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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)

TERMINATION OF THE COOPERATION FRAMEWORK AGREEMENT

Reference is made to the announcements of the Company dated 21 October 2014, 14 September 2015 and 24 March 2016 in relation to the Cooperation Framework Agreement.

On 27 February 2017 (after trading hours), Shenzhen Water Flower entered into the Termination Agreement to terminate the Cooperation Framework Agreement with Shenzhen Zongxin, the Project Company, Zhujiang Junan Cement and Jianning Real Estate.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the announcements (the “**Announcements**”) of Top Spring International Holdings Limited (the “**Company**”) dated 21 October 2014, 14 September 2015 and 24 March 2016 in relation to the Cooperation Framework Agreement. Capitalised terms used in this announcement have the same meanings as defined in the Announcements, unless the context otherwise requires.

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

TERMINATION AGREEMENT

On 27 February 2017 (after trading hours), Shenzhen Water Flower entered into a termination agreement (the “**Termination Agreement**”) to terminate the Cooperation Framework Agreement with Shenzhen Zongxin, the Project Company, Zhujiang Junan Cement and Jianning Real Estate in accordance with the exit mechanism of the Cooperation Framework Agreement, pursuant to which:

- (i) the Project Company will pay the outstanding Guarantee Fee in the amount of RMB5,714,444.44 (equivalent to approximately HK\$6,457,322.22) to Shenzhen Water Flower within 15 days from the date of the Termination Agreement;

- (ii) Shenzhen Zongxin will pay the Repurchase Consideration in the amount of RMB60,000,000 (equivalent to approximately HK\$67,800,000) to Shenzhen Water Flower within 15 days from the date of the Termination Agreement;
- (iii) the Project Company will pay the Investment Return to Shenzhen Water Flower within 15 days from the date of the Termination Agreement based on the calculation pursuant to the Cooperation Framework Agreement;
- (iv) Shenzhen Water Flower and the Project Company will terminate the agreement entered into between them for the provision of construction management services (the “**Construction Management Service Agreement**”) for the redevelopment of the Land pursuant to the Cooperation Framework Agreement at the same time when the Termination Agreement is entered into and the Project Company will pay the balance of the Construction Management Service Fee and related fees in the aggregate amount of RMB12,864,000 (equivalent to approximately HK\$14,536,320) to Shenzhen Water Flower, RMB12,364,000 (equivalent to approximately HK\$13,971,320) of which will be paid within 15 days from the date of the termination of the Construction Management Service Agreement and the balance of RMB500,000 (equivalent to approximately HK\$565,000) will be paid upon completion of the redevelopment of the Land;
- (v) upon the fulfilment of (i) to (iv) above, Shenzhen Zongxin will enter into an agreement for the Share Repurchase to repurchase the Equity Interests from Shenzhen Water Flower and complete the Share Repurchase within 30 days from the date of the agreement for the Share Repurchase; and
- (vi) if any of (i) to (iv) above is not fulfilled on the respective specified periods, the relevant party has to pay Shenzhen Water Flower a daily penalty of 0.05% on the relevant outstanding payment, and if any of the respective outstanding payments is not settled within 20 days from the respective specified periods, the Termination Agreement will be automatically terminated and Shenzhen Water Flower will no longer be required to transfer the Equity Interests to Shenzhen Zongxin.

REASON FOR THE TERMINATION

As the conditions for the exit mechanism pursuant to the Cooperation Framework Agreement have been fulfilled, the parties to the Cooperation Framework Agreement agree to terminate the Cooperation Framework Agreement.

IMPACT OF THE TERMINATION

Although the Group will no longer participate in the development of the Land and provide construction management services to the Project Company upon the entering into of the Termination Agreement and the termination agreement for the Construction Management Service Agreement, respectively, the Group has been able to receive its principal with considerable investment return (as referred to in the Company’s announcement dated 21 October 2014) through the entering into of the Cooperation Framework Agreement. As such, the board of Directors considers that the termination of the Cooperation Framework Agreement will not have any material adverse effect on the operation, business or financial position of the Group.

For the purposes of this announcement, the exchange rate of RMB1.00 = HK\$1.13 has 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

Hong Kong, 27 February 2017

As at the date of this announcement, the executive directors of the Company are Mr WONG Chun Hong, Ms LI Yan Jie, Mr CHEN Feng Yang and Mr WANG Tian Ye; the non-executive directors of the Company are Mr XU Lei and Mr CHIANG Kok Sung Lawrence; and the independent non-executive directors of the Company are Mr CHENG Yuk Wo, Professor WU Si Zong and Mr LEUNG Kwong Choi.