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瑞安房地產
SHUI ON LAND

Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 272)

**PROPOSED RESTRUCTURING AMONG EXISTING
SHAREHOLDERS OF PROJECT COMPANIES INVOLVING:
MAJOR AND CONNECTED TRANSACTIONS
IN RELATION TO
ESTABLISHMENT OF LIMITED PARTNERSHIP AND
EQUITY TRANSFER OF PROJECT COMPANIES**

**TRANSACTIONS UNDER THE COOPERATION AGREEMENT AND THE
LIMITED PARTNERSHIP AGREEMENT**

On 5 November 2024, for the purpose of restructuring the investment holding structure among existing shareholders of the Project Companies, the Joint Venture, Shui On LP, Bright Continental and Top Victory (each a subsidiary of the Company) entered into the Cooperation Agreement with Ningbo Fund and Yangpu Knowledge Innovation, pursuant to which, among other things,

- (i) the Limited Partnership Agreement, which was entered into at the same time, among the Joint Venture (as the general partner), and Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation (each as a limited partner), for the purpose of establishing the Limited Partnership, with a total subscribed contribution of approximately RMB8,126,000,000 (equivalent to approximately HK\$8,908,000,000), which will be contributed in cash by the Joint Venture, Shui On LP and Ningbo Fund as to RMB1,000,000 (equivalent to approximately HK\$1,100,000), approximately RMB3,802,000,000 (equivalent to approximately HK\$4,168,000,000) and approximately RMB3,654,000,000 (equivalent to approximately HK\$4,005,000,000), respectively, and will be contributed in kind (through the transfer of the 12.2% equity interests in YPU to the Limited Partnership) and the contribution in cash by Yangpu Knowledge Innovation as to approximately RMB669,000,000 (equivalent to approximately HK\$733,000,000) in total;

- (ii) the 86.8% equity interests in YPU will be transferred from Bright Continental to the Limited Partnership at the consideration of approximately RMB4,706,000,000 (equivalent to approximately HK\$5,159,000,000); and
- (iii) the 99% equity interests in KIC will be transferred from Top Victory to the Limited Partnership at the consideration of approximately RMB2,668,000,000 (equivalent to approximately HK\$2,925,000,000).

Upon completion of the Transactions, (a) the partnership interests of the Limited Partnership will be owned as to approximately 0.01%, 46.79%, 44.97% and 8.23% by the Joint Venture, Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation, respectively, and the Limited Partnership will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the Company; and (b) both YPU and KIC will be owned as to 99% by the Limited Partnership and 1% by Yangpu Knowledge Innovation. YPU and KIC will, however, cease to be the subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As Ningbo Fund and Yangpu Knowledge Innovation are existing direct/indirect shareholders of the Project Companies, Ningbo Fund is an associate of a connected person of the Company at the subsidiary level and Yangpu Knowledge Innovation is a connected person of the Company at the subsidiary level, the Transactions constitute connected transactions of the Company. As the Directors have approved the Transactions and the independent non-executive Directors have confirmed that the terms of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Transactions are subject to reporting and announcement requirements and exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the total capital commitment made by the Group for the establishment of the Limited Partnership under the Cooperation Agreement and the Limited Partnership Agreement exceeds 25% but is less than 100%, such transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Equity Transfer under the Cooperation Agreement exceeds 25% but is less than 75%, such transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the Transactions and no Director was required to abstain from voting on the relevant resolutions of the Board approving the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder; and (b) written approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the issued share capital (excluding treasury shares, if any) of the Company giving the right to attend and vote at that general meeting to approve the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder.

At the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has any material interest in the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder. As such, the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited which are controlled by Shui On Company Limited and together constitute a closely allied group of Shareholders, hold 1,725,493,996 Shares, 2,756,414,318 Shares and 29,847,937 Shares respectively, and together represent approximately 56.21% of the issued share capital of the Company at the date of this announcement. The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited on the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder.

A circular containing, among other things, further details about the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder required under the Listing Rules is expected to be despatched to the Shareholders for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 26 November 2024.

I. INTRODUCTION

The Board is pleased to announce that, on 5 November 2024, for the purpose of restructuring the investment holding structure among existing shareholders of the Project Companies, the Joint Venture, Shui On LP, Bright Continental and Top Victory (each a subsidiary of the Company) entered into the Cooperation Agreement with Ningbo Fund and Yangpu Knowledge Innovation, pursuant to which, among other things,

- (i) the Limited Partnership Agreement, which was entered into at the same time, among the Joint Venture (as the general partner), and Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation (each as a limited partner), for the purpose of establishing the Limited Partnership, with a total subscribed contribution of approximately RMB8,126,000,000 (equivalent to approximately HK\$8,908,000,000), which will be contributed in cash by the Joint Venture, Shui On LP and Ningbo Fund as to RMB1,000,000 (equivalent to approximately HK\$1,100,000), approximately RMB3,802,000,000 (equivalent to approximately HK\$4,168,000,000) and approximately RMB3,654,000,000 (equivalent to approximately HK\$4,005,000,000), respectively, and will be contributed in kind (through the transfer of the 12.2% equity interests in YPU to the Limited Partnership) and the contribution in cash by Yangpu Knowledge Innovation as to approximately RMB669,000,000 (equivalent to approximately HK\$733,000,000) in total;
- (ii) the 86.8% equity interests in YPU will be transferred from Bright Continental to the Limited Partnership at the consideration of approximately RMB4,706,000,000 (equivalent to approximately HK\$5,159,000,000); and
- (iii) the 99% equity interests in KIC will be transferred from Top Victory to the Limited Partnership at the consideration of approximately RMB2,668,000,000 (equivalent to approximately HK\$2,925,000,000).

Upon completion of the Transactions, (a) the partnership interests of the Limited Partnership will be owned as to approximately 0.01%, 46.79%, 44.97% and 8.23% by the Joint Venture, Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation, respectively, and the Limited Partnership will not be a subsidiary of the Company and its financial results will not be consolidated into the financial statements of the

Company; and (b) both YPU and KIC will be owned as to 99% by the Limited Partnership and 1% by Yangpu Knowledge Innovation. YPU and KIC will, however, cease to be the subsidiaries of the Company and their financial results will no longer be consolidated into the financial statements of the Company.

II. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Transactions are for the restructuring of the investment holding structure in relation to the Project Assets among existing shareholders of the Project Companies and enable the Company to (i) refinance the investment with more favourable commercial terms to improve investment returns; and (ii) eliminate foreign exchange exposure and mismatch by aligning RMB income with new onshore RMB financing. In particular, restructuring through the formation of Limited Partnership and Equity Transfer creates an opportunity to obtain an onshore acquisition loan at Limited Partnership's level, for the primary purpose of completing the Equity Transfer of the Project Companies. The terms of the M&A Loan (as defined below) are, compared to those of offshore loans of the Group, expected to be in general less costly and more favourable and it is therefore beneficial to the Company as a whole. Since the Project Companies' revenues are entirely derived from onshore RMB sources, and the M&A Loan (as defined below) is also RMB-denominated, there is no associated foreign exchange risk when using Project Companies' income for repayment of the M&A Loan (as defined below) through distributions from the Project Companies to the Limited Partnership, which is an additional benefit to the Company.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that, the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder, are entered into on normal commercial terms in the ordinary and usual course of the business of the Group, and the terms of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

III. IMPACTS OF THE TRANSACTIONS

The interests of the Group in the Project Companies as at the date of this announcement are held through its 51% equity interests in Bright Power and Merry Wave (which in turn (directly or indirectly) hold 100% of the shares of Bright Continental and Top Victory respectively which in turn hold 86.8% and 99% of the equity interests in YPU and KIC respectively). After the completion of the Transactions, the interests of the Group in the Project Companies will be held through its 46.80% interests in the Limited Partnership which directly holds 99% of the equity interests in both of the Project Companies.

Upon completion, it was estimated that the Company would have no material profit or loss effect from the Transactions. Following completion of the Transactions, the financial statements of the Project Companies will cease to be consolidated in those of the Group and their results, assets and liabilities will no longer be consolidated into the financial statements of the Company.

The simplified shareholding structures of the Project Companies before and after the Transactions are set out in the Appendix to this announcement.

IV. COOPERATION AGREEMENT AND LIMITED PARTNERSHIP AGREEMENT

Major terms of the Cooperation Agreement and the Limited Partnership Agreement are summarized as follows:

Date of the Cooperation Agreement and the Limited Partnership Agreement

5 November 2024

Parties to the Cooperation Agreement

- (1) Shui On LP (being an indirect wholly owned subsidiary of the Company);
- (2) Bright Continental (being an indirect non-wholly owned subsidiary of the Company);
- (3) Top Victory (being an indirect non-wholly owned subsidiary of the Company);
- (4) Ningbo Fund;
- (5) Yangpu Knowledge Innovation; and
- (6) the Joint Venture (being an indirect non-wholly owned subsidiary of the Company).

Parties to the Limited Partnership Agreement

- (1) the Joint Venture (as the general partner and the executive partner);
- (2) Shui On LP (as a limited partner);
- (3) Ningbo Fund (as a limited partner); and
- (4) Yangpu Knowledge Innovation (as a limited partner).

Establishment of the Limited Partnership

The Limited Partnership will be established by the Joint Venture, Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation. The total contribution to be made by the partners to the Limited Partnership is expected to be a total of approximately RMB8,126,000,000 (equivalent to approximately HK\$8,908,000,000), of which:

- (i) the Joint Venture, as the general partner, will contribute as to RMB1,000,000 (equivalent to approximately HK\$1,100,000) in cash, to subscribe for approximately 0.01% of the total partnership interests;
- (ii) Shui On LP, as the limited partner, will contribute as to approximately RMB3,802,000,000 (equivalent to approximately HK\$4,168,000,000) in cash, to subscribe for approximately 46.79% of the total partnership interests;
- (iii) Ningbo Fund, as the limited partner, will contribute as to approximately RMB3,654,000,000 (equivalent to approximately HK\$4,005,000,000) in cash, to subscribe for approximately 44.97% of the total partnership interests; and
- (iv) Yangpu Knowledge Innovation, as the limited partner, will make the Contribution In Kind (through the transfer of the 12.2% equity interests in YPU to the Limited Partnership) and the contribution in cash as to approximately RMB669,000,000 (equivalent to approximately HK\$733,000,000) in total, to subscribe for approximately 8.23% of the total partnership interests.

The formation of the Limited Partnership is mainly for the purpose of carrying out the Equity Transfer and holding the Project Assets through the Project Companies for long-term operation. The Limited Partnership may consider from time to time any appropriate investment opportunities but currently there are no prescribed investment targets.

The Limited Partnership will set up an investment committee which will be tasked with overseeing and making decisions on its investment strategies and activities. Such investment committee shall consist of seven (7) members, of which four (4) members shall be appointed by Ningbo Fund, two (2) members shall be appointed by Shui On LP, and one (1) member shall be appointed by Yangpu Knowledge Innovation. Any potential additional investment and further capital contribution requirements will be decided unanimously by the investment committee of the Limited Partnership.

Financial Commitment to the Limited Partnership

Initial Capital Contribution from Shui On LP and Ningbo Fund

Shui On LP and Ningbo Fund shall pay an aggregate amount of approximately RMB3,668,000,000 (equivalent to approximately HK\$4,021,000,000) to the Limited Partnership as paid-in capital contribution as required by the Joint Venture for the payment of consideration payable by the Limited Partnership for the Equity Transfer (including the Withholding Tax) and the Interest Reserve for M&A Loan, with 51% of such amount provided by Shui On LP and the remaining 49% provided by Ningbo Fund. For the avoidance of doubt, the total consideration payable by the Limited Partnership for the Equity Transfer will be funded by capital contribution from the limited partners and the M&A Loan (as defined below).

Contribution In Kind from Yangpu Knowledge Innovation

Yangpu Knowledge Innovation shall complete the Contribution In Kind through the transfer of the 12.2% equity interests held by it in YPU to the Limited Partnership before the completion of the Equity Transfer.

Should the Contribution In Kind be unable to proceed for any reason, all parties shall collaboratively facilitate the Limited Partnership to acquire the 12.2% equity interests in YPU held by Yangpu Knowledge Innovation, thereby achieving the equivalent outcome initially intended by the Contribution In Kind.

If within twenty (20) Business Days after the completion of the Equity Transfer, the Contribution In Kind has not been completed (as evidenced by the updated business licences received by YPU or the approval for registration document change issued by the competent authorities), provided that such non-completion is not attributable to the unreasonable refusal to cooperate by Shui On LP and/or Ningbo Fund, Yangpu Knowledge Innovation agrees (as a limited partner of the Limited Partnership) to immediately and unconditionally effectuate its withdrawal from the Limited Partnership, and (as a shareholder of the Joint Venture) to transfer all of its equity in the Joint Venture to Shui On LP or its designated Affiliate(s) for a nominal consideration. If there is any material change in respect of the Contribution In Kind, the Company will publish further announcement(s) in a timely manner to update the Shareholders and potential investors of the Company.

Partners' Loans to the Limited Partnership

To facilitate the Transactions and support the operational needs of the Limited Partnership, the limited partners of the Limited Partnership shall provide the Partners' Loans to the Limited Partnership as required by the Joint Venture in an aggregate amount of approximately RMB9,000,000 (equivalent to approximately HK\$9,900,000) for the payment of (i) stamp duty payable by the Limited Partnership

on the Equity Transfer; (ii) stamp duty payable by the Limited Partnership on the paid-in capital contribution of Shui On LP and Ningbo Fund (with 51% of the such payment (i) and (ii) to be provided by Shui On LP and the remaining 49% to be provided by Ningbo Fund); (iii) relevant taxes (including the stamp duty, if any) payable by the Limited Partnership on the Contribution In Kind (to be provided by Yangpu Knowledge Innovation); and (iv) expenses related to the establishment and operational needs of the Limited Partnership (to be provided by Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation with the allocated proportions being 46.80%, 44.97% and 8.23% respectively). Since the Partners' Loans arrangement aims to provide short-term funding to the Limited Partnership, the parties agree that the Joint Venture acting as the general partner of the Limited Partnership is not required to provide such funding.

The Partners' Loans shall be unsecured with a term of one (1) year. Unless otherwise agreed, the interest of the Partners' Loans shall be calculated based on the one-year term Loan Prime Rate (LPR) published by the National Interbank Funding Center authorized by the People's Bank of China, commencing from the date the Limited Partnership actually receives the Partners' Loans, and the agreement(s) on the Partners' Loans shall be entered into by the relevant partners and the Limited Partnership.

Subsequent Capital Contribution from Shui On LP and Ningbo Fund

Within ten (10) Business Days after (whichever is later) (a) the completion of the Equity Transfer, (b) the completion of the Contribution In Kind, and (c) the provision of the Partners' Loans by Yangpu Knowledge Innovation, as required by the Joint Venture, subsequent capital contribution (the "**Subsequent Capital Contribution**") in an estimated aggregate amount of approximately RMB305,000,000 (equivalent to approximately HK\$334,000,000) shall be paid to the Limited Partnership by Shui On LP and Ningbo Fund, with 51% paid by Shui On LP and the remaining 49% paid by Ningbo Fund to maintain the pre-agreed percentage of partnership interests among the limited partners (i.e. Shui On LP: Ningbo Fund: Yangpu Knowledge Innovation = 46.79%: 44.97%: 8.23%) after the completion of the Contribution In Kind from Yangpu Knowledge Innovation and the financing from the M&A Loan (as defined below). Once the M&A Loan (as defined below) is secured by the Limited Partnership and with all the capital contributed to the Limited Partnership (including the initial capital contribution and the Subsequent Capital Contribution), the Limited Partnership will refund the excess in cash to Yangpu Knowledge Innovation which would have overpaid for its 8.23% partnership interests in the Limited Partnership through the Contribution In Kind, to maintain the pre-agreed percentage of partnership interests among the limited partners.

Capital Contribution from the Joint Venture

Upon or prior to the expiry of the payment period of the Subsequent Capital Contribution, the Joint Venture, as the general partner of the Limited Partnership, shall make its paid-in capital contribution of RMB1,000,000 (equivalent to approximately HK\$1,100,000) in cash) to the Limited Partnership.

Total Commitment of the Group in the Limited Partnership

In summary, the total capital commitment made by the Group in the Limited Partnership is expected to be not more than RMB3,807,000,000 (equivalent to approximately HK\$4,173,000,000), which consists of:

- (i) the aggregate subscribed capital contribution by the Joint Venture and Shui On LP, being not more than RMB3,803,000,000 (equivalent to approximately HK\$4,169,000,000); and
- (ii) the Partners' Loans to be provided by Shui On LP, being not more than RMB4,000,000 (equivalent to approximately HK\$4,400,000).

Equity Transfer of Project Companies

Equity Transfer Agreements

Within twenty (20) Business Days from the date of establishment of the Limited Partnership (or such reasonable date as may be agreed by the Limited Partnership and Bright Continental and/or Top Victory), the Limited Partnership shall enter into the YPU Equity Transfer Agreement with Bright Continental to acquire the 86.8% equity interests in YPU held by Bright Continental at the consideration of approximately RMB4,706,000,000 (equivalent to approximately HK\$5,159,000,000); and the Limited Partnership shall enter into the KIC Equity Transfer Agreement with Top Victory to acquire the 99% equity interests in KIC held by Top Victory at the consideration of approximately RMB2,668,000,000 (equivalent to approximately HK\$2,925,000,000).

The consideration for the YPU Equity Transfer and the KIC Equity Transfer was arrived at after arm's length negotiations among the parties on normal commercial terms and were determined principally with reference to the Valuation Reports issued by the Independent Valuer. According to the Valuation Reports, as at the Valuation Benchmark Date, the appraised value of the net assets of YPU using the asset-based approach was approximately RMB5,422,000,000 (equivalent to approximately HK\$5,944,000,000) and the appraised value of the net assets of KIC using the asset-based approach was approximately RMB2,695,000,000 (equivalent to approximately HK\$2,954,000,000), respectively.

The text of the Valuation Reports, together with further details about the financial information of the Project Companies will be included in the circular to be published by the Company in due course.

Application for M&A Loan

An onshore merger and acquisition loan (the “**M&A Loan**”) for the Limited Partnership to pay for a portion of the consideration for the Equity Transfer of the Project Companies and to replace the existing external loans of the Project Companies shall be arranged. For purpose of applying for the M&A Loan, the Limited Partnership, as the borrower, will enter into an merger and acquisition loan agreement (the “**M&A Loan Agreement**”) with the bank(s) (the “**M&A Loan Bank**”). The total principal amount of the M&A Loan is expected to be not more than RMB4.3 billion (equivalent to approximately HK\$4.7 billion).

Subject to the terms of the M&A Loan Agreement, the pledge of the equity interests of the Project Companies and/or the mortgage of the Project Assets will be provided by the Limited Partnership and/or the Project Companies to the M&A Loan Bank as security of the M&A Loan.

If the Limited Partnership does not have sufficient funds to discharge any payment obligations under the M&A Loan Agreement, each limited partner of the Limited Partnership shall provide sufficient funds to the Limited Partnership in accordance with their respective percentage of the partnership interests through paid-in capital or other methods mutually agreed upon in writing by the limited partners but the total commitment of the Group in the Limited Partnership is not expected to increase resulting from this obligation.

Payment and Completion

The registration of the Equity Transfer (as reflected in the updated business licences by the Project Companies) (the “**Equity Transfer IC Registration**”) is conditional on the satisfaction or, where applicable, waiver of the following conditions:

- (i) the Company having complied with the applicable compliance procedures under the Listing Rules for the Transactions (including, but not limited to, obtaining the Shareholders’ approval);
- (ii) the equity interests in the Project Companies being free from any encumbrances or other restrictions on rights (except for any equity pledges in accordance with the M&A Loan Agreement);

- (iii) relevant bank special accounts having been set up for the Transactions; and
- (iv) approvals from relevant PRC commercial banks on the Transactions having been obtained by Ningbo Fund and YPU.

The Limited Partnership may waive any of the aforementioned conditions precedent of the Equity Transfer IC Registration except for the condition (i) above. All parties shall use their best efforts to ensure that these conditions are fulfilled within twenty (20) days from the date of signing the Equity Transfer Agreements.

After the Equity Transfer IC Registration, the Limited Partnership shall pay the consideration for the Equity Transfer (deducting the Withholding Tax) to the offshore bank account designated by the Transferors in accordance with the Equity Transfer Agreements.

The Transferors and the Limited Partnership shall use their best endeavours to procure that the Equity Transfer IC Registration shall be completed no later than 31 March 2025 (or such later date as may be agreed in writing by the Transferors and the Limited Partnership), otherwise such deadline shall be automatically extended for a period of three (3) months. Should the registration still not be completed by the extended deadline, either the Transferors or the Limited Partnership may terminate the Equity Transfer Agreements by written notice to the other party.

Upon the establishment of the Limited Partnership, each partner shall procure that the Limited Partnership promptly enters into the M&A Loan Agreement with the relevant parties. In the event that the first drawdown of the M&A Loan is not effected by 30 June 2025 (or such later date as may be agreed in writing by the Transferors and the Limited Partnership), either the Transferors or the Limited Partnership may terminate the Equity Transfer Agreements by written notice to the other party.

The Equity Transfer completes upon the receipt of the consideration for the Equity Transfer (deducting the Withholding Tax) by the Transferors (which are indirectly owned as to 51% by SODH (a direct wholly owned subsidiary of the Company) and 49% by Wisdom Forever, to which the consideration will be shared accordingly) from the Limited Partnership. The Transferors and the Limited Partnership shall use their best endeavours to procure that the completion of the Equity Transfer of the Project Companies shall be no later than 31 December 2025 (or such later date as may be agreed in writing by the Transferors and the Limited Partnership), otherwise either the Transferors or the Limited Partnership may terminate the Equity Transfer Agreements by written notice to the other party.

Transfer Restrictions on Partnership Interests of Limited Partnership

The Joint Venture, as the general partner of the Limited Partnership, shall not transfer all or any part of the partnership interests in the Limited Partnership without obtaining the unanimous consent from all other partners.

Transfer of all or any part of the partnership interests in the Limited Partnership held by the limited partners shall be subject to conventional transfer restrictions such as the Lock-Up Period, right of first refusal, tag-along right and drag-along right and the Company shall comply with the applicable requirements of the Listing Rules upon the exercise of the right of first refusal, tag-along right and drag-along right by Shui On LP.

Governance Structure of the Project Companies and Operation of the Project Assets

The Limited Partnership shall appoint directors, supervisors, general managers and chief financial officers to YPU and KIC in accordance with the Limited Partnership Agreement in the following manner:

- (i) Shui On LP has the right to nominate two (2) directors (one (1) of whom shall serve as the chairman of the board of directors) and the general manager for YPU and KIC, respectively;
- (ii) Ningbo Fund has the right to nominate two (2) directors (one (1) of whom shall serve as the vice chairman of the board of directors) and the chief financial officer for YPU and KIC, respectively; and
- (iii) Yangpu Knowledge Innovation has the right to nominate one (1) director and the supervisor for YPU and KIC, respectively.

After the completion of the Transactions and during the term of the Limited Partnership, the Project Companies shall continue to appoint designated members of the Group to provide asset management and property management services to the Project Companies.

Dissolution and Liquidation of the Limited Partnership

The Limited Partnership shall be dissolved and liquidated upon the occurrence of certain circumstances, which include, among others, (a) all partners' unanimous voting to dissolve the Limited Partnership; (b) the removal of the general partner and failure to appoint a new one; and (c) the revocation of the business license.

In addition, should the Equity Transfer Agreements be early terminated in accordance with their respective terms, and in the event that the Equity Transfer IC Registration is not completed, the Limited Partnership shall be dissolved and liquidated in accordance with the Limited Partnership Agreement.

Termination of the Cooperation Agreement

The Cooperation Agreement shall be terminated upon the occurrence of (a) the unanimous consent from all parties, or (b) the termination of both Equity Transfer Agreements in accordance with terms thereof.

V. FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE TRANSACTIONS

Following the completion of the Transactions, the financial statements of the Project Companies will cease to be consolidated in those of the Group and their results, assets and liabilities will no longer be consolidated into the financial statements of the Company; but the Company will continue to indirectly own 46.33% equity interests in the Project Companies via the interests in the Limited Partnership of Shui On LP and the Joint Venture and the financial results of the Project Companies will be equity accounted for as investment in joint venture in the consolidated financial statements of the Company.

The cash proceeds from the Transactions to be received by the Group will be used to repay offshore indebtedness with near term maturity. Upon completion, it was estimated that the Company would have no material profit or loss effect from the Transactions, after taking into account of (a) the consideration for the Equity Transfer; (b) the unaudited consolidated net asset value of the Project Companies; and (c) the estimated relevant taxes and expenses in relation to the Equity Transfer. Shareholders and potential investors of the Company should note that the above expectation is for illustrative purpose only. The actual accounting gain or loss in connection with the Transactions may be different from the above and will be determined based on the financial position of the Project Companies on the date of the completion of the Transactions.

VI. INFORMATION OF THE PARTIES

1. The Group, the Joint Venture, Shui On LP, Bright Continental and Top Victory

The Company, through its subsidiaries and associates, is one of the leading property developers in the PRC. The Group engages principally in the development and redevelopment, sale, leasing, management, and ownership of high-quality residential and mixed-use properties in the PRC.

The Joint Venture, an indirect non-wholly owned subsidiary of the Company as at the date of this announcement, is a company incorporated in the PRC with limited liability and is directly owned as to 66% and 34% by Shui On LP and Yangpu Knowledge Innovation, respectively. The Joint Venture is principally engaged in business consulting service.

Shui On LP, an indirect wholly owned subsidiary of the Company as at the date of this announcement, is incorporated in the PRC with limited liability and is principally engaged in investment holding and business consulting service.

Each of Bright Continental and Top Victory is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement. They were incorporated in Hong Kong and are principally engaged in investment holding. Each of Bright Continental and Top Victory is indirectly owned as to 51% by SODH (a direct wholly owned subsidiary of the Company) and 49% by Wisdom Forever.

2. Ningbo Fund and Yangpu Knowledge Innovation

Ningbo Fund is a limited partnership established under the laws of the PRC and is principally engaged in investment management. As at the date of this announcement, Ningbo Fund is a subsidiary of China Life Insurance Company Limited (stock codes: 2628.HK, 601628.SH) which owns 89.9971% interests in Ningbo Fund. As at the date of this announcement, Ningbo Fund is an associate of substantial shareholders of certain subsidiaries of the Company.

Yangpu Knowledge Innovation is a company established under the laws of the PRC with limited liability and is principally engaged in investment management and management consulting. Yangpu Knowledge Innovation is indirect wholly owned by Shanghai Yangpu District State-owned Assets Supervision and Administration Commission (上海市楊浦區國有資產監督管理委員會). As at the date of this announcement, Yangpu Knowledge Innovation holds 13.2% equity interests in YPU and is a connected person of the Company at the subsidiary level.

3. Project Companies

Basic Information

At the date of this announcement, YPU, one of the Project Companies, is a company incorporated in the PRC with limited liability and is principally engaged in property investment and operation. YPU is directly owned as to 86.8% by Bright Continental and 13.2% by Yangpu Knowledge Innovation. The YPU Properties are the parcels of land and properties erected thereon owned by YPU and situated at Songhu Road,

Daxue Road, Weide Road and Jinjian Road, Yangpu District, Shanghai, the PRC. The YPU Properties, currently consist of office, retail and car parking spaces and are owned by YPU as at the date of this announcement, with a total leasable gross floor area of 167,507 sq.m. (excluding car parking spaces).

At the date of this announcement, KIC, one of the Project Companies, is a company incorporated in the PRC with limited liability and is principally engaged in property investment and operation. KIC is directly owned as to 99% by Top Victory and 1% by Yangpu Knowledge Innovation. The KIC Properties are the parcels of land and properties erected thereon owned by KIC and situated at Weicheng Road, Zhengxue Road and Jinchuang Road, Yangpu District, Shanghai, the PRC. The KIC Properties, currently consist of office, retail, hotel and car parking spaces and are owned by KIC as at the date of this announcement, with a total leasable gross floor area of 85,268 sq.m. (excluding car parking spaces).

Financial Information of the Project Companies

As at 30 June 2024, the unaudited total assets of YPU and KIC were approximately RMB6,168,000,000 (equivalent to approximately HK\$6,761,000,000) and RMB2,901,000,000 (equivalent to approximately HK\$3,180,000,000), respectively; and the unaudited net assets of YPU and KIC as at 30 June 2024 were approximately RMB4,487,000,000 (equivalent to approximately HK\$4,919,000,000) and RMB2,409,000,000 (equivalent to approximately HK\$2,641,000,000), respectively.

For the year ended 31 December 2023, the unaudited revenue of YPU and KIC were approximately RMB388,000,000 (equivalent to approximately HK\$425,000,000) and RMB150,000,000 (equivalent to approximately HK\$164,000,000), respectively.

For the year ended 31 December 2023, the unaudited profits both before and after taxation of YPU were approximately RMB244,000,000 (equivalent to approximately HK\$267,000,000) and RMB185,000,000 (equivalent to approximately HK\$203,000,000), respectively; and the unaudited profits both before and after taxation of KIC were approximately RMB116,000,000 (equivalent to approximately HK\$127,000,000) and RMB87,000,000 (equivalent to approximately HK\$95,000,000), respectively.

For the year ended 31 December 2022, the unaudited profits both before and after taxation of YPU were approximately RMB217,000,000 (equivalent to approximately HK\$238,000,000) and RMB182,000,000 (equivalent to approximately HK\$200,000,000), respectively; and the unaudited profits both before and after taxation of KIC were approximately RMB132,000,000 (equivalent to approximately HK\$145,000,000) and RMB99,000,000 (equivalent to approximately HK\$109,000,000), respectively.

The aforementioned financial information of the Project Companies was based on their financial statements prepared in accordance with International Financial Reporting Standards.

VII. IMPLICATIONS UNDER THE LISTING RULES

As Ningbo Fund and Yangpu Knowledge Innovation are existing direct/indirect shareholders of the Project Companies, Ningbo Fund is an associate of a connected person of the Company at the subsidiary level and Yangpu Knowledge Innovation is a connected person of the Company at the subsidiary level, the Transactions constitute connected transactions of the Company. As the Directors have approved the Transactions and the independent non-executive Directors have confirmed that the terms of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Transactions are subject to reporting and announcement requirements and exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the total capital commitment made by the Group for the establishment of the Limited Partnership under the Cooperation Agreement and the Limited Partnership Agreement exceeds 25% but is less than 100%, such transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Equity Transfer under the Cooperation Agreement exceeds 25% but is less than 75%, such transaction constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the Transactions and no Director was required to abstain from voting on the relevant resolutions of the Board approving the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by written shareholders' approval in lieu of convening a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder; and (b) written approval has been obtained from a shareholder or a closely allied group of

shareholders who together hold more than 50% of the issued share capital (excluding treasury shares, if any) of the Company giving the right to attend and vote at that general meeting to approve the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder.

At the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has any material interest in the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder. As such, the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder may be approved by written Shareholders' approval in accordance with Rule 14.44 of the Listing Rules.

Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited which are controlled by Shui On Company Limited and together constitute a closely allied group of Shareholders, hold 1,725,493,996 Shares, 2,756,414,318 Shares and 29,847,937 Shares respectively, and together represent approximately 56.21% of the issued share capital of the Company at the date of this announcement. The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited on the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder.

A circular containing, among other things, further details about the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder required under the Listing Rules is expected to be despatched to the Shareholders for information purposes only within 15 business days after the publication of this announcement, i.e., on or before 26 November 2024.

Shareholders and potential investors of the Company should note that the Cooperation Agreement, the Limited Partnership Agreement and the Transactions contemplated thereunder are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

VIII. DEFINITIONS

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

“Affiliate(s)”	in the case of any entity, any other entity that directly or (through one or more parties) indirectly controls it, or any entity that is directly or (through one or more parties) indirectly controlled by such entity, or any entity which is under the direct or indirect control of the same party as such entity;
“associate(s)”, “connected person(s)”, “subsidiary(ies)” and “percentage ratio(s)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bright Continental”	Bright Continental Limited, a company incorporated in Hong Kong and an indirect non-wholly owned subsidiary of the Company;
“Bright Power”	Bright Power Enterprises Limited, a company incorporated in the BVI with limited liability and an indirect non-wholly owned subsidiary of the Company;
“Business Day(s)”	a day on which commercial banks in the PRC and Hong Kong are generally open for business (other than any Saturday, Sunday, and statutory holidays);
“BVI”	British Virgin Islands;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Main Board of the Stock Exchange (stock code: 272);
“Contribution In Kind”	the transfer of the 12.2% equity interests in YPU by Yangpu Knowledge Innovation to the Limited Partnership as contribution in kind to subscribe for approximately 8.23% partnership interests in the Limited Partnership;

“Cooperation Agreement”	the cooperation agreement dated 5 November 2024 entered into among Shui On LP, Bright Continental, Top Victory, Ningbo Fund, Yangpu Knowledge Innovation and the Joint Venture, in relation to, among others, the Transactions;
“Director(s)”	the director(s) of the Company;
“Equity Transfer”	the YPU Equity Transfer and the KIC Equity Transfer;
“Equity Transfer Agreements”	the YPU Equity Transfer Agreement and the KIC Equity Transfer Agreement;
“Equity Transfer IC Registration”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT AND LIMITED PARTNERSHIP AGREEMENT — Equity Transfer of Project Companies — Payment and Completion” in this announcement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Valuer”	Shanghai Cai Rui Asset Appraisal Co., Ltd.* (上海財瑞資產評估有限公司);
“Interest Reserve for M&A Loan”	the interest to be paid in advance by the Limited Partnership for the M&A Loan as required by the M&A Loan Bank under the M&A Loan Agreement;
“Joint Venture”	Shanghai Tian Xu Chuang Sheng Enterprise Management Co., Ltd.* (上海添昫創盛企業管理有限公司), a company incorporated in the PRC with limited liability, directly owned as to 66% and 34% by Shui On LP and Yangpu Knowledge Innovation, respectively;

“KIC”	Shanghai Knowledge and Innovation Community Development Co., Ltd.*(上海創智天地發展有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company as at the date of this announcement;
“KIC Equity Transfer”	the transfer of the 99% equity interests in KIC from Top Victory to the Limited Partnership;
“KIC Equity Transfer Agreement”	the equity transfer agreement to be entered into between the Limited Partnership and Top Victory in relation to the KIC Equity Transfer;
“KIC Properties”	the parcels of land and properties erected thereon owned by KIC and situated at Weicheng Road, Zhengxue Road and Jinchuang Road, Yangpu District, Shanghai, the PRC;
“Limited Partnership”	the limited partnership to be established in accordance with the terms and conditions of the Limited Partnership Agreement;
“Limited Partnership Agreement”	the limited partnership agreement dated 5 November 2024 entered into among the Joint Venture (as the general partner), and Shui On LP, Ningbo Fund and Yangpu Knowledge Innovation (each as a limited partner), in relation to the establishment of the Limited Partnership;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lock-Up Period”	a period ending on 24 October 2031, subject to extension of one (1) year upon the unanimous consent of all limited partners of the Limited Partnership;
“M&A Loan”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT AND LIMITED PARTNERSHIP AGREEMENT — Equity Transfer of Project Companies — Application for M&A Loan” in this announcement;

“M&A Loan Agreement”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT AND LIMITED PARTNERSHIP AGREEMENT — Equity Transfer of Project Companies — Application for M&A Loan” in this announcement;
“M&A Loan Bank”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT AND LIMITED PARTNERSHIP AGREEMENT — Equity Transfer of Project Companies — Application for M&A Loan” in this announcement;
“Merry Wave”	Merry Wave Limited, a company incorporated in the BVI with limited liability and an indirect non-wholly owned subsidiary of the Company;
“Ningbo Fund”	Ningbo Meishan Guo Yang Guo Sheng Investment Management Partnership (Limited Partnership)* (寧波梅山保稅港區國揚果晟投資管理合夥企業 (有限合夥)), a limited partnership established under the laws of the PRC;
“Partners’ Loans”	the loans provided to the Limited Partnership by the limited partners of the Limited Partnership in accordance with the terms of the Cooperation Agreement and the Limited Partnership Agreement;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Project Assets”	the YPU Properties and the KIC Properties;
“Project Companies”	YPU and KIC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of US\$0.0025 each in the issued share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;

“Shui On LP”	Shanghai Shui On Investment Group Company Limited* (上海瑞安投資集團有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly owned subsidiary of the Company as at the date of this announcement;
“SODH”	Shui On Development (Holding) Limited, an exempted company incorporated in the Cayman Islands with limited liability and a direct wholly owned subsidiary of the Company as at the date of this announcement;
“sq.m.”	square metres;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsequent Capital Contribution”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT AND LIMITED PARTNERSHIP AGREEMENT — Financial Commitment to the Limited Partnership — Subsequent Capital Contribution from Shui On LP and Ningbo Fund” in this announcement;
“Top Victory”	Top Victory Development Limited, a company incorporated in Hong Kong and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement;
“Transactions”	the transactions contemplated under the Cooperation Agreement and the Limited Partnership Agreement, including but not limited to the establishment of the Limited Partnership and the Equity Transfer;
“Transferors”	Bright Continental and Top Victory;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Valuation Benchmark Date”	31 May 2024;
“Valuation Reports”	the asset valuation reports in relation to the Project Companies issued by the Independent Valuer;

“Wisdom Forever”	Wisdom Forever Limited Partnership, a limited partnership incorporated in the Cayman Islands and is owned as to 100% in aggregate by two wholly owned subsidiaries of Ningbo Fund as limited partners, with Shui On Knowledge and Innovation Partners (an indirect wholly owned subsidiary of the Company) being the general partner;
“Withholding Tax”	the corporate income tax and stamp duty payable by the Transferors in respect of the Equity Transfer, which shall be withheld by the Limited Partnership and remitted to competent tax authorities in accordance with applicable PRC laws;
“Yangpu Knowledge Innovation”	Shanghai Yangpu Knowledge Innovation Zone Investment and Development Co., Ltd.* (上海楊浦知識創新區投資發展有限公司), a company established under the laws of the PRC with limited liability;
“YPU”	Shanghai Yang Pu Centre Development Co., Ltd.* (上海楊浦中央社區發展有限公司), a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company as at the date of this announcement;
“YPU Equity Transfer”	the transfer of the 86.8% equity interests in YPU from Bright Continental to Limited Partnership;
“YPU Equity Transfer Agreement”	the equity transfer agreement to be entered into between the Limited Partnership and Bright Continental in relation to the YPU Equity Transfer;
“YPU Properties”	the parcels of land and properties erected thereon owned by YPU and situated at Songhu Road, Daxue Road, Weide Road and Jinjian Road, Yangpu District, Shanghai, the PRC; and
“%”	per cent.

* For identification purpose only

For the purpose of this announcement and for illustration purpose only, conversion of HK\$ to RMB is based on the exchange rate of HK\$1.00 = RMB0.91225. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

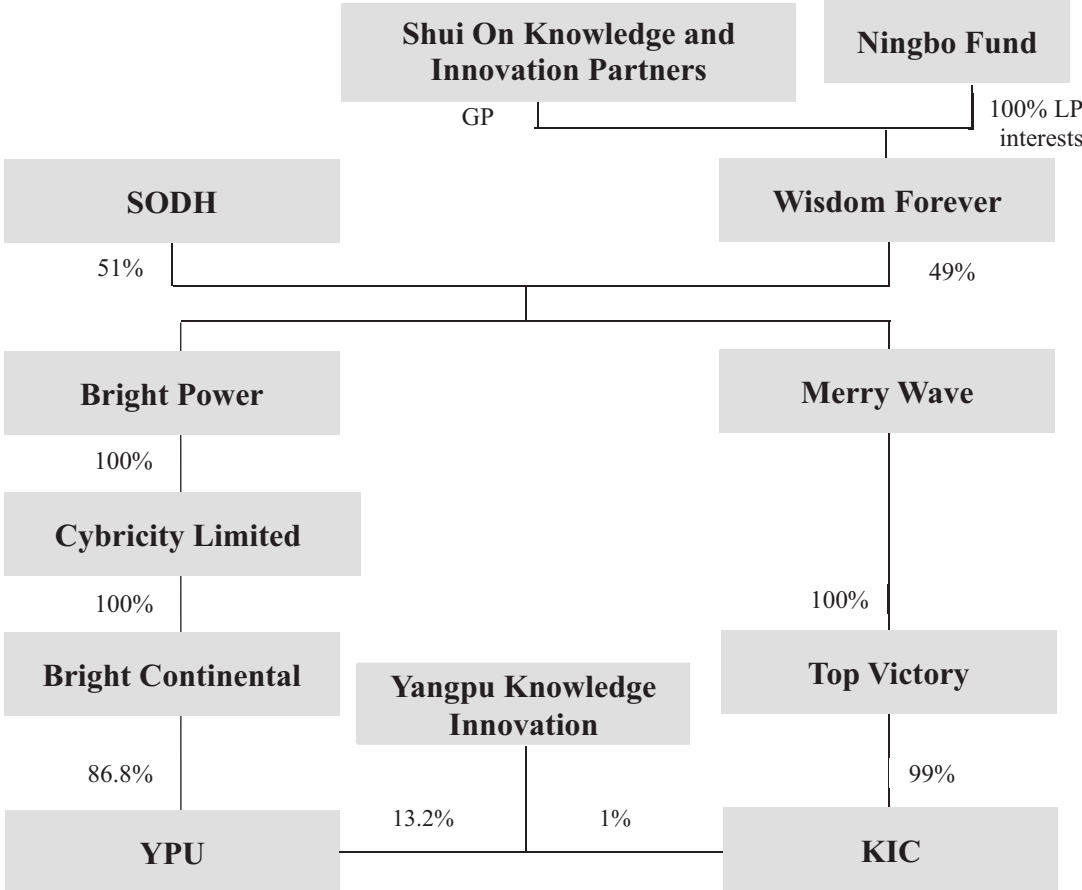
By Order of the Board
Shui On Land Limited
Vincent H. S. LO
Chairman

Hong Kong, 5 November 2024

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Ms. Stephanie B. Y. LO (Vice Chairman), Ms. Jessica Y. WANG (Chief Executive Officer), and Mr. Douglas H. H. SUNG (Chief Financial Officer and Chief Investment Officer); and the independent non-executive directors of the Company are Professor Gary C. BIDDLE, Mr. Anthony J. L. NIGHTINGALE, Mr. Shane S. TEDJARATI, Ms. Ya Ting WU, Mr. Albert K. P. NG, Mr. Gregory K. L. SO, and Ms. Randy W. S. LAI.

Appendix

I. Simplified shareholding structure of the Project Companies before the Transactions:



II. Simplified shareholding structure of the Project Companies after the Transactions:

