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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)**



**SUNAC CHINA HOLDINGS LIMITED**  
融創中國控股有限公司

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

**(Stock Code: 1918)**

## **JOINT ANNOUNCEMENT**

**VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO THE DISPOSAL  
OF THE TARGET COMPANIES  
AND  
MAJOR TRANSACTION  
IN RELATION TO THE PROVISION  
OF GUARANTEE**

**DISCLOSEABLE TRANSACTION  
AND MAJOR TRANSACTION  
ENTERING INTO THE  
FRAMEWORK AGREEMENT  
IN RELATION TO THE ACQUISITION  
OF TARGET COMPANIES**

### **THE FRAMEWORK AGREEMENT**

On 19 May 2016 (after trading hours), Top Spring entered into the Framework Agreement with Sunac China, pursuant to which (i) Top Spring (or its designated companies) conditionally agreed to sell, and Sunac China (or its designated companies) conditionally agreed to purchase, the Sale Shares in the Target Companies; and (ii) Sunac China (or its designated companies) shall settle the respective Intercompany Loans of the Target Companies and/or the Project Companies.

Subject to adjustments, the aggregate value of the Consideration together with the Intercompany Loans shall be RMB4,394,070,000 (equivalent to approximately HK\$5,228,943,300), comprising (i) the aggregate value of the Consideration in the amount of RMB3,386,830,000 (equivalent to approximately HK\$4,030,327,700); and (ii) the aggregate value of the Intercompany Loans in the amount of RMB1,007,240,000 (equivalent to approximately HK\$1,198,615,600). Out of the aggregate value of the Consideration and the Intercompany Loans, (i) RMB137,370,000 (equivalent to approximately HK\$163,470,300) will be payable to Party A, an Independent Third Party, as it holds 15% of the equity interest in Shanghai Huan Jian; and (ii) RMB4,256,700,000 (equivalent to approximately HK\$5,065,473,000) will be payable to Top Spring Group. The Consideration and the Intercompany Loans shall be payable and settled by Sunac China (or its designated companies) in cash (via bank transfer) by two instalments pursuant to the terms and conditions of the Framework Agreement.

The Sale Shares represent the entire equity interest in each of (i) Jun Hong Da; (ii) Shanghai Huan Jian; (iii) Shanghai Li Te Man; (iv) Nanjing Top Spring Metropolitan; (v) Shenzhen Panye; (vi) Hui Dong Lai Yang Tian; (vii) Hui Dong Lai Hai Tian; and (viii) Top Spring Zhiye Fuyang. The Target Companies, directly or indirectly, own the seven Property Projects.

Upon Completion, (i) Top Spring will cease to hold any of the equity interest in each of the Target Companies and the Target Companies Group will cease to be subsidiaries of Top Spring; and (ii) each of the Target Companies will become a wholly-owned subsidiary of Sunac China and its financial results will be consolidated to the financial results of the Sunac Group.

### **THE GUARANTEE**

Pursuant to the Framework Agreement, Sunac China warrants that its designated companies shall use their best endeavors to assist Top Spring and its designated companies to apply to the lending banks of the Target Companies and the Project Companies to change all the existing guarantors in relation to the existing bank borrowings of the Target Companies and the Project Companies from Top Spring or its designated companies to Sunac China or its designated companies within 30 business days from the Completion Date.

If the lending bank(s) refuse to release Top Spring or its designated companies as the guarantors of the existing bank borrowings, (i) Top Spring or its designated companies will remain as the guarantor(s) of the relevant Target Companies and Project Companies after Completion; and (ii) Sunac China shall provide counter-guarantee(s) to Top Spring and its designated companies on all their guarantee obligations. If Top Spring or its designated companies incurs any liabilities during the period when they perform their obligations as guarantors, the Target Companies and the Project Companies shall reimburse Top Spring and its designated companies within three business days from the date of payment by Top Spring or its designated companies. Sunac China shall be jointly liable with the Target Companies and the Project Companies for their reimbursement obligations.

The aggregate maximum Guarantee to be provided by Top Spring and its designated companies to the Target Companies Group after Completion pursuant to the Framework Agreement is estimated to be approximately RMB2.40 billion (equivalent to approximately HK\$2.86 billion) (which is calculated based on the aggregate of the utilised and unutilised bank borrowings of the Target Companies Group as at the date of this joint announcement).

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Top Spring**

#### *The Framework Agreement*

As the relevant percentage ratio(s) for Top Spring under the Listing Rules in respect of the transactions contemplated under the Framework Agreement exceeds 75%, the entering into of the Framework Agreement constitutes a very substantial disposal of Top Spring under the Listing Rules. Therefore, the Framework Agreement and the transactions contemplated under it are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

#### *The Guarantee*

As the relevant percentage ratio(s) for Top Spring under the Listing Rules in respect of the transactions contemplated under the provision of the Guarantee exceeds 25% but less than 100%, the provision of the Guarantee constitutes a major transaction of Top Spring under the Listing Rules. Therefore, the provision of the Guarantee and the transactions contemplated under it are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **Sunac China**

The payment of the Deposit by Sunac China as contemplated under the Framework Agreement constitutes financial assistance to be provided by Sunac China in favour of Top Spring. As one or more of the applicable percentage ratio(s) in respect of the payment of the Deposit by Sunac China exceeds 5% but less than 25%, the payment of the Deposit constitutes a discloseable transaction of Sunac China under the Listing Rules. As one or more of the applicable percentage ratio(s) in respect of the transactions contemplated under the Framework Agreement exceed 25% but less than 100%, the entering into of the Framework Agreement and the transactions contemplated under it constitute a major transaction of Sunac China under the Listing Rules. Therefore, the Framework Agreement and the transactions contemplated under it are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **THE TOP SPRING EGM AND SUNAC CHINA EGM**

### **Top Spring EGM**

The Top Spring EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Top Spring Shareholders to consider, and if thought fit, to approve the Framework Agreement, the provision of the Guarantee and the transactions contemplated under them.

## **Sunac China EGM**

The Sunac China EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Sunac China Shareholders to consider, and if thought fit, to approve the Framework Agreement and the transactions contemplated under it.

## **DESPATCH OF THE TOP SPRING CIRCULAR AND SUNAC CHINA CIRCULAR**

### **Top Spring Circular**

The Top Spring Circular containing, among other things, (i) further details about the Framework Agreement, the provision of the Guarantee and the transactions contemplated under them; and (ii) a notice of the Top Spring EGM and a proxy form for the Top Spring EGM, is expected to be despatched to the Top Spring Shareholders on or before 31 July 2016 so as to allow sufficient time for the preparation of the relevant information for inclusion in the Top Spring Circular.

### **Sunac China Circular**

The Sunac China Circular containing, among other things, (i) further details about the Framework Agreement and the transactions contemplated under it; and (ii) a notice of the Sunac China EGM and a proxy form for the Sunac China EGM, is expected to be despatched to the Sunac China Shareholders on or before 31 July 2016 so as to allow sufficient time for the preparation of the relevant information for inclusion in the Sunac China Circular.

**The transactions contemplated under the Framework Agreement and the provision of the Guarantee may or may not proceed. Shareholders and potential investors of Top Spring and Sunac China should exercise caution when dealing in the Top Spring Shares and Sunac China Shares.**

## **THE FRAMEWORK AGREEMENT**

The principal terms of the Framework Agreement are set out below:

### **Date**

19 May 2016

### **Parties**

- (1) Top Spring
- (2) Sunac China

To the best of the knowledge, information and belief of the Top Spring Directors, having made all reasonable enquiries, Sunac China and its respective ultimate beneficial owners are Independent Third Parties of Top Spring.

To the best of the knowledge, information and belief of the Sunac China Directors, having made all reasonable enquiries, Top Spring and its respective ultimate beneficial owners are Independent Third Parties of Sunac China.

## **Subject Matter**

Pursuant to the Framework Agreement, (i) Top Spring (or its designated companies) conditionally agreed to sell, and Sunac China (or its designated companies) conditionally agreed to purchase, the Sale Shares in the Target Companies; and (ii) Sunac China (or its designated companies) shall settle the respective Intercompany Loans of the Target Companies and/or the Project Companies. The Sale Shares represent the entire equity interest in each of (i) Jun Hong Da; (ii) Shanghai Huan Jian; (iii) Shanghai Li Te Man; (iv) Nanjing Top Spring Metropolitan; (v) Shenzhen Panye; (vi) Hui Dong Lai Yang Tian; (vii) Hui Dong Lai Hai Tian; and (viii) Top Spring Zhiye Fuyang. The Target Companies, directly or indirectly, own the seven Property Projects.

## **Sale Shares**

### *(i) The entire equity interest in Jun Hong Da*

As at the date of this joint announcement, Jun Hong Da holds the entire equity interest in Shenzhen Sheng Shuo. Shenzhen Sheng Shuo holds 51% of the equity interest in Sanhe Xue Zhe Zhi Jia. Sanhe Xue Zhe Zhi Jia holds the entire equity interest in each of Sanhe Shunze Property Services and Sanhe Shunze Property Development. Sanhe Shunze Property Development is the owner of Beijing Top Spring Shunze Flower Garden.

### *(ii) The entire equity interest in Shanghai Huan Jian*

As at the date of this joint announcement, (i) Shenzhen Ding Feng holds 85% of the equity interest in Shanghai Huan Jian; and (ii) Party A holds 15% of the equity interest in Shanghai Huan Jian. Shanghai Huan Jian owns 99% of the equity interest in Shanghai Huan Tang and the remaining 1% of the equity interest in Shanghai Huan Tang is held by Tangren Investment for and on behalf of Shanghai Huan Jian. Shanghai Huan Tang is the owner of Shanghai Puxing Project.

### *(iii) The entire equity interest in Shanghai Li Te Man*

As at the date of this joint announcement, Shanghai Li Te Man is the owner of Shanghai Grand Pujian Residence.

### *(iv) The entire equity interest in Nanjing Top Spring Metropolitan*

As at the date of this joint announcement, Nanjing Top Spring Metropolitan is the owner of Nanjing Fashion Mark.

### *(v) The entire equity interest in Shenzhen Panye*

As at the date of this joint announcement, Shenzhen Panye is the owner of Shenzhen Smart Venture Valley.

- (vi) *The entire equity interest in each of Hui Dong Lai Yang Tian and Hui Dong Lai Hai Tian*

As at the date of this joint announcement, Hui Dong Lai Yang Tian and Hui Dong Lai Hai Tian are the co-owners of Huizhou Hidden Bay.

- (vii) *The entire equity interest in Top Spring Zhiye Fuyang*

As at the date of this joint announcement, Top Spring Zhiye Fuyang is the owner of Hangzhou Hidden Valley.

Subject to the pre-emptive rights of Beijing Huaxia over the 51% equity interest in Sanhe Xue Zhe Zhi Jia, the sale and purchase of the Target Companies and the settlement of the Intercompany Loans are inter-conditional and not severable. If Beijing Huaxia exercises its pre-emptive rights over the 51% equity interest in Sanhe Xue Zhe Zhi Jia, (i) Top Spring (or its designated companies) shall be entitled not to sell, and Sunac China (or its designated companies) shall be entitled not to purchase, the 51% equity interest in Sanhe Xue Zhe Zhi Jia; (ii) the Consideration and the Intercompany Loans shall be adjusted accordingly; and (iii) neither Top Spring (or its designated companies) nor Sunac China (or its designated companies) shall be liable for any loss as a consequence of the withdrawal of the sale and purchase of Sanhe Xue Zhe Zhi Jia.

### **Sale and Purchase Agreements**

On 19 May 2016, Top Spring (or its designated companies) and Sunac China (or its designated companies) entered into the Sale and Purchase Agreements. The Sale and Purchase Agreements will become effective after the payment of the Deposit by Sunac China to Top Spring. The payment terms of the Sale and Purchase Agreements are consistent with the terms as set out in the Framework Agreement.

### **Conditions Precedent**

Completion is conditional upon the following conditions precedent:

- (i) each of Top Spring and Sunac China has obtained the necessary approvals as required under the Listing Rules;
- (ii) the parties to the Sale and Purchase Agreements have entered into the respective Sale and Purchase Agreements, and all the other necessary transaction documents in relation to the Transactions have been effective;
- (iii) Sunac China has obtained all the necessary approvals and consents for the execution, delivery and fulfilment of the Framework Agreement and the transactions contemplated under it;
- (iv) there have been no material adverse changes on the laws, regulations and policies of the relevant governmental authorities which are applicable to (a) the Framework Agreement; and (b) the transactions contemplated under it, or such material adverse changes (if any) have not substantially increased the transaction costs of the Transactions; and
- (v) Sunac China has paid the Deposit in the amount of RMB2 billion (equivalent to approximately HK\$2.38 billion) to Top Spring pursuant to the Framework Agreement.

## **Consideration and the Intercompany Loans**

Subject to adjustments, (i) the aggregate value of the Consideration shall be RMB3,386,830,000 (equivalent to approximately HK\$4,030,327,700); and (ii) the aggregate value of the Intercompany Loans shall be RMB1,007,240,000 (equivalent to approximately HK\$1,198,615,600). Out of the aggregate value of the Consideration, (i) RMB137,370,000 (equivalent to approximately HK\$163,470,300) will be payable to Party A, an Independent Third Party, as it holds 15% of the equity interest in Shanghai Huan Jian; and (ii) RMB3,249,460,000 (equivalent to approximately HK\$3,866,857,400) will be payable to Top Spring Group.

The Consideration was arrived at after arm's length negotiations between Top Spring and Sunac China, and was determined with reference to the unaudited net asset value of the Target Companies Group as at 29 February 2016 and the prevailing market value of the Property Projects as at 29 February 2016.

Subject to adjustments, the aggregate value of the Consideration together with the Intercompany Loans shall be RMB4,394,070,000 (equivalent to approximately HK\$5,228,943,300), comprising (i) the aggregate value of the Consideration in the amount of RMB3,386,830,000 (equivalent to approximately HK\$4,030,327,700); and (ii) the aggregate value of the Intercompany Loans in the amount of RMB1,007,240,000 (equivalent to approximately HK\$1,198,615,600). Out of the aggregate of the Consideration and the Intercompany Loans, (i) RMB137,370,000 (equivalent to approximately HK\$163,470,300) will be payable to Party A, an Independent Third Party, as it holds 15% of the equity interest in Shanghai Huan Jian; and (ii) RMB4,256,700,000 (equivalent to approximately HK\$5,065,473,000) will be payable to Top Spring Group. The Consideration and the Intercompany Loans shall be payable and settled by Sunac China (or its designated companies) in cash (via bank transfer) by two instalments in the following manner:

- (i) RMB2 billion (equivalent to approximately HK\$2.38 billion) shall be paid by Sunac China to Top Spring as deposit within one business day from the date of this joint announcement upon satisfaction of the conditions set out in the section headed "Security for the Deposit and Part Payment of the Consideration"; and
- (ii) the balance of the Consideration and the Intercompany Loans shall be paid to Top Spring and settled by Sunac China within six business days from the Completion Date upon satisfaction of the conditions set out in the section headed "Conditions for the payment of the balance of the Consideration and the Intercompany Loans".

The Consideration and the Intercompany Loans payable by Sunac China will be financed by Sunac Group's internal resources.

## **Due diligence by Sunac China**

After the entering into of the Framework Agreement, Sunac China is entitled to conduct due diligence on the Property Projects, the Target Companies and the Project Companies. Sunac China endeavours to complete the due diligence within one month from the date when it formally commences the onsite due diligence. If there are any discrepancies between the

actual circumstances and the information disclosed by Top Spring about the Property Projects, the Target Companies and the Project Companies, the Consideration and the Intercompany Loans may be adjusted in accordance with paragraphs (ii) to (vii) in the section headed “Adjustments”.

## **Adjustments**

Pursuant to the Framework Agreement, Sunac China is entitled to adjust the amount of the Consideration and the Intercompany Loans in the following circumstances:

- (i) if Beijing Huaxia exercises its pre-emptive rights over the 51% equity interest in Sanhe Xue Zhe Zhi Jia, (a) the consideration for the sale and purchase of the equity interest in Sanhe Xue Zhe Zhi Jia; and (b) the intercompany loans incurred by Sanhe Xue Zhe Zhi Jia as at 29 February 2016 shall be deducted from the Consideration and the Intercompany Loans, respectively;
- (ii) if there is any difference between (a) the actual saleable GFA (other than the car park units); and (b) the saleable GFA (other than the car park units) as disclosed in Framework Agreement, of any of the Property Projects, and such difference exceeds 0.5%, the Consideration will be adjusted accordingly;
- (iii) if there is any difference between (a) the total number or area of the saleable car park units; and (b) the total number or area of the saleable car park units as disclosed in the Framework Agreement, of any of the Property Projects, and such difference exceeds 5%, the Consideration will be adjusted accordingly;
- (iv) if there is any unpaid registered capital in any of the Target Companies and such unpaid registered capital has not been paid within 10 days from the date of Sunac China’s written notice, Sunac China is entitled to deduct the unpaid registered capital from the Consideration;
- (v) if there is any difference in the amount of (a) the actual Principal Equity Investment made by Top Spring or its designated companies; and (b) the Principal Equity Investment made by Top Spring or its designated companies as disclosed in the Framework Agreement, the Consideration shall be adjusted accordingly;
- (vi) save as disclosed in the Framework Agreement, if there is any difference in (a) the actual tax deduction entitlements; and (b) the tax deduction entitlements as disclosed by Top Spring, in relation to the Target Companies Group, Sunac China is entitled to deduct a certain proportion of the amount equivalent to the decrease in the net profits (due to the increase in the tax payment) from the Consideration;
- (vii) if the floor height of Shanghai Puxing Project is less than 4.5 metres, Top Spring and Sunac China will re-confirm the average selling price and net profits of Shanghai Puxing Project, and the Consideration shall be adjusted accordingly; and
- (viii) if there is a difference between (a) the actual Intercompany Loans as at the Completion Date; and (b) the Intercompany Loans, the Intercompany Loans will be adjusted accordingly.



Top Spring and Sunac China will agree and confirm on the adjustments (if any) prior to the payment of the balance of the Consideration and the settlement of the Intercompany Loans by Sunac China. If Top Spring and Sunac China have not agreed on the adjustments, Sunac China shall tentatively pay Top Spring the balance of the Consideration and the Intercompany Loans in the amount equivalent to 90% of the aggregate of the Consideration and the Intercompany Loans minus the amount which had been paid by Sunac China and its designated companies within six business days from the Completion Date upon satisfaction of the conditions set out in the section headed “Conditions for the payment of the balance of the Consideration and the Intercompany Loans”. The parties shall then agree on the final amount and to refund for any overpayment and supplement for any deficiency. Further announcement will be made by Top Spring and/or Sunac China when and as necessary in accordance with the requirements of the Listing Rules in the event that there is any adjustment on the Consideration and the Intercompany Loans.

### **Security for the Deposit and Part Payment of the Consideration**

Pursuant to the Framework Agreement, Sunac China shall pay Top Spring RMB2 billion (equivalent to approximately HK\$2.38 billion) as deposit within one business day from the date of this joint announcement subject to the satisfaction of the following conditions:

- (i) the duly entering into of the Framework Agreement, the Sale and Purchase Agreements and the relevant transfer documents in accordance with applicable laws;
- (ii) Top Spring and Sunac China having announced the Transactions in accordance with the requirements of applicable laws and the Listing Rules; and
- (iii) as security for the Deposit, on the date of the entering into of the Framework Agreement, Top Spring and its designated companies have delivered to Sunac China (a) the signed Sale and Purchase Agreements; (b) the signed Master Charge Agreement; and (c) all the necessary transactions documents to effect the sale and purchase of the Target Companies signed in escrow by Top Spring or its designated companies.

Pursuant to the Master Charge Agreement, Top Spring and Sunac China agreed that the designated companies of Top Spring shall execute the Charge Agreements in favour of the designated companies of Sunac China in relation to the charge of the Sale Shares.

The Deposit paid by Sunac China shall be automatically converted into part payment of the Consideration on the date of the Top Spring EGM approving the Transactions or the date of the Sunac China EGM approving the Transactions (whichever is later).

### **Arrangements during the Transition Period**

During the Transition Period and after the payment of the Deposit by Sunac China to Top Spring, (i) Sunac China is entitled to nominate one director and one finance personnel to each of the Target Companies to participate in the management and finance work of the Target Companies Group; and (ii) the Project Companies are required to obtain Sunac China’s prior written consent for the implementation of any material operation and business decisions, such as products positioning, design plans, work progress, financing and tax arrangements, and disposal of material assets.

## **Completion**

Completion shall take place on the Completion Date.

Upon Completion, (i) Top Spring will cease to hold any of the equity interest in each of the Target Companies and the Target Companies Group will cease to be subsidiaries of Top Spring and (ii) each of the Target Companies will become a wholly-owned subsidiary of Sunac China and its financial results will be consolidated to the financial results of the Sunac Group.

Following Completion, Sunac China may also consider to cooperate with other potential business partners in investing in the Target Companies. Further announcement in relation to such cooperation will be made by Sunac China when and as necessary in accordance with the requirements of the Listing Rules.

## **Conditions for the payment of the balance of the Consideration and the Intercompany Loans**

The balance of the Consideration and the Intercompany Loans shall be paid to Top Spring and settled by Sunac China within six business days from the Completion Date upon satisfaction of the following conditions:

- (i) each of Top Spring and Sunac China has obtained the necessary internal approvals (including the approval from its shareholders and its board of directors) in respect of the Transactions;
- (ii) each of Top Spring and Sunac China (a) has announced the Transactions in accordance with the requirements of applicable laws and the Listing Rules; and (b) has obtained the relevant governmental approval (if applicable);
- (iii) Top Spring has fully cooperated with Sunac China on the due diligence;
- (iv) Top Spring has procured, and Sunac China has completed, the relevant registration on the change of shareholders in accordance with the applicable laws and requests by the government bodies;
- (v) Top Spring has procured the Project Companies and the relevant parties have completed the physical delivery of the completion items as set out in the Framework Agreement;
- (vi) save as disclosed by Top Spring and the Project Companies in the Framework Agreement, the representations and warranties set out in the Framework Agreement by Top Spring are true, accurate and complete;
- (vii) save as disclosed by Top Spring and the Project Companies, (a) there is no material litigation, arbitration, administrative proceedings, court judgments or governmental rulings which restricts the parties to proceed with the Completion or has material adverse effect on the Transactions; (b) there is no event which causes Sunac China to be subject to any material penalties or legal liabilities under laws and regulations if it proceeds with the Completion; and (c) Sunac China is not subject to any restrictions on its operation which cause material adverse change;

- (viii) Top Spring and Sunac China have agreed and confirmed on the adjustments (if any) on the Consideration and the Intercompany Loans. If the parties have not agreed on the adjustments, Sunac China shall tentatively pay Top Spring the balance of the Consideration and the Intercompany Loans in the amount equivalent to 90% of the aggregate of the Consideration and the Intercompany Loans minus the amount which had been paid by Sunac China and its designated companies. The parties shall then agree on the final amount and to refund for any overpayment and supplement for any deficiency; and
- (ix) the charge on the two parcels of land of Hangzhou Hidden Valley has been released. If the charge of these two parcels of land has not been released on the payment date of the balance of the Consideration and the Intercompany Loans, Sunac China or its designated companies is entitled to withhold part of the Consideration in the amount of RMB990,000,000 (equivalent to approximately HK\$1,178,100,000) until the release of the charge on these two parcels of land.

## **THE GUARANTEE**

Pursuant to the Framework Agreement, Sunac China warrants that its designated companies shall use their best endeavors to assist Top Spring and its designated companies to apply to the lending banks of the Target Companies and the Project Companies to change all the existing guarantors in relation to the existing bank borrowings of the Target Companies and the Project Companies from Top Spring or its designated companies to Sunac China or its designated companies within 30 business days from the Completion Date.

If the lending bank(s) refuse to release Top Spring or its designated companies as the guarantors of the existing bank borrowings, (i) Top Spring or its designated companies will remain as the guarantor(s) of the relevant Target Companies and Project Companies after Completion; and (ii) Sunac China shall provide counter-guarantee(s) to Top Spring and its designated companies on all their guarantee obligations. If Top Spring or its designated companies incurs any liabilities during the period when they perform their obligations as guarantors, the Target Companies and the Project Companies shall reimburse Top Spring and its designated companies within three business days from the date of payment by Top Spring or its designated companies. Sunac China shall be jointly liable with the Target Companies and the Project Companies for their reimbursement obligations.

As at the date of this joint announcement, (i) the aggregate utilised bank borrowings of the Target Companies Group amounted to approximately RMB1.92 billion (equivalent to approximately HK\$2.28 billion); (ii) the aggregate unutilised bank borrowings of the Target Companies Group amounted to approximately RMB480 million (equivalent to approximately HK\$571.2 million); and (iii) the aggregate of the utilised and unutilised bank borrowings of the Target Companies Group amounted to approximately RMB2.40 billion (equivalent to approximately HK\$2.86 billion).

As at the date of this joint announcement, the existing bank loans of the Target Companies Group bore interest rates ranging from 5.23% to 12.0% per annum and repayable on or before 13 January 2021.

The aggregate maximum Guarantee to be provided by Top Spring and its designated companies to the Target Companies Group after Completion pursuant to the Framework Agreement is estimated to be approximately RMB2.40 billion (equivalent to approximately HK\$2.86 billion) (which is calculated based on the aggregate of the utilised and unutilised bank borrowings of the Target Companies Group as at the date of this joint announcement).

### **EGM and Shareholders' Approval**

Each of Top Spring and Sunac China has undertaken to convene their respective Top Spring EGM and Sunac China EGM within three months from the date of the Framework Agreement for their respective Top Spring Shareholders and Sunac China Shareholders to approve the Framework Agreement and the transactions contemplated under it.

If Top Spring fails to (i) convene the Top Spring EGM within the above timeframe (or any other period as agreed by Sunac China); and/or (ii) obtain the Top Spring Shareholders' approval for the entering into of the Framework Agreement and the transactions contemplated under it, so that the Transactions cannot be completed, Sunac China is entitled to terminate the Framework Agreement and request Top Spring to refund all sums paid by Sunac China to Top Spring (including the Deposit) within five business days from the date of the written notice served by Sunac China. In addition, Top Spring is required to pay Sunac China a penalty in the amount equivalent to 30% of all sums paid by Sunac China to Top Spring pursuant to the Framework Agreement. If Top Spring does not refund the above sums and pay the penalty within the prescribed period, Sunac China and/or its designated companies will be entitled to exercise its rights under the Charge Agreements.

If Sunac China fails to (i) convene the Sunac China EGM within the above timeframe (or any other period as agreed by Top Spring); and/or (ii) obtain the Sunac China Shareholders' approval for the entering into of the Framework Agreement and the transactions contemplated under it, so that the Transactions cannot be completed, Top Spring is entitled to terminate the Framework Agreement. Upon termination of the Framework Agreement, Sunac China has agreed to convert the Deposit paid to Top Spring into a fixed term loan in the amount of RMB2 billion (equivalent to approximately HK\$2.38 billion) repayable by Top Spring. The term of the loan shall be two years from (i) three months from the date of the Framework Agreement; or (ii) the date of Sunac China EGM which the resolution(s) proposed has been voted down. The interest rate of the loan is 8% per annum, payable quarterly. Further announcement will be made by Sunac China when and as necessary in accordance with the requirements of the Listing Rules in the event that Sunac China is required to convert the Deposit into loan pursuant to the Framework Agreement.

However, if the failure of Sunac China to convene the Sunac China EGM within the above timeframe is caused by the failure of Top Spring to provide Sunac China with the audited financial statements and/or the valuation report of the Target Companies Group (where applicable and are required to be included in the Sunac China Circular) within 30 days from the date of the Framework Agreement, the Sunac China EGM shall be adjourned until such document(s) are available.

## REASONS AND BENEFITS OF THE TRANSACTIONS BY TOP SPRING AND SUNAC CHINA

### Top Spring

#### *The Framework Agreement*

The Top Spring Directors believe that the Transactions will enable Top Spring Group to better align its business strategy and represents a good opportunity for Top Spring Group to divest its investment in the Property Projects, including a combination of estimated profit-generating and loss-making projects, and will enhance the asset structure of Top Spring Group. The Transactions will also improve Top Spring Group's cash position and enable Top Spring Group to free up capital for its operations and any potential new investment opportunities that may arise in the future.

The Transactions will also help to lower the overall borrowings level and improve the net gearing ratio of Top Spring Group. As at 31 March 2016, Top Spring Group had aggregate unaudited outstanding bank and other borrowings (including from non-controlling Top Spring Shareholders) of approximately HK\$12,543,034,000. Out of which, (i) the aggregate unaudited outstanding bank borrowings of the Target Companies Group amounted to approximately HK\$2,044,347,000; and (ii) the aggregate unaudited outstanding bank and other borrowings (including from non-controlling Top Spring Shareholders) of Top Spring Group (other than the Target Companies Group) amounted to approximately HK\$10,498,687,000, which bore interest rate ranging from 1.55% to 12.0% per annum.

Upon Completion, the aggregate unaudited outstanding bank borrowings of the Target Companies Group in the amount of approximately HK\$2,044,347,000 shall remain with the Target Companies Group, and therefore the overall borrowings level of Top Spring Group will be lowered by such amount upon Completion.

The following table shows the details of the maturity of the bank and other borrowings (including from non-controlling Top Spring Shareholders) of Top Spring Group upon Completion:

<b>Maturity</b>	<b>Amount of Bank and Other Borrowings (HK\$'000)</b>
Repayable within one year	4,986,356
Repayable after one year but within five years	4,921,204
Repayable after five years	591,127

Accordingly, the Top Spring Directors, including the independent non-executive Top Spring Directors, consider that the terms of the Framework Agreement (and the transactions contemplated under it) have been made on normal commercial terms and are fair and reasonable and that the entering into of the Framework Agreement and the transactions contemplated under it are in the interests of Top Spring and the Top Spring Shareholders as a whole.

## *The Guarantee*

Pursuant to the Framework Agreement, Sunac China warrants that its designated companies shall use their best endeavors to assist Top Spring and its designated companies to apply to the lending banks of the Target Companies and the Project Companies to change all the existing guarantors in relation to the existing bank borrowings of the Target Companies and the Project Companies from Top Spring or its designated companies to Sunac China or its designated companies within 30 business days from the Completion Date.

In fact, Top Spring and Sunac China intend to liaise with the relevant lending banks on the change of guarantees shortly after the entering into the Framework Agreement. However, to the best knowledge of the Top Spring Directors, (i) it usually takes a few weeks to months for financial institutions in the PRC to conduct the relevant know-your-client due diligence checks and other procedures to implement any change of guarantors; and (ii) financial institutions in the PRC may also require the provision of the registration documents issued by the relevant government bodies in relation to the change of shareholdings before they accept any change of guarantors. Such registration documents will only be available after Completion. The Top Spring Board has evaluated the credit worthiness and the financial conditions of Sunac China Group and considered that the counter-guarantee to be provided by Sunac China will provide sufficient security to Top Spring and its designated companies for their provision of the Guarantee. The provision of the Guarantee is expected to be a transitional arrangement only in relation to the change of the shareholdings of the Target Companies Group.

Accordingly, the Top Spring Directors, including the independent non-executive Top Spring Directors, consider that the provision of the guarantee under the Framework Agreement (and the transactions contemplated under it) have been made on normal commercial terms and are fair and reasonable and that the provision of the Guarantee under the Framework Agreement (and the transactions contemplated under it) are in the interests of Top Spring and the Top Spring Shareholders as a whole.

## **Sunac China**

Sunac China has always insisted on the regional focus development strategy and has laid out its strategic plan in the core first and second tier cities in the PRC. The Transactions will enable Sunac Group to enter into the Shenzhen property market, which has good long term prospects and huge development potentials. At the same time, the other Property Projects of the Transactions situate in the regional property market and cities in the PRC which Sunac Group has been in-depth cultivating, and the Transactions help further optimise Sunac Group's regional strategy and increase Sunac Group's land reserves and market shares in the relevant core first and second tier cities.

Accordingly, the Sunac China Directors, including the independent non-executive Sunac China Directors, consider that the terms of the Framework Agreement (and the transactions contemplated under it) have been made on normal commercial terms and are fair and reasonable and that the entering into of the Framework Agreement and the transactions contemplated under it are in the interests of Sunac China and the Sunac China Shareholders as a whole.

## **USE OF PROCEEDS BY TOP SPRING GROUP**

Based on the aggregate value of the Consideration together with the Intercompany Loans in the amount of RMB4,256,700,000 (equivalent to approximately HK\$5,065,473,000) (subject to adjustments) to be payable to Top Spring and settled by Sunac China (after deducting part of the Consideration in the amount of RMB137,370,000 (equivalent to approximately HK\$163,470,300 to be payable to Party A for its sale of the 15% of the equity interest in Shanghai Huan Jian), the proceeds from the Transactions are estimated to be approximately HK\$4.98 billion. Top Spring intends to apply such net proceeds for the following purposes:

- (i) approximately 60% of the net proceeds (approximately RMB2.51 billion (equivalent to approximately HK\$2.99 billion)) for the repayment of existing bank and other borrowings of Top Spring Group, which bore interest rates ranging from 5.22% to 12.0% per annum and repayable on or before 18 September 2021; and
- (ii) approximately 40% of the net proceeds (approximately RMB1.67 billion (equivalent to approximately HK\$1.99 billion)) for general working capital (including for acquisitions of new projects or parcels of land for development in the PRC and/or outside the PRC). As at the date of this joint announcement, Top Spring had yet identified or committed any acquisition targets for its use of proceeds. Top Spring will make further announcement if there are any committed acquisitions when and as necessary in accordance with the requirements of the Listing Rules.

As the final Consideration and Intercompany Loans are subject to adjustments, Top Spring intends to use the final net proceeds from the Transactions on a pro-rata basis to the proposed usage set forth above.

## **FINANCIAL EFFECT OF THE TRANSACTIONS ON TOP SPRING GROUP**

It is estimated that Top Spring Group will record an unaudited net gain before taxation of approximately HK\$319.5 million from the Transactions, which is calculated with reference to the gross proceeds from the Consideration to be payable to Top Spring by Sunac China, subject to adjustments, of RMB4.26 billion (equivalent to approximately HK\$5.07 billion) less the unaudited net asset value of the Project Companies as at 31 December 2015 and the investment costs incurred by Top Spring Group on acquisitions of Shanghai Puxing Project and Shanghai Grand Pujian Residence in 2016. Top Spring Shareholders and investors should note that the exact amount of gain on the Transactions is to be determined with reference to the fair value attributable to the consolidated net asset value of the Project Companies and the Intercompany Loans as at the Completion Date.

## **FUTURE PLANS OF TOP SPRING GROUP**

As at 31 March 2016, Top Spring Group had a total of 26 property projects in 12 cities at various stages of development in Shenzhen, Shanghai, Nanjing, Nanchang, Sanhe, Chengdu, Huizhou, Hangzhou, Dongguan, Tianjin, Changzhou of the PRC and Hong Kong with a total estimated net saleable/leasable GFA of approximately 4,001,824 sq.m. The Target Companies, directly or indirectly, own the Property Projects in six cities at various stages of development in Sanhe, Shanghai, Hangzhou, Shenzhen, Nanjing and Huizhou with a total estimated net saleable/leasable GFA of approximately 1,256,247 sq.m.

Upon Completion, Top Spring Group is expected to have 19 property projects in 10 cities in the PRC and Hong Kong. Out of these 19 property projects, a total estimated net saleable/leasable GFA of approximately 2,301,081 sq.m. will be properties held for sale, and a total estimated net saleable/leasable GFA of approximately 444,496 sq.m. will be properties held for investment. Therefore, there will not be any substantial reduction in the scale of operations of Top Spring Group upon Completion.

The following table shows the details of the 19 property projects which are expected to be remained in Top Spring Group upon Completion:

<b>Project no.</b>	<b>City</b>	<b>Project</b>	<b>Type of Property/ Land Use</b>	<b>Estimated Net Saleable/ Leasable GFA <i>sq.m.</i></b>	<b>Interest Attributable to Top Spring Group %</b>
<b>Completed Projects</b>					
1	Shenzhen	Shenzhen Hidden Valley	Residential	4,976	100
2	Shenzhen	The Spring Land – Shenzhen	Residential/ Commercial	33,592	100
3	Shenzhen	Shenzhen Water Flower Garden	Commercial	4,992	100
4	Changzhou	Changzhou Fashion Mark	Residential/ Commercial	84,827	100
5	Changzhou	Changzhou Le Leman City	Residential/ Commercial	95,732	100
6	Dongguan	Dongguan Landmark	Commercial	20,172	100
7	Hangzhou	Hangzhou Landmark	Commercial	26,264	100
8	Chengdu	Chengdu Fashion Mark	Commercial	38,285	100
9	Shanghai	Shanghai Shama Century Park	Serviced apartments	31,038	70
10	Tianjin	Tianjin Le Lemen City	Residential/ Commercial	15,281	58
11	Nanchang	Nanchang Fashion Mark	Residential/ Commercial	30,722	70

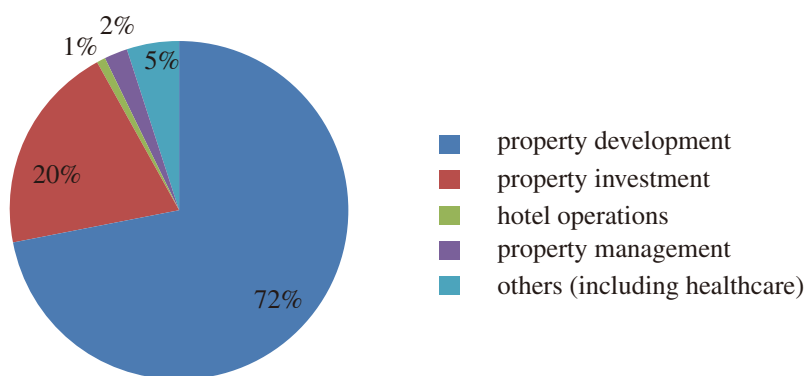


<b>Project no.</b>	<b>City</b>	<b>Project</b>	<b>Type of Property/ Land Use</b>	<b>Estimated Net Saleable/ Leasable GFA <i>sq.m.</i></b>	<b>Interest Attributable to Top Spring Group %</b>
12	Nanjing	The Spring Land – Nanjing	Residential/ Commercial	717	100
13	Hangzhou	The Spring Land – Hangzhou	Residential/ Commercial/ Office	33,455	100
<b>Sub-total</b>				<u>420,053</u>	
<b>Projects Under Development</b>					
5	Changzhou	Changzhou Le Leman City	Residential	54,583	100
10	Tianjin	Tianjin Le Leman City	Commercial	33,839	58
11	Nanchang	Nanchang Fashion Mark	Residential/ Commercial	121,458	70
14	Nanjing	The Sunny Land – Nanjing	Residential/ Commercial	160,501	100
<b>Sub-total</b>				<u>370,381</u>	
<b>Projects Held For Future Development</b>					
5	Changzhou	Changzhou Le Leman City	Residential/ Commercial	60,934	100
10	Tianjin	Tianjin Le Lemen City	Commercial	51,115	58
11	Nanchang	Nanchang Fashion Mark	Commercial/Office	345,959	70
15	Shenzhen	Shenzhen Blue Bay	Residential	15,000	92
16	Shenzhen	Shenzhen Buji Market Project	Commercial	46,349	55
<b>Sub-total</b>				<u>519,357</u>	

Project no.	City	Project	Type of Property/ Land Use	Estimated Net Saleable/ Leasable GFA <i>sq.m.</i>	Interest Attributable to Top Spring Group %
<b>Projects Contracted To Be Acquired or Under Application For Change in Land Use</b>					
16	Shenzhen	Shenzhen Buji Market Project	Commercial	202,828	55
17	Shenzhen	Shenzhen Fashion Mark	Residential/ Commercial/ Office	1,139,280	100
18	Shenzhen	Shenzhen Junan Project	Industrial	83,300	40
19	Hong Kong	Hong Kong Yuen Long Project	Agricultural	10,378	100
<b>Sub-total</b>				<u>1,435,786</u>	
<b>Total</b>				<u>2,745,577</u>	

Upon Completion, Top Spring Group will continue to carry out its property development, property investment, hotel operations, property management and healthcare businesses. Hence, there will not be any change on the principal businesses of Top Spring Group immediately after the Completion.

The following chart shows the expected breakdown of Top Spring Group's business segments after Completion based on Top Spring Group's business plan:



Currently, Top Spring Group has no intention to terminate or shrink any of its businesses which will remain in Top Spring Group after the Completion.

## **INFORMATION ON TOP SPRING GROUP**

Top Spring Group is a real estate property developer in the PRC specialised 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.

## **INFORMATION ON THE TARGET COMPANIES**

### **(i) Jun Hong Da**

Jun Hong Da is a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of Top Spring. The principal business activity of Jun Hong Da is investment holding.

### **(ii) Shanghai Huan Jian**

Shanghai Huan Jian a limited liability company established in the PRC, and 85% indirectly owned by Top Spring and 15% owned by Party A, an Independent Third Party. The principal business activity of Shanghai Huan Jian is investment holding.

### **(iii) Shanghai Li Te Man**

Shanghai Li Te Man is a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of Top Spring. The principal business activity of Shanghai Li Te Man is property leasing.

### **(iv) Nanjing Top Spring Metropolitan**

Nanjing Top Spring Metropolitan is a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of Top Spring. The principal business activity of Nanjing Top Spring Metropolitan is property development.

### **(v) Shenzhen Panye**

Shenzhen Panye is a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of Top Spring. The principal business activity of Shenzhen Panye is property development.

### **(vi) Hui Dong Lai Hai Tian and Hui Dong Lai Yang Tian**

Each of Hui Dong Lai Hai Tian and Hui Dong Lai Yang Tian is a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of Top Spring. The principal business activity of each of Hui Dong Lai Hai Tian and Hui Dong Lai Yang Tian is property development.

### **(vii) Top Spring Zhiye Fuyang**

Top Spring Zhiye Fuyang is a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of Top Spring. The principal business activity of Top Spring Zhiye Fuyang is property development.

## **INFORMATION ON THE PROPERTY PROJECTS**

### **(i) Beijing Top Spring Shunze Flower Garden**

Beijing Top Spring Shunze Flower Garden is located on the east side of Han Wang North Road and the east and west side of Wu Liu West Road in Yanjiao Gaoxin District, Sanhe City, Hebei Province. Beijing Top Spring Shunze Flower Garden comprises residential and retail units. It has a total site area of approximately 224,926 sq.m.

### **(ii) Shanghai Puxing Project**

Shanghai Puxing Project is located at lot nos. 07-02, 07-07 and 07-08 at Puxing Community District, Pudong New District, Shanghai, the PRC. The land use right of the land of Shanghai Puxing Project is for commercial and office use. The site area of the land is approximately 21,253.49 sq.m.

### **(iii) Shanghai Grand Pujian Residence**

Shanghai Grand Pujian Residence is located at 727 Pujian Road, Pudong New Area, Shanghai, the PRC. It is a residential serviced apartment and office/retail podium, comprising a total of 120 residential units, four office units, four retail units, and 43 car park units. It has a total GFA of approximately 25,960.63 sq.m.

### **(iv) Nanjing Fashion Mark**

Nanjing Fashion Mark is adjacent to the west of North Square of Huangjiayu Road Railway Station in Xiaguan District, Nanjing, Jiangsu Province, the PRC. The land use right of the land of Nanjiang Fashion Mark is for residential and retail. The total estimated GFA is approximately 44,256 sq.m.

### **(v) Shenzhen Smart Venture Valley**

Shenzhen Smart Venture Valley is located at the southeast side of the conjunction of Jianshe Road and Longsheng Road in Longhua area, the PRC. The land use right of the land of Shenzhen Smark Venture Valley is for industrial and retail. The total estimated GFA is approximately 133,583 sq.m.

### **(vi) Huizhou Hidden Bay**

Huizhou Hidden Bay is located in Huidong, Huizhou, the PRC. The land use right of the land of Huizhou Hidden Bay is for residential, retail and hotel. The total estimated GFA is approximately 627,749 sq.m.

### **(vii) Hangzhou Hidden Valley**

Hangzhou Hidden Valley is located at Dongzhou Avenue, Fuyang, Hangzhou, Zhejiang Province, the PRC. The land use right of the land of Hangzhou Hidden Valley is for low density residential property. The total estimated GFA is approximately 519,561 sq.m.

## INFORMATION ON SUNAC CHINA

Sunac China is a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the main board of the Stock Exchange. As specialised in integrated development of residential and commercial properties, Sunac China is one of the leading real estate developers in the PRC. In line with its regional focus and high-end positioning strategy, Sunac China has developed or is developing many high-quality property projects ranging from high-rise residences, detached villas, retail properties and offices in the first-tier cities and core second-tier cities in the PRC.

## FINANCIAL INFORMATION OF THE TARGET COMPANIES GROUP

Set out below is the unaudited combined financial information of the Target Companies Group prepared in accordance with Hong Kong Financial Reporting Standards for each of the two years ended 31 December 2014 and 2015:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(unaudited)	(unaudited)
Net loss before tax	(235,754)	(81,854)
Net loss after tax	(269,183)	(80,217)
	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(unaudited)	(unaudited)
Net asset value	2,081,823	2,453,370

Upon Completion, each of the Target Companies will cease to be subsidiaries of Top Spring and the financial results of the Target Companies Group will no longer be consolidated into the consolidated financial statements of Top Spring.

## IMPLICATIONS UNDER THE LISTING RULES

### Top Spring

#### *The Framework Agreement*

As the relevant percentage ratio(s) for Top Spring under the Listing Rules in respect of the transactions contemplated under the Framework Agreement exceeds 75%, the entering into of the Framework Agreement constitutes a very substantial disposal of Top Spring under the Listing Rules. Therefore, the Framework Agreement and the transactions contemplated under it are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## *The Guarantee*

As the relevant percentage ratio(s) for Top Spring under the Listing Rules in respect of the transactions contemplated under the provision of the Guarantee exceeds 25% but less than 100%, the provision of the Guarantee constitutes a major transaction of Top Spring under the Listing Rules. Therefore, the provision of the Guarantee and the transactions contemplated under it are subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **Sunac China**

The payment of the Deposit by Sunac China as contemplated under the Framework Agreement constitutes financial assistance to be provided by Sunac China in favour of Top Spring. As one or more of the applicable percentage ratio(s) in respect of the payment of the Deposit by Sunac China exceeds 5% but less than 25%, the payment of the Deposit constitutes a discloseable transaction of Sunac China under the Listing Rules. As one or more of the applicable percentage ratio(s) in respect of the transactions contemplated under the Framework Agreement exceed 25% but less than 100%, the entering into of the Framework Agreement and the transactions contemplated under it constitute a major transaction of Sunac China under the Listing Rules. Therefore, the Framework Agreement and the transactions contemplated under it are subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **THE TOP SPRING EGM AND SUNAC CHINA EGM**

### **Top Spring EGM**

The Top Spring EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Top Spring Shareholders to consider, and if thought fit, to approve the Framework Agreement, the provision of the Guarantee and the transactions contemplated under them.

### **Sunac China EGM**

The Sunac China EGM will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Sunac China Shareholders to consider, and if thought fit, to approve the Framework Agreement and the transactions contemplated under it.

## **DESPATCH OF THE TOP SPRING CIRCULAR AND SUNAC CHINA CIRCULAR**

### **Top Spring Circular**

The Top Spring Circular containing, among other things, (i) further details about the Framework Agreement, the provision of the Guarantee and the transactions contemplated under them; and (ii) a notice of the Top Spring EGM and a proxy form for the Top Spring EGM, is expected to be despatched to the Top Spring Shareholders on or before 31 July 2016 so as to allow sufficient time for the preparation of the relevant information for inclusion in the Top Spring Circular.

## Sunac China Circular

The Sunac China Circular containing, among other things, (i) further details about the Framework Agreement and the transactions contemplated under it; and (ii) a notice of the Sunac China EGM and a proxy form for the Sunac China EGM, is expected to be despatched to the Sunac China Shareholders on or before 31 July 2016 so as to allow sufficient time for the preparation of the relevant information for inclusion in the Sunac China Circular.

**The transactions contemplated under the Framework Agreement and the provision of the Guarantee may or may not proceed. Shareholders and potential investors of Top Spring and Sunac China should exercise caution when dealing in the Top Spring Shares and Sunac China Shares.**

## DEFINITIONS

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

“Beijing Huaxia”	Beijing Huaxia Shunze Investment Group Limited* (北京華夏順澤投資集團有限公司), a limited liability company established in the PRC
“business day”	a day (not being a Saturday, Sunday or public holiday) on which banks are open for general banking business in Hong Kong and the PRC
“Charge Agreements”	(i) the Jun Hong Da Charge Agreement; (ii) the Shanghai Huan Jian Charge Agreement; (iii) the Shanghai Li Te Man Charge Agreement; (iv) the Nanjing Top Spring Metropolitan Charge Agreement; (v) the Shenzhen Panye Charge Agreement; (vi) the Hui Dong Lai Yang Tian Charge Agreement; (vii) the Hui Dong Lai Hai Tian Charge Agreement; and (viii) the Top Spring Zhiye Fuyang Charge Agreement
“Chuang Yu Real Estate”	Chuang Yu (Shenzhen) Real Estate Co., Ltd (創裕 深圳房地產有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Sunac China
“Completion”	the completion of the sale and purchase of the Target Companies
“Completion Date”	the date of Completion, being the date when the changes of shareholders of all the Target Companies have been duly registered with the relevant governmental departments in the PRC

“Consideration”	the aggregate value of the consideration for the sale and purchase of the Sale Shares in the amount of RMB3,386,830,000 (equivalent to approximately HK\$4,030,327,700) (subject to adjustments). Out of the Consideration, (i) RMB137,370,000 (equivalent to approximately HK\$163,470,300) will be payable to Party A, an Independent Third Party, as it holds 15% of the equity interest in Shanghai Huan Jian; and (ii) RMB3,249,460,000 (equivalent to approximately HK\$3,866,857,400) will be payable to Top Spring Group.
“Deposit”	the deposit in the amount of RMB2 billion (equivalent to approximately HK\$2.38 billion) to be paid by Sunac China to Top Spring in accordance with the Framework Agreement
“Framework Agreement”	the framework agreement in relation to the acquisition of the Project Companies dated 19 May 2016 entered into between Top Spring and Sunac China
“GFA”	gross floor area
“Guarantee”	the guarantee to be provided by Top Spring or its designated companies in favour of the Target Companies and the Project Companies after Completion pursuant to the Framework Agreement
“Happy Winner”	Happy Winner Investment Limited (勝欣投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Top Spring
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hui Dong Lai Hai Tian”	Hui Dong Lai Hai Tian Property Co., Ltd.* (惠東縣萊海天置業有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring, and one of the co-owners of Huizhou Hidden Bay (惠州萊蒙水榭灣)
“Hui Dong Lai Hai Tian Charge Agreement”	the charge agreement relating to the entire equity interest in Hui Dong Lai Hai Tian to be executed after the entering into of the Master Charge Agreement by Shenzhen Shen Guo Tou in favour of Chuang Yu Real Estate
“Hui Dong Lai Hai Tian Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Hui Dong Lai Hai Tian executed by Shenzhen Shen Guo Tou and Chuang Yu Real Estate



“Hui Dong Lai Yang Tian”	Hui Dong Lai Yang Tian Property Co., Ltd.* (惠東縣萊洋天置業有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring, and one of the co-owners of Huizhou Hidden Bay (惠州萊蒙水榭灣)
“Hui Dong Lai Yang Tian Charge Agreement”	the charge agreement relating to the entire equity interest in Hui Dong Lai Yang Tian to be executed after the entering into of the Master Charge Agreement by Shenzhen Shen Guo Tou in favour of Chuang Yu Real Estate
“Hui Dong Lai Yang Tian Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Hui Dong Lai Yang Tian executed by Shenzhen Shen Guo Tou and Chuang Yu Real Estate
“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 (within the meaning under the Listing Rules) of Top Spring or Sunac China (as the case may be) or any of their subsidiaries or any of their respective associate(s) (within the meaning under the Listing Rules)
“Intercompany Loans”	the loans (which are interest-free) owed by the Target Companies and/or the Project Companies to Top Spring Group in the aggregate principal amounts of RMB1,007,240,000 (equivalent to approximately HK\$1,198,615,600) as at 29 February 2016 (subject to adjustments)
“Jun Hong Da”	Jun Hong Da Information Consultancy (Shenzhen) Co. Ltd.* (俊鴻達信息諮詢(深圳)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“Jun Hong Da Charge Agreement”	the charge agreement relating to the entire equity interest in Jun Hong Da to be executed after the entering into of the Master Charge Agreement by Happy Winner in favour of Sunac Construction
“Jun Hong Da Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Jun Hong Da executed by Happy Winner and Sunac Construction
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Master Charge Agreement”	the master charge agreement dated 19 May 2016 in relation to the charge of the Sale Shares entered into between Top Spring and Sunac China
“Nanjing Top Spring Metropolitan”	Nanjing Top Spring Metropolitan Property Development Co. Ltd.* (南京萊蒙都會房地產開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring, and the owner of Nanjing Fashion Mark (南京萊蒙都會)
“Nanjing Top Spring Metropolitan Charge Agreement”	the charge agreement relating to the entire equity interest in Nanjing Top Spring Metropolitan to be executed after the entering into of the Master Charge Agreement by Urban Transportation Infrastructure and Shenzhen Jin Yue in favour of Shanghai Sunac Real Estate
“Nanjing Top Spring Metropolitan Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Nanjing Top Spring Metropolitan executed by Urban Transportation Infrastructure, Shenzhen Jin Yue and Shanghai Sunac Real Estate
“Party A”	a limited partnership established in the PRC, which is a fund engaged in, among other things, investment in enterprises, investment consultancy and enterprise management consultancy
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Principal Equity Investment”	(i) the amount of consideration paid by Top Spring Group for its acquisition of the equity interest in the Target Companies; or (ii) the amount of capital injection made by Top Spring Group for its establishment of the Target Companies by way of equity interest (as the case may be)
“Project Companies”	Sanhe Shunze Property Development, Shanghai Huan Tang, Shanghai Li Te Man, Nanjing Top Spring Metropolitan, Shenzhen Panye, Hui Dong Lai Yang Tian, Hui Dong Lai Hai Tian and Top Spring Zhiye Fuyang
“Property Projects”	Beijing Top Spring Shunze Flower Garden (北京萊蒙順澤•水榭花城), Shanghai Puxing Project (上海浦興), Shanghai Grand Pujian Residence (上海浦建雅居), Nanjing Fashion Mark (南京萊蒙都會), Shenzhen Smart Venture Valley (深圳萊蒙•創智谷), Huizhou Hidden Bay (惠州萊蒙水榭灣) and Hangzhou Hidden Valley (杭州水榭山)

“RMB”	Renminbi, the lawful currency of the PRC
“Rongxinheng Investment”	Hangzhou Rongxinheng Investment Co., Ltd.* (杭州融鑫恆投資有限公司), a limited liability company established in the PRC, which is wholly-owned by Sunac China
“Sale and Purchase Agreements”	(i) the Jun Hong Da Sale and Purchase Agreement; (ii) the Shanghai Huan Jian Sale and Purchase Agreement; (iii) the Shanghai Li Te Man Sale and Purchase Agreement; (iv) the Nanjing Top Spring Metropolitan Sale and Purchase Agreement; (v) the Shenzhen Panye Sale and Purchase Agreement; (vi) the Hui Dong Lai Yang Tian Sale and Purchase Agreement; (vii) the Hui Dong Lai Hai Tian Sale and Purchase Agreement; and (viii) the Top Spring Zhiye Fuyang Sale and Purchase Agreement
“Sale Shares”	the entire equity interest in each of (i) Jun Hong Da; (ii) Shanghai Huan Jian; (iii) Shanghai Li Te Man; (iv) Nanjing Top Spring Metropolitan; (v) Shenzhen Panye; (vi) Hui Dong Lai Yang Tian; (vii) Hui Dong Lai Hai Tian; and (viii) Top Spring Zhiye Fuyang
“Sanhe Shunze Property Development”	Sanhe Shunze Property Development Co., Ltd.* (三河市順澤房地產開發有限公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of Top Spring, and the owner of Beijing Top Spring Shunze Flower Garden (北京萊蒙順澤•水榭花城)
“Sanhe Shunze Property Services”	Sanhe Shunze Property Services Co., Ltd.* (三河市順澤物業服務有限公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of Top Spring
“Sanhe Xue Zhe Zhi Jia”	Sanhe Xue Zhe Zhi Jia Investment Co., Ltd.* (三河市學者之家投資有限公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of Top Spring
“Shanghai Huan Jian”	Shanghai Huan Jian Investment Co., Ltd.* (上海環建投資有限公司), a limited liability company established in the PRC, and 85% indirectly owned by Top Spring and 15% owned by Party A
“Shanghai Huan Jian Charge Agreement”	the charge agreement relating to the entire equity interest in Shanghai Huan Jian to be executed after the entering into of the Master Charge Agreement by Shenzhen Ding Feng and Party A in favour of Shanghai Sunac Real Estate

“Shanghai Huan Jian Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Shanghai Huan Jian executed by Shenzhen Ding Feng, Party A and Shanghai Sunac Real Estate
“Shanghai Huan Tang”	Shanghai Huan Tang Culture Broadcasting Co., Ltd.* (上海環唐文化傳播有限公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of Top Spring, and the owner of Shanghai Puxing Project (上海浦興)
“Shanghai Li Te Man”	Shanghai Li Te Man Real Estate Co., Ltd. (上海利特曼置業有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring, and the owner of Shanghai Grand Pujian Residence (上海浦建雅居)
“Shanghai Li Te Man Charge Agreement”	the charge agreement relating to the entire equity interest in Shanghai Li Te Man to be executed after the entering into of the Master Charge Agreement by Unique Prosper in favour of Sunac Real Estate Group Co., Ltd. (融創房地產集團有限公司)
“Shanghai Li Te Man Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Shanghai Li Te Man executed by Unique Prosper and Shanghai Sunac Real Estate
“Shanghai Sunac Real Estate”	Shanghai Sunac Real Estate Development Co., Ltd.* (上海融創房地產開發有限公司) a limited liability company established in the PRC and a wholly-owned subsidiary of Sunac China
“Shenzhen Ding Feng”	Shenzhen Top Spring Ding Feng Investment Management Co., Ltd.* (深圳市萊蒙鼎豐投資管理有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“Shenzhen Jin Yue”	Shenzhen Jin Yue Investment Management Co., Ltd.* (深圳市錦悅投資管理有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“Shenzhen Panye”	Shenzhen Panye Technology Development Co., Ltd.* (深圳市磐業科技開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring, and the owner of Shenzhen Smart Venture Valley (深圳萊蒙•創智谷)

“Shenzhen Panye Charge Agreement”	the charge agreement relating to the entire equity interest in Shenzhen Panye to be executed after the entering into of the Master Charge Agreement by Shenzhen Water Flower in favour of Chuang Yu Real Estate
“Shenzhen Panye Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Shenzhen Panye executed by Shenzhen Water Flower and Chuang Yu Real Estate
“Shenzhen Shen Gou Tou”	Shenzhen Shen Guo Tou Property Development Co., Ltd.* (深圳深國投房地產開發有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“Shenzhen Sheng Shuo”	Shenzhen Sheng Shuo Investment Management Co., Ltd.* (深圳市盛碩投資管理有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“Shenzhen Water Flower”	Shenzhen Water Flower Property Development Co., Ltd.* (深圳市水榭花都房地產有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Sunac China”	Sunac China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange (Stock Code: 1918)
“Sunac China Circular”	a circular of Sunac China containing, among other things, (i) further details about the Framework Agreement and the transactions contemplated under it, and (ii) a notice of the Sunac China EGM and a proxy form for the Sunac China EGM
“Sunac China Directors”	the directors of Sunac China
“Sunac China EGM”	the extraordinary general meeting to be held by Sunac China for the Sunac China Shareholders to approve the entering into of the Framework Agreement and the transactions contemplated under it

“Sunac China Share(s)”	ordinary shares with a par value of HK\$0.10 each in the capital of Sunac China
“Sunac China Shareholder(s)”	holder of the Sunac China Share(s)
“Sunac Construction”	Beijing Sunac Construction Investment Real Estate Co., Ltd. (北京融創建設房地產有限公司), a limited liability company established in the PRC, which is wholly-owned by Sunac China
“Sunac Group”	Sunac China and its subsidiaries
“Tangren Investment”	Shanghai Litian Tangren Investment Group Company Limited* (上海立天唐人投資集團有限公司), a limited liability company established in the PRC
“Target Companies”	(i) Jun Hong Da; (ii) Shanghai Huan Jian; (iii) Shanghai Li Te Man; (iv) Nanjing Top Spring Metropolitan; (v) Shenzhen Panye; (vi) Hui Dong Lai Yang Tian; (vii) Hui Dong Lai Hai Tian; and (viii) Top Spring Zhiye Fuyang
“Target Companies Group”	the Target Companies and their respective subsidiaries, where applicable
“Top Spring”	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 Stock Exchange (Stock Code: 03688)
“Top Spring Board”	the board of directors of Top Spring
“Top Spring Circular”	a circular of Top Spring containing, among other things, (i) further details about the Framework Agreement and the transactions contemplated under it, and (ii) a notice of the Top Spring EGM and a proxy form for the Top Spring EGM
“Top Spring Directors”	the directors of Top Spring
“Top Spring EGM”	the extraordinary general meeting to be held by Top Spring for the Top Spring Shareholders to approve the entering into of the Framework Agreement and the transactions contemplated under it
“Top Spring Group”	Top Spring and its subsidiaries
“Top Spring Share(s)”	the ordinary share(s) of HK\$0.1 each of Top Spring

“Top Spring Shareholder(s)”	holder(s) of the Top Spring Share(s)
“Top Spring Xiqi”	Top Spring International (Xiqi) Co., Ltd. (萊蒙國際(西溪)有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Top Spring
“Top Spring Zhiye Fuyang”	Top Spring Zhiye (Fuyang) Co., Ltd.* (萊蒙置業(富陽)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring, and the owner of Hangzhou Hidden Valley (杭州水榭山)
“Top Spring Zhiye Fuyang Charge Agreement”	the charge agreement relating to the entire equity interest in Top Spring Zhiye Fuyang to be executed after the entering into of the Master Charge Agreement by Top Spring Xiqi and Xiang Kang in favour of Sunac Real Estate Group Co., Ltd. (融創房地產集團有限公司)
“Top Spring Zhiye Fuyang Sale and Purchase Agreement”	the sale and purchase agreement dated 19 May 2016 relating to the entire equity interest in Top Spring Zhiye Fuyang executed by Top Spring Xiqi, Xiang Kang and Rongxinheng Investment
“Transactions”	the sale and purchase of the Sale Shares contemplated under the Framework Agreement
“Transition Period”	the period between the date of the Framework Agreement and the Completion Date
“Unique Prosper”	Unique Prosper International Limited (宇興國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Top Spring
“Urban Transportation Infrastructure”	Urban Transportation Infrastructure Development (Hong Kong) Limited (城市交通設施發展(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Top Spring
“US\$”	the lawful currency of the United States
“Xiang Kang”	Xiang Kang Information Consultancy (Shenzhen) Co., Ltd.* (祥康信息諮詢(深圳)有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of Top Spring
“%”	per cent

*For the purposes of this joint announcement, the exchange rate of RMB1.00 = HK\$1.19 have been used, where applicable, for illustrative purposes 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*

By Order of the Board  
**Sunac China Holdings Limited**  
**SUN Hongbin**  
*Chairman*

Hong Kong, 19 May 2016

*As at the date of this joint announcement, the executive directors of Top Spring are Mr WONG Chun Hong, Ms LI Yan Jie, Mr CHEN Feng Yang and Mr WANG Tian Ye; the non-executive directors of Top Spring are Mr XU Lei, Mr CHIANG Kok Sung Lawrence and Mr LEE Sai Kai David; and the independent non-executive directors of Top Spring are Mr BROOKE Charles Nicholas, Mr CHENG Yuk Wo, Professor WU Si Zong and Mr LEUNG Kwong Choi.*

*The directors of Top Spring jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than that relating to Sunac China or Sunac Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Sunac China or Sunac Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the executive directors of Sunac China are Mr SUN Hongbin, Mr WANG Mengde, Mr LI Shaozhong, Mr CHI Xun, Mr SHANG Yu and Mr JING Hong; the non-executive director of Sunac China is Mr ZHU Jia; and the independent non-executive directors of Sunac China are Mr POON Chiu Kwok, Mr LI Qin, Mr MA Lishan and Mr TSE Chi Wai.*

*The directors of Sunac China jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than that relating to Top Spring or Top Spring Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Top Spring or Top Spring Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

\* *For identification purposes only*