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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 AND CONNECTED TRANSACTION — SWAP AGREEMENT**

## **DISCLOSEABLE AND CONNECTED TRANSACTION — JV AGREEMENT**

The Board announces that on 30 September 2013, Shui On Development (a wholly-owned subsidiary of the Company) and the Investor entered into the Swap Agreement, pursuant to which, amongst other things, (i) the Investor has agreed to transfer the Group Company Shares to Shui On Development; and (ii) Shui On Development has agreed to transfer the Portspin Shares to Taipingqiao 116.

On the same day, Shui On Development, Taipingqiao 116 and Portspin entered into the JV Agreement in relation to Portspin, pursuant to which Shui On Development will receive shares in Portspin subject to the terms and conditions in the JV Agreement upon Completion under the Swap Agreement.

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Acquisition and the Disposal under the Swap Agreement exceed 25% but are all less than 75%. Each of Trophy Property, Taipingqiao 116, Wuhan Tiandi, Elegant Partners, CCCD and Golden Swan holds, directly or indirectly, more than 10% interest in one or more of the Target Companies, which are indirectly non-wholly owned subsidiaries of the Company. Hence, each of Trophy Property, Taipingqiao 116, Wuhan Tiandi, Elegant Partners, CCCD and Golden Swan is a connected person of the Company. Accordingly, the Swap Agreement constitutes (i) a major transaction for the Company subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) a connected transaction for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under the JV Agreement exceed 5% but are all less than 25%. Since Taipingqiao 116 is a connected person of the Company, the JV Agreement constitutes a discloseable and connected transaction for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Shui On Properties Limited, Shui On Investment Company Limited, New Rainbow Investments Limited, Chester International Cayman Limited, Lanvic Limited and Boswell Limited, a closely allied group of Shareholders, each being a controlled corporation of Shui On Company Limited, in aggregate holds 4,564,223,364 shares in the Company representing approximately 57.04% in the issued share capital of the Company at the date of this announcement.

Since none of the Shareholders is required to abstain from voting on the Swap Agreement and the JV Agreement, written approval of Shui On Properties Limited, Shui On Investment Company Limited, New Rainbow Investments Limited, Chester International Cayman Limited, Lanvic Limited and Boswell Limited, has been obtained for the purpose of approving the Swap Agreement and the JV Agreement in lieu of an approval from the Shareholders at a Shareholders' meeting pursuant to Rule 14.44 and Rule 14A.43 of the Listing Rules. An application has been made by the Company to the Stock Exchange for a waiver of the requirement for the Company to hold a shareholders' meeting in accordance with Rules 14.44 and 14A.43 of the Listing Rules, on the basis that the Swap Agreement and the JV Agreement have been approved by a written approval of a closely allied group of Shareholders.

A circular containing, inter alia, (i) further information regarding the Swap Agreement and the JV Agreement; (ii) a letter from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; (iv) independent valuation reports on the Target Companies; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders as soon as practicable within 15 business days after the date of publication of this announcement.

## THE SWAP AGREEMENT

Date	30 September 2013
Parties	(i) Shui On Development (ii) Trophy Property (iii) Taipingqiao 116 (iv) Wuhan Tiandi (v) Elegant Partners (vi) CCCD (vii) Golden Swan
Assets to be Acquired	The Investor shall transfer to Shui On Development the Group Company Shares (and any related shareholders' loans and any receivables owed to the Investor or its affiliates by the Group Companies and any of their respective subsidiaries)
Assets to be Disposed of	Shui On Development shall transfer to Taipingqiao 116 the Portspin Shares (and any related shareholders' loans and any receivables owed to Shui On Development or its affiliates by Portspin or its subsidiaries)
Shortfall	<p>If the TPD Total Portfolio Value, minus RMB19.6 million, is less than the Adjusted TPQ116 Cleared Site Value, Shui On Development will be entitled to recover the difference in value (the "<b>Shortfall Amount</b>") as adjusted by the methodology set forth below (collectively, the "<b>Total Amount</b>):</p> <p>The Total Amount shall be the Shortfall Amount as adjusted by adding the non-relocation cost of TPQ116 incurred from 1 August 2013 to the Completion Date, all assets of Portspin (excluding property, plant and equipment and properties under development) as at the Completion Date, minus liabilities of Portspin (excluding amounts due to Shui On Development and its</p>

affiliates to the extent assigned to Taipingqiao 116, and amounts due to the Investor and their affiliates) as at the Completion Date, and as adjusted by the change of onshore minority shareholder interest of Portspin as at the Completion Date compared to 31 July 2013.

Concurrently with Completion, the Total Amount shall be applied as capital contribution by Shui On Development to Portspin as provided for in the JV Agreement. For details, please refer to the section headed “The JV Agreement — Capital Contribution” below.

If the TPD Total Portfolio Value, minus RMB19.6 million, is greater than the Adjusted TPQ116 Cleared Site Value, the Investor shall be entitled to recover the difference in value (the “**Initial Surplus**”), as adjusted pursuant to the methodology set forth below (collectively, the “**Surplus Amount**”):

The Surplus Amount shall be the Initial Surplus, minus non-relocation costs of TPQ116 from 1 August 2013 to the Completion Date, all assets of Portspin (excluding property plant and equipment and properties under development) as at the Completion Date, adding all liabilities of Portspin (excluding amounts due to Shui On Development and its affiliates to the extent assigned to Taipingqiao 116, and amounts due to the Investor and their respective affiliates) as at the Completion Date, and as adjusted by the onshore minority shareholder interest of Portspin as at the Completion Date compared to 31 July 2013. The Surplus Amount shall be paid by Shui On Development to the Investor within 20 business days after the issuance of the post-completion audits of Portspin to be performed within 90 days of the Completion Date.

Effectiveness

The Swap Agreement shall not come into effect until:

- (i) the relevant shareholders of the Company have passed a resolution or issued a written consent to approve the Swap Agreement, the JV Agreement and the transactions contemplated thereby in accordance with the Listing Rules and the articles of association of Shui On Development; and
- (ii) Shui On Development has obtained all necessary approvals to enter into the transactions contemplated by the Swap Agreement from its lenders, its parent company and their applicable affiliates.

If conditions in (i) and (ii) above have not been met by the date which is 90 days following the date of the Swap Agreement, the Swap Agreement automatically terminates.

Obligations with respect to TPQ116

Shui On Development shall promptly give written notice to the Investor after TPQ116 has qualified as the TPQ116 Cleared Site (the “**Clearance Notice**”). If the Clearance Notice is not validly issued by Shui On Development to the Investor on or before 31 October 2014, and the Investor has not waived conditions (i) and (ii) of the conditions precedent set out below, then either party may terminate the Swap Agreement.

For a period of 15 business days after the receipt of the Clearance Notice, the Investor has the right to inspect TPQ116 to verify and confirm that TPQ116 has qualified as TPQ116 Cleared Site, and, if so confirmed, prior to the expiration of such 15 business day period, the Investor shall either give Shui On Development written notice (the “**Acceptance Notice**”) of its acceptance of the TPQ116 Cleared Site or written notice stating that TPQ116 does not qualify as the TPQ116 Cleared Site together with a detailed explanation (the “**Rejection Notice**”).

If the Investor issues a Rejection Notice, the Investor and Shui On Development shall negotiate in good faith for a period of 15 business days to resolve their disagreement. If the parties fail to reach agreement during such time or the date on which the Acceptance Notice is issued by the Investor (or in the event that the Investor does not deliver an Acceptance Notice or Rejection Notice within the 15-business day period, the expiration of such period) (the “**Acceptance Date**”) has not occurred by 31 October 2014 and the Investor has not waived conditions (i) and (ii) of the conditions precedent set out below, the Swap Agreement shall terminate on the expiration of the 15-business day period, or if earlier, on 31 October 2014.

#### Conditions Precedent

The obligation of Shui On Development and the Investor to effectuate the Restructuring is subject to the satisfaction or waiver of each of the following conditions precedent, amongst others,

- (i) TPQ116 qualifying as the TPQ116 Cleared Site;
- (ii) Delivery by Shui On Development to the Investor of valid land title certificate in respect of TPQ116 and a land grant contract amendment or a “red head” or “red letterhead” document from the applicable government entity that resets the construction commencement date as to the site at TPQ116 and the construction completion date subject to certain conditions;
- (iii) there having been no material breach of the Swap Agreement or the transaction documents contemplated thereby (including but not limited to the warranties given by Shui On Development) by Shui On Development, subject to applicable notice and cure periods; and

(iv) there having been no material breach of the Swap Agreement or the transaction documents contemplated thereby (including but not limited to the warranties given by the Investor) by the Investor, subject to applicable notice and cure periods.

The Investor solely has the right to waive any of the conditions precedent set out in clauses (i), (ii) and (iii) above by giving a non-revocable written notice of such waiver to Shui On Development.

Shui On Development solely has the right to waive the condition precedent set out in clause (iv) above by giving a non-revocable written notice of such waiver to the Investor.

## Restructuring

The parties to the Swap Agreement shall use their best efforts to carry out the following steps, amongst others, to effect and complete the Restructuring:

- (i) the parties shall use their best efforts to obtain all necessary shareholder and board approvals, authorisations and resolutions in compliance with applicable laws and their respective constitutional documents;
- (ii) Shui On Development shall use its best efforts to obtain and deliver to the Investor the TPQ116 Cleared Site and give the Clearance Notice to the Investor by 31 December 2013 (provided that failure to obtain and deliver by such date shall not be a breach of the Swap Agreement);
- (iii) the Investor shall inspect the TPQ116 Cleared Site and, if TPQ116 satisfies the requirements to become the TPQ116 Cleared Site, the Investor shall promptly issue the Acceptance Notice; and

(iv) Shui On Development shall use its best efforts to obtain and deliver to the Investor the land title certificate in relation to the TPQ116 issued by the relevant government entity after relocation of former residents or occupants of TPQ116 is completed by the date which is six months after the Acceptance Date (the “**Long Stop Date**”).

Completion

Completion shall take place ten business days after the conditions precedent are satisfied or waived as permitted under the Swap Agreement (or such other time and date as agreed between the parties in writing).

Long Stop Date

The parties shall use their respective best efforts to complete the Restructuring before the Long Stop Date. If Completion has not occurred by the Long Stop Date then either party may terminate the Swap Agreement by sending a written notice to the other party advising it of such decision and the Swap Agreement shall terminate ten business days thereafter unless the remaining conditions precedents are satisfied or waived as permitted under the Swap Agreement prior to the expiration of such ten-business day period.

Interim Transfer  
Restrictions

During the period between the date of the Swap Agreement to the Completion Date (or the termination of the Swap Agreement), Shui On Development may not encumber or transfer its shares or equity interest in Portspin without the Investor’s prior written consent, and the Investor may not encumber or transfer its shares in Portspin or the Group Companies (or their subsidiaries) without the prior written consent of Shui On Development, except a transfer to affiliates or Shui On Development retains control of the relevant Group Company after such transfer or Shui On Development ceases to have any ownership in such Group Company after such transfer, subject to certain conditions.



If Shui On Development proposes to transfer its shares in any Group Company to third parties on customary commercial terms at arm's length and fair price, Shui On Development shall have a drag-along right to require the Investor to participate in the proposed transfer on the same terms and conditions on pro rata basis. If Shui On Development proposes to transfer its shares in any Group Company to third parties (excluding a sale in which Shui On Development retains control), the Investor shall have a tag-along right to participate in the proposed transfer on the same terms and conditions as Shui On Development on a pro-rata basis.

#### Termination

The parties may be entitled to terminate the Swap Agreement upon certain events and conditions, including the non-fulfillment (or waiver) of the conditions precedent to Completion, the occurrence of an Unwind Event, the issuance of a Rejection Notice, or a material breach of representations and warranties provided by the parties under the Swap Agreement. If the Swap Agreement is terminated, the Swap Agreement shall have no further effect, provided that the termination shall not affect any accrued rights or liabilities of any party, and the parties shall each revert to the position (legally, financially and otherwise) that they would have been in had the Swap Agreement and the transaction documents contemplated thereby never been entered by the parties.

## **Basis of Shortfall Amount**

The shortfall or surplus amount payable by Shui On Development to Investor or by Investor to Shui On Development for the Acquisition and Disposal under the Swap Agreement is the difference between the TPD Total Portfolio Value and the Adjusted TPQ116 Cleared Site Value, as adjusted by RMB19.6 million (representing the Loan Guarantee Fee). The TPD Total Portfolio Value, being RMB4,348,993,452, was determined based on the valuation of each Group Property as at 31 July 2013 (multiplied by TPD's effective interest in each Group Property), as adjusted by taking into account other assets, liabilities, onshore minority shareholders' interests and amount of shareholders' loan owed to TPD of the Group Companies and Portspin, percentage of TPD's interest in the Group Companies and Portspin and mutually agreed income tax provision relating to the Group Companies and Portspin.

With respect to the valuation of each Group Property as at 31 July 2013, the value of completed properties, properties under development and cleared sites ready for development was determined by the valuation of the Appraiser, and the value for the sites under relocation and future relocation was determined according to book cost, except that those for Wuhan Tiandi and Chongqing Tiandi was determined by the valuation of the Appraiser, since the land costs for such projects had been fixed as agreed with the relevant government authorities. The Adjusted TPQ116 Cleared Site Value, being RMB5,272,914,080, was determined by an independent valuation by the Appraiser of the TPQ116 Cleared Site as at 31 July 2013 of RMB5,261,000,000, as adjusted by taking into account the non-relocation cost with respect to TPQ116 up to 31 July 2013, onshore minority shareholder interest of Portspin, and relevant estimated deed tax and mutually agreed income tax provision relating to Portspin.

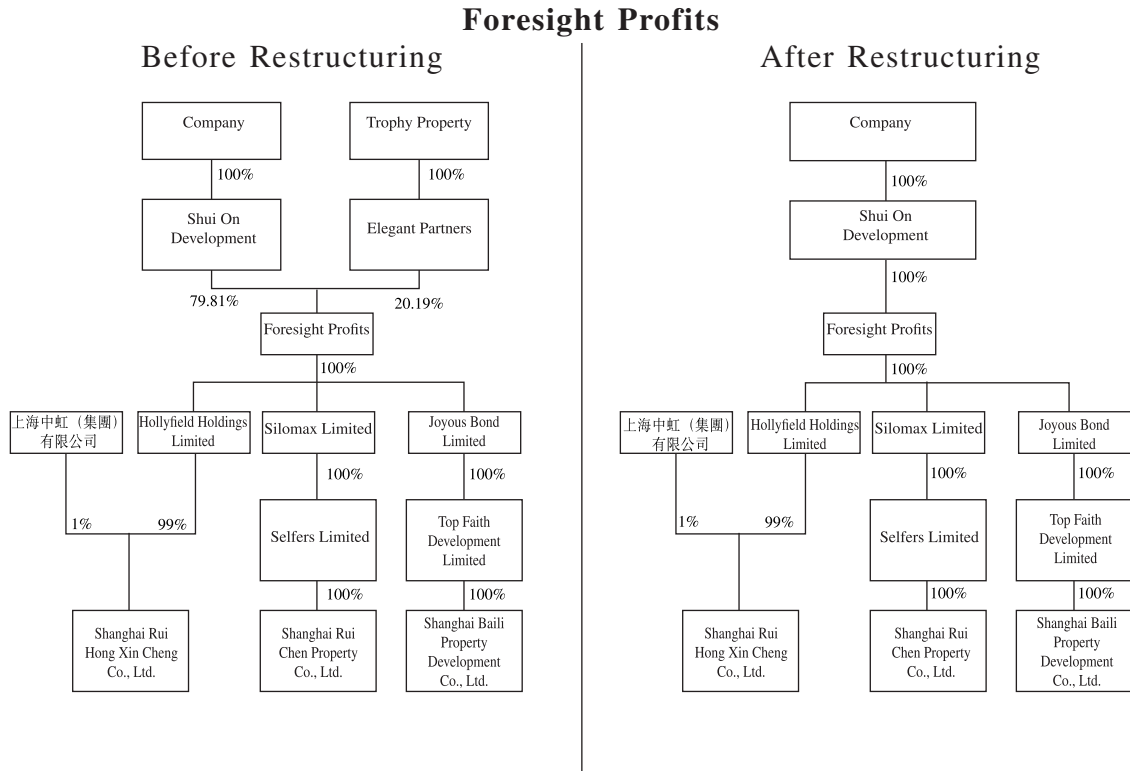
Since the Adjusted TPQ116 Cleared Site Value plus RMB19.6 million (representing the Loan Guarantee Fee) is higher than the TPD Total Portfolio Value, pursuant to the terms of the Swap Agreement, there is a Shortfall Amount, which is equivalent to RMB943,520,628, being RMB5,272,914,080 plus RMB19,600,000 and minus RMB4,348,993,452. The Shortfall Amount will be adjusted at Completion according to the methodology as set out in the section headed "The Swap Agreement — Shortfall" above.

## **Amendments to Shareholders' Agreements**

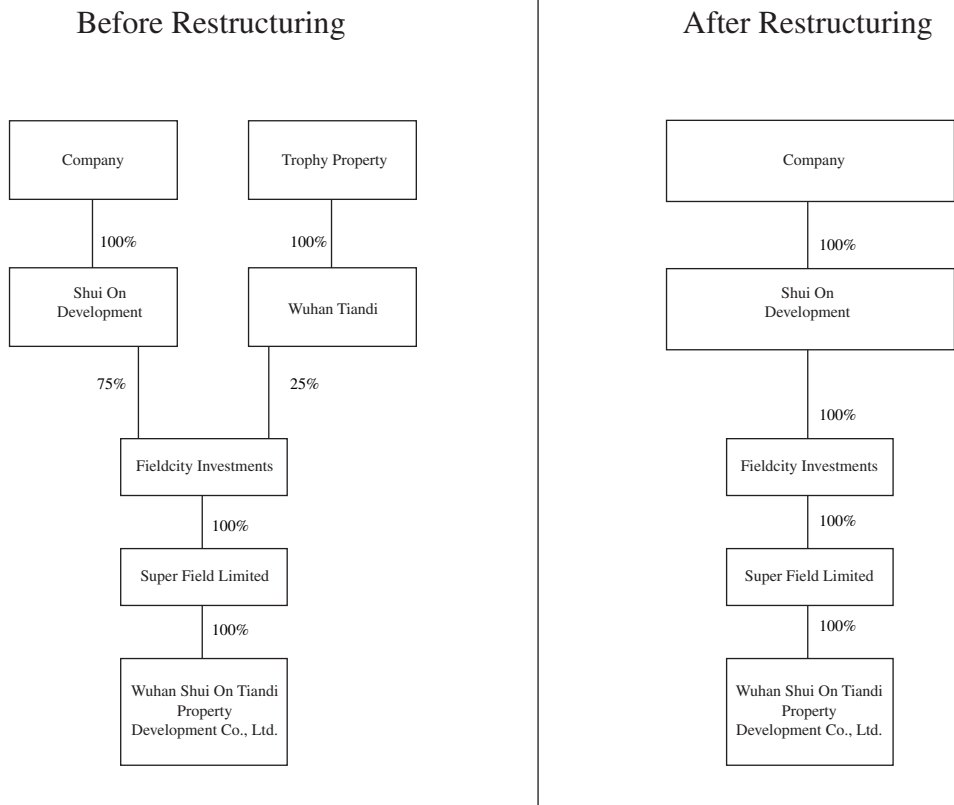
On 30 September 2013, amendment agreements were entered into between Shui On Development and the Investor, amongst others, to amend and supplement certain provisions of the existing shareholders' agreement in relation to each of Portspin and the Group Companies pursuant to and in accordance with the Swap Agreement.

## EFFECT OF THE RESTRUCTURING UNDER THE SWAP AGREEMENT

The shareholding structure of the Target Companies before and after Completion are as follows:-

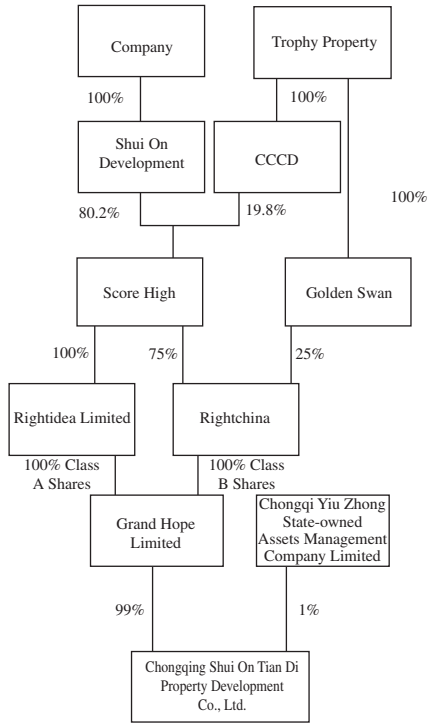


### Fieldcity Investments

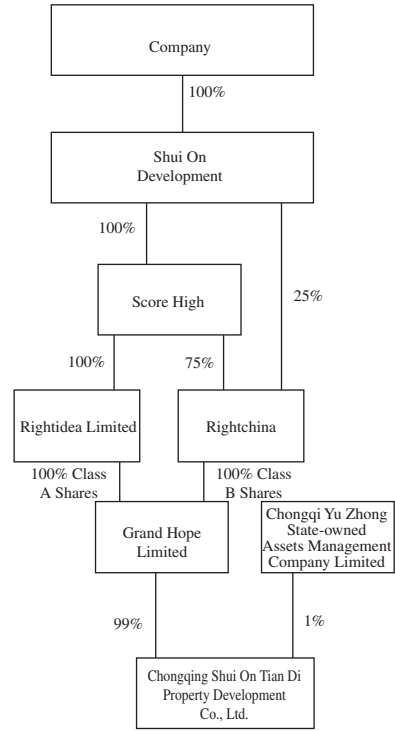


## Score High and Rightchina

### Before Restructuring

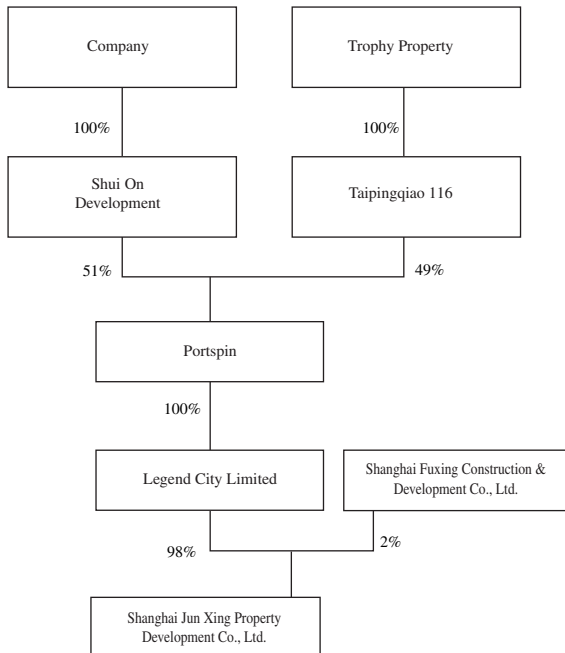


### After Restructuring

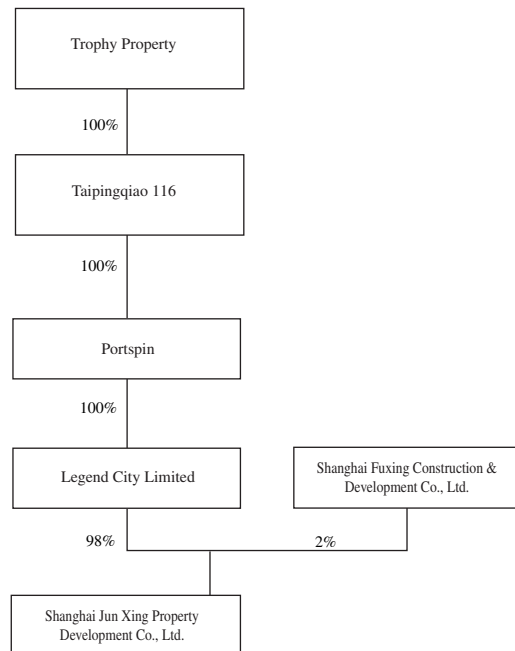


## Portspin

### Before Restructuring



### After Restructuring<sup>1</sup>



<sup>1</sup> Prior to the issuance of shares in Portspin to Shui On Development pursuant to the terms of the JV Agreement

As at the date of this announcement, (i) the Company holds 51% interest in Portspin, 75% interest in Fieldcity Investments, 79.81% interest in Foresight Profits and 80.2% interest in Score High (which in turns holds 75% interest in Rightchina); (ii) TPD holds 49% interest in Portspin, 25% interest in Fieldcity Investments, 20.19% interest in Foresights Profits, 19.8% interest in Score High and 25% interest in Rightchina. Upon Completion, the Company will hold 100% of each of Fieldcity Investments, Foresight Profits, Score High and Rightchina, and each of Fieldcity Investments, Foresight Profits, Score High and Rightchina will become wholly-owned subsidiaries of the Company. Immediately upon Completion and prior to JV Completion, TPD will hold 100% of Portspin and the Company will cease to hold any interest in Portspin, and Portspin will cease to be a subsidiary of the Company.

The Group expects to accrue a before tax gain of approximately RMB83 million from the Disposal, which is calculated based on the carrying value of TPD's interest and shareholder's loan in Portspin and the Group Companies in their respective audited financial statements for the seven months ended 31 July 2013, the carrying value of the Company's interest and shareholder's loan in Portspin in its audited financial statements for the seven months ended 31 July 2013, and the Company's interest in Portspin after JV Completion (assuming the Company will hold an 18% interest in Portspin and based on the valuation of TPQ116 Cleared Site as of 31 July 2013 determined by the Appraiser), assuming the Completion and JV Completion had occurred on 31 July 2013.

The actual gain or loss to be recognized in the Company's income statement may differ from the above-mentioned amount of gain primarily because the Company's interest in Portspin may be subject to changes pursuant to the terms of the JV Agreement upon JV Completion.

## **THE JV AGREEMENT**

Date	30 September 2013
Parties	(i) Shui On Development (ii) Taipingqiao 116 (iii) Portspin

## Capital Contribution

Immediately upon Completion but immediately prior to JV Completion, Taipingqiao 116 shall own 100% of the shares in Portspin. Upon JV Completion, subject to any adjustment to be made (see section headed “Share Adjustment” below), Shui On Development will be deemed to contribute the greater of (the greater being the “**Contribution Value**”): (i) the Total Amount; and (ii) 15% of the final adjusted Adjusted TPQ116 Cleared Sites Value (the “**Final Adjusted TPQ116 Cleared Site Value**”) (as calculated by methodology set forth below).

The Final Adjusted TPQ116 Cleared Site Value shall be the Adjusted TPQ116 Cleared Site Value, plus non-relocation cost of TPQ116 from 1 August 2013 to the Completion Date, plus assets of Portspin (excluding property, plant and equipment and properties under development) as at Completion Date, minus all liabilities of Portspin (excluding amount due to Shui On Development and its affiliates to the extent assigned to Taipingqiao 116 and amount due to Taipingqiao 116 and affiliates) as at the Completion Date, and as adjusted by the change in onshore minority interest of Portspin as at the Completion Date compared to 31 July 2013.

Taipingqiao 116 will be deemed to contribute an amount equal to the Final Adjusted TPQ116 Cleared Site Value less the Contribution Value.

Upon JV Completion, Taipingqiao 116 shall cause Portspin to issue to Shui On Development new shares calculated as follows:

$$NS = \frac{CV}{AV} * (NS+ES)$$

NS = new shares to be issued to Shui On Development

CV = Contribution Value

AV = Final Adjusted TPQ116 Cleared Site Value

ES = total existing shares immediately prior to JV Completion

In addition to the shares in Portspin, Taipingqiao 116 shall cause Portspin to transfer to Shui On Development the pro rata share by value of the shareholder's loans owed by Portspin to Taipingqiao 116 immediately before JV Completion.

In the event that the Contribution Value is greater than the Total Amount, Shui On Development shall pay the difference between such sum to Taipingqiao 116 upon JV Completion.

#### Share Adjustment

Within five business days after the Total Amount is finally determined pursuant to the Swap Agreement (the "**Adjustment Date**"), if:

- (i) the Contribution Value was based on the Total Amount and the Total Amount as so finally determined (the "**Final Total Amount**") is
  - (a) above the Total Amount, then Taipingqiao 116 and Shui On Development shall cause Portspin to issue new shares to Shui On Development and Taipingqiao 116 shall transfer shareholder's loans to Shui On Development;
  - (b) below the Total Amount (but not less than the amount calculated pursuant to the sub-section (ii) of the section "Capital Contribution" above), then Shui On Development and Taipingqiao 116 shall cause Portspin to issue shares to Taipingqiao 116 and Shui On Development shall transfer shareholder's loans to Taipingqiao 116; or

(c) below the Total Amount and less than the amount calculated pursuant to sub-section (ii) of the section “Capital Contribution” above) , then Shui On Development shall promptly pay the difference between the Final Total Amount and the amount calculated pursuant to sub-section (ii) of the section “Capital Contribution” above, and Shui On Development and Taipingqiao 116 shall cause Portspin to issue new shares and Shui On Development shall transfer shareholder’s loans to Tiapingqiao 116;

such that the shareholding percentage and proportion of shareholders’ loans owed to each of the shareholders would reflect their respective deemed contributions under the section “Capital Contribution” above.

(ii) the Contribution Value was based on the amount calculated pursuant to sub-section (ii) of the section “Capital Contribution” above, and the Final Total Amount is above the Total Amount, but less than the Contribution Value, then Taipingqiao 116 shall promptly refund to Shui On Development the differential between the Final Total Amount and the Total Amount;

(iii) the Contribution Value was based on the amount calculated pursuant to the sub-section (ii) of the section “Capital Contribution” above, and the Final Total Amount is equal to or in excess of the Contribution Value, then (x) Taipingqiao 116 shall promptly refund to Shui On Development all amounts paid by Shui On Development in the event Contribution Value is greater than the Total Amount as described in the section “Capital Contribution” above and (y) if the Final Total Amount is in excess of the Contribution Value, Taipingqiao 116 and Shui On Development shall cause Portspin to issue shares to Shui On Development and Taipingqiao



116 shall transfer shareholders' loans to the Shui On Development, such that the shareholding percentage and proportion of shareholder's loans owed to each of the shareholders would reflect the parties' respective deemed contributions pursuant to section "Capital Contribution" above after taking into consideration the adjustments and payments in this section using the Final Total Amount instead of the Total Amount; and

(iv) the Contribution Value was based on the amount calculated pursuant to sub-section (ii) of the section "Capital Contribution" above, and the Final Total Amount is below the Total Amount, Shui On Development shall promptly pay the difference between such sums to Taipingqiao 116.

#### JV Completion

The obligations of Shui On Development and Taipingqiao 116 to consummate the JV Completion are subject to the occurrence of Completion. JV Completion shall take place immediately following Completion at the location at which Completion takes place.

#### Board of Directors

The maximum number of directors of Portspin shall be five. Each shareholder shall have the right to nominate directors to the board based on the proportion of shares held in Portspin from time to time, with each shareholder having the right to nominate one director for each 20% interest in Portspin that it owns, provided that (i) for so long as Shui On Development owns any shares in Portspin, it shall be entitled to appoint not less than one director; and (ii) where Shui On Development owns 50% or more of the shares in Portspin, it shall be entitled to appoint not less than three directors. Upon the date of the JV Completion, directors shall be selected by each shareholder to reflect the relative shareholding of the shareholders.

The board of directors of each subsidiary of Portspin will reflect as closely as is practicable (and subject to applicable laws) the attributable proportion of shares or equity interests of each of the shareholders in Portspin.

Board Meetings	No board meeting of Portspin shall be quorate unless at least three directors are present at such meeting or otherwise attending by telephone, at least one of whom must be a director nominated by Taipingqiao 116 and at least one of whom must be a director nominated by Shui On Development.
Shareholders Meetings	Both shareholders must be present to constitute a quorum for shareholders' meetings.
Transfer Restrictions	Neither Shui On Development nor Taipingqiao 116 may transfer its shares in any JV Group Companies except as otherwise provided in the JV Agreement, other than a transfer to the shareholder's affiliates, subject to the terms and conditions of the JV Agreement.
Contribution to Development Cost	<p data-bbox="603 842 1412 1133">If the JV Group Companies are able to procure third party debt financing for the development of TPQ116 that is sufficient to finance at least 50% (but not all) of its development cost, Shui On Development shall have the right to provide or procure to provide financing for any portion of the balance of the development cost by way of subscription of shares in Portspin.</p> <p data-bbox="603 1167 1412 1659">If the JV Group Companies are unable to procure third party debt financing for 50% or more of the development cost, then Shui On Development shall have the right to provide or procure to provide financing for any portion of the balance of the development cost, provided that (a) a portion of Shui On Development's funded amount equal to 50% of the total development cost shall be funded by way of subscription for shares in Portspin; and (b) the balance shall be provided by Shui On Development or its affiliates by way of a loan to the JV Group Companies at Shui On Development's cost of funds, raised on an arm's length basis.</p>

If despite Shui On Development's best efforts, the parties are unable to obtain third party debt financing for 50% or more of the development cost and Shui On Development indicates to Taipingqiao 116 in writing that it does not wish to finance the funding gap within 90 days after the date on which the funding gap is identified (a "**Funding Deadlock**"), Taipingqiao 116 shall have the right to deliver a forced sale notice in accordance with the provisions of section headed "Forced Sale" below. In the event that Shui On Development subscribes for shares as aforesaid, then (i) the shareholding percentages of Shui On Development and Taipingqiao 116 shall be adjusted accordingly, and (ii) the corresponding proportion of shareholder's loans related to such Shares shall be transferred to Shui On Development, free and clear of all encumbrances.

If Shui On Development subscribes for shares in Portspin pursuant to this section, then the subscription price for such shares shall be by reference to the fair market value of Portspin as at the date on which the aforesaid notice to provide additional financing is issued ("**Funding Notice Date**"), representing the valuation of the land and properties of Portspin and other members of the JV Group Companies as agreed by the parties under the terms of the JV Agreement and adjusted by the audited balance sheet of Portspin as at the Funding Notice Date.

Developer  
Remuneration

Concurrently with the JV Agreement, the Project Management Agreement will be executed pursuant to which Shui On Development (or its applicable affiliate) will be retained as the project manager for the development of TPQ116 from the commencement of the date of the JV Agreement. Shui On Development (or its affiliate) will also be entitled to a sales agency fee of 0.5% of the sales proceeds from the ultimate sale of the units. Pursuant to an agreed upon budget, the Project Company will (in addition to the 0.5% fee described above) pay reasonable commissions to both internal and external sales agents and personnel.

Post-completion Sale  
Option

Taipingqiao 116 shall have a two-week period commencing on the Adjustment Date, during which it may serve a notice to Shui On Development that it wishes to exercise its right to sell shares in Portspin with a value of US\$90 million to Shui On Development, subject to the relevant valuation of land and properties of the JV Group Companies being satisfactory to the parties (the “**Sale Option**”). To the extent Taipingqiao 116 exercises the Sale Option, (i) the transfer price payable by Shui On Development will be US\$81 million (which shall be paid within six months after the date of issuance of the sale option notice or within three months after date of the relevant valuation, whichever is later); and (ii) concurrently with the payment of the transfer price, Taipingqiao 116 shall transfer the relevant shares in Portspin in such number as equal to US\$90 million divided by the relevant valuation amount multiplied by the number of issued shares of Portspin together with the corresponding shareholder’s loan to Shui On Development.

Post-completion  
Purchase Option

In the event that Taipingqiao 116 exercises the Sale Option, Shui On Development will have the right by providing irrevocable written notice to the Taipingqiao 116 within twenty business days after the date on which the relevant valuation is finally determined and confirmed, to buy an additional allotment of shares in Portspin equivalent to the shares subject to the Sale Option (i.e., shares with US\$90 million of value at the relevant valuation) (the “**Purchase Option**”). In such event (i) the transfer price will be US\$81 million, which price shall be paid within six months after the date of the exercise of its purchase right; and (ii) concurrently with the payment of the transfer price, Taipingqiao 116 shall transfer the relevant shares together with the corresponding shareholder’s loan to Shui On Development.

## Forced Sale

At any time after JV Completion, (i) either party, in the event of a Deadlock and the Deadlock cannot be resolved within 90 days; and (ii) Taipingqiao 116, in the event of a Funding Deadlock or termination of the Project Management Agreement, shall have the right to provide written notice to the other party requiring the other party to purchase its shares in Portspin at a price to be determined with reference to the valuation of the fair market value of Portspin and other members of the JV Group Companies as agreed by the parties under the terms of the JV Agreement.

Based on the Shortfall Amount, the Company will hold approximately 18% interest in Portspin upon JV Completion. In the event the Sale Option is exercised by Taipingqiao 116, the Company's interest in Portspin would increase to approximately 28%. In the event the Purchase Option is exercised by Shui On Development, the Company's interest in Portspin would further increase to approximately 37%. According to the Company's estimates, the construction loan likely to be obtained by Portspin and the JV Group Companies shall be sufficient to fund most of the development costs of TPQ116, with the remainder to be supported by pre-sales proceeds. Therefore, it is considered unlikely that there will be any funding shortfall which would require Shui On Development to contribute further funding to support the project. The Company will make a further announcement in the event the Sale Option and/or the Purchase Option is exercised as and when required under the Listing Rules.

## **INFORMATION ON THE GROUP AND THE INVESTOR**

The Group is one of the leading property developers in the PRC. The Group engages principally in the development, sale, leasing, management and long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

Each of Trophy Property, Taipingqiao 116, Wuhan Tiandi, Elegant Partners, CCCD and Golden Swan are investment holding companies which are directly or indirectly wholly-owned by TPD. Trophy Property, a Cayman Islands exempt company, is the general partner to TPD, and directly holds the interest in Taipingqiao 116 on behalf of TPD.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, TPD is a Cayman Islands exempted limited partnership, whose investment objective and policy is to achieve a medium term capital appreciation through predominantly co-investments in opportunistic property developments with developers in the PRC, Hong Kong, Macau and Taiwan. Their investments are principally in high-end projects in key locations in city centres, and are commercial, retail, residential or mixed-used developments. TPD is comprised of a number of limited partners (ranging from large institutional investors to high net worth individuals).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for their interest in the Target Companies and their subsidiaries, the Investor and their respective shareholders are independent third parties unconnected to any of the directors, chief executive or substantial shareholders of the Company or its subsidiaries.

#### **INFORMATION ON THE TARGET COMPANIES**

The principal assets held by the Group Companies are their interests in the Group Properties (excluding TPQ116). The principal asset held by Portspin is TPQ116.

## Principal businesses of the Target Companies

The description of the projects held by the Target Companies is as follows:

Target Company	Location of project held	Project description	Total GFA of project (planned)	Valuation of project determined by the Appraiser as at 31 July 2013 ( <i>Note 1</i> )
Portspin	Plot 116 of Luwan District (merged with Huangpu District), Shanghai Municipality, the PRC	Residential property development (including car parking spaces)	Approximately 0.09 million square metres	RMB5,261,000,000
Fieldcity Investments	Hankou District, Wuhan City, the PRC	Wuhan Tiandi - a large-scale mixed-use development comprising office, retail, food & beverage, entertainment and residential properties	Approximately 1.8 million square metres	RMB7,418,500,000
Foresight Profits	Hongkou District, Shanghai Municipality, the PRC	Rui Hong Xing Cheng, (also known as Rainbow City) — intended to be developed into a community whose enhancements include office buildings, retail podiums, hotels, entertainment, cultural and residential properties.	Approximately 1.8 million square metres	RMB23,645,800,000 ( <i>Note 2</i> )
Score High and Rightchina	Yuzhong District, Chongqing City, the PRC	Chongqing Tiandi - an urban redevelopment project including a man-made lake, office, exhibition and conference facilities, hotel, retail and entertainment outlets and residential properties.	Approximately 3.6 million square metres	RMB10,403,900,000

*Note 1:* The valuation of sites under relocation and for future relocation was determined on the basis that the sites are vacant and cleared.

*Note 2:* The valuation amount includes Lot 6 (non-retail part) of Rui Hong Xing Cheng, in which TPD has no effective interest, as the effective interest was transferred to the Group as disclosed in the announcement of the Company dated 1 April 2011.

## Financial information of the Target Companies

Based on the audited accounts of the Target Companies prepared in accordance with International Financial Reporting Standards, the audited net asset value and profit or loss of the Target Companies for the years ended 31 December 2011 and 2012 and the seven months ended 31 July 2013 were as follows:

### *For the financial year ended 31 December 2011:*

	<b>Audited net asset</b> <i>(approx. RMB million)</i>	<b>Audited profit before taxation and extraordinary items</b> <i>(approx. RMB million)</i>	<b>Audited profit after taxation and extraordinary items</b> <i>(approx. RMB million)</i>
Portspin	29	0	0
Fieldcity Investments	1,396	1,293	774
Foresight Profits	1,583	799	389
Score High	2,059	481	379
Rightchina	83	244	182

### *For the financial year ended 31 December 2012:*

	<b>Audited net asset</b> <i>(approx. RMB million)</i>	<b>Audited profit/(loss) before taxation and extraordinary items</b> <i>(approx. RMB million)</i>	<b>Audited profit/(loss) after taxation and extraordinary items</b> <i>(approx. RMB million)</i>
Portspin	42	(2)	(2)
Fieldcity Investments	1,969	975	573
Foresight Profits	2,564	63	21
Score High	2,502	679	441
Rightchina	330	330	245



*For the seven months ended 31 July 2013:*

	<b>Audited net asset</b> <i>(approx. RMB million)</i>	<b>Audited profit/(loss) before taxation and extraordinary items</b> <i>(approx. RMB million)</i>	<b>Audited profit/(loss) after taxation and extraordinary items</b> <i>(approx. RMB million)</i>
Portspin	66	6	6
Fieldcity Investments	2,126	237	157
Foresight Profits	2,573	10	7
Score High	2,729	582	227
Rightchina	226	11	(104)

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE SWAP AGREEMENT AND THE JV AGREEMENT**

The Company entered into the Swap Agreement as part of its strategy in restructuring its assets and resources. TPD, to which Trophy Property is the general partner and the company which holds the interests in the Group Companies, has a tenure of seven years, commencing in April 2008, with up to two one-year extensions (which have been approved by TPD's Advisory Board, taking the tenure to April 2017). TPD has fully invested its capital and has lost its funding capability, while the Group Properties are in continuous need for funding, therefore creating a funding gap. Dilution of TPD's interest in the Group Properties was the only way to resolve the funding gap before the Swap Agreement was entered into. However, the dilution process is problematic and painfully slow.

According to the master-plan of the Group, the development cycle of its property projects would span across a period of ten years or more. There is a discrepancy between the tenure of TPD and the development cycle of the Group's property projects according to its master-plan. TPD is unlikely to receive any cash distribution in the short-term and is unlikely to be able to exit these projects within its tenure. Trophy Property, the general partner of TPD, did not underwrite a viable exit plan before investing in the Group Properties.

The entering into of the Swap Agreement would be a mutually beneficial transaction for both the Company and TPD as it allows the Company to continue holding the Group Properties (excluding TPQ116), which would take a longer time to develop and realize a profit than the tenure of TPD, whilst at the same time allowing TPD to exit from its investments in the Group Companies in line with its own terms and tenure.

The Swap Agreement allows the Company to gain 100% control in the Group Companies, thereby strengthening its control and management over the properties held by the Group Companies and providing the Company with greater flexibility in its future financing and strategic partnership in respect of the Group Companies. The Swap Agreement allows the Company to develop, finance and manage these properties according to its own plans (without restrictions which may arise if the minority shareholder of the Group Companies were an investment fund with a limited fund life), from which the Company can generate returns in the short to medium term through the disposals of completed projects and the leasing up of commercial properties, thereby potentially increasing value to the Company and its Shareholders. TPD was taking the lead in the development of TPQ116 and some other plots in Chongqing Tiandi; however TPD's inability to contribute value to the Company's projects cast doubt on its development capabilities.

After Completion, the Company can enter into joint-venture arrangements in respect of the Group Companies with other partners whose economic and strategic long-term interest align with those of the Group, i.e. partners who can share development risks with the Group and have the ability to hold long-term interests with respect to properties.

Shui On Development has a strong track record as a developer in the PRC and is considered a major player in the Shanghai real estate market. Furthermore, Shui On Development has previously managed the clearance of TPQ116 and has been involved in pre-development works of the site. Therefore, TPD has requested that Shui On Development form a joint-venture with them to develop TPQ116, in order to ensure its success, agreeing in exchange to offer Shui On Development control over the project even as a minority shareholder. On this basis, the parties entered into the JV Agreement in relation to Portspin, whereby Shui On Development can continue to act as the developer of TPQ116 and TPD can act as the investor in TPQ116 for the development of a residential complex (including a clubhouse) and car parking spaces. According to the Company's estimates, the construction loan likely to be obtained by Portspin and the JV Group Companies shall be sufficient to fund most of the development costs of TPQ116, with the remainder to be supported by pre-sales proceeds. Therefore, it is considered unlikely that there will be any funding

shortfall which would require Shui On Development to contribute further funding to support the project. There are also the Sale Option and the Purchase Option granted under the JV Agreement which, if exercised, could increase the Company's interest in Portspin to nearly 40%.

The Directors (excluding the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Swap Agreement and the JV Agreement have been negotiated on an arm's length basis, on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Vincent H. S. LO, an executive Director and chairman of the Board, voluntarily abstained from voting on the Board resolutions to approve the Swap Agreement and the JV Agreement in order to pursue a higher level of corporate governance for the Company. None of the Directors has any material interest in the transactions contemplated under the Swap Agreement and the JV Agreement, and none of them was required to abstain from voting on the resolutions passed by the Board to approve the Swap Agreement and the JV Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Acquisition and the Disposal under the Swap Agreement exceed 25% but are all less than 75%. Each of Trophy Property, Taipingqiao 116, Wuhan Tiandi, Elegant Partners, CCCD and Golden Swan holds, directly or indirectly, more than 10% interest in one or more of the Target Companies, which are indirectly non-wholly owned subsidiaries of the Company. Hence, each of Trophy Property, Taipingqiao 116, Wuhan Tiandi, Elegant Partners, CCCD and Golden Swan is a connected person of the Company. Accordingly, the Swap Agreement constitutes (i) a major transaction for the Company subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) a connected transaction for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions under the JV Agreement exceed 5% but are all less than 25%. Since Taipingqiao 116 is a connected person of the Company, the JV Agreement constitutes a discloseable and connected transaction for the Company subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Shui On Properties Limited, Shui On Investment Company Limited, New Rainbow Investments Limited, Chester International Cayman Limited, Lanvic Limited and Boswell Limited, a closely allied group of Shareholders, each being a controlled corporation of Shui On Company Limited, in aggregate holds 4,564,223,364 shares in the Company representing approximately 57.04% in the issued share capital of the Company at the date of this announcement.

Since none of the Shareholders is required to abstain from voting on the Swap Agreement and the JV Agreement, written approval of Shui On Properties Limited, Shui On Investment Company Limited, New Rainbow Investments Limited, Chester International Cayman Limited, Lanvic Limited and Boswell Limited, has been obtained for the purpose of approving the Swap Agreement and the JV Agreement in lieu of an approval from the Shareholders at a Shareholders' meeting pursuant to Rule 14.44 and Rule 14A.43 of the Listing Rules. An application has been made by the Company to the Stock Exchange for a waiver of the requirement for the Company to hold a shareholders' meeting in accordance with Rules 14.44 and 14A.43 of the Listing Rules, on the basis that the Swap Agreement and the JV Agreement have been approved by a written approval of a closely allied group of Shareholders

A circular containing, inter alia, (i) further information regarding the Swap Agreement and the JV Agreement; (ii) a letter from the Independent Financial Adviser; (iii) the recommendation from the Independent Board Committee; (iv) independent valuation reports on the Target Companies; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders as soon as practicable within 15 business days after the date of publication of this announcement.

## **DEFINITIONS**

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

“Acquisition”	the transfer of the Group Company Shares from the Investor to Shui On Development pursuant to the Swap Agreement
“Adjusted TPQ116 Cleared Site Value”	RMB5,272,914,080, being the value of the independent valuation of TPQ116 Cleared Sites as at 31 July 2013 prepared by the Appraiser and as adjusted by the methodology as described in the section headed “The Swap Agreement — Basis of Shortfall Amount” in this announcement

“Appraiser”	Knight Frank Petty Limited, an independent property valuer
“Board”	the board of Directors
“CCCD”	Chongqing City Center Development Company Limited, a company incorporated in the British Virgin Islands with limited liability
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (stock code: 272)
“Completion”	completion of the Restructuring pursuant to the terms of the Swap Agreement
“Completion Date”	ten business days after the conditions precedents under the Swap Agreement are satisfied or waived (or such other time and date as agreed between the parties in writing)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Deadlock”	the situation where at two consecutive board meetings of Portspin, whether due to a lack of quorum caused by the absence of the director(s) appointed by a shareholder the meeting cannot be held, or where the meeting is convened and held but any resolution on a reserved matter cannot be passed due to failure to reach the requisite votes in favour of such resolution
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Portspin Shares by Shui On Development to Taipingqiao 116 pursuant to the Swap Agreement
“Elegant Partners”	Elegant Partners Limited, a company incorporated in the British Virgin Islands with limited liability
“Fieldcity Investments”	Fieldcity Investments Limited, a company incorporated in the British Virgin Islands with limited liability
“Foresight Profits”	Foresight Profits Limited, a company incorporated in the British Virgin Islands with limited liability

“GFA”	gross floor area
“Golden Swan”	Golden Swan Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Group”	the Company and its subsidiaries
“Group Companies”	Fieldcity Investments, Foresight Profits, Score High and Rightchina
“Group Company Shares”	all the shares in the Group Companies held by the Investor at Completion
“Group Properties”	the land and properties owned by the Group Companies and Portspin
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW, each being an independent non-executive Director formed to advise the Independent Shareholders on the Swap Agreement and the JV Agreement
“Independent Financial Adviser”	Platinum Securities Company Limited, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Swap Agreement and the JV Agreement, and a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Independent Shareholders”	Shareholders who do not have a material interest on the Swap Agreement and the JV Agreement
“Investor”	Trophy Property, Taipingqiao 116, Wuhan Tiandi, Elegant Partners, CCCD and Golden Swan

“JV Agreement”	the shareholders agreement in relation to Portspin dated 30 September 2013 entered into between Shui On Development, Taipingqiao 116 and Portspin
“JV Completion”	the completion of the issuance of shares in Portspin to Shui On Development pursuant to the terms of the JV Agreement
“JV Group Companies”	Portspin and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Guarantee Fee”	loan guarantee fee in the amount of RMB19,600,000 owed by Elegant Partners to Shui On Development (as the Company’s assignee) pursuant to the letter entitled “Re: Guarantee Fee in relation to the Standard Chartered Bank Syndicated Loan” dated 1 June 2010 and executed by Elegant Partners, Shui On Development and the Company
“Portspin”	Portspin Limited, a company incorporated in British Virgin Islands with limited liability
“Portspin Shares”	51 shares in the capital of Portspin (subject to any share split consummated pursuant to the JV Agreement), representing 51% of its total issued share capital, which are legally and beneficially owned by Shui On Development as at the date of this announcement
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“Project Company”	Shanghai Jun Xing Property Development Co., Ltd. (上海駿興房地產開發有限公司), a sino-foreign joint venture formed pursuant to PRC laws and a subsidiary of Portspin
“Project Management Agreement”	the project management agreement dated 30 September 2013 entered into between the Project Company and Shui On Development pursuant to which Shui On Development agreed to provide development management and project management services

“Restructuring”	the Acquisition and the Disposal pursuant to the terms of the Swap Agreement, as illustrated in the section headed “Effect of the Restructuring under the Swap Agreement” in this announcement
“Rightchina”	Rightchina Limited, a company incorporated in British Virgin Islands with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Score High”	Score High Limited, a company incorporated in British Virgin Islands with limited liability
“Shareholders”	holders of the shares of the Company
“Shui On Development”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swap Agreement”	the framework swap agreement dated 30 September 2013 between Shui On Development and the Investor in respect of the Acquisition and the Disposal
“Taipingqiao 116”	Taipingqiao 116 Development Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Target Companies”	the Group Companies and Portspin
“TPD”	Trophy Property Development L.P., a Cayman Islands exempted limited partnership
“TPD Total Portfolio Value”	RMB4,348,993,452, being the value of the independent valuation of each Group Property as at 31 July 2013 prepared by the Appraiser and as adjusted by the methodology as described in the section headed “The Swap Agreement — Basis of Shortfall Amount” in this announcement



“TPQ116”	the proposed development project to be carried out within Plot 116 of Luwan District (subsequently merged with Huangpu District), Shanghai Municipality, the PRC, to be comprised of primarily a residential development, including car parking spaces, the land use rights to which are owned, directly or through one or more subsidiaries, by Portspin as of the date of this announcement
“TPQ116 Cleared Site”	means that TPQ116 shall be Vacant and: (i) Portspin and each of its subsidiaries shall have no liabilities (other than permitted liabilities); (ii) the Portspin Shares and the shares in each of its subsidiaries shall be free of all encumbrances; and (iii) the assets (including TPQ116) of Portspin and each of its subsidiaries shall be free of all encumbrances
“Trophy Property”	Trophy Property GP Limited, a Cayman Islands Company, as general partner of and on behalf of TPD, a Cayman Islands exempted limited partnership
“Vacant”	means (i) that as to each resident or occupant of all or any portion of TPQ116, either (x) such resident or occupant has permanently relocated from TPQ116, or (y) a valid and non-appealable trial judgment decision (including valid and non-appealable administrative decision) has been made and a valid enforcement notice (執行通知) has been issued by a PRC court against such resident or occupant; (ii) all cultural relics have either been demolished, dismantled, preserved or otherwise dealt with in accordance with applicable laws; and (iii) TPQ116 is cleared and levelled and free of aboveground and underground obstructions, other than with respect to obstructions relating to residents or occupants that are in the process of being evicted as provided in subsection (i)(y) above.

“Unwind Event”	(i) a government entity expropriates the site at TPQ116 or imposes penalties in excess of in aggregate RMB500 million upon Portspin and/or its subsidiaries solely as a result of: (x) failure to start or complete construction within the time period set forth in the land grant contract under certain conditions; or (y) any attempt to develop TPQ116 as a single phase or project, subject to certain conditions; or (ii) Shui On Development or its affiliates has not obtained all of the construction permits for the entirety of the site at TPQ116 by the expiration of a specified period, as a result of any attempt to develop the site as a single phase or project.
“Wuhan Tiandi”	Wuhan Tiandi Development Company Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

By Order of the Board  
**Shui On Land Limited**  
**Freddy C.K. LEE**  
*Chief Executive Officer*

Hong Kong, 30 September 2013

*At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Freddy C. K. LEE (Chief Executive Officer) and Mr. Daniel Y. K. WAN; the non-executive director of the Company is Mr. Frankie Y. L. WONG; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.*

*\* For identification purposes only*