; and three independent non-executive Directors, namely Dr Lin Zhijun, Dr Zhang Weijong and Mr Cheung Yat Ming.*