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If you have sold or transferred all your shares in Shui On Land Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**MAJOR TRANSACTION IN RELATION TO
CAPITAL CONTRIBUTION INCREASE TO THE FUND
AND
EQUITY TRANSFER OF PROJECT COMPANIES**

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 7 to 24 of this circular.

The Company has obtained written Shareholders’ approval for the Cooperation Agreement and the Transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from a closely allied group of Shareholders together holding more than 50% of the voting rights at a general meeting to approve the Cooperation Agreement and the Transactions contemplated thereunder. Accordingly, no Shareholders’ meeting will be held to approve the Cooperation Agreement and the Transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

* For identification purposes only

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DEFINITIONS

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

“Affiliate(s)”	in the case of any corporation, entity or person, any other corporation, entity, or person that directly or indirectly controls or be controlled by a party or that is commonly controlled by the other corporations, entities, or persons; in the case of any natural person, the relatives of the person (i.e., child, spouse, sibling or parents) and any entity directly or indirectly controlled by such natural person or the relatives thereof;
“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;
“Business Day(s)”	a day other than statutory holidays and rest days in the PRC;
“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);
“Completion Date”	the date on which (i) the Fund completes the payment of the Second Instalment of the Equity Transfer Consideration, or (ii) Shui On Management receives the refund of its contributed capital of RMB500,000,000 (equivalent to approximately HK\$547,333,000) from the Fund, whichever is later;
“Cooperation Agreement”	the cooperation agreement dated 25 June 2025 (as amended, supplemented, and restated from time to time) entered into among SODH, the Existing Shareholders, the Fund, Fund GP1, Fund GP2, Fo Shan Shui On and Fo Shan An Ying, in relation to, among others, the Transactions;
“Director(s)”	the director(s) of the Company;
“Equity Transfer”	the transfer of the 100% equity interests in each of Fo Shan Shui On and Fo Shan An Ying from the Existing Shareholders to the Fund;
“Equity Transfer Agreements”	the equity transfer agreements dated 25 June 2025 entered into between the Fund and the Existing Shareholders in relation to the Equity Transfer;

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“Existing Shareholder(s)”	existing shareholders of the Project Companies, namely Crown Fame Limited, Eastern View Limited, Info Union Limited, Land Pacific Limited, Oriental Host Limited, Rich Prime Limited, Smart Century Limited and Regal Victory Limited, all being indirect wholly owned subsidiaries of the Company as at the Latest Practicable Date;
“Final Equity Transfer Consideration”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Basis of consideration for the Equity Transfer” in the letter from the Board of this circular;
“First Batch of First Instalment of the Equity Transfer Consideration”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Payment Terms” in the letter from the Board of this circular;
“First Instalment of the Equity Transfer Consideration”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Payment Terms” in the letter from the Board of this circular;
“First Long Stop Date”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Payment Terms” in the letter from the Board of this circular;
“Fo Shan An Ying”	Fo Shan An Ying Property Development Co., Ltd.* (佛山安盈房地產開發有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company immediately before the Transactions;
“Fo Shan Shui On”	Fo Shan Shui On Property Development Co., Ltd.* (佛山瑞安天地房地產發展有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company immediately before the Transactions;
“Fund”	Qingdao Ruijian Private Equity Investment Fund Partnership (Limited Partnership)* (青島瑞見私募股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC;
“Fund GP1”	Shengding Private Equity Investment Fund Management Co., Ltd.* (盛鼎私募基金管理有限責任公司), one of the General Partners of the Fund, which is a company established in the PRC with limited liability;

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“Fund GP2”	Tianjin Yuanjian Innovation Investment Management Co., Ltd.* (天津遠見創新投資管理有限公司), one of the General Partners of the Fund, which is a company established in the PRC with limited liability;
“Fund LP”	Haikou Vision Co-Creation No.1 Fund (Limited Partnership)* (海口遠見共創一號基金(有限合夥)), one of the Senior Tranche Limited Partners of the Fund, which is a limited partnership established under the laws of the PRC;
“Fund Interest Transfer Agreement”	has the meaning as ascribed to it under paragraph headed “COOPERATION AGREEMENT — Capital Contribution Increase to the Fund” in the letter from the Board of this circular, which forms part of the Cooperation Agreement;
“General Partner(s)”	Fund GP1 and/or Fund GP2;
“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;
“Initial Equity Transfer Consideration”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Consideration for the Equity Transfer” in the letter from the Board of this circular;
“Knight Frank”	Knight Frank Petty Limited, an external independent professional property valuer engaged by the Company to value the market value of the Project Assets;
“Latest Practicable Date”	25 July 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;
“Lingnan Xintiandi”	Lingnan Xintiandi (including the land use right and the buildings, structures) owned by Fo Shan Shui On, situated on the northern side of Dong Xi Li, the western side of Fu Xian Road, the eastern side of Tian Di Road and the southern side of Liang Yuan Road in Chancheng District, Foshan City, Guangdong Province, the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

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“Lock-Up Period”	a period of seven (7) years commencing from the Completion Date, subject to extension upon unanimous consent of all the Senior Tranche Limited Partners and the Subordinated Tranche Limited Partner of the Fund;
“Lot E”	NOVA (a shopping centre) and Lingnan Tiandi Commercial Plaza (an office building) (including the land use right and the buildings, structures and ancillary car parking spaces) owned by Fo Shan An Ying, situated on the northern side of Jian Xin Road, the western side of Tian Di Road, the eastern side of Zu Miao Road and the southern side of Dong Rui Road, Chancheng District, Foshan City, Guangdong Province, the PRC;
“New LP”	AIA Life Insurance Company Limited* (友邦人壽保險有限公司), the investor that will join the Fund after acquiring the partnership interests from Shui On Management, which is a company established in the PRC with limited liability and principally engaged in offering life insurance products and services;
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Profits Threshold”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Surplus Cash Commitment” in the letter from the Board of this circular;
“Project Assets”	Lingnan Xintiandi and Lot E;
“Project Companies”	Fo Shan Shui On and Fo Shan An Ying and each a “Project Company”;
“Repurchase Right”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — SODH’s Repurchase Right” in the letter from the Board of this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Instalment of the Equity Transfer Consideration”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Payment Terms” in the letter from the Board of this circular;

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“Second Long Stop Date”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Equity Transfer of Project Companies — Payment Terms” in the letter from the Board of this circular;
“Senior Tranche Limited Partner(s)”	the senior tranche limited partner(s) of the Fund, including (i) Fund LP and/or (ii) Shui On Management or New LP (as the case may be);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shanghai Shui On”	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 Latest Practicable Date;
“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 Management”	Shui On Management Limited* (瑞安管理(上海)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 Latest Practicable Date;
“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 Latest Practicable Date;
“sq.m.”	square metres;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subordinated Tranche Limited Partner”	Shanghai Shui On;
“Surplus Cash”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Surplus Cash Commitment” in the letter from the Board of this circular;
“Surplus Cash Commitment”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Surplus Cash Commitment” in the letter from the Board of this circular;

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“Transactions”	the transactions contemplated under the Cooperation Agreement, including but not limited to the Equity Transfer, the capital contribution increase in the Fund and the transfer of partnership interests in the Fund to the New LP;
“Undertaking Letter”	has the meaning as ascribed to it under the paragraph headed “COOPERATION AGREEMENT — Surplus Cash Commitment” in the letter from the Board of this circular;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

* *For identification purpose only*

For the purpose of this circular and for illustration purpose only, unless otherwise stated, conversion of HK\$ to RMB is based on the exchange rate of HK\$1.00 = RMB0.91352. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Vincent H. S. LO (*Chairman*)
Ms. Stephanie B. Y. LO (*Vice Chairman*)
Ms. Jessica Y. WANG (*Chief Executive Officer*)
Mr. Douglas H. H. SUNG (*Chief Financial Officer*
and Chief Investment Officer)

Independent Non-executive Directors:

Mr. Anthony J. L. NIGHTINGALE
Mr. Shane S. TEDJARATI
Ms. Ya Ting WU
Mr. Albert K. P. NG
Mr. Gregory K. L. SO
Ms. Randy W. S. LAI
Mr. Clement K. M. KWOK

Registered Office:

One Nexus Way
Camana Bay
Grand Cayman, KY1-9005
Cayman Islands

Place of Business in Hong Kong:

34/F, Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

31 July 2025

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
CAPITAL CONTRIBUTION INCREASE TO THE FUND
AND
EQUITY TRANSFER OF PROJECT COMPANIES**

I. INTRODUCTION

The Company refers to its announcement dated 25 June 2025 in respect of the Transactions and its announcements dated 17 July 2025 and 24 July 2025 in relation to the delay in despatch of this circular and grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules. The purpose of this circular is to provide you with, among other things, further details of the Transactions and additional information required under the Listing Rules.

LETTER FROM THE BOARD

On 25 June 2025, the Board announced that, SODH (a subsidiary of the Company), the Existing Shareholders (each a subsidiary of the Company), the Fund, Fund GP1, Fund GP2, Fo Shan Shui On (a subsidiary of the Company) and Fo Shan An Ying (a subsidiary of the Company) have entered into the Cooperation Agreement, pursuant to which, among other things, (i) the total capital contribution commitment of the Fund will be increased to RMB3,540,000,000 (equivalent to approximately HK\$3,875,120,000) for the purpose of carrying out the Equity Transfer and holding the Project Assets through the Project Companies, and (ii) the 100% equity interests in each of Fo Shan Shui On and Fo Shan An Ying will be transferred from the Existing Shareholders to the Fund at the total consideration (subject to adjustments) of approximately RMB3,490,000,000 (equivalent to approximately HK\$3,820,387,000).

Upon completion of the Transactions, Fo Shan Shui On and Fo Shan An Ying will be owned as to 100% by the Fund. The Company will through Shanghai Shui On (an indirect wholly owned subsidiary of the Company) own 57.63% of the partnership interests of the Fund. As at the Latest Practicable Date, the financial results of the Fund is not consolidated into the financial statements of the Company. After the Transactions, the Fund will be regarded as a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company, and thus both Fo Shan Shui On and Fo Shan An Ying will continue to be subsidiaries of the Company with their financial results continuing to be consolidated into the financial statements of the Company.

II. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Transactions are in line with the Group's "Asset Light Strategy" with the aim to improve the Group's capital recycling, and form strategic partnerships with long-term partners.

The Transactions reinforce the Group's position as a reputable asset manager in commercial property sector with strong ability to attract various long-term partners in the capital markets. Through divestment of partial interests in the Project Assets and formation of the Fund, the Group has realised part of the Project Assets' valuation, secured sizeable upfront disposal cash proceeds, and established a partnership with long-term partners to jointly share in the future operational income and potential value appreciation of the Project Assets. The net proceeds to be received by the Group from the Transactions will provide the Group with funds for its operations.

In light of the above, the Directors are of the view that, the Cooperation 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 and the Transactions contemplated thereunder are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

III. FINANCIAL IMPACT AND USE OF PROCEEDS FROM THE TRANSACTIONS

The 100% equity interests of the Group in the Project Companies immediately before the Transactions are held through its interests in SODH (which indirectly holds 100% of the shares of all of the Existing Shareholders). After the completion of the Transactions, the interests of the Group in the Project Companies will be held through its partnership interests in the Fund which directly holds 100% of the equity interests in each of the Project Companies.

Prior to the entering into of the Cooperation Agreement, the Company had made capital contributions of RMB4,000,000 (equivalent to approximately HK\$4,379,000) to the Fund which is currently recorded as an investment in a joint venture and not consolidated into the financial statements of the Company. During the period from the date of the Cooperation Agreement to the Completion Date, the Fund is collectively controlled by all partners to achieve the purpose of carrying out the Equity Transfer and complete the capital contribution increase in the Fund. Upon completion of the Transactions, Fo Shan Shui On and Fo Shan An Ying will be owned as to 100% by the Fund. The Company will through Shanghai Shui On (an indirect wholly owned subsidiary of the Company) own 57.63% of the partnership interests of the Fund. As at the Latest Practicable Date, the financial results of the Fund is not consolidated into the financial statements of the Company. After the completion of the Transactions, according to the governance structure of the Project Companies, the Company will retain control over the Project Companies and continue operating the Project Assets, and thus both Fo Shan Shui On and Fo Shan An Ying will continue to be subsidiaries of the Company with their financial results continuing to be consolidated into the financial statements of the Company. The Company will treat the capital contributions received by the Fund from Fund GP1/ Fund GP2/ Fund LP/ New LP as a financing arrangement because the Fund does not have an unconditional right to avoid delivering cash to the Fund partners. Upon the completion of the Transactions, the Fund will be regarded as a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

After deducting taxes and transaction costs, the total net proceeds from the Transactions will be approximately RMB683,000,000 (equivalent to approximately HK\$747,657,000), comprising the Initial Equity Transfer Consideration of approximately RMB3,490,000,000 (equivalent to approximately HK\$3,820,387,000) and a potential true-up adjustment of RMB10,000,000 (equivalent to approximately HK\$10,947,000) after deducting Shanghai Shui On's immediate accumulated capital contribution to the Fund of RMB2,000,000,000 (equivalent to approximately HK\$2,189,334,000), the taxes and transaction costs of approximately RMB217,000,000 (equivalent to approximately HK\$237,543,000) and the repayment of the bank borrowings of Info Union Limited (of which the balance is RMB600,000,000 (equivalent to approximately HK\$656,800,000) as at the signing date of the Cooperation Agreement). The cash proceeds from the Transactions to be received by the Group will be used to fund the general working capital of the Company to meet the Company's dynamic cashflow management plan.

Taking into account the repayment of the bank borrowings of Info Union Limited of RMB600,000,000 (equivalent to approximately HK\$656,800,000), the payment of the transaction taxes of approximately RMB217,000,000 (equivalent to approximately HK\$237,543,000) and the capital contributions received by the Fund from Fund GP1, Fund GP2, Fund LP and the New LP of RMB1,500,000,000 (equivalent to approximately HK\$1,642,000,000), the Group's total bank and

LETTER FROM THE BOARD

other borrowings will increase by RMB900,000,000 (equivalent to approximately HK\$985,200,000) while the deferred tax liability will decrease by approximately RMB217,000,000 (equivalent to approximately HK\$237,543,000), which results in a net increase in total liabilities of the Group by RMB683,000,000 (equivalent to approximately HK\$747,657,000).

Upon completion, it is estimated that the Company would have no material profit or loss effect from the Transactions as the Project Companies will continue to be subsidiaries of the Company with their financial results continuing to be consolidated into the financial statements of the Company. 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 Completion Date.

IV. COOPERATION AGREEMENT

Major terms of the Cooperation Agreement are summarised as follows:

Date of the Cooperation Agreement

25 June 2025

Parties to the Cooperation Agreement

- (1) SODH (being a direct wholly owned subsidiary of the Company);
- (2) the Existing Shareholders (each being an indirect wholly owned subsidiary of the Company, namely Crown Fame Limited, Eastern View Limited, Info Union Limited, Land Pacific Limited, Oriental Host Limited, Rich Prime Limited, Smart Century Limited and Regal Victory Limited);
- (3) the Fund;
- (4) Fund GP1;
- (5) Fund GP2;
- (6) Fo Shan Shui On (being an indirect wholly owned subsidiary of the Company); and
- (7) Fo Shan An Ying (being an indirect wholly owned subsidiary of the Company).

LETTER FROM THE BOARD

Capital Contribution Increase to the Fund

The Fund is a limited partnership established on 20 May 2025 in the PRC and is principally engaged in investment management. As at the date of the Cooperation Agreement, the unaudited total assets and the unaudited net assets of the Fund were RMB10,000,000 (equivalent to approximately HK\$10,947,000) and RMB10,000,000 (equivalent to approximately HK\$10,947,000), respectively; and the Fund did not have any liabilities. The partners of the Fund and their respective capital contribution immediately before the Transactions are set out in the table below:

Partner	Capacity	Capital contribution	Shareholding percentage
Fund GP1	General Partner and executive partner	RMB1,000,000 (equivalent to approximately HK\$1,095,000)	10%
Fund GP2	General Partner	RMB1,000,000 (equivalent to approximately HK\$1,095,000)	10%
Fund LP	Senior Tranche Limited Partner	RMB4,000,000 (equivalent to approximately HK\$4,379,000)	40%
Shui On Management	Senior Tranche Limited Partner	RMB2,000,000 (equivalent to approximately HK\$2,189,000)	20%
Shanghai Shui On	Subordinated Tranche Limited Partner	RMB2,000,000 (equivalent to approximately HK\$2,189,000)	20%
Total capital contribution		RMB10,000,000 (equivalent to approximately HK\$10,947,000)	100%

For the purpose of carrying out the Equity Transfer and holding the Project Assets through the Project Companies for long-term cooperative ownership and operation, the total capital contribution commitment of the Fund will be increased to RMB3,540,000,000 (equivalent to approximately HK\$3,875,120,000). The schedule for the relevant partners to inject additional capital contribution to the Fund is set out below:

- (i) before the due date of the First Batch of First Instalment of the Equity Transfer Consideration (as defined below) and within three (3) Business Days as required by Fund GP1, Fund LP shall pay RMB994,000,000 (equivalent to approximately HK\$1,088,099,000) as capital contribution to the Fund;

LETTER FROM THE BOARD

- (ii) as required by Fund GP1, Shui On Management and Shanghai Shui On shall pay a total of RMB498,000,000 (equivalent to approximately HK\$545,144,000) and RMB1,998,000,000 (equivalent to approximately HK\$2,187,144,000) respectively as capital contribution to the Fund, and the Fund will have an aggregate capital contribution of RMB3,500,000,000 (equivalent to approximately HK\$3,831,334,000) upon completion of these payments; and
- (iii) Shanghai Shui On shall make further capital contribution to the Fund, the aggregate amount of which shall not exceed RMB40,000,000 (equivalent to approximately HK\$43,787,000) when the Fund requires additional funding in the future at the request of Fund GP1 for the operation and management of the Fund. RMB40,000,000 (equivalent to approximately HK\$43,787,000) is the estimated maximum funding required of the Fund to satisfy its general expenses, e.g. transaction fee, tax, fund management fee, etc.. This arrangement reflects a commercial agreement among the parties, whereby the other partners of the Fund contribute to a fixed amount of capital, while Shanghai Shui On has agreed to make further capital contribution (if required), after taking into account (a) the Transactions in substance are a financing arrangement; (b) the Fund will be a subsidiary of the Company; and (c) the absolute amount of the further capital contribution is not substantial relative to the total capital commitment of the Fund.

After the Fund has received all the capital contribution specified in items (i) to (ii) above, Shui On Management, after transferring its partnership interests in the Fund to New LP, will subsequently exit the Fund and New LP will join the Fund as a Senior Tranche Limited Partner pursuant to the fund interest transfer agreement (the “**Fund Interest Transfer Agreement**”) entered into by Shui On Management, New LP, Fund GP1 and Fund GP2 on the same date as the signing date of the Cooperation Agreement. As a condition of Shui On Management transferring its partnership interests in the Fund to New LP and New LP joining the Fund as a Senior Tranche Limited Partner, New LP in return shall pay RMB500,000,000 (equivalent to approximately HK\$547,333,000) as capital contribution to the Fund and the Fund will refund the contributed capital of the same amount to Shui On Management in cash (including the further capital contribution should the Fund require as set out in (iii) above in view of the funding needs for the operation and management of the Fund before the joining of the New LP). For the avoidance of doubt, the Fund Interest Transfer Agreement forms part of the Cooperation Agreement, and the above fund transfer constitutes one of the Transactions contemplated thereunder.

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The partners of the Fund after the Transactions and their respective capital contribution commitment are set out in the table below:

Partner	Capacity	Capital contribution commitment	Approximate percentage of capital contribution commitment to the Fund
Fund GP1	General Partner and executive partner	RMB1,000,000 (equivalent to approximately HK\$1,095,000)	0.03%
Fund GP2	General Partner	RMB1,000,000 (equivalent to approximately HK\$1,095,000)	0.03%
Fund LP	Senior Tranche Limited Partner	RMB998,000,000 (equivalent to approximately HK\$1,092,477,000)	28.19%
New LP	Senior Tranche Limited Partner	RMB500,000,000 (equivalent to approximately HK\$547,333,000)	14.12%
Shanghai Shui On	Subordinated Tranche Limited Partner	RMB2,040,000,000 (equivalent to approximately HK\$2,233,120,000)	57.63%
Total capital contribution commitment		RMB3,540,000,000 (equivalent to approximately HK\$3,875,120,000)	100%

After the Transactions, the investment committee of the Fund (which is tasked with making decisions on its investment strategies and activities) shall consist of five (5) members which shall be appointed by Fund GP1, with one (1) member nominated by Fund GP1, one (1) member by Fund GP2 and three (3) members by Shanghai Shui On.

If one (1) or more members of the investment committee propose a meeting, the manager of the Fund must convene the investment committee meeting. The manager of the Fund shall appoint a convener, who is responsible for notifying all members of the time, venue and agenda of the meeting at least ten (10) Business Days in advance. Investment committee meetings may be held in person, by phone, video or written resolution, as specified in the notice. The investment decisions to be made by the investment committee after the Transactions shall be unanimously approved by each of members. The investment scope of the Fund is to generate attractive returns by investing in Project Assets through equity interests in Project Companies as well as to engage in other permitted investment activities. Its primary focus is on managing commercial real estate in mainland China to generate cash flow and enhance asset value for capital gains upon exit. The Fund may consider from time to time any appropriate investment opportunities in first- and second-tier cities and other high-potential urban areas in China but currently there are no prescribed investment targets. The Fund does not currently hold any investment other than the Project Companies and it does not have any current plan to hold other investments.

LETTER FROM THE BOARD

Equity Transfer of Project Companies

Equity Transfer Agreements

On 25 June 2025, the Fund (as the transferee) entered into the Equity Transfer Agreements with the Existing Shareholders (as the transferors) to acquire 100% equity interests in each of Fo Shan Shui On and Fo Shan An Ying.

Consideration for the Equity Transfer

The total consideration for the Equity Transfer shall be an initial amount of RMB3,490,000,000 (equivalent to approximately HK\$3,820,387,000) (the “**Initial Equity Transfer Consideration**”), with the consideration for the Equity Transfer of 100% equity interests in Fo Shan Shui On being RMB1,617,000,000 (equivalent to approximately HK\$1,770,076,000) and the consideration for the Equity Transfer of 100% equity interests in Fo Shan An Ying being RMB1,873,000,000 (equivalent to approximately HK\$2,050,311,000). The Initial Equity Transfer Consideration is the agreed net asset value of the Project Companies as at the date of the Cooperation Agreement, subject to adjustment on the Completion Date.

Basis of consideration for the Equity Transfer

In calculating the above agreed net asset value of the Project Companies which forms the initial basis of the Initial Equity Transfer Consideration, the Board has taken into account the following factors, among others (i) the property market valuation of the Project Assets which in turn determine the agreed total asset value of the Project Assets as at the date of the Cooperation Agreement; (ii) other assets and liabilities of the Project Companies; (iii) the price adjustment mechanism with details set forth below; and (iv) various unquantifiable benefit and gains detailed in the section headed “REASONS FOR AND BENEFITS OF THE TRANSACTIONS” above:

- (i) the agreed total asset value of the Project Assets in the amount of RMB4,000,000,000 (equivalent to approximately HK\$4,378,667,000), which was determined based on arm’s length negotiation between the parties of the Transactions with reference to the property market valuation of the Project Assets from Knight Frank (an external independent professional property valuer) being approximately RMB4,204,900,000 (equivalent to approximately HK\$4,602,964,000) as at 30 April 2025. The agreed total asset value of the Project Assets therefore reflects a discount of approximately 5% to the property market valuation result. The Board considers this discount is fair and reasonable, and in the interests of the Company and its Shareholders as a whole after considering (a) the partners of the Fund (excluding Shanghai Shui On) will become the ultimate minority shareholders of the Project Assets after the Transactions, and it is customary in market to apply a discount in a minority stake transactions to reflect limited control and influence; (b) the discount falls within a single-digit range and aligns with prevailing market conditions; and (c) the holistic assessment of the commercial terms of the Transactions. In consideration of the above factors, the Final Equity Transfer Consideration will not be adjusted based on the property market valuation.

LETTER FROM THE BOARD

- (ii) other assets and liabilities of the Project Companies (which are not included in the agreed total asset value of the Project Assets), with the estimated net liabilities being approximately RMB510,000,000 (equivalent to approximately HK\$558,280,000) based on the Project Companies' pro-forma management accounts as at the date of the Cooperation Agreement, mainly comprising: i) bank balances and cash of approximately RMB162,000,000 (equivalent to approximately HK\$177,336,000); ii) bank borrowings of approximately RMB486,000,000 (equivalent to approximately HK\$532,008,000); iii) net amounts due to related parties of approximately RMB106,000,000 (equivalent to approximately HK\$116,035,000); iv) accounts payable and other payable of approximately RMB99,000,000 (equivalent to approximately HK\$108,372,000), subject to a true-up adjustment on the Completion Date.
- (iii) the price adjustment mechanism to the Initial Equity Transfer Consideration on the Completion Date, where the Fund and the Existing Shareholders shall cause the designated auditor to complete audit of the accounts of the Project Companies and reflect the net asset value of the Project Companies on the Completion Date as the final consideration for the Equity Transfer (the "**Final Equity Transfer Consideration**") within twenty (20) Business Days after the Completion Date. The Final Equity Transfer Consideration equals to the audited net asset value of the Project Companies on the Completion Date, subject to a maximum cap of approximately RMB3,500,000,000 (equivalent to approximately HK\$3,831,334,000) and it shall not fall below a minimum of approximately RMB3,480,000,000 (equivalent to approximately HK\$3,809,440,000). The maximum cap of approximately RMB3,500,000,000 (equivalent to approximately HK\$3,831,334,000) was determined after arm's length negotiations and as part of the commercial agreements between the parties, having taken into account of the historical financial performance of the Project Companies and estimated time period required to complete the Transactions.
- (iv) various unquantifiable benefit and gains detailed in the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTIONS" above. Further, the net proceeds to be received by the Group from the Transactions will in turn provide the Group with funds for its operation.

Having considered the factors set out above, the Board is of the view that agreed net asset value of the Project Companies which forms the initial basis of the Initial Equity Transfer Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Payment Terms

The Initial Equity Transfer Consideration of approximately RMB3,490,000,000 (equivalent to approximately HK\$3,820,387,000) will be divided into two instalments, with the first instalment of approximately RMB3,400,000,000 (equivalent to approximately HK\$3,721,867,000) (the "**First Instalment of the Equity Transfer Consideration**") and the second instalment of approximately RMB90,000,000 (equivalent to approximately HK\$98,520,000) (the "**Second Instalment of the Equity Transfer Consideration**").

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Within three (3) Business Days after the satisfaction or, where applicable, waiver of the following and other conditions that are customary to a typical share transfer transaction, the first batch of the First Instalment of the Equity Transfer Consideration being RMB1,000,000,000 (equivalent to approximately HK\$1,094,667,000) (the “**First Batch of First Instalment of the Equity Transfer Consideration**”) shall be paid by the Fund to the Existing Shareholders:

- (i) application materials for the changes to be made to the filing with the market supervision authorities in relation to the Equity Transfer having been submitted by the Project Companies for pre-approval and verbal consent on acceptance of such application materials having been provided by the relevant market supervision authorities; and
- (ii) approvals on the Equity Transfer from relevant commercial banks which provided loans to the Project Companies and the Existing Shareholders having been obtained.

In the event that any of the conditions cannot be fulfilled or waived (provided that the aforementioned conditions (i) and (ii) cannot be waived) on or before one (1) month after the signing date of the Cooperation Agreement (the “**First Long Stop Date**”), any of SODH, the Existing Shareholders, the Fund, Fund GP1 and Fund GP2 is entitled to extend the First Long Stop Date for one (1) month. If the parties fail to exercise their right to extend the First Long Stop Date when due, or if any of the above conditions is not fulfilled or waived by the end of the extended First Long Stop Date, any of SODH, the Existing Shareholders, the Fund, Fund GP1 and Fund GP2 is entitled to terminate the Cooperation Agreement with immediate effect by written notice to the other parties.

The remaining part of the First Instalment of the Equity Transfer Consideration of approximately RMB2,400,000,000 (equivalent to approximately HK\$2,627,200,000) shall be paid by the Fund to the Existing Shareholders after its receipt of capital contribution from the relevant partners in accordance with the terms of the Cooperation Agreement.

Within three (3) Business Days after the satisfaction or, where applicable, waiver of the following and other conditions that are customary to a typical share transfer transaction, the Second Instalment of the Equity Transfer Consideration of approximately RMB90,000,000 (equivalent to approximately HK\$98,520,000) shall be paid by the Fund to the Existing Shareholders:

- (i) the registration of the shareholding change of the Project Companies resulting from the Equity Transfer having been completed and relevant business licences of the Project Companies having been obtained;
- (ii) SODH and/or the Existing Shareholders having provided an inter-company loan to Fo Shan Shui On for its repayment of the existing bank loans;
- (iii) SODH and/or the Existing Shareholders having repaid the bank borrowings of Info Union Limited (one of the Existing Shareholders) (of which the balance is RMB600,000,000 (equivalent to approximately HK\$656,800,000) as at the signing date of the Cooperation Agreement) to release the existing bank mortgage on Lingnan Xintiandi; and
- (iv) New LP having joined and Shui On Management having exited the Fund.

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The Fund may waive the aforementioned conditions (ii) and (iii). In the event that any of the conditions cannot be fulfilled or waived on or before two (2) months after payment of the First Batch of First Instalment of the Equity Transfer Consideration (the “**Second Long Stop Date**”), any of SODH, the Existing Shareholders, the Fund, Fund GP1 and Fund GP2 is entitled to extend the Second Long Stop Date for one (1) month. If the parties fail to exercise their right to extend the Second Long Stop Date when due, or if any of the above conditions is not fulfilled or waived by the end of the extended Second Long Stop Date, any of SODH, the Existing Shareholders, the Fund, Fund GP1 and Fund GP2 is entitled to terminate the Cooperation Agreement with immediate effect by written notice to the other parties.

After the Final Equity Transfer Consideration is confirmed by the designated auditor, the Fund shall pay the difference to the Existing Shareholders if the Final Equity Transfer Consideration exceeds the Initial Equity Transfer Consideration within two (2) Business Days after the Fund has received all the capital contribution specified in items (i) to (iii) as set out in the paragraph headed “COOPERATION AGREEMENT — Capital Contribution Increase to the Fund”. Conversely, if the Final Equity Transfer Consideration is less than the Initial Equity Transfer Consideration, the Existing Shareholders shall refund the difference to the Fund within three (3) Business Days after the Final Equity Transfer Consideration is confirmed by the designated auditor.

The consideration for the Equity Transfer and the payment terms were determined after arm’s length negotiations between the parties and the Directors consider that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Transfer Restrictions on Partnership Interests of the Fund

Transfer of all or any part of the partnership interests in the Fund held by the 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 will 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 Shanghai Shui On.

- (i) Right of first refusal: Each limited partner shall have a right of first refusal to acquire the partnership interests in the Fund proposed to be sold by the other limited partner under such terms as agreed between the other limited partner and the proposed new purchaser.
- (ii) Tag-along right: Each limited partner shall have the tag-along right to participate in the proposed sale of partnership interests in the Fund by the limited partner under such terms as agreed between the other limited partner and the proposed new purchaser.
- (iii) Drag-along right: If a limited partner does not exercise (or is deemed to have waived) its right of first refusal, other limited partners who propose to sell their partnership interests in the Fund (excluding the New LP) shall have the drag-along right over such limited partner. If one of the limited partners proposes to sell its all partnership interests to the proposed new purchaser, it has the right to require other limited partners to sell their all partnership interests under such terms as agreed between it and the proposed new purchaser.

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purchaser, unless the other ones exercise their right of first refusal to acquire the partnership interests proposed to be sold. If Shanghai Shui On proposes to sell its all partnership interests to the proposed new purchaser, it shall have the drag-along right over other limited partners and general partners of the Fund.

SODH's Repurchase Right

After the third (3rd) anniversary of the Completion Date, SODH, its designated Affiliate(s) or its designated joint purchaser(s) shall have the right to repurchase all (but not some) of the partnership interests in the Fund held by all the Senior Tranche Limited Partners and all the General Partners (the “**Repurchase Right**”).

No premium is payable by the Group to obtain the Repurchase Right. The Repurchase Right provides the Group with an opportunity to acquire the indirect interests in the Project Companies according to the then market conditions. The Company will comply with the relevant requirements under the Listing Rules on the exercise of the Repurchase Right as and when required.

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

After the Completion Date, each Project Company will establish a board of directors consisting of five (5) members. Shanghai Shui On has the right (through the Fund) to appoint three (3) directors (one (1) of whom as the chairman of the board of directors and one (1) of whom as the legal representative) to each Project Company, and Fund GP2 has the right (through the Fund) to appoint two (2) directors. Shanghai Shui On also has the right (through the Fund) to appoint one (1) supervisor, and nominate one (1) general manager and one (1) chief financial officer for each Project Company.

Before or after the Completion Date, the Project Companies shall appoint or have appointed Shui On Xintiandi Commercial Management Ltd.* (瑞安新天地(上海)商業管理有限公司) and Foshan Lingnan Tiandi Property Management Co., Ltd.* (佛山嶺南天地物業管理有限公司), both being indirect wholly owned subsidiaries of the Company, for the provision of services to the Project Assets in respect of asset management and property management, respectively.

Surplus Cash Commitment

Each of the Project Companies shall distribute all the available cash balance generated from the Project Assets after deducting the budgeted expenses required for the next six (6) months (the “**Surplus Cash**”) to the Fund on 15 December of each year. The Fund shall, within five (5) Business Days after receiving the Surplus Cash from the Project Companies, distribute the Surplus Cash to the partners of the Fund in the order and manner as stated in the Cooperation Agreement. In principle, all Surplus Cash shall be distributed to the Senior Tranche Limited Partners and the General Partners on pro-rata basis according to their respective paid-in capital contribution in the Fund until they have received the profits threshold specified in the Cooperation Agreement (the “**Profits Threshold**”), and the remaining excess of the Surplus Cash shall be distributed to the Subordinated Tranche Limited Partner. The Profits Threshold refers to a fixed rate of return within the Lock-Up Period, aligned with prevailing market rates, and remains applicable until the completion of the exit of the Fund LP and the New LP, as stipulated in the Cooperation Agreement.

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If the Profits Threshold is not reached in any year, SODH shall make up the shortfall (the “**Surplus Cash Commitment**”). The Surplus Cash Commitment shall terminate (i) when SODH and/or its Affiliates does not hold any direct or indirect interests in the Project Companies or the Project Assets; or (ii) if the land use rights of the Project Assets are extended to thirty (30) years or more with the relevant fees undertaken by SODH, the later of (a) the date the new land use right certificate having been received by the Project Companies, or (b) the seventh (7th) anniversary of the Completion Date (i.e. the Lock-Up Period). These termination conditions are considered reasonable market practice in light of the fact that the remaining term of the land use rights of the Project Assets will be less than 20 years following the expiry of the Lock-Up Period, and the liquidity of the Project Assets will be adversely affected accordingly.

On the same date as the signing date of the Cooperation Agreement, the Company issued an undertaking letter to the Fund (the “**Undertaking Letter**”) which shall become effective on the Completion Date, and pursuant to which the Company has agreed to pay or procure its Affiliates to pay the outstanding Surplus Cash Commitment within fifteen (15) Business Days upon receipt of written notice of the Fund if SODH has failed to fulfil its Surplus Cash Commitment in accordance with the Cooperation Agreement.

The Profits Threshold arrangement together with the Surplus Cash Commitment as a whole is not an uncommon market practice whereby financial investors could be provided with certain degree of reassurance from the asset manager to keep up with and closely attend to the operation and management of the Project Companies and the Project Assets due to the need of making up the shortfall. By offering the Surplus Cash Commitment, other partners of the Fund will have more confidence in investing and providing capital contribution to the Fund.

Taking into account the following factors, the Company considers the risks associated with the Surplus Cash Commitment to be low:

- (i) based on the business plans of the Project Companies for the next seven (7) years (including the estimates of net operating income) in respect of the Project Assets which was prepared with reference to the historical performance, there is a considerable buffer in terms of revenue to be generated by the Project Companies. This buffer will adequately cover the Surplus Cash Commitment. The loss-making position of Fo Shan An Ying in 2024 is primarily attributable to the loss from investment property revaluation which is not a cash item. Therefore, the valuation change of Fo Shan An Ying shall not, in any event, affect the Company’s analysis of the cash flow issue associated with the Surplus Cash Commitment; and
- (ii) the Company has the discretion to exercise the Repurchase Right any time after the third (3rd) anniversary of the Completion Date. Once the Repurchase Right is exercised, the Profits Threshold will no longer apply, and the requirement for a Surplus Cash Commitment will be terminated and no longer be relevant. The Company will determine whether and when to exercise the Repurchase Right after careful consideration.

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The Board considers that the injection of the Project Companies into the Fund together with the Profits Threshold for other Fund partners and the Surplus Cash Commitment is fair and reasonable, and in the interest of the Company and its Shareholders as a whole for the following reasons:

- (i) the Transactions, in substance, constitute a financing arrangement. A total of RMB1,500,000,000 (equivalent to approximately HK\$1,642,000,000) will be injected by external investors in the form of capital contribution to the Fund, and in return the Project Companies will provide the Profits Threshold to the investors. The financial costs of this arrangement are comparable to similar mezzanine financing channels;
- (ii) the Transactions will not alter the fact that the Project Companies remain subsidiaries of the Company. As a reputable asset manager in the commercial property sector, the Company possesses strong operational and management capabilities. It is confident that the Project Companies will generate sufficient revenue to distribute the Profits Threshold, while still allowing the Company to retain meaningful upside beyond the fixed return;
- (iii) the Profits Threshold arrangement is a common market practice in property-related transactions, offering certainty and predictability to financial investors regarding their investment returns. Meanwhile, the Surplus Cash Commitment serves as a “safety net” to ensure continued and prudent management of the Project Assets. Given the Company’s retained control, the revenue outlook and its entitlement to exercise the Repurchase Right, the associated risks to the Group are considered low; and
- (iv) the net proceeds to be received by the Group from the Transactions will provide the Group with funds for its operations.

V. INFORMATION OF THE PARTIES

1. The Group, SODH, the Existing Shareholders, Shui On Management and Shanghai Shui On

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.

SODH, a direct wholly owned subsidiary of the Company as at the Latest Practicable Date, was incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding and debt financing.

The Existing Shareholders, namely Crown Fame Limited, Eastern View Limited, Info Union Limited, Land Pacific Limited, Oriental Host Limited, Rich Prime Limited, Smart Century Limited and Regal Victory Limited, are all indirect wholly owned subsidiaries of the Company as at the Latest Practicable Date. They were incorporated in Hong Kong with limited liability and are principally engaged in investment holding.

Shui On Management, an indirect wholly owned subsidiary of the Company as at the Latest Practicable Date, was incorporated in the PRC with limited liability and is principally engaged in investment holding and management consulting service.

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Shanghai Shui On, an indirect wholly owned subsidiary of the Company as at the Latest Practicable Date, was incorporated in the PRC with limited liability and is principally engaged in investment holding.

2. The Fund

For the information of the Fund, please refer to the paragraph headed “COOPERATION AGREEMENT — Capital Contribution Increase to the Fund” in the letter from the Board of this circular.

3. Fund GP1, Fund GP2 and Fund LP

Fund GP1 is a company incorporated in the PRC with limited liability and is principally engaged in investment management. Fund GP2 is a company incorporated in the PRC with limited liability and is principally engaged in investment management. Fund LP is a limited partnership established in the PRC and is principally engaged in investment. As at the Latest Practicable Date, each of Fund GP1, Fund GP2 and Fund LP is ultimately owned by Dajia Insurance Group Co., Ltd.

To the best of the Directors’ knowledge, information, and belief, having made all reasonable enquiries, each of Fund GP1, Fund GP2, Fund LP and the Fund and their respective ultimate beneficial owners (other than Shui On Management and Shanghai Shui On, being the existing partners in the Fund) are third parties independent of the Company and its connected persons.

4. New LP

New LP is a company established in the PRC with limited liability and principally engaged in offering life insurance products and services. As at the Latest Practicable Date, New LP is an indirect wholly-owned subsidiary of AIA Group Limited, a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (stock code: 1299).

To the best of the Directors’ knowledge, information, and belief, having made all reasonable enquiries, the New LP and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

5. Project Companies

Basic Information

As at the Latest Practicable Date, Fo Shan Shui On, one of the Project Companies, is a company incorporated in the PRC with limited liability and is principally engaged in property ownership and operation. Fo Shan Shui On is an indirect wholly owned subsidiary of the Company immediately before the Transactions. Lingnan Xintiandi, owned by Fo Shan Shui On as at the Latest Practicable Date, currently consists of several land use rights of commercial land and the buildings, structures

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situated on the northern side of Dong Xi Li, the western side of Fu Xian Road, the eastern side of Tian Di Road and the southern side of Liang Yuan Road in Chancheng District, Foshan City, Guangdong Province, the PRC, with a total saleable and leasable gross floor area of approximately 55,325 sq.m. (excluding car parking spaces).

As at the Latest Practicable Date, Fo Shan An Ying, one of the Project Companies, is a company incorporated in the PRC with limited liability and is principally engaged in property ownership and operation. Fo Shan An Ying is an indirect wholly owned subsidiary of the Company immediately before the Transactions. Lot E, owned by Fo Shan An Ying as at the Latest Practicable Date, currently consists of NOVA (a shopping centre) and Lingnan Tiandi Commercial Plaza (an office building), including the land use right and the buildings, structures and ancillary car parking spaces, situated on the northern side of Jian Xin Road, the western side of Tian Di Road, the eastern side of Zu Miao Road and the southern side of Dong Rui Road, Chancheng District, Foshan City, Guangdong Province, the PRC, with a total saleable and leasable gross floor area of approximately 89,265 sq.m. (excluding car parking spaces).

As at the Latest Practicable Date, the Project Companies were not engaged in any other business besides the leasing of the Project Assets.

The Company has engaged Knight Frank as a professional property valuer to conduct valuation on the Project Assets. The valuation of Lingnan Xintiandi and Lot E as at 30 April 2025 is RMB1,824,700,000 (equivalent to approximately HK\$1,997,438,000) and RMB2,380,200,000 (equivalent to approximately HK\$2,605,526,000), respectively, which were arrived at with reference to income approach by capitalising the net income shown in the tenancy schedules and making provisions for reversionary income potential. Please refer to Appendix II of this circular for details of the property valuation report of the Project Assets.

Financial Information of the Project Companies

As at 31 December 2024, the unaudited total assets of Fo Shan Shui On and Fo Shan An Ying were approximately RMB2,020,000,000 (equivalent to approximately HK\$2,211,227,000) and approximately RMB2,690,000,000 (equivalent to approximately HK\$2,944,654,000), respectively; and the unaudited net assets of Fo Shan Shui On and Fo Shan An Ying as at 31 December 2024 were approximately RMB1,483,000,000 (equivalent to approximately HK\$1,623,391,000) and approximately RMB1,841,000,000 (equivalent to approximately HK\$2,015,282,000), respectively.

For the year ended 31 December 2024, the unaudited revenue of Fo Shan Shui On and Fo Shan An Ying were approximately RMB107,000,000 (equivalent to approximately HK\$117,129,000) and approximately RMB149,000,000 (equivalent to approximately HK\$163,105,000), respectively.

For the year ended 31 December 2024, the unaudited profits both before and after taxation of Fo Shan Shui On were approximately RMB77,000,000 (equivalent to approximately HK\$84,289,000) and approximately RMB65,000,000 (equivalent to approximately HK\$71,153,000), respectively; and the unaudited losses both before and after taxation of Fo Shan An Ying were approximately RMB23,000,000 (equivalent to approximately HK\$25,177,000) and approximately RMB23,000,000 (equivalent to approximately HK\$25,177,000), respectively, which were primarily attributable to the loss from investment property revaluation.

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For the year ended 31 December 2023, the unaudited profits both before and after taxation of Fo Shan Shui On were approximately RMB80,000,000 (equivalent to approximately HK\$87,573,000) and approximately RMB77,000,000 (equivalent to approximately HK\$84,289,000), respectively; and the unaudited profits both before and after taxation of Fo Shan An Ying were approximately RMB67,000,000 (equivalent to approximately HK\$73,343,000) and approximately RMB66,000,000 (equivalent to approximately HK\$72,248,000), respectively.

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

VI. IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Transactions under the Cooperation Agreement exceeds 25% but is less than 75%, such transactions constitute a major transaction of the Company and are 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 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 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 and the Transactions contemplated thereunder.

As at the Latest Practicable Date, 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 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 and the Transactions contemplated thereunder. As such, the Cooperation 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 as at the Latest Practicable Date. 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 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 and the Transactions contemplated thereunder.

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VII. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that, the Cooperation Agreement and the Transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and in the interests of the Company and Shareholders as a whole, and would recommend the Shareholders to vote in favour of the resolution to approve the Cooperation Agreement and the Transactions contemplated thereunder if it had been necessary to hold a general meeting for such purpose.

VIII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

By way of reference, the financial information of the Group for each of the three years ended 31 December 2022, 2023 and 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shuionland.com) respectively:

- (i) the annual report of the Company for the year ended 31 December 2024 published on 23 April 2025 (pages 105 to 195):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042300351.pdf>
- (ii) the annual report of the Company for the year ended 31 December 2023 published on 19 April 2024 (pages 113 to 199):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900304.pdf>
- (iii) the annual report of the Company for the year ended 31 December 2022 published on 21 April 2023 (pages 129 to 227):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042100305.pdf>

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 31 May 2025, being the latest practicable date for the purpose of determining this indebtedness of the Group prior to the printing of this circular, the Group had total borrowings of approximately RMB32,825 million, details of which are as follows:

- (i) senior notes of the Group with an aggregate amount of RMB2,934 million were unsecured and guaranteed;
- (ii) bank and other borrowings of the Group with an aggregate amount of approximately RMB18,611 million, of which RMB3,587 million were unsecured, and RMB15,024 million were secured by certain buildings, investment properties, right-of-use assets, properties under development for sale, receivables, and bank deposits. Amongst the foregoing bank and other borrowings, an aggregate amount of RMB7,115 million was guaranteed; and an aggregate amount of RMB11,496 million was unguaranteed;
- (iii) receipts under securitisation arrangements of the Group with an amount of RMB4,307 million were secured and guaranteed;
- (iv) amount due to a non-controlling shareholder of a subsidiary of the Group with an amount of RMB11 million which was unsecured and not guaranteed;
- (v) amounts due to associate companies of the Group with an aggregate amount of RMB245 million which were unsecured and not guaranteed;

- (vi) amounts due to joint venture companies of the Group with an aggregate amount of RMB2 million which were unsecured and not guaranteed;
- (vii) amounts due to fellow subsidiaries of the Group with an aggregate amount of RMB335 million which were unsecured and not guaranteed;
- (viii) loans from an associate company of the Group with an aggregate amount of RMB5,825 million which were unsecured and not guaranteed; and
- (ix) loans from joint venture companies of the Group with an aggregate amount of RMB555 million which were unsecured and not guaranteed.

Lease liabilities

On 31 May 2025, the Group had lease liabilities of RMB51 million.

Contingent liabilities

In addition, the Group provided guarantees to banks in favour of its customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted. As at 31 May 2025, the Group considered the outstanding guarantee amount is not significant.

Save as aforementioned and apart from intra-group liabilities within the Group and normal trade business, at the close of business on 31 May 2025, the Group did not have any other outstanding borrowings, loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the net proceeds of the equity interest transfer of Fo Shan Shui On and Fo Shan An Ying, the present financial resources available to the Group including but not limited to cash flow generated by its principal operations, cash and cash equivalents available, existing banking facilities and senior notes, successful refinancing of certain banking facilities and senior notes, the Group will have sufficient working capital for its business for at least twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's contracted property sales for 2024 amounted to RMB15,055 million, comprising residential property sales of RMB14,553 million and commercial property sales of RMB502 million. In late September of 2024, the Group launched the latest phase in the series, Lakeville VI. The launch was 3.6 times over-subscribed, and all 108 units were sold on the launch day. The total contracted sales amounted to RMB11,979 million, achieving an average selling price of RMB210,200 per sq.m. that was a record for Shanghai's residential market. This success bodes well for the next launch of Lakeville VI in 2025 — villas and townhouses capturing Shanghai's historical charm. All have exquisite designs and fine craftsmanship that evoke memories of the rich cultural heritage of old Shanghai. The Group expects them to raise the bar of luxury living, not only in Shanghai itself but for all of China.

The Group has always adopted a prudent approach to manage capital, with maintaining liquidity the key goal. Despite the deep and prolonged downturn in China's property market and the offshore lending market becoming all but shut off, the Group has successfully fulfilled our financial obligations. From 2021 to 28 March 2025, a total of RMB45.2 billion gross of offshore debt has been repaid. The Group's proactive and innovative capital management strategy and high-quality assets have helped to diversify its funding and capitalise its asset values.

The strong fiscal stimulus launched by the central government in late 2024 and positive signals from the recent Two Sessions reflect the leadership's determination to stabilise the economy and property market. Although residential transactions in first-tier cities have increased since October 2024, showing signs of market recovery, the process of consolidation in China's property market will likely take several more years, especially as increasing geo-political tensions bring further uncertainty to the market. Therefore the Group will remain cautious and prudent. At the same time, the Group will continue to focus on its Asset-Light strategy for business expansion, actively exploring innovations to its business model that will allow the Group to exploit the brand reputation and management expertise further.

The following is a text of the letter and valuation report prepared for the purpose of incorporation in this circular issued by Knight Frank Petty Limited, an independent professional property valuer, in connection with the valuation of market value of the Project Assets as at 30 April 2025.



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The Board of Directors
Shui On Land Limited
34/F, Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

31 July 2025

Dear Sirs

Valuation of Lingnan Xintiandi, NOVA and Lingnan Tiandi Commerical Plaza of Foshan Lingnan Tiandi, Chancheng District, Foshan, Guangdong Province, The People's Republic of China (the "Properties")

In accordance with the instructions from Shui On Land Limited (hereinafter referred to as the "Company") for us to value the Properties in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 30 April 2025 (the "Valuation Date").

Basis of Valuation

Our valuation is our opinion of the market value of the Properties, which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In preparing our valuation report, we have complied with "The HKIS Valuation Standards 2020" issued by the Hong Kong Institute of Surveyors and "The RICS Valuation - Global Standards" issued by the Royal Institution of Chartered Surveyors and the requirements contained in the relevant provisions of Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Valuation Methodology

As the Properties, which are mainly held for investment, are income-producing, we considered it is most appropriate to value them by "Income Approach - Term and Reversion Method" by capitalizing the net income shown on tenancy schedules handed to us by the Company and made provisions for reversionary income potential.

Title Documents and Encumbrances

We have been provided with the copies of extracts of title documents relating to the Properties. However, we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. We have relied on the information given by the Company regarding the titles and other legal matters relating to the Properties.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any Properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restriction and outgoing of an onerous nature which could affect their values.

Source of Information

We have relied on a considerable extent on the information given by the Company. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, ownership, completion dates of buildings, particulars of occupancy, tenancy summary, floor and site areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us and are therefore only approximations. We have not been

able to carry out on-site measurements to verify the correctness of the site and floor areas of the Properties and we have assumed that the site and the floor areas shown on the documents handed to us are correct. We were also advised by the Company that no material facts have been omitted from the information provided.

Inspection and Structural Condition

We have inspected the Properties and the inspection was carried out by our Associate Director, Ocean Ruan, a qualified member of CIREA, on 27 May 2025. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the Properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

Identity of Properties to be valued

We exercised reasonable care and skill (but will not have an absolute obligation to the Company) to ensure that the Properties, identified by the Properties address in the instructions, are the Properties inspected by us and contained within our valuation report.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Properties are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed that the Properties have been constructed, occupied and used in full compliance with, and without contravention of any ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Properties upon which this report is based, any and all required licenses, permits, certificates, consents, approvals and authorization have been obtained, except only where otherwise stated.

Remarks

Knight Frank has prepared the valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the values of the Properties.

Currency

All money amounts stated are in Renminbi (RMB).

Our valuation report is attached.

Yours faithfully

For and on behalf of

Knight Frank Petty Limited

Reviewed (but not undertaken) by:

Gary Lau MHKIS MRICS RPS(GP) RICS

Registered Valuer

Senior Director

Valuation & Advisory

Cyrus Fong FRICS FHKIS RPS(GP)

MCIREA RICS Registered Valuer

Executive Director

Head of Valuation & Advisory, Greater China

Notes:

Mr. Cyrus Fong is a fellow member of RICS and HKIS who has over 19 years of extensive experience in the Real Estate Industry. He has conducted numerous assignments for different types of properties including development sites, luxury residential, commercial, industrial properties in Hong Kong, UK and Asia Pacific region for various valuation purposes.

Mr. Gary Lau is a qualified member of RICS and HKIS who has over 16 years of extensive experience in the Real Estate Industry. He has conducted numerous assignments for different types of properties including development sites, residential, office, commercial, logistics, school, convention centre and industrial properties in the PRC, UK and Asia Pacific region for various valuation purposes.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2025
Lingnan Xintiandi, NOVA and Lingnan Tiandi Commercial Plaza of Foshan Lingnan Tiandi Chancheng District Foshan Guangdong Province The PRC	<p>Foshan Lingnan Tiandi is a large-scale, integrated urban redevelopment community comprising office, retail, hotel and cultural facilities and residential complexes. The project benefits from having two national-grade heritage sites being located within its premises. This includes the centre piece of Foshan's cultural heritage — Zumiao, an immaculately preserved ancient Taoist temple, and the Donghuali, also a well-known historic area.</p> <p>Foshan Lingnan Tiandi is strategically located in the old town centre of central Chancheng District, which is Foshan's traditional downtown area and public transportation hub. The development enjoys good connectivity with two subway stations of the Guangzhou-Foshan metro line.</p> <p>The property comprises various retail and office buildings in Foshan Lingnan Tiandi, namely (i) Lingnan Xintiandi, (ii) NOVA and (iii) Lingnan Tiandi Commercial Plaza.</p>	Please refer to note 11 for the particulars of occupancy of respective portion of the property.	RMB4,204,900,000 (RENMINBI FOUR BILLION TWO HUNDRED AND FOUR MILLION NINE HUNDRED THOUSAND ONLY)
<i>(please see note 1 for detail addresses)</i>			

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 April 2025
	<p>Lingnan Xintiandi is the historic restoration zone within the Foshan Lingnan Tiandi, comprises various low-rise retail blocks completed in about 2011 to 2019. NOVA is a 8-storey shopping mall including two levels of basement located adjacent to Lingnan Xintiandi, with direct access to Zumiao Metro Station whilst Lingnan Tiandi Commercial Plaza is a 12-storey office building erected upon NOVA completed in about 2015.</p>		
	<p>Use</p>	<p>Approximate Gross Floor Area (sq m)</p>	
	Lingnan Xintiandi		
	Retail	55,325	
	Other*	<u>3,731</u>	
	Sub-total:	59,056	
	NOVA		
	Retail	73,045	
	Car Park (Basement) (491 nos)	20,235	
	Other*	<u>867</u>	
	Sub-total:	94,147	
	Lingnan Tiandi Commercial Plaza		
	Office	<u>16,220</u>	
	Total:	<u>169,423</u>	

* *The areas categorized under 'Other' uses are common areas such as E&M facilities and sidewalks that cannot be leased to generate income for the company. As such, no market value will be assigned to these spaces.*

The land use rights of Lingnan Xintiandi have been granted for a term expiring on 30 November 2047 for commercial use.

The land use rights of NOVA and Lingnan Tiandi Commercial Plaza have been granted for terms expiring on 30 November 2057 for office use and financial use, 30 November 2047 for commercial and hotel, retail, wholesale, catering, hotel and other business uses.

Notes:

1. The detail addresses of the property are listed below:
 - Lingnan Xintiandi situated on the northern side of Dong Xi Li, the western side of Fu Xian Road, the eastern side of Tian Di Road and the southern side of Liangyuan Road, Chancheng District, Foshan, Guangdong Province, the PRC
 - NOVA and Lingnan Tiandi Commercial Plaza situated on the northern side of Jian Xin Road, the western side of Tian Di Road, the eastern side of Zumiao Road and the southern side of Dongrui Road, Chancheng District, Foshan, Guangdong Province, the PRC
2. Pursuant to the Business Licence with Unified Social Credit No. 91440600669823797N dated 11 November 2024, 佛山安盈房地產開發有限公司 (Fo Shan An Ying Property Development Co., Ltd.) (“Fo Shan An Ying”) was incorporated with a registered capital of RMB592,000,000.
3. Pursuant to the Business Licence with Unified Social Credit No. 91440600669823789U dated 11 November 2024, 佛山瑞安天地房地產發展有限公司 (Fo Shan Shui On Property Development Co., Ltd.) (“**Fo Shan Shui On**”) was incorporated with a registered capital of RMB784,000,000.
4. Pursuant to 49 Realty Title Certificates all issued by Land Construction and Water Affairs Bureau of Foshan Chancheng District, the title to retail portion of Lingnan Xintiandi of the property with a total gross floor area of 55,324.59 sq m was vested in Fo Shan Shui On with a land use right term expiring on 30 November 2047 for commercial use.
5. Pursuant to 215 Realty Title Certificates all issued by Land Construction and Water Affairs Bureau of Foshan Chancheng District, the title to Lingnan Tiandi Commercial Plaza of the property with a total gross floor area of 16,219.56 sq m was vested in Fo Shan An Ying with a land use right term expiring on 30 November 2057 for office use.
6. Pursuant to 7 Realty Title Certificates all issued by the Land Construction and Water Affairs Bureau of Foshan Chancheng District and Foshan Natural Resources Bureau, the title to retail portion of NOVA of the property with a total gross floor area of 73,045.50 sq m was vested in Fo Shan An Ying with a land use right term expiring on 30 November 2047 for commercial use.
7. Pursuant to 478 Realty Title Certificates all issued by Land Construction and Water Affairs Bureau of Foshan Chancheng District, the title to a portion of car park portion of the property with a total gross floor area of 19,711.17 sq m was vested in Fo Shan An Ying with a land use right term expiring on 30 November 2047 for car park use.
8. Pursuant to 13 Realty Title Certificates Yue (2024) Fo Chan Bu Dong Chan Quan Di 0102589 to 0102601 all issued by Foshan Natural Resources Bureau dated 3 December 2024, the title to another portion of car park portion of the property with a total gross floor area of 523.90 sq m was vested in Fo Shan An Ying with a land use right term expiring on 30 November 2047 for car park use.
9. Pursuant to the Loan Agreements No 12512016280135, DY1251201628013501, DY1251201628013502, DY1251201628013503 and ZD1252202400000002 dated 29 June 2016, 15 December 2016 and 5 August 2024 entered into between Shanghai Pudong Development Bank Co. Ltd (Foshan Branch) and Fo Shan Shui On, retail portion of Lingnan Xintiandi under 49 Realty Title Certificates with a total gross floor area of 55,324.59 sq m is subject to a mortgage for a consideration of RMB300,000,000 in favour of Shanghai Pudong Development Bank Co. Ltd (Foshan Branch).

10. Pursuant to the Loan Agreements No ZD1252202300000002 and ZD1252202500000002 dated 19 October 2023 and 17 March 2025 entered into between Shanghai Pudong Development Bank Co. Ltd (Foshan Branch) and Fo Shan An Ying, portion of NOVA and Lingnan Tiandi Commercial Plaza under 222 Realty Title Certificates with a total gross floor area of 89,265.06 sq m is subject to a mortgage for a consideration of RMB413,000,000 in favour of Shanghai Pudong Development Bank Co. Ltd (Foshan Branch).
11. Portion of the property have been leased under various tenancies yielding a total current monthly rental of approximately RMB14,610,000 exclusive of management fee with the last expiry date on 30 June 2033, whilst the remaining portion of the property is vacant. Details are listed below as follows:

Portion	Use	Approximate Leased		Total Monthly Rental (RMB)
		Gross Floor Area (sq m)	Last Expiry Date	
Lingnan Xintiandi	Retail	50,149	31 October 2032	6,250,000
NOVA	Retail	66,291	30 June 2033	7,970,000
Lingnan Tiandi Commercial Plaza	Office	12,450	31 March 2030	390,000
	Total:	128,890		14,610,000

12. As per your specific terms of instruction to provide the breakdown of market value of the property, the aggregate market values as at the date of valuation are listed below:

Portion	Gross Floor Area	Market Value as at 30 April 2025
Lingnan Xintiandi	55,325 sq m for retail	RMB1,824,700,000
NOVA	73,045 sq m for retail and 491 basement car-parking spaces	RMB2,170,000,000
Lingnan Tiandi Commercial Plaza	16,220 sq m for office	RMB210,200,000
	Total:	RMB4,204,900,000

13. As per your specific terms of instruction to provide the breakdown of market value of NOVA, the aggregate market values as at the date of valuation are listed below:

Portion of NOVA	Market Value as at 30 April 2025
Retail	RMB2,045,000,000
Car park	RMB125,000,000
	Total: RMB2,170,000,000

14. The key parameters adopted in our valuation by “Income Approach - Term and Reversion Method” are summarized as follows:

Lingnan Xintiandi and NOVA

	Rent	Yield
Term	As per the provided rent roll, the average unit rent on gross floor area basis ranged from RMB83 to RMB231 per sq m per month, exclusive of VAT.	The Term Yield is 4.75%.
Reversion	The average market unit rent on gross floor area basis ranged from RMB123 to RMB184 per sq m per month, exclusive of VAT.	The Reversionary Yield is 5.25%.

Lingnan Tiandi Commercial Plaza

	Rent	Yield
Term	As per the provided rent roll, the average unit rent on gross floor area basis is RMB32 per sq m per month, exclusive of VAT.	The Term Yield is 5.00%.
Reversion	The average market unit rent on gross floor area basis is RMB61 per sq m per month, exclusive of VAT.	The Reversionary Yield is 5.50%.

15. The comparable evidence adopted in our valuation by “Income Approach - Term and Reversion Method” are summarized as follows:

Office Yield Comparable Evidence

	Foshan Vanke Financial Center	Chancheng Lvdi Centre	Foshan Vanke Plaza
District	Chancheng District	Chancheng District	Chancheng District
Unit Price (RMB per sq m)	12,500.00	13,500.00	14,000.00
Unit Rent (RMB per sq m)	60	55	55
Gross Yield	5.8%	4.9%	4.7%

Retail Yield Comparable Evidence

	Mei Gui Yuan	Pujun Xincheng	Keyi Xinshili
District	Chancheng District	Chancheng District	Chancheng District
Unit Price (RMB per sq m)	27,400.00	49,600.00	27,900.00
Unit Rent (RMB per sq m)	126	230	123
Gross Yield	5.5%	5.6%	5.3%

Office Rental Comparable Evidence

	Chancheng Lvdi Centre	Foshan Vanke Financial Center	Foshan Vanke Plaza
District	Chancheng District	Chancheng District	Chancheng District
Floor Level	15	13	10
Gross Floor Area (sq m)	199.20	212.00	392.00
Monthly Rental (RMB)	11,000	12,700	21,600
Date	May 2025	May 2025	May 2025
Transaction or Asking	Asking	Asking	Asking
Unit Rent (RMB per sq m)	55	60	55

Retail Rental Comparable Evidence

Development	Liangyuan Road	Baihua Plaza	Shunlian Baihua Zonghui
District	Chancheng District	Chancheng District	Chancheng District
Floor Level	1	1	1
Gross Floor Area (sq m)	75.00	50.00	60.00
Monthly Rental (RMB)	30,000	18,000	20,800
Date	May 2025	May 2025	May 2025
Transaction or Asking	Asking	Asking	Asking
Unit Rent (RMB per sq m)	400	360	347

For retail portions, the unit rentals for Level 1 of the selected comparables range from RMB347 to RMB400. We have considered the differences between the selected comparables and the property in terms of location, size, level, building age, quality and time by making upward or downward adjustments. Therefore, the adopted average market unit rent for the whole of Lingnan Xintiandi and NOVA ranges from RMB123 to RMB184.

16. Our valuation is on a 100 percent interest of the property. We have also assumed that the property has proper legal title and is freely transferrable to local and overseas purchasers without any outstanding premiums and/or associated payments.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules were as follows:

(a) Long position in the Shares and the underlying Shares of the Company

Name of Directors	Number of ordinary Shares			Total	Approximate percentage of interests to the issued share capital of the Company as at the Latest Practicable Date (Note 3)
	Personal interests	Family interests	Other interests		
Mr. Vincent H.S. LO (“ Mr. Lo ”)	—	1,849,521 (Note 1)	4,511,756,251 (Note 2)	4,513,605,772	56.23%
Ms. Stephanie B.Y. LO (“ Ms. Lo ”)	—	—	4,511,756,251 (Note 2)	4,511,756,251	56.21%
Ms. Jessica Y. WANG	670,500	—	—	670,500	0.008%

Notes:

- (1) These Shares were beneficially owned by Ms. Loletta CHU (“**Mrs. Lo**”), the spouse of Mr. Lo. Mr. Lo was deemed to be interested in 1,849,521 Shares under Part XV of the SFO.

- (2) These Shares were held by Shui On Company Limited (“SOCL”) through its controlled corporations, comprising 1,725,493,996 Shares, 2,756,414,318 Shares, and 29,847,937 Shares held by Shui On Properties Limited (“SOP”), Shui On Investment Company Limited (“SOI”), and New Rainbow Investments Limited (“NRI”), respectively, whereas SOP was a wholly-owned subsidiary of SOI. NRI was a wholly-owned subsidiary of SOCAM Development Limited (“SOCAM”) which in turn was held by SOCL as to approximately 63.29% as at the Latest Practicable Date. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. (“Bosrich”). The units of the Bosrich Unit Trust were the property of a discretionary trust, with Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC International Trustee Limited (“HSBC Trustee”) as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich and HSBC Trustee were deemed to be interested in such Shares under Part XV of the SFO.
- (3) These percentages were compiled based on the total number of issued Shares (i.e., 8,027,265,324 Shares) of the Company as at the Latest Practicable Date.

(b) Long position in the shares of the associated corporation of the Company — SOCAM

Name of Directors	Number of ordinary shares			Total	Approximate percentage of interests to the issued share capital of SOCAM as at the Latest Practicable Date (Note 3)
	Personal interests	Family interests	Other interests		
Mr. Lo	—	312,000 (Note 1)	236,309,000 (Note 2)	236,621,000	63.37%
Ms. Lo	—	—	236,309,000 (Note 2)	236,309,000	63.29%

Notes:

- (1) These shares were beneficially owned by Mrs. Lo, the spouse of Mr. Lo. Mr. Lo was deemed to be interested in 312,000 shares of SOCAM under Part XV of the SFO.
- (2) These shares were beneficially owned by SOCL. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo as the founder and a discretionary beneficiary, Ms. Lo as a discretionary beneficiary, and HSBC Trustee as the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, Bosrich, and HSBC Trustee were deemed to be interested in such shares under Part XV of the SFO.
- (3) These percentages have been compiled based on the total number of issued shares (i.e., 373,346,164 shares) of SOCAM as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to

Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<u>Name of Directors</u>	<u>Names of companies which had such disclosable interest or short position</u>	<u>Positions within such companies</u>
Mr. Lo	SOCL, SOP, SOI, and NRI	director
Ms. Lo	SOCL, SOP, and SOI	director

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, with any member of the Group, a service agreement which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and to the best knowledge of the Directors, there was no material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up).

5. MATERIAL LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance that is known to the Directors to be pending or threatened against any member of the Group.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up).

7. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Group.

8. COMPETING INTERESTS OF DIRECTORS

The following Directors or their associates are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules as set out below:

<u>Name of Directors</u>	<u>Names of entities which are considered to compete or likely to compete with the businesses of the Group</u>	<u>Description of the businesses of the entities which are considered to compete with the businesses of the Group</u>	<u>Nature of interests of the Directors in the entity</u>
Mr. Lo	SOCAM	Property investment in the PRC	Director and controlling shareholder
Mr. Lo	Great Eagle Holdings Limited	Property investment in the PRC	Director
Ms. Lo	SOCAM	Property investment in the PRC	Director

There is a deed of non-competition dated 30 May 2006 (the “**Deed**”) and entered into between Mr. Lo, SOCL and the Company pursuant to which Mr. Lo and SOCL have given certain undertakings to the Company, among others, that the Company is to be the flagship company of the Shui On Group (that is, SOCL and its subsidiaries and for the purpose of this section headed “Competing Interests of Directors”, excluding SOCAM and its subsidiaries) for the Shui On Group’s property development and investment business in the PRC and concerning the Shui On Group’s investment in future property development projects in the PRC. Such information has been disclosed in the Company’s prospectus dated 20 September 2006. In respect of the year ended 31 December 2024, the Company has received from each of Mr. Lo and SOCL a confirmation on compliance with the non-competition undertakings as contemplated under the Deed.

Save as aforesaid, as at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in a business which, either directly or indirectly, competes or is likely to compete with the businesses of the Group or has or may have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

9. MATERIAL CONTRACTS

The following contracts have been entered into by any member of the Group (not being contracts entered into in the ordinary course of business) within two years preceding the date of this circular:

- (a) the limited partnership agreement dated 5 November 2024 (the “**Limited Partnership Agreement**”) entered into among Shanghai Tian Xu Chuang Sheng Enterprise Management Co., Ltd.* (上海添昀創盛企業管理有限公司) (the “**Joint Venture**”) (being an indirect non-wholly owned subsidiary of the Company) (as the general partner), and Shanghai Shui On Investment Group Company Limited* (上海瑞安投資集團有限公司) (“**Shui On LP**”) (being an indirect wholly owned subsidiary of the Company), 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)) (“**Ningbo Fund**”) and 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) (“**Yangpu Knowledge Innovation**”) (each as a limited partner), for the purpose of establishing a limited partnership (the “**Limited Partnership**”), with a total subscribed contribution of approximately RMB8,126,000,000, which shall be contributed in cash by the Joint Venture, Shui On LP and Ningbo Fund as to RMB1,000,000, approximately RMB3,802,000,000 and approximately RMB3,654,000,000, respectively, and shall be contributed in kind (through the transfer of the 12.2% equity interests in Shanghai Yang Pu Centre Development Co., Ltd.* (上海楊浦中央社區發展有限公司) (“**YPU**”) (being a non-wholly owned subsidiary of the Company) to the Limited Partnership) and the contribution in cash by Yangpu Knowledge Innovation as to approximately RMB669,000,000 in total. Details of which were set out in the announcement of the Company dated 5 November 2024 and the circular of the Company dated 29 November 2024;
- (b) the cooperation agreement dated 5 November 2024 entered into among Shui On LP, Bright Continental Limited (“**Bright Continental**”) (being an indirect non-wholly owned subsidiary of the Company), Top Victory Development Limited (“**Top Victory**”) (being an indirect non-wholly owned subsidiary of the Company), Ningbo Fund, Yangpu Knowledge Innovation and the Joint Venture, pursuant to which, among others, (i) the Limited Partnership Agreement was entered into at the same time; (ii) the 86.8% equity interests in YPU shall be transferred from Bright Continental to the Limited Partnership at the consideration of approximately RMB4,706,000,000; and (iii) the 99% equity interests in Shanghai Knowledge and Innovation Community Development Co., Ltd.* (上海創智天地發展有限公司) (being a non-wholly owned subsidiary of the Company) shall be transferred from Top Victory to the Limited Partnership at the consideration of approximately RMB2,668,000,000. Details of which were set out in the announcement of the Company dated 5 November 2024 and the circular of the Company dated 29 November 2024; and
- (c) the Cooperation Agreement.

10. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert (the “**Expert**”) who has given opinion or, advice contained in this circular:

<u>Name</u>	<u>Qualification</u>	<u>Date of the report and/or letter</u>
Knight Frank Petty Limited	Independent professional surveyor and valuer	31 July 2025

As at the Latest Practicable Date, the Expert had no direct or indirect interest in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Expert had no interest, direct or indirect, in any assets which had been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

The Expert has given and has not withdrawn its written consent as to the issue of this circular with the inclusion herein of its report and/or letter and reference to its name in the form and context in which they respectively appear.

11. GENERAL

- (a) The registered office of the Company is at One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Suntera (Cayman) Limited at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (e) The company secretary of the Company is Mr. UY Kim Lun, a qualified lawyer in Hong Kong.
- (f) This circular is in both English and Chinese. In the event of inconsistency, the English text shall prevail over the Chinese text.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.shuionland.com) from the date of this circular and up to and including the date which is 14 days from the date of this circular:

- (a) the property valuation report issued by Knight Frank Petty Limited, the text of which is set out in Appendix II to this circular;
- (b) the Cooperation Agreement and the Equity Transfer Agreements; and
- (c) the written consent referred to in the section headed “10. EXPERT’S QUALIFICATION AND CONSENT” in this appendix.