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## **TOP SPRING INTERNATIONAL HOLDINGS LIMITED**

**萊蒙國際集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03688)**

### **MAJOR AND CONNECTED TRANSACTIONS COOPERATION FRAMEWORK AGREEMENT**

#### **COOPERATION FRAMEWORK AGREEMENT**

The Board is pleased to announce that, on 15 November 2013 after trading hours, Shenzhen Xinxiang entered into the Cooperation Framework Agreement with Shenzhen Agricultural Products pursuant to which Shenzhen Xinxiang has agreed to be the sole principal of the Redevelopment Project for redeveloping and reconstructing the Land upon obtaining approval of the PRC Government, and Shenzhen Agricultural Products has agreed to solely cooperate with Shenzhen Xinxiang in the Redevelopment Project.

The Redevelopment Project will be divided into two phases subject to the approval of the PRC Government. Phase I Redevelopment is for the Buji Market and Tianbao Building by way of either (i) demolition and reconstruction or (ii) demolition and comprehensive renovation subject to the approval of the PRC Government. Phase II Redevelopment is for the Seafood Market by way of demolition and reconstruction. Pursuant to the Cooperation Framework Agreement, Shenzhen Xinxiang is the sole principal of the Redevelopment Project with the sole right to redevelop and reconstruct the Land based on the terms of the Cooperation Framework Agreement, and is responsible for the obtaining of approval of the PRC Government for the establishment and approval of the Redevelopment Project, the demolition of the existing properties, the design, construction, completion and operation of the Redevelopment Project, and paying all costs in connection with the redevelopment and reconstruction of the Land (including demolition compensation to Shenzhen Agricultural Products, reconstruction expenses, renovation expenses and land premium but excluding the payments made to the Tenants on behalf of Shenzhen Agricultural Products), whereas Shenzhen Agricultural Products is responsible for the provision of the Land, the resettlement of the Tenants and the arrangement of resettlement compensation to the Tenants, the payments of which will be made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products.

Compensation to Shenzhen Agricultural Products include (i) cash compensation; and (ii) substitution of existing properties with the redeveloped properties. Assuming that Shenzhen Agricultural Products chooses only cash compensation and does not choose substitution of existing properties with the redeveloped properties, the maximum compensation by Shenzhen Xinxiang for Phase I Redevelopment is estimated to be RMB2,100,000,000 (or approximately HK\$2,646,000,000). The exact cash compensation and compensation for the substitution of existing properties with the redeveloped properties will be based on and made in accordance with the Phase I Demolition Compensation Agreement to be signed later. The maximum compensation for Phase II Redevelopment is to be negotiated and agreed between Shenzhen Xinxiang and Shenzhen Agricultural Products after the commencement of Phase I Redevelopment with reference to the resettlement and demolition compensation standard for Phase I Redevelopment.

### **SUPPLEMENTAL COOPERATION FRAMEWORK AGREEMENT**

To proceed with Phase I Redevelopment, on 15 November 2013 after trading hours, Shenzhen Xinxiang and Shenzhen Agricultural Products entered into the Supplemental Cooperation Framework Agreement, pursuant to which Shenzhen Xinxiang and Shenzhen Agricultural Products agreed to, among others, (i) enter into the Cold Store Demolition Compensation Agreement, and (ii) upon the payment of the cash compensation to Shenzhen Agricultural Products by Shenzhen Xinxiang pursuant to the Cold Store Demolition Compensation Agreement, arrange payment of approximately RMB75,730,000 (or approximately HK\$95,419,800) to Shenzhen Xinxiang, which is the payment made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products as the resettlement compensation to certain Tenants of Phase I Development.

### **COLD STORE DEMOLITION COMPENSATION AGREEMENT**

As part of Phase I Redevelopment, on 15 November 2013 after trading hours, Shenzhen Xinxiang and Shenzhen Agricultural Products entered into the Cold Store Demolition Compensation Agreement, pursuant to which Shenzhen Agricultural Products agreed to accept cash compensation in the amount of RMB131,527,090 (or approximately HK\$165,724,133.4), and Shenzhen Xinxiang agreed to pay such amount to Shenzhen Agricultural Products as demolition compensation in respect of the Cold Store under Phase I Redevelopment.

### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios exceeds 25% but is less than 100%, the entering into of the Cooperation Framework Agreement and the Associated Transactions constitute a major transaction for the Company under Rule 14.06(3) of the Listing Rules.

As Shenzhen Agricultural Products is a substantial shareholder of Shenzhen Xinxiang and hence is a connected person of the Company within the meaning of the Listing Rules, the entering into of the Cooperation Framework Agreement and the Associated Transactions also constitute a connected transaction for the Company under Rule 14A.13(6) of the Listing Rules which is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Company has obtained a written independent Shareholders' approval from a closely allied group of Shareholders (being Chance Again and Kang Jun), approving the Cooperation Framework Agreement and the Associated Transactions pursuant to Rules 14.44 and 14A.43 of the Listing Rules. No Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Framework Agreement and the Associated Transactions. Pursuant to Rule 14A.43 of the Listing Rules, the Company will seek from the Stock Exchange a waiver from compliance with the requirements to hold a general meeting for the purpose of approving the Cooperation Framework Agreement and the Associated Transactions, and a confirmation that independent Shareholders' approval for the Cooperation Framework Agreement and the Associated Transactions may be obtained by means of written approval from a closely allied group of Shareholders (being Chance Again and Kang Jun) in lieu of holding a general meeting.

### **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) details of the terms of the Cooperation Framework Agreement and the Associated Transactions; (ii) a letter from Proton Capital to the Independent Board Committee and the Shareholders as to whether the terms of the Cooperation Framework Agreement and the Associated Transactions are fair and reasonable and whether the entering into of the Cooperation Framework Agreement and the Associated Transactions are in the interests of the Company and the Shareholders as a whole; and (iii) the recommendation of the Independent Board Committee to the Shareholders as to whether the terms of the Cooperation Framework Agreement and the Associated Transactions are fair and reasonable and whether the entering into of the Cooperation Framework Agreement and the Associated Transactions are in the interests of the Company and the Shareholders as a whole after taking into account the recommendations of Proton Capital, is required to be despatched to the Shareholders within 15 business days (as defined in the Listing Rules) after publication of this announcement under Rule 14.41(a) of the Listing Rules. In order to allow sufficient time for preparing the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and despatch the circular to the Shareholders on or before 31 December 2013.

**The Board would like to emphasize that the Cooperation Framework Agreement, the Supplemental Cooperation Framework Agreement and the Cold Store Demolition Compensation Agreement, may or may not proceed, as they are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **COOPERATION FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 15 November 2013 after trading hours, Shenzhen Xinxiang entered into the Cooperation Framework Agreement with Shenzhen Agricultural Products.

### **Date**

15 November 2013

### **Parties**

- (1) Shenzhen Xinxiang
- (2) Shenzhen Agricultural Products

### **Background and Major Terms**

#### *The Land*

The Land has been included in the Subunit 14 City Development Plan, the planning of which is still in progress. The land use rights of the Land and the existing properties on the Land belong to Shenzhen Agricultural Products but some of them may not have legal titles. The existing properties on the Land have been rented to various Tenants by Shenzhen Agricultural Products.

As confirmed by Shenzhen Agricultural Products, according to the information of the land use rights grant contract and supplemental land use rights grant contract, the original purchase cost of the Land purchased by Shenzhen Agricultural Products was RMB11,524,938 (or approximately HK\$14,521,422). Since the Certificate of Real Estate Ownership of portions of the Buji Market and the Tianbao Building has not been obtained and it is uncertain whether the Buji Market and the Tianbao Building are legally transferable, as advised by an independent property valuer appointed by the Company, no commercial value had been ascribed to the Buji Market and the Tianbao Building. However, the market value of the Buji Market and the Tianbao Building in its existing state as at 31 October 2013 would be RMB980,000,000 (or approximately HK\$1,234,800,000) if a valid certificate of real estate ownership had been issued, transferable land use rights had been granted and all land premium had been fully settled.

#### *The Redevelopment Project*

Pursuant to the Cooperation Framework Agreement, Shenzhen Xinxiang is the sole principal of the Redevelopment Project with the sole right to redevelop and reconstruct the Land, and is responsible for the obtaining of approval of the PRC Government for the establishment and approval of the Redevelopment Project, the demolition of the existing properties, the design, construction, completion and operation of the Redevelopment Project, and paying all costs in connection with the redevelopment and reconstruction of the Land (including demolition compensation to Shenzhen Agricultural Products, reconstruction expenses, renovation expenses and land premium but excluding the payments made to the Tenants on behalf of Shenzhen Agricultural Products), whereas Shenzhen Agricultural Products is responsible for the provision of the Land, the resettlement of the Tenants and the arrangement of resettlement compensation to the Tenants, the payments of which will be made by Shenzhen Xinxiang on

behalf of Shenzhen Agricultural Products. The PRC Government shall approve the scope and size of the Land subject to the Redevelopment Project and the land premium to be paid by Shenzhen Xinxiang in respect of each phase of the Redevelopment Project. The Company will comply with the requirements under the Listing Rules when the details of the land premium to be paid are confirmed.

Upon completion of the Redevelopment Project, the property rights of all the redeveloped properties on the Land (except those which are subject to the demolition arrangement of substitution of existing properties with the redeveloped properties, and the infrastructure and the public service facilities ancillary to the Redevelopment Project) will belong to Shenzhen Xinxiang. Shenzhen Agricultural Products will assist Shenzhen Xinxiang to cancel its legal land use rights of the Land and its property rights of the existing properties on the Land with the PRC Government and to register Shenzhen Xinxiang as the owner of the land use rights of the Land and the redeveloped properties with the PRC Government (except those which are subject to the resettlement arrangement of substitution of existing properties with the redeveloped properties).

The Redevelopment Project is an urban renewal project which will be divided into two phases subject to the approval of the PRC Government.

#### *Phase I Redevelopment*

Phase I Redevelopment is for the Buji Market and Tianbao Building by way of either (i) demolition and reconstruction or (ii) demolition and comprehensive renovation subject to the approval of the PRC Government. Shenzhen Xinxiang and Shenzhen Agricultural Products will enter into the Phase I Demolition Compensation Agreement. Upon signing of the Phase I Demolition Compensation Agreement and subject to the exact situations, the rights and interests in the land and properties of the Buji Market and Tianbao Building shall be passed to Shenzhen Xinxiang, and Shenzhen Agricultural Products shall deliver vacant possession of the existing properties of the Buji Market (on an “as is” basis, in good condition and free of encumbrances) to Shenzhen Xinxiang within two years from the date when all the conditions precedent of the Cooperation Framework Agreement are satisfied. If the PRC Government approves the redevelopment of Tianbao Building by way of demolition and reconstruction, Shenzhen Agricultural Products is to deliver vacant possession of Tianbao Building in accordance with the terms of the Cooperation Framework Agreement within eighteen months from the date when the PRC Government announces the Subunit 14 City Development Plan, or approves the planning of the Redevelopment Project, whichever is the earlier.

If Phase I Redevelopment is by way of demolition of the Buji Market and the preservation of Tianbao Building, upon signing of the Phase I Demolition Compensation Agreement, the rights and interests in the land and properties of the Buji Market and portions of Tianbao Building with the Supplemental Rental Agreements signed shall be passed to Shenzhen Xinxiang, and Shenzhen Agricultural Products shall deliver vacant possession of the existing properties of the Buji Market and portions of Tianbao Building with the Supplemental Rental Agreements signed (on an “as is” basis, in good condition and free of encumbrances) to Shenzhen Xinxiang within two years from the date when all the conditions precedent of the Cooperation Framework Agreement are satisfied. The exterior of Tianbao Building will be renovated after the completion of the demolition and reconstruction of the Buji Market in order to match the construction design and style of the Buji Market. Shenzhen Xinxiang and Shenzhen Agricultural Products will, in addition to the Phase I Demolition Compensation Agreement, enter into the Tianbao Building Comprehensive Renovation Agreement and agree on the commencement date and details of the comprehensive renovation of Tianbao Building.

### *Resettlement Arrangements*

Shenzhen Agricultural Products will be responsible for the resettlement and compensation arrangements of the Tenants under Phase I Redevelopment, the payments of resettlement compensation which will be made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products pursuant to the Cooperation Framework Agreement, and the delivery of the vacant possession of such existing properties to Shenzhen Xinxiang.

### *Resettlement Compensation and Demolition Compensation*

Before entering into the Cooperation Framework Agreement, Shenzhen Agricultural Products has already entered into the Supplemental Rental Agreements with certain Tenants of the Buji Market and Tianbao Building. After entering into the Cooperation Framework Agreement, Shenzhen Xinxiang and Shenzhen Agricultural Products will, or Shenzhen Agricultural Products will, with the written consent of Shenzhen Xinxiang, further enter into the Supplemental Rental Agreements with the other Tenants of the Buji Market and Tianbao Building pursuant to the Cooperation Framework Agreement. Shenzhen Agricultural Products is responsible for the payment of resettlement compensation to the Tenants which will be made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products. Certain floors of the redeveloped properties in Phase I Redevelopment will be retained for those Tenants who choose to lease back the redeveloped properties or substitute their existing properties with the redeveloped properties.

In respect of the existing properties owned by Shenzhen Agricultural Products at the Buji Market and Tianbao Building, the following arrangements of demolition compensation will be used:

- (i) For permanent constructions, Shenzhen Agricultural Products can choose among (a) cash compensation; or (b) substitution of existing properties with the redeveloped properties; and
- (ii) For certain designated properties, temporary constructions and attachments, cash compensation will be made.

The payment of demolition compensation to be made by Shenzhen Xinxiang to Shenzhen Agricultural Products will be deducted by the payments of resettlement compensation made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products to the Tenants of the Buji Market and Tianbao Building, and the land premium required to be paid after verification with the PRC Government to Shenzhen Xinxiang in respect of the permanent constructions which does not have legal property rights and which Shenzhen Agricultural Products opted for substitution with redeveloped properties as demolition compensation. Shenzhen Agricultural Products will also be compensated with certain area of redeveloped properties calculated pursuant to the Cooperation Framework Agreement if Shenzhen Agricultural Products chooses to substitute portions of existing properties with the redeveloped properties. Such compensated area will be deducted by the area of redeveloped properties calculated pursuant to the Cooperation Framework Agreement where Shenzhen Agricultural Products gives up its rights and interests and demolition compensation rights as a result of Tenants choosing to substitute portions of existing properties with the redeveloped properties.

## *Phase II Redevelopment*

Phase II Redevelopment is for the Seafood Market by way of demolition and reconstruction. After the commencement of Phase I Redevelopment, Shenzhen Xinxiang and Shenzhen Agricultural Products will negotiate for the Phase II Demolition Compensation Agreement, and if Shenzhen Xinxiang and Shenzhen Agricultural Products enter into the Phase II Demolition Compensation Agreement, the rights and interests in the land and properties of the Seafood Market shall be passed to and the relevant existing properties at the Seafood Market shall be delivered to Shenzhen Xinxiang from Shenzhen Agricultural Products pursuant to the Phase II Demolition Compensation Agreement. The Company will comply with the requirements under the Listing Rules when the details of Phase II Redevelopment are confirmed.

## *Conditions Precedent*

The Cooperation Framework Agreement is conditional upon:

- (i) the passing of the resolutions of the respective boards of directors of Shenzhen Xinxiang and Shenzhen Agricultural Products approving the Cooperation Framework Agreement and the transactions contemplated under it, and the exchange of such resolutions between Shenzhen Xinxiang and Shenzhen Agricultural Products;
- (ii) Shenzhen Xinxiang has obtained the relevant approval(s) required under the Listing Rules; and
- (iii) Shenzhen Agricultural Products has obtained the relevant approval(s) required under the Shenzhen Stock Exchange Listing Rules.

## *Funding for the Redevelopment Project*

The funding for the demolition, construction, demolition compensation, resettlement compensation and additional payment of land premium and other expenses of the Redevelopment Project will be contributed by Shenzhen Xinxiang by way of bank financing, shareholders' loans or increase of registered capital of Shenzhen Xinxiang, which are to be made in proportion to the respective equity interests of the shareholders of Shenzhen Xinxiang.

## *Maximum compensation estimated to be paid by Shenzhen Xinxiang for Phase I Redevelopment and Phase II Redevelopment*

Compensation to Shenzhen Agricultural Products include (i) cash compensation; and (ii) substitution of existing properties with the redeveloped properties. Assuming that Shenzhen Agricultural Products chooses only cash compensation and does not choose substitution of existing properties with the redeveloped properties, the maximum compensation by Shenzhen Xinxiang for Phase I Redevelopment is estimated to be RMB2,100,000,000 (or approximately HK\$2,646,000,000). The exact cash compensation and compensation for the substitution of existing properties with the redeveloped properties will be based on and made in accordance with the Phase I Demolition Compensation Agreement to be signed later. The

maximum compensation for Phase II Redevelopment is to be negotiated and agreed between Shenzhen Xinxiang and Shenzhen Agricultural Products after the commencement of Phase I Redevelopment with reference to the resettlement and demolition compensation standard for Phase I Redevelopment. In the event that the actual compensation paid by Shenzhen Xinxiang for Phase I Redevelopment exceeds the above maximum compensation and the details of the maximum compensation to be paid by Shenzhen Xinxiang for Phase II Redevelopment are confirmed, the Company will comply with the requirements under the Listing Rules.

#### *Termination Events*

The Cooperation Framework Agreement is subject to the following major termination events:

- (i) Shenzhen Xinxiang and Shenzhen Agricultural Products mutually agree to terminate the Cooperation Framework Agreement;
- (ii) within two years after the signing of the Cooperation Framework Agreement, if it is not the fault of either Shenzhen Xinxiang or Shenzhen Agricultural Products, the PRC Government refuses to include the Redevelopment Project in the urban renewal planning or the Redevelopment Project cannot be implemented as a result of any change to the overall city planning;
- (iii) within two years after the signing of the Phase I Demolition Compensation Agreement, the PRC Government has not approved Shenzhen Xinxiang as the sole principal for Phase I Redevelopment or the Redevelopment Project;
- (iv) Shenzhen Agricultural Products has failed to complete the resettlement of the Tenants and deliver vacant possession of the existing properties to Shenzhen Xinxiang within the specified period as required under the Cooperation Framework Agreement. For details, please refer to the paragraph headed “Phase I Redevelopment”;
- (v) Shenzhen Xinxiang has failed to obtain the relevant approval(s) required under the Listing Rules;
- (vi) Shenzhen Xinxiang has failed to obtain the construction permit of Phase I Redevelopment nine months after all the stipulated conditions under the Cooperation Framework Agreement have been fulfilled. Such conditions include (a) the Redevelopment Project has been approved; (b) Shenzhen Agricultural Products has delivered vacant possession of all the existing properties of the Buji Market and Tianbao Building to Shenzhen Xinxiang; (c) the PRC Government has approved Shenzhen Xinxiang as the sole principal for Phase I Redevelopment or the Redevelopment Project; (d) the registration of the property rights of all the existing properties under Phase I Redevelopment has been cancelled; (e) the PRC Government has signed a land use rights grant contract for Phase I Redevelopment with Shenzhen Xinxiang; and (f) the land design, construction land planning and construction work planning of Phase I Redevelopment has been approved;



- (vii) the PRC Government has not approved the Subunit 14 City Development Plan within two years after the signing of the Cooperation Framework Agreement;
- (viii) Shenzhen Agricultural Products has failed to obtain the relevant approval(s) required under the Shenzhen Stock Exchange Listing Rules; and
- (ix) the planning parameters of the Subunit 14 City Development Plan announced by the PRC Government is below the expectation of Shenzhen Xinxiang in respect of the Redevelopment Project and/or the planning of the Redevelopment Project submitted by Shenzhen Xinxiang is not approved by the PRC Government.

If the Cooperation Framework Agreement is terminated, Shenzhen Agricultural Products shall refund, without interest, Shenzhen Xinxiang all the payments made to Shenzhen Agricultural Products and all the payments made to the Tenants on behalf of Shenzhen Agricultural Products within 30 working days from the date of termination of the Cooperation Framework Agreement. If Shenzhen Agricultural Products fails to make such refund within 30 working days from the date of termination of the Cooperation Framework Agreement, Shenzhen Agricultural Products shall pay interest to Shenzhen Xinxiang at the corresponding interest rate on bank loan which shall accrue from the expiry of the 30 working days from the date of termination of the Cooperation Framework Agreement. Upon the termination of the Cooperation Framework Agreement, the obligations and liabilities under the Supplemental Rental Agreements shall be borne by Shenzhen Agricultural Products.

## **SUPPLEMENTAL COOPERATION FRAMEWORK AGREEMENT**

To proceed with Phase I Redevelopment, on 15 November 2013 after trading hours, Shenzhen Xinxiang and Shenzhen Agricultural Products entered into the Supplemental Cooperation Framework Agreement, pursuant to which Shenzhen Xinxiang and Shenzhen Agricultural Products agreed to, among others, (i) enter into the Cold Store Demolition Compensation Agreement, and (ii) upon the payment of the cash compensation to Shenzhen Agricultural Products by Shenzhen Xinxiang pursuant to the Cold Store Demolition Compensation Agreement, arrange payment of approximately RMB75,730,000 (or approximately HK\$95,419,800) to Shenzhen Xinxiang, which is the payment made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products for the resettlement compensation to certain Tenants of Phase I Development.

As at 15 November 2013, Shenzhen Xinxiang has paid approximately RMB75,730,000 (or approximately HK\$95,419,800) to certain Tenants on behalf of Shenzhen Agricultural Products in respect of Phase I Redevelopment including those of the Cold Store as resettlement compensation. Shenzhen Agricultural Products agreed to pay Shenzhen Xinxiang approximately RMB75,730,000 (or approximately HK\$95,419,800) within three days after Shenzhen Xinxiang pays Shenzhen Agricultural Products the cash compensation in the amount of RMB83,704,576 (or approximately HK\$105,467,765.76) as partial demolition compensation for the Cold Store in accordance with the Cold Store Demolition Compensation Agreement.

## **Conditions Precedent**

The Supplemental Cooperation Framework Agreement is conditional upon:

- (i) the passing of the resolutions of the respective boards of directors of Shenzhen Xinxiang and Shenzhen Agricultural Products approving the Supplemental Cooperation Framework Agreement and the transactions contemplated under it, and the exchange of such resolutions between Shenzhen Xinxiang and Shenzhen Agricultural Products;
- (ii) Shenzhen Xinxiang has obtained the relevant approval(s) required under the Listing Rules; and
- (iii) Shenzhen Agricultural Products has obtained the relevant approval(s) required under the Shenzhen Stock Exchange Listing Rules.

Save as mentioned in the Supplemental Cooperation Framework Agreement, the other terms of the Cooperation Framework Agreement remain unchanged.

## **COLD STORE DEMOLITION COMPENSATION AGREEMENT**

As part of Phase I Redevelopment, on 15 November 2013 after trading hours, Shenzhen Xinxiang and Shenzhen Agricultural Products entered into the Cold Store Demolition Compensation Agreement, pursuant to which Shenzhen Agricultural Products agreed to accept cash compensation in the amount of RMB131,527,090 (or approximately HK\$165,724,133.4), and Shenzhen Xinxiang agreed to pay such amount to Shenzhen Agricultural Products as demolition compensation of the Cold Store under Phase I Redevelopment. Upon the signing of the Cold Store Demolition Compensation Agreement, the rights and interests in the land and properties of the Cold Store will belong to Shenzhen Xinxiang.

### **The Cold Store**

The Cold Store is part of Phase I Redevelopment Project and consists of permanent constructions and temporary constructions. It will be demolished and redeveloped.

### **Resettlement Arrangement**

Shenzhen Agricultural Products will be responsible for the resettlement and compensation arrangements in respect of the Tenants of the Cold Store, the payments of which will be made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products, and the delivery of the vacant possession of the Cold Store to Shenzhen Xinxiang. The delivery of the vacant possession of certain portions of the Cold Store will be made within 12 months from the signing date of the Cold Store Demolition Compensation Agreement whereas the remaining portions will be made within 24 months from the signing date of the Cold Store Demolition Compensation Agreement.

If any of the Tenants of the Cold Store opts for lease of the redeveloped property as resettlement compensation, such Tenant can only choose to lease from the other redeveloped properties of Shenzhen Agricultural Products under Phase I Redevelopment Project, and Shenzhen Xinxiang will pay the transitional subsidy to such Tenant on behalf of Shenzhen Agricultural Products. If any of the Tenants of the Cold Store opts for substitution of existing property with the redeveloped property as resettlement compensation, Shenzhen Agricultural Products will give up the property right and demolition compensation in respect of such existing property and such Tenant will pay substitution compensation directly to Shenzhen Agricultural Products.

### **Demolition Compensation**

Shenzhen Xinxiang is required to pay Shenzhen Agricultural Products the cash compensation in the amount of RMB131,527,090 (or approximately HK\$165,724,133.4) as demolition compensation for the Cold Store in accordance with the Cold Store Demolition Compensation Agreement, RMB83,704,576 (or approximately HK\$105,467,765.76) of which will be paid on or before 31 December 2013 and the balance in the amount of RMB47,822,514 (or approximately HK\$60,256,367.64) will be paid together with the balance to be paid under the Cooperation Framework Agreement. For details of the payment of approximately RMB75,730,000 (or approximately HK\$95,419,800) by Shenzhen Xinxiang to certain Tenants on behalf of Shenzhen Agricultural Products in respect of Phase I Redevelopment including those of the Cold Store, please refer to the paragraph headed “Supplemental Cooperation Framework Agreement” of this announcement.

The refund of (i) the payments of resettlement compensation made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products to the Tenants of the Cold Store, and (ii) the value of certain existing properties (calculated by reference to the resettlement and demolition compensation standard applied to Phase I Redevelopment) to Shenzhen Agricultural Products which opted for substituting such existing properties with the redeveloped properties, will be made in accordance with the settlement arrangement under the Cooperation Framework Agreement.

### **Conditions Precedent**

The Cold Store Demolition Compensation Agreement is conditional upon:

- (i) the passing of the resolutions of the respective boards of directors of Shenzhen Xinxiang and Shenzhen Agricultural Products approving the Cold Store Demolition Compensation Agreement and the transactions contemplated under it, and the exchange of such resolutions between Shenzhen Xinxiang and Shenzhen Agricultural Products;
- (ii) Shenzhen Xinxiang has obtained the relevant approval(s) required under the Listing Rules; and
- (iii) Shenzhen Agricultural Products has obtained the relevant approval(s) required under the Shenzhen Stock Exchange Listing Rules.

## **Termination Events**

The Cold Store Demolition Compensation Agreement is subject to the following termination events:

- (i) Shenzhen Xinxiang and Shenzhen Agricultural Products mutually agree to terminate the Cold Store Demolition Compensation Agreement;
- (ii) Shenzhen Xinxiang and Shenzhen Agricultural Products terminate the Redevelopment Project and Shenzhen Agricultural Products has the right to apply to the arbitration authority to terminate the Cold Store Demolition Compensation Agreement;
- (iii) Shenzhen Xinxiang loses its rights and interests and/or the demolition compensation right of the Cold Store; and
- (iv) Shenzhen Agricultural Products cannot create third party rights, such as creating any charge, new lease, encumbrance or third party right which causes the forfeiture, seizure or non-disposal of the Cold Store.

If the Cold Store Demolition Compensation Agreement is terminated, Shenzhen Agricultural Products shall refund to Shenzhen Xinxiang all the payments made to Shenzhen Agricultural Products and all the payments made to the Tenants on behalf of Shenzhen Agricultural Products within ten days from the date of termination of the Cold Store Demolition Compensation Agreement with interest calculated at the corresponding interest rate on bank loan which shall accrue from the date when Shenzhen Agricultural Products receives such payments from Shenzhen Xinxiang. If Shenzhen Agricultural Products fails to make such refund within ten days, Shenzhen Agricultural Products shall pay double interest calculated at the corresponding interest rate on bank loan which shall accrue from the date when Shenzhen Agricultural Products receives such payments from Shenzhen Xinxiang.

## **BASIS OF THE CONSIDERATION**

Compensation to Shenzhen Agricultural Products include (i) cash compensation; and (ii) substitution of existing properties with the redeveloped properties. Assuming that Shenzhen Agricultural Products chooses only cash compensation and does not choose substitution of existing properties with the redeveloped properties, the consideration given by Shenzhen Xinxiang under the Cooperation Framework Agreement and the Associated Transactions for Phase I Redevelopment is the maximum compensation which is estimated to be RMB2,100,000,000 (or approximately HK\$2,646,000,000). The exact cash compensation and compensation for the substitution of existing properties with the redeveloped properties will be based on and made in accordance with the Phase I Demolition Compensation Agreement to be signed later. The Consideration is to be satisfied by internal resources and bank financing. The basis upon which such consideration was determined is by reference to the resettlement and demolition compensation standard applied to Phase I Redevelopment, which is with reference to the comparables of the resettlement and demolition compensation standard in Shenzhen, the PRC.

The maximum compensation for Phase II Redevelopment is to be negotiated and agreed between Shenzhen Xinxiang and Shenzhen Agricultural Products after the commencement of Phase I Redevelopment with reference to the resettlement and demolition compensation standard for Phase I Redevelopment.

## **INFORMATION ON THE GROUP**

The Group is a real estate property developer in the PRC specialising in the development and operation of urban mixed-use communities, and the development and sale of residential properties in the Pearl River Delta, the Yangtze River Delta, the Central China, the Beijing-Tianjin and the Chengdu-Chongqing regions in the PRC.

## **REASONS AND BENEFITS OF ENTERING INTO THE COOPERATION FRAMEWORK AGREEMENT AND THE ASSOCIATED TRANSACTIONS**

The Directors believe that the economic and social development of Shenzhen, where the Land is located, will continue to prosper, resulting in long term healthy development of the local real estate market. Land supply in Shenzhen is limited and urban renewal project is one of the key sources of land supply in Shenzhen. Further, the entering into of the Cooperation Framework Agreement and the Associated Transactions are in line with the Group's core strategy of development and operation of urban mixed-use communities, and development and sale of residential properties in the Pearl River Delta region. As such, the Directors consider that the entering into of the Cooperation Framework Agreement and the Associated Transactions will enable the Company to further expand its business in Shenzhen, the Pearl River Delta.

The Directors (excluding the independent non-executive Directors who will express their opinion after considering Proton Capital's recommendations) consider that the terms and the entering into of the Cooperation Framework Agreement and the Associated Transactions have been arrived at after arm's length negotiations, and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON SHENZHEN XINXIANG**

Shenzhen Xinxiang is a joint venture company established in the PRC on 16 November 2011 pursuant to the Joint Venture Agreement and its principal business activities are investment of enterprises (subject to the reporting of specific projects) and information consultation (excluding human resources agency service and other restricted projects) which will be changed later for the purpose of the Redevelopment Project. It is the project company for the Redevelopment Project and is a non wholly-owned subsidiary of the Company. At the time of establishment, the registered capital of Shenzhen Xinxiang was RMB10,000,000 (or approximately HK\$12,600,000). The entering into of the Joint Venture Agreement constituted a transaction under Rule 14.04(1)(f) of the Listing Rules. However, as one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Joint Venture Agreement for the establishment of Shenzhen Xinxiang was less than 5%, the entering into of the Joint Venture Agreement did not constitute a discloseable transaction of the Company and was not subject to the notification, announcement and shareholders' approval requirements under the Listing Rules. As Shenzhen Agricultural Products is also a substantial shareholder of four other joint venture companies established with the Company and hence a connected person of the Company within the meaning of the Listing Rules at the subsidiary level, the entering into of the Joint Venture Agreement for the establishment of Shenzhen Xinxiang also constituted a connected transaction under Rule 14A.13(6) of the Listing Rules but was exempt under Rules 14A.31(2)(b) and 14A.31(9) of the Listing Rules from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

At the time of establishment and as at the date of this announcement, Shenzhen Xinxiang is 40% owned by Shenzhen Agricultural Products, 38% owned by Shenzhen Hualong, 17% owned by Shenzhen Xiangsheng and 5% owned by Shenzhen Youlin. Shenzhen Hualong and Shenzhen Xiangsheng are indirect wholly-owned subsidiaries of the Company. Shenzhen Youlin is an Independent Third Party. On 1 March 2012, the registered capital of Shenzhen Xinxiang was increased from RMB10,000,000 (or approximately HK\$12,600,000) to RMB24,000,000 (or approximately HK\$30,240,000), which was made in proportion to the respective equity interests of the shareholders of Shenzhen Xinxiang. It is intended that the registered capital of Shenzhen Xinxiang will be further increased to RMB100,000,000 (or approximately HK\$126,000,000) which will be made in proportion to the respective equity interests of the shareholders of Shenzhen Xinxiang. As Shenzhen Agricultural Products is a substantial shareholder of Shenzhen Xinxiang and four other joint venture companies established with the Company, it is a connected person of the Company within the meaning of the Listing Rules. The respective capital contributions to Shenzhen Xinxiang by Shenzhen Agricultural Products constituted connected transactions under Rule 14A.13(1)(a) of the Listing Rules but were exempt under Rule 14A.31(3)(a) of the Listing Rules from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The payment of approximately RMB75,730,000 (or approximately HK\$95,419,800) made by Shenzhen Xinxiang on behalf of Shenzhen Agricultural Products to the Tenants of Phase I Redevelopment under the Supplemental Cooperation Framework Agreement constituted a connected transaction under Rule 14A.13(2)(a)(i) of the Listing Rules but was exempt under Rule 14A.31(9) of the Listing Rules from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

## **INFORMATION ON SHENZHEN AGRICULTURAL PRODUCTS**

Shenzhen Agricultural Products is a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange. Its principal business activities include the development, construction, operation and management of wholesale markets of agricultural products, distribution of agricultural products, large electronic transactions of agricultural products, and cultivation, slaughtering and processing of livestock. Shenzhen Agricultural Products is a substantial shareholder of Shenzhen Xinxiang and four other joint venture companies established with the Company and hence is a connected person of the Company within the meaning of the Listing Rules.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios exceeds 25% but is less than 100%, the entering into of the Cooperation Framework Agreement and the Associated Transactions constitute a major transaction for the Company under Rule 14.06(3) of the Listing Rules. In the event that the actual compensation paid by Shenzhen Xinxiang for Phase I Redevelopment exceeds the estimated maximum compensation of RMB2,100,000,000 (or approximately HK\$2,646,000,000) and the details of the maximum compensation to be paid by Shenzhen Xinxiang for Phase II Redevelopment are confirmed, the Company will comply with the requirements under the Listing Rules.

As Shenzhen Agricultural Products is a substantial shareholder of Shenzhen Xinxiang and hence is a connected person of the Company within the meaning of the Listing Rules, the entering into of the Cooperation Framework Agreement and the Associated Transactions also constitute a connected transaction for the Company under Rule 14A.13(6) of the Listing Rules which is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Company has obtained a written independent Shareholders' approval from a closely allied group of Shareholders (being Chance Again and Kang Jun), approving the Cooperation Framework Agreement and the Associated Transactions pursuant to Rules 14.44 and 14A.43 of the Listing Rules.

Chance Again is wholly-owned by Cheung Yuet (B.V.I.) Limited which is, in turn, wholly-owned by the Trustee of the Wong Family Trust. The Wong Family Trust is a discretionary family trust established by Mr Wong and its beneficiaries include Mr Wong's family members. Mr Wong is the settlor and the protector of the Wong Family Trust. Based on the deed constituting the Wong Family Trust, Mr Wong has control over Chance Again, including but not limited to the right to direct the Trustee in exercising the voting power in Chance Again and to appoint and remove the directors of Chance Again. Mr Wong is deemed to be interested in the Shares held by Chance Again by virtue of the SFO. Kang Jun is wholly-owned by Mr Wong and, by virtue of the SFO, Mr Wong is deemed to be interested in the Shares held by Kang Jun.

Chance Again and Kang Jun are interested in 620,742,000 Shares in aggregate which represents approximately 53.73% of the existing issued share capital of the Company as at the date of this announcement and are entitled to exercise and control the right to attend and vote at the general meeting to approve the Cooperation Framework Agreement and the Associated Transactions.

To the best knowledge of the Directors, no Shareholder (including Chance Again, Kang Jun and their associates) and Director has a material interest in the Cooperation Framework Agreement and the Associated Transactions, which is different from other Shareholders and no Shareholder and Director is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Framework Agreement and the Associated Transactions.

Pursuant to Rule 14A.43 of the Listing Rule, the Company will seek from the Stock Exchange a waiver from compliance with the requirements to hold a general meeting for the purpose of approving the Cooperation Framework Agreement and the Associated Transactions, and a confirmation that independent Shareholders' approval for the Cooperation Framework Agreement and the Associated Transactions may be obtained by means of written approval from a closely allied group of Shareholders (being Chance Again and Kang Jun) in lieu of holding a general meeting. Accordingly, no general meeting will be convened in this regard.

## GENERAL

The Independent Board Committee will be established to advise the Shareholders as to whether the Cooperation Framework Agreement and the Associated Transactions are fair and reasonable and whether the entering into of the Cooperation Framework Agreement and the Associated Transactions are in the interests of the Company and the Shareholders as a whole after taking into account the recommendations of Proton Capital. Proton Capital has been appointed to advise the Independent Board Committee and the Shareholders as to whether the terms of the Cooperation Framework Agreement and the Associated Transactions are fair and reasonable and whether the entering into of the Cooperation Framework Agreement and the Associated Transactions are in the interests of the Company and the Shareholders as a whole.

## DESPATCH OF CIRCULAR

A circular containing, among other things, (i) details of the terms of the Cooperation Framework Agreement and the Associated Transactions; (ii) the recommendation of Proton Capital to the Independent Board Committee and the Shareholders as to whether the terms of the Cooperation Framework Agreement and the Associated Transactions are fair and reasonable and whether the entering into of the Cooperation Framework Agreement and the Associated Transactions are in the interests of the Company and the Shareholders as a whole; and (iii) the recommendation of the Independent Board Committee to the Shareholders as to whether the terms of the Cooperation Framework Agreement and the Associated Transactions are fair and reasonable and whether the entering into of the Cooperation Framework Agreement and the Associated Transactions are in the interests of the Company and the Shareholders as a whole after taking into account the recommendations of Proton Capital, is required to be despatched to the Shareholders within 15 business days after publication of this announcement under Rule 14.41(a) of the Listing Rules. In order to allow sufficient time for preparing the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and despatch the circular to the Shareholders on or before 31 December 2013.

**The Board would like to emphasize that the Cooperation Framework Agreement, the Supplemental Cooperation Framework Agreement and the Cold Store Demolition Compensation Agreement, may or may not proceed, as they are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate”	has the meaning ascribed to it under the Listing Rules
“Associated Transactions”	the transactions contemplated under the Cooperation Framework Agreement in respect of Phase I Redevelopment which include the Phase I Demolition Compensation Agreement and the Cold Store Demolition Compensation Agreement



“Board”	the board of directors of the Company
“Buji Market”	a portion of the Land with a total gross floor area of 68,760.69 sq.m. (including temporary constructions)
“business day”	has the meaning ascribed to it under the Listing Rules
“Chance Again”	Chance Again Limited, a company incorporated in the British Virgin Islands
“Cold Store”	a cold store at the Buji Market with a total gross floor area of 15,954.75 sq.m.
“Cold Store Demolition Compensation Agreement”	the demolition compensation agreement dated 15 November 2013 entered into between Shenzhen Xinxiang and Shenzhen Agricultural Products on the arrangement of demolition and demolition compensation in respect of the Cold Store
“Company”	Top Spring International Holdings Limited (萊蒙國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Cooperation Framework Agreement”	the cooperation framework agreement dated 15 November 2013 entered into between Shenzhen Xinxiang and Shenzhen Agricultural Products in relation to the Redevelopment Project (including the Supplemental Cooperation Framework Agreement and any other supplemental or amendment agreement entered into from time to time)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, which will be established to give recommendation to the Shareholders on the Cooperation Framework Agreement and the Associated Transactions

“Independent Third Party/ Parties”	a person or persons which is or are independent of, and not connected with, any directors, chief executive or substantial shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries or any of their respective associate(s) (as defined in the Listing Rules)
“Joint Venture Agreement”	the joint venture agreement dated 31 August 2011 and entered into among Shenzhen Agricultural Products, Shenzhen Hualong, Shenzhen Xiangsheng and Shenzhen Youlin
“Kang Jun”	Kang Jun Limited, a company incorporated in the British Virgin Islands
“Land”	a piece of land with a total site area of 62,141 sq.m. at 深圳市羅湖區布吉農產品中心批發市場 (Buji Agricultural Products Centre Wholesale Market, Luohu, Shenzhen*) (宗地號 (Zongdi Nos.*) H406-3 (including Nos. H406-8, H406-11 and H406-14) and H406-9)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Wong”	Mr Wong Chun Hong, the chairman and chief executive officer of the Company, and an executive Director
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“Phase I Demolition Compensation Agreement”	the demolition compensation agreement to be entered into between Shenzhen Xinxiang and Shenzhen Agricultural Products for Phase I Redevelopment
“Phase II Demolition Compensation Agreement”	the demolition compensation agreement to be entered into between Shenzhen Xinxiang and Shenzhen Agricultural Products for Phase II Redevelopment
“Phase I Redevelopment”	the Redevelopment Project in respect of the Buji Market and Tianbao Building
“Phase II Redevelopment”	the Redevelopment Project in respect of the Seafood Market
“PRC”	the People’s Republic of China
“PRC Government”	the government of the PRC and its departments

“Proton Capital” or “Independent Financial Adviser”	Proton Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Shareholders in respect of the Cooperation Framework Agreement and the Associated Transactions
“Redevelopment Project”	the urban renewal project for 深圳市羅湖區布吉農產品中心批發市場 (Buji Agricultural Products Centre Wholesale Market, Luohu, Shenzhen*)
“RMB”	Renminbi, the lawful currency of the PRC
“Seafood Market”	the constructions on a portion of the Land with 宗地號 (Zongdi No.*) H406-14 and some of the constructions of the Seafood Market which are outside the Land, the total gross floor area of which is subject to the inspection results to be confirmed by Shenzhen Xinxiang and Shenzhen Agricultural Products
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholders”	holders of the Shares
“Shenzhen Agricultural Products”	深圳市農產品股份有限公司 (Shenzhen Agricultural Products Co. Ltd.*), a company established in the PRC and a connected person of the Company, the shares of which are listed on the Shenzhen Stock Exchange
“Shenzhen Hualong”	深圳市華龍房地產開發有限公司 (Shenzhen Hualong Properties Development Co. Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Shenzhen Stock Exchange Listing Rules”	the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange
“Shenzhen Xiangsheng”	深圳市祥盛信息諮詢有限公司 (Shenzhen Xiangsheng Information Consultation Co. Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Shenzhen Xinxiang”	深圳市信祥投資發展有限公司 (Shenzhen Xinxiang Investment Development Co. Ltd.*), a joint venture company established in the PRC and a non wholly-owned subsidiary of the Company
“Shenzhen Youlin”	深圳市友鄰房地產開發有限公司 (Shenzhen Youlin Properties Development Co. Ltd.*), a company established in the PRC and an Independent Third Party
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subunit 14 City Development Plan”	深圳市筍崗清水河城市發展規劃14子單元 (subunit 14 of the city development plan of Sungang Qingshui River, Shenzhen*)
“Supplemental Cooperation Framework Agreement”	the supplemental cooperation framework agreement dated 15 November 2013 entered into between Shenzhen Xinxiang and Shenzhen Agricultural Products in relation to the amendments to the Cooperation Framework Agreement
“Supplemental Rental Agreements”	the supplemental rental agreements in respect of the Tenants of the Buji Market and Tianbao Building on the resettlement compensation for the leased properties
“Tenants”	the existing tenants of the properties under the Redevelopment Project
“Tianbao Building”	the building without legal property right and with a total gross floor area of 41,385.42 sq.m., a portion of which is on the Land and a portion of which is on the land used by a company in the PRC
“Tianbao Building Comprehensive Renovation Agreement”	a comprehensive renovation agreement to be entered into between Shenzhen Xinxiang and Shenzhen Agricultural Products in relation to the renovation of Tianbao Building for Phase I Redevelopment if the PRC Government approves the preservation of Tianbao Building
“Trustee”	HSBC International Trustee Limited, the trustee of the Wong Family Trust

“Wong Family Trust”

The Cheung Yuet Memorial Trust, a discretionary family trust established by Mr Wong

“%”

per cent

*For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.26 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.*

By Order of the Board  
**Top Spring International Holdings Limited**  
**WONG Chun Hong**  
*Chairman*

Hong Kong, 17 November 2013

*As at the date of this announcement, the executive Directors are Mr WONG Chun Hong, Ms LI Yan Jie, Mr LEE Sai Kai David, Mr LAM Jim and Mr CHEN Feng Yang; and the independent non-executive Directors are Mr BROOKE Charles Nicholas, Mr CHENG Yuk Wo and Professor WU Si Zong.*

\* *For identification purposes only*