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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE DISPOSAL OF 50% SHAREHOLDINGS IN TWO SUBSIDIARIES
HOLDING THE PROPERTIES IN SHAP PAT HEUNG ROAD
AND TAI TONG ROAD, YUEN LONG, NEW TERRITORIES
AND
MAJOR TRANSACTION IN RELATION TO
POSSIBLE PROVISION OF FINANCIAL ASSISTANCE**

THE DISPOSALS

On 5 May 2021, (i) the Seller, the Purchaser A and the Company entered into the Great Billion Agreement, pursuant to which the Seller agreed to sell, and the Purchaser A agreed to purchase from the Seller, the Great Billion Sale Share and assign the Great Billion Sale Loan for the consideration of HK\$265,008,197; and (ii) the Seller, the Purchaser B and the Company entered into the Wealth Channel Agreement, pursuant to which the Seller agreed to sell, and the Purchaser B agreed to purchase from the Seller, the Wealth Channel Sale Share and assign the Wealth Channel Sale Loan for the consideration of HK\$49,965,061.

Upon the Great Billion Completion and the Wealth Channel Completion, each of Great Billion and Wealth Channel will be held by the Group as to 50% and the Shareholders' Agreements will be entered into between the parties to govern the management and operation of Great Billion and Wealth Channel after completion.

POSSIBLE PROVISION OF FINANCIAL ASSISTANCE TO GREAT BILLION AND WEALTH CHANNEL

In the Agreements, the parties agreed upon the key terms of the Shareholders' Agreements and will enter into them upon the Great Billion Completion and the Wealth Channel Completion. To cater for the funding requirements of Great Billion and Wealth Channel for development of the Properties (including the payment of land premium and the expected commitments of the development, inter alia, the construction and other project development costs, interest and selling expenses), it is expected that financial assistance of not more than HK\$1,640 million will be required to be provided by the Group to Great Billion and Wealth Channel in aggregate. Such financial assistance will be provided mainly in the form of shareholder's loan and/or provision of corporate guarantee for external bank borrowings and in proportion to the Group's shareholding interests in Great Billion and Wealth Channel.

GENERAL

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Disposals exceed(s) 5% but is/are less than 25%, the Disposals in aggregate constitute a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Possible Financial Assistance exceed(s) 25%, the Possible Financial Assistance constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of his/her/its respective associates have any material interest in the Agreement, the Disposals, the Possible Financial Assistance and the transactions contemplated thereunder, thus no Shareholder is required to abstain from voting at the EGM to be convened by the Company.

A circular containing, among other things, further details of the Possible Financial Assistance and notice of the EGM will be despatched to the Shareholders on or before 15 June 2021.

THE DISPOSALS

The Board is pleased to announce that on 5 May 2021, (i) the Seller, the Purchaser A and the Company entered into the Great Billion Agreement, pursuant to which the Seller agreed to sell, and the Purchaser A agreed to purchase from the Seller, the Great Billion Sale Share and assign the Great Billion Sale Loan for the consideration of HK\$265,008,197; and (ii) the Seller, the Purchaser B and the Company entered into the Wealth Channel Agreement, pursuant to which the Seller agreed to sell, and the Purchaser B agreed to purchase from the Seller, the Wealth Channel Sale Share and assign the Wealth Channel Sale Loan for the consideration of HK\$49,965,061.

Each of the Great Billion Sale Share and the Wealth Channel Sale Share will present 50% of the issued share capital of Great Billion and Wealth Channel upon the Great Billion Completion and the Wealth Channel Completion, respectively. The Company agreed to guarantee the Seller's obligations under each of the Agreements.

THE AGREEMENTS

Set out below are the major terms of the Great Billion Agreement and the Wealth Channel Agreement, which have similar contractual terms except the name and particulars of target company and purchaser, particulars of shareholder's loans and property, consideration and its payment terms.

Date: 5 May 2021

Parties:

- (a) Top Spring International (Hong Kong) Company Limited (the Seller) as seller under each of the Great Billion Agreement and the Wealth Channel Agreement;
- (b) Leading Model Limited (the Purchaser A) as purchaser under the Great Billion Agreement and Master Best Limited (the Purchaser B) as purchaser under the Wealth Channel Agreement; and
- (c) the Company as the Seller's guarantor under each of the Great Billion Agreement and the Wealth Channel Agreement

Subject Matter

Pursuant to the Great Billion Agreement, the Seller shall sell, and the Purchaser A shall purchase from the Seller, the Great Billion Sale Share and assign the Great Billion Sale Loan. The Great Billion Sale Share will represent 50% of the issued share capital of Great Billion upon the Great Billion Completion, and the Great Billion Sale Loan represents 50% of the Great Billion Shareholder's Loan. The Great Billion Sale Loan amounted to approximately HK\$98,769,312 as at 31 March 2021.

Pursuant to the Wealth Channel Agreement, the Seller shall sell, and the Purchaser B shall purchase from the Seller, the Wealth Channel Sale Share and assign the Wealth Channel Sale Loan. The Wealth Channel Sale Share will represent 50% of the issued share capital of Wealth Channel upon the Wealth Channel Completion, and the Wealth Channel Sale Loan represents 50% of the Wealth Channel Shareholder's Loan. The Wealth Channel Sale Loan amounted to approximately HK\$6,093,178 as at 31 March 2021.

The principal assets of Great Billion and Wealth Channel are the land use rights of Lot A situated in Shap Pat Heung Road and Lot B situated in Tai Tong Road, Yuen Long, New Territories, respectively.

Consideration

Amount of consideration

The consideration for the sale of the Great Billion Sale Share and the assignment of the Great Billion Sale Loan shall be HK\$265,008,197 (subject to adjustment), which shall be apportioned as (a) the consideration for the sale of the Great Billion Sale Share of HK\$166,238,885; and (b) the consideration for the assignment of the Great Billion Sale Loan of HK\$98,769,312.

The consideration for the sale of the Wealth Channel Sale Share and the assignment of the Wealth Channel Sale Loan shall be HK\$49,965,061 (subject to adjustment), which shall be apportioned as (a) the consideration for the sale of the Wealth Channel Sale Share of HK\$43,871,883; and (b) the consideration for the assignment of the Wealth Channel Sale Loan of HK\$6,093,178.

Adjustment of consideration

The consideration for the Great Billion Disposal shall be adjusted by 50% of the net asset value of Great Billion as at the date of the Great Billion Completion (the "**Great Billion Completion NAV**").

The Great Billion Completion NAV shall be determined by:

- (a) adding thereto (i) (if the Seller shall have lent a sum to Great Billion for payment of the land premium under the Lot A Land Exchange Application such that the Great Billion Shareholder's Loan and the Great Billion Sale Loan shall have increased) an amount equals to such sum lent to Great Billion and (ii) an amount equals to all current tangible assets of Great Billion as shown in the completion accounts (other than Lot A, other fixed assets, intangible assets or any deferred tax assets); and
- (b) deducting an amount equals to all liabilities of Great Billion as shown in the completion accounts (actual, contingent or other liabilities other than the share capital of Great Billion, any deferred tax liability, any subsisting loan for payment of balance of premium under the Lot A Land Exchange Application and the Great Billion Shareholder's Loan),

and if the Great Billion Completion NAV shall be a positive figure, the consideration for the Great Billion Disposal shall be adjusted upward by a sum equals to 50% of such positive figure, and if the Great Billion Completion NAV shall be a negative figure, the consideration for the Great Billion Disposal shall be adjusted downward by a sum equals to 50% of such negative figure, provided that the adjusted consideration for the Great Billion Disposal and the adjusted consideration for the Wealth Channel Disposal in aggregate shall not exceed HK\$450 million.

The consideration for the Wealth Channel Disposal shall be adjusted by 50% of the net asset value of Wealth Channel as at the date of the Wealth Channel Completion (the “**Wealth Channel Completion NAV**”).

The Wealth Channel Completion NAV shall be determined by:

- (a) adding thereto (i) (if the Seller shall have lent a sum to Wealth Channel for payment of the land premium under the Lot B Land Exchange Application such that the Wealth Channel Shareholder’s Loan and the Wealth Channel Sale Loan shall have increased) an amount equals to such sum lent to Wealth Channel and (ii) an amount equals to all current tangible assets of Wealth Channel as shown in the completion accounts (other than Lot B, other fixed assets, intangible assets or any deferred tax assets); and
- (b) deducting an amount equals to all liabilities of Wealth Channel as shown in the completion accounts (actual, contingent or other liabilities other than the share capital of Wealth Channel, any deferred tax liability and the Wealth Channel Shareholder’s Loan),

and if the Wealth Channel Completion NAV shall be a positive figure, the consideration for the Wealth Channel Disposal shall be adjusted upward by a sum equals to 50% of such positive figure, and if the Wealth Channel Completion NAV shall be a negative figure, the consideration for the Wealth Channel Disposal shall be adjusted downward by a sum equals to 50% of such negative figure, provided that the adjusted consideration for the Wealth Channel Disposal and the adjusted consideration for the Great Billion Disposal in aggregate shall not exceed HK\$450 million.

Payment

The consideration for the Great Billion Disposal shall be settled in the following manner:

- (a) upon signing of the Great Billion Agreement, the Purchaser A shall pay to the Seller a sum of HK\$56,814,500 as deposit and part payment of the consideration for the Great Billion Disposal, which shall be utilised by the Seller as additional loan to the Company for part payment of the land premium payable under the Lot A Land Exchange Application;

- (b) upon the Great Billion Completion, the Purchaser A shall pay the balance of the consideration for the Great Billion Disposal, which payment shall be made in favour of the Purchaser A's lawyers and be stakeheld by the Purchaser A's lawyers and be applied as part payment of the balance of land premium under the Lot A Land Exchange Application or as partial repayment of any loan made to Great Billion for payment of the balance of land premium under the Lot A Land Exchange Application; and
- (c) if an adjustment is required to be made to the consideration for the Great Billion Disposal by reference to the completion accounts, the relevant amount payable by the Seller or the Purchaser A as a result of such adjustment shall be made within 5 business days of the determination of the completion accounts.

The consideration for the Wealth Channel Disposal shall be settled in the following manner:

- (a) upon signing of the Wealth Channel Agreement, the Purchaser B shall pay to the Seller a sum of HK\$3,185,500 as deposit and part payment of the consideration for the Wealth Channel Disposal, which shall be stakeheld by the Purchaser B's lawyers and shall not be released until the Wealth Channel Completion;
- (b) upon the Wealth Channel Completion, the Purchaser B shall pay the balance of the consideration for the Wealth Channel Disposal, which payment shall be made in favour of the Purchaser B's lawyers and be stakeheld by the Purchaser B's lawyers;
- (c) the consideration for the Wealth Channel Disposal in its entirety shall be applied by the Seller for on-lending to Great Billion as part payment of the balance of land premium or as partial repayment of any loan made to Great Billion for payment of the balance of land premium under the Lot A Land Exchange Application; and
- (d) if an adjustment is required to be made to the consideration for the Wealth Channel Disposal by reference to the completion accounts, the relevant amount payable by the Seller or the Purchaser B as a result of such adjustment shall be made within 5 business days of the determination of the completion accounts.

Basis of the Consideration

The consideration for the Great Billion Disposal of HK\$265,008,197 was determined after arm's length negotiations between the Seller and the Purchaser A with reference to, inter alia, the valuation report of Lot A as at 13 April 2021 prepared by Cushman & Wakefield Limited, an independent valuer engaged by the Group. The appraised market value of Lot A as at 13 April 2021 was HK\$324 million. The consideration for the Great Billion Disposal of HK\$265,008,197 represents approximately 64% premium over 50% of the said appraised market value of Lot A.

The consideration for the Wealth Channel Disposal of HK\$49,965,061 was determined after arm's length negotiations between the Seller and the Purchaser B with reference to, inter alia, the valuation report of Lot B as at 13 April 2021 prepared by Cushman & Wakefield Limited, an independent valuer engaged by the Group. The appraised market value of Lot B as at 13 April 2021 was HK\$43 million. The consideration for the Wealth Channel Disposal of HK\$49,965,061 represents approximately 132% premium over 50% of the said appraised market value of Lot B.

Conditions precedent to the Disposals

Completion of the Great Billion Agreement is conditional upon the fulfilment or waiver (if applicable) of all of the following conditions:

- (a) the Seller will lend a sum equivalent to the Existing Bank Loan to Great Billion and will procure Great Billion to arrange for repayment of the Existing Bank Loan and obtain the releases of the relevant security documents;
- (b) the Seller shall take all necessary steps, provide all necessary documents and make all necessary payments to complete the Lot A Land Exchange Application;
- (c) the Purchaser A shall have undertaken a due diligence review of Great Billion and Lot A, and is reasonably satisfied with the results of the due diligence review in all material respects;
- (d) the Seller/the Guarantor shall have (i) obtained all necessary governmental, regulatory or third party consents and approvals in connection with the sale of the Great Billion Sale Share and the assignment of the Great Billion Sale Loan; (ii) issued all necessary announcements and circular (if required); and (iii) obtained all necessary shareholders' approvals (if required) in connection with or incidental to the transactions as contemplated under the Great Billion Agreement; and
- (e) the Wealth Channel Completion shall have taken place simultaneously.

The Purchaser A may waive any of the above conditions save for condition (d). If the above conditions cannot be fulfilled or waived (if applicable) in full on or before the Long Stop Date, the Purchaser A may defer the Great Billion Completion to a date not more than twenty eight (28) days after the Long Stop Date; or proceed to the Great Billion Completion so far as practicable; or waive all or any of the Seller's obligations under the Great Billion Agreement; or rescind the Great Billion Agreement.

Completion of the Wealth Channel Agreement is conditional upon the fulfilment or waiver (if applicable) of all of the following conditions:

- (a) the Seller will procure Wealth Channel to obtain the releases of the relevant security documents in connection with the Existing Bank Loan;

- (b) the Seller shall take all necessary steps, provide all necessary documents and make all necessary payments to complete the Lot B Land Exchange Application provided that the final land premium offer for Lot B is issued;
- (c) the Purchaser B shall have undertaken a due diligence review of Wealth Channel and Lot B, and is reasonably satisfied with the results of the due diligence review in all material respects;
- (d) the Seller/the Guarantor shall have (i) obtained all necessary governmental, regulatory or third party consents and approvals in connection with the sale of the Wealth Channel Sale Share and the assignment of the Wealth Channel Sale Loan; (ii) issued all necessary announcements and circular (if required); and (iii) obtained all necessary shareholders' approvals (if required) in connection with or incidental to the transactions as contemplated under the Wealth Channel Agreement; and
- (e) the Great Billion Completion shall have taken place simultaneously.

The Purchaser B may waive any of the above conditions save for condition (d). If the above conditions cannot be fulfilled or waived (if applicable) in full on or before the Long Stop Date, the Purchaser B may defer the Wealth Channel Completion to a date not more than twenty eight (28) days after the Long Stop Date; or proceed to the Wealth Channel Completion so far as practicable; or waive all or any of the Seller's obligations under the Wealth Channel Agreement; or rescind the Wealth Channel Agreement.

Completion

Each of the Great Billion Completion and the Wealth Channel Completion shall take place on the 7th business day after the satisfaction of condition (d) under each of the Great Billion Agreement and the Wealth Channel Agreement or such other date as the relevant parties may mutually agree.

Upon the Great Billion Completion and the Wealth Channel Completion, each of Great Billion and Wealth Channel will be held by the Group as to 50%, accounted for as a joint venture in the Company's financial statements and ceased to be a subsidiary of the Company.

Guarantee

Pursuant to the Agreements, the Company (as the guarantor) agreed to guarantee to the Purchaser A/Purchaser B the performance of the Seller's obligations under the Agreements and other transaction documents.

INFORMATION OF THE GROUP AND THE SELLER

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares have been listed on the Main Board of the Stock Exchange. The Group is a real estate property developer in the PRC and is principally engaged in real estate investment, property development and property management in the PRC and Hong Kong. Besides, the Group is actively exploring the "real estate plus" business opportunities such as education in Hong Kong and the PRC which will be an integral part of its principal business in the future.

The Seller is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

INFORMATION OF GREAT BILLION, WEALTH CHANNEL AND THE PROPERTIES

Great Billion and Wealth Channel are companies incorporated in Hong Kong with limited liability and principally engaged in property development. The principal assets of Great Billion and Wealth Channel are the land use rights of Lot A situated in Shap Pat Heung Road and Lot B situated in Tai Tong Road, Yuen Long, New Territories, respectively. The current usage of each of the Properties is for agricultural use. The Lot A Land Exchange Application and the Lot B Land Exchange Application for developing them into private residential properties were submitted and are being processed. As at the date hereof, Great Billion and Wealth Channel received the binding basic terms offer letters for both Lot A and Lot B. Subject to acceptance thereof and payment of land premium, it is expected that the development of Lot A and Lot B will have gross floor area of approximately 245,032 square feet and 36,415 square feet, respectively.

Set out below is the unaudited financial information of Great Billion and Wealth Channel for the two years ended 31 December 2019 and 2020 prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”):

Great Billion

	For the year ended 31 December	
	2019	2020
	<i>HK\$</i>	<i>HK\$</i>
Revenue	—	—
Loss before taxation	(1,181,240)	(31,345)
Loss after taxation	(1,181,240)	(31,345)

The unaudited net asset value as at 31 December 2020 was HK\$49,357.

Wealth Channel

	For the year ended 31 December	
	2019	2020
	<i>HK\$</i>	<i>HK\$</i>
Revenue	—	—
Loss before taxation	(33,025)	(31,015)
Loss after taxation	(33,025)	(31,015)

The unaudited net asset value as at 31 December 2020 was HK\$3,578,582.

INFORMATION OF THE PURCHASERS

Each of the Purchaser A and the Purchaser B is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. They are both wholly-owned subsidiaries of Kerry Properties Limited which is an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 683. The principal activity of Kerry Properties Limited is investment holding and the principal activities of its subsidiaries, associates and joint ventures comprise property development, investment and management in Hong Kong, the PRC and the Asia Pacific region; hotel ownership in Hong Kong, and hotel ownership and operations in the PRC; and integrated logistics and international freight forwarding.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSALS AND USE OF PROCEEDS

Upon the Great Billion Completion and the Wealth Channel Completion, it is estimated that the Company will record a potential gain before tax on the Disposals of approximately HK\$281.4 million, being the difference between the aggregate consideration for the Great Billion Disposal and the Wealth Channel Disposal over the historical cost, plus fair value gain of the remaining 50% equity under the requirements of HKFRS.

The exact amount of gain to be recorded in the consolidated statement of profit or loss of the Group is subject to audit, and therefore may be different from the figure provided above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only. The actual gain or loss in connection with the Disposals may be different from the above and will be determined based on the financial position of Great Billion and Wealth Channel as at the date of the Great Billion Completion and the Wealth Channel Completion and the actual amount of expenses incidental to the Disposals.

The Directors currently intend to apply the net proceeds from the Disposals of approximately HK\$314 million (after deducting relevant costs and expenses in connection with the Disposals) as part payment of the land premium payable under the Land Exchange Applications.

POSSIBLE PROVISION OF FINANCIAL ASSISTANCE TO GREAT BILLION AND WEALTH CHANNEL

In the Agreements, the parties agreed upon the key terms of the Shareholders' Agreements and will enter into them upon the Great Billion Completion and the Wealth Channel Completion. To cater for the funding requirements of Great Billion and Wealth Channel for development of the Properties (including the payment of land premium and the expected commitments of the development, inter alia, the construction and other project development costs, interest and selling expenses), it is expected that financial assistance of not more than HK\$1,640 million will be required to be provided by the Group to Great Billion and Wealth Channel in aggregate. Such financial assistance will be provided mainly in the form of shareholder's loan and/or provision of corporate guarantee for external bank borrowings and in proportion to the Group's shareholding interests in Great Billion and Wealth Channel.

REASONS FOR AND BENEFITS OF THE DISPOSALS AND PROVISION OF FINANCIAL ASSISTANCE

In respect of the Land Exchange Applications, the Purchasers will provide sufficient funding for payment of the land premium of Lot A and Lot B under the Land Exchange Applications and the usage conversion of the Properties, therefore reducing the capital requirement for and improving the cash flow position of the Group. As a well-known property developer, Kerry Properties Limited has sufficient experience in operation, branding and sales and marketing, which would potentially bring synergy for future development of the Properties.

Furthermore, the Disposals will result in the Seller and the Purchasers sharing the development costs and thereby risks of development of the Properties. The Seller will also benefit from the consideration received from the Purchasers, allowing the Seller to obtain an one-off respectable financial reward within a short period of time and improve the financial performance of the Group.

Given that the Possible Financial Assistance would also be provided pro-rata to the Seller's shareholdings in Great Billion and Wealth Channel and only on normal commercial terms, the Directors (including independent non-executive Directors) consider that the terms of the Agreements, the Disposals and the provision of the Possible Financial Assistance are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Disposals exceed(s) 5% but is/are less than 25%, the Disposals in aggregate constitute a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Possible Financial Assistance exceed(s) 25%, the Possible Financial Assistance constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of his/her/its respective associates have any material interest in the Agreements, the Disposals, the Possible Financial Assistance and the transactions contemplated thereunder, thus no Shareholder is required to abstain from voting at the EGM to be convened by the Company.

GENERAL

A circular containing, among other things, further details of the Possible Financial Assistance and notice of the EGM will be despatched to the Shareholders on or before 15 June 2021.

As the Disposals depend on the fulfilment of certain conditions precedent under the Agreements, there remains the possibility that the Disposals may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Agreements”	the Great Billion Agreement and the Wealth Channel Agreement
“Board”	the board of Directors
“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 with stock code 3688
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals”	the Great Billion Disposal and Wealth Channel Disposal
“EGM”	the extraordinary general meeting to be convened by the Company for the purpose of, if thought fit, approving the Possible Financial Assistance
“Existing Bank Loan”	the existing loan owing by Great Billion to Hang Seng Bank Limited, the total amount of which is approximately HK\$88.1 million as at 31 March 2021
“Great Billion”	Great Billion Corporation Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company prior to Completion
“Great Billion Agreement”	the sale and purchase agreement dated 5 May 2021 entered into among the Seller, the Purchaser and the Company in relation to the Great Billion Disposal
“Great Billion Completion”	completion of the Great Billion Disposal

“Great Billion Disposal”	the proposed disposal of the Great Billion Sale Share and the assignment of the Great Billion Sale Loan by the Seller to the Purchaser A pursuant to the Great Billion Agreement
“Great Billion Sale Loan”	50% of the Great Billion Shareholder’s Loan
“Great Billion Sale Share”	one issued ordinary share representing 50% of the entire issued share capital of Great Billion upon the Great Billion Completion
“Great Billion Shareholder’s Loan”	the shareholder’s loan(s) owed by Great Billion to the Seller
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Land Exchange Applications”	the Lot A Land Exchange Application and the Lot B Land Exchange Application
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	23 July 2021
“Lot A”	the land lot in Shap Pat Heung Road, Yuen Long, New Territories with total gross floor area of approximately 245,032 square feet
“Lot A Land Exchange Application”	the application submitted to the District Lands Office, Yuen Long in relation to the proposed land exchange for private residential development of Lot A
“Lot B”	the land lot in Tai Tong Road, Yuen Long, New Territories with total gross floor area of approximately 36,415 square feet
“Lot B Land Exchange Application”	the application submitted to the District Lands Office, Yuen Long in relation to the proposed land exchange for private residential development of Lot B

“Possible Financial Assistance”	any financial assistance, up to a total amount of not more than HK\$1,640 million, that might be provided by the Group to Great Billion and Wealth Channel for the purpose of development of the Properties
“PRC”	the People’s Republic of China, for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Properties”	Lot A and Lot B
“Purchaser A”	Leading Model Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the Great Billion Agreement
“Purchaser B”	Master Best Limited, a company incorporated in the British Virgin Islands with limited liability and the purchaser under the Wealth Channel Agreement
“Purchasers”	the Purchaser A and the Purchaser B
“Seller”	Top Spring International (Hong Kong) Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreements”	the shareholders’ agreement to be entered into between the Seller and the Purchaser A for Great Billion upon the Great Billion Completion and the shareholders’ agreement to be entered into between the Seller and the Purchaser B for Wealth Channel upon the Wealth Channel Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Channel”	Wealth Channel Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company prior to Completion

“Wealth Channel Agreement”	the sale and purchase agreement dated 5 May 2021 entered into among the Seller, the Purchaser and the Company in relation to the Wealth Channel Disposal
“Wealth Channel Completion”	completion of the Wealth Channel Disposal
“Wealth Channel Disposal”	the disposal of the Wealth Channel Sale Share and the assignment of the Wealth Channel Sale Loan by the Seller to the Purchaser B pursuant to the Wealth Channel Agreement
“Wealth Channel Sale Loan”	50% of the Wealth Channel Shareholder’s Loan
“Wealth Channel Sale Share”	one issued ordinary share representing 50% of the entire issued share capital of Wealth Channel upon the Wealth Channel Completion
“Wealth Channel Shareholder’s Loan”	the shareholder’s loan(s) owed by Wealth Channel to the Seller
“%”	per cent

By Order of the Board
Top Spring International Holdings Limited
WONG Tak Chun
Company Secretary

Hong Kong, 5 May 2021

As at the date of this announcement, the executive Directors are Mr. WONG Chun Hong, Mr. YUAN Zhi Wei, Ms. LAM Mei Ka, Shirley and Mr. LIANG Rui Chi; the non-executive Directors are Mr. YIP Hoong Mun and Mr. KUI Qiang; and the independent non-executive Directors are Mr. CHENG Yuk Wo, Professor WU Si Zong and Mr. CHAN Yee Herman.