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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
IN RELATION TO THE PROPOSED ACQUISITION OF
ALL THE REMAINING INTEREST HELD BY
BSREP CXTD HOLDINGS L.P. IN
CHINA XINTIANDI HOLDING COMPANY LIMITED**

THE SALE AND PURCHASE AGREEMENT

On 28 December 2018 (after trading hours), China Xintiandi (a wholly-owned subsidiary of the Company) as purchaser, BSREP CXTD as seller and other parties entered into the Sale and Purchase Agreement, pursuant to which BSREP CXTD has agreed to sell, and China Xintiandi has conditionally agreed to acquire all the interest held by BSREP CXTD in China Xintiandi Holding Company Limited (i.e. CXTD), comprising the Sale Shares (i.e. approximately 21.894% of all the issued shares in the capital of CXTD) and the Sale CPS (i.e. the outstanding perpetual subordinated convertible securities in the principal amount of US\$100,000 (equivalent to approximately HK\$780,000)).

The consideration of the Acquisition is equivalent to approximately HK\$4,073,780,000, comprising RMB3,405,611,700 (equivalent to approximately HK\$4,073,000,000) attributable to the Sale Shares, and US\$100,000 (equivalent to approximately HK\$780,000) to the Sale CPS. CXTD is currently a non-wholly owned subsidiary of the Company. Upon Completion, CXTD will become a wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

At the date of this announcement, CXTD is a non-wholly owned subsidiary of the Company, of which BSREP CXTD holds a minority interest (i.e. the Sale Shares and Sale CPS). Therefore BSREP CXTD is a substantial shareholder of CXTD and a connected person of the Company at the subsidiary level.

By virtue of Rule 14A.101 of the Listing Rules, the Acquisition is a connected transaction of the Company only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, as the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene an extraordinary general meeting for the approval of the Acquisition.

At the date of this announcement, Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited, Doreturn Limited and Smart Will Investments Limited, which are controlled by Shui On Company Limited and together constitute a closely allied group of Shareholders, holds 675,493,996 Shares, 1,477,888,889 Shares, 183,503,493 Shares, 29,847,937 Shares, 633,333,333 Shares, 908,448,322 Shares, 150,000,000 Shares, 323,319,781 Shares and 230,000,000 Shares, respectively, and together represent approximately 57.20% of the issued share capital of the Company at the date of this announcement. The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited, Doreturn Limited and Smart Will Investments Limited on the Sale and Purchase Agreement and the Acquisition pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Acquisition.

A circular containing, among other things, details about the Acquisition required under the Listing Rules is expected to be despatched for the Shareholders' information on or before 21 January 2019.

On 28 December 2018 (after trading hours), China Xintiandi (a wholly-owned subsidiary of the Company) as purchaser, BSREP CXTD as seller and other parties entered into the Sale and Purchase Agreement, pursuant to which BSREP CXTD has agreed to sell, and China Xintiandi has conditionally agreed to acquire all the interest held by BSREP CXTD in China Xintiandi Holding Company Limited (i.e. CXTD), comprising the Sale Shares (i.e. approximately 21.894% of all the issued shares in the capital of CXTD) and the Sale CPS (i.e. the outstanding perpetual convertible subordinated securities in the principal amount of US\$100,000 (equivalent to approximately HK\$780,000)).

THE SALE AND PURCHASE AGREEMENT

Date

28 December 2018 (after trading hours)

Parties

- (a) China Xintiandi (a wholly-owned subsidiary of the Company) as purchaser;
- (b) BSREP CXTD as seller; and
- (c) the Company and CXTD as other parties to acknowledge the termination of the securityholders' deed relating to the governance of CXTD upon Completion. See paragraph headed "The Sale and Purchase Agreement — Completion" below.

Assets to be acquired

The Sale Shares constitutes approximately 21.894% of the total issued share capital of CXTD and the Sale CPS comprises the outstanding perpetual subordinated convertible securities in the principal amount of US\$100,000 (equivalent to approximately HK\$780,000). Upon Completion, CXTD will become a wholly-owned subsidiary of the Company.

Consideration

The Consideration payable under the Sale and Purchase Agreement is equivalent to approximately HK\$4,073,780,000, comprising RMB3,405,611,700 (equivalent to approximately HK\$4,073,000,000) attributable to the Sale Shares, and US\$100,000 (equivalent to approximately HK\$780,000) to the Sale CPS.

The Consideration shall be paid on Completion.

A wholly-owned subsidiary of the Company has also agreed to arrange a standby letter of credit or similar instrument with a commercial bank in the amount of US\$30,000,000 in favor of BSREP CXTD to secure the due performance of China Xintiandi under the Sale and Purchase Agreement. The said standby letter of credit or instrument will only become payable in case Completion does not take place as a result of China Xintiandi's breach under the Sale and Purchase Agreement.

The Consideration is expected to be satisfied by China Xintiandi with internal funding and/or external financing.

The Consideration was determined after arm's length negotiations between China Xintiandi and BSREP CXTD with reference to the net asset value of CXTD at 31 December 2017 as mentioned below.

Completion

Completion will take place on 15 March 2019 (or such other date as the parties to the Sale and Purchase Agreement may agree in writing). The Listing Rules require that a major transaction of the Company must be made conditional on approval by its shareholders. As the Company has obtained the necessary written approval from its shareholders pursuant to Rule 14.44 of the Listing Rules (see paragraph headed "Listing Rules Implications" below), Completion will be unconditional.

Upon Completion, the securityholders' deed relating to the governance of CXTD entered into between the Company, China Xintiandi, BSREP CXTD and CXTD and all other deeds and agreements in relation to the rights and obligations of BSREP CXTD in CXTD will be terminated and all rights of BSREP CXTD in respect of the Group arising from it being a shareholder and holder of perpetual subordinated convertible securities of CXTD under the securityholders' deed and all other deeds and agreements shall be extinguished.

REASONS AND BENEFITS OF THE ACQUISITION

Upon Completion, CXTD will be a wholly-owned subsidiary of the Company. This will consolidate the Company's control of CXTD and provide greater flexibility in the strategic direction and day-to-day management of CXTD.

The Acquisition is also in line with the Group's increasing strategic focus as a premier commercial real estate owner and operator. After the Acquisition, the Company's effective ownership in core Shanghai office and retail assets will increase noticeably and we believe this will create significant long term value for the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Acquisition are entered into on normal commercial terms and after arm's length negotiations among the parties and are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON CXTD

CXTD is a non-wholly owned subsidiary of the Company and is principally engaged in owning, managing, designing, leasing, marketing and enhancing premium retail, office, hotel and entertainment properties in affluent urban areas in the PRC.

Set out below is a summary of the audited consolidated financial information of CXTD for the two financial years ended 31 December 2017:

| | For the financial year ended 31 December | |
|-------------------------------|---|---|
| | 2016 | 2017 |
| | <i>RMB</i> | <i>RMB</i> |
| Net profit before taxation | 995,000,000 (equivalent to approximately HK\$1,190,000,000) | 288,000,000 (equivalent to approximately HK\$345,000,000) |
| Net profit after taxation | 758,000,000 (equivalent to approximately HK\$907,000,000) | 122,000,000 (equivalent to approximately HK\$146,000,000) |

The audited consolidated net asset value of CXTD as at 31 December 2017 was approximately RMB14,577,000,000 (equivalent to approximately HK\$17,435,000,000).

To the best of the Company's knowledge and after making reasonable enquiries, the aggregate original acquisition cost of approximately 21.894% of the total issued share capital of CXTD by BSREP CXTD is approximately US\$499,900,000 (equivalent to approximately HK\$3,899,220,000).

INFORMATION ON BSREP CXTD

Brookfield Asset Management Inc. is a leading global alternative asset manager with over US\$330 billion in assets under management. It has more than a 115-year history of owning and operating assets with a focus on real estate, renewable power, infrastructure and private equity. Brookfield Asset Management Inc. offers a range of public and private investment products and services, and is co-listed on the New York, Toronto and Euronext stock exchanges under the symbol BAM, BAM.A and BAMA, respectively.

BSREP CXTD, an affiliate of Brookfield Asset Management Inc., is a Cayman Islands exempted limited partnership and holds a minority interest (i.e. the Sale Shares and Sale CPS) in CXTD.

INFORMATION ON CHINA XINTIANDI AND THE GROUP

China Xintiandi is a separately managed, wholly-owned subsidiary of the Company. It is positioned to be a premier commercial asset management arm of the Group. The business of China Xintiandi focuses principally on designing and planning, leasing, marketing, management of premium office, retail and mixed-use properties in core city center locations in major cities in the PRC.

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.

LISTING RULES IMPLICATIONS

At the date of this announcement, CXTD is a non-wholly owned subsidiary of the Company, of which BSREP CXTD holds a minority interest (i.e. the Sale Shares and Sale CPS). Therefore BSREP CXTD is a substantial shareholder of CXTD and a connected person of the Company at the subsidiary level.

By virtue of Rule 14A.101 of the Listing Rules, the Acquisition is a connected transaction of the Company only subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, as the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene an extraordinary general meeting for the approval of the Acquisition.

At the date of this announcement, Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited, Doreturn Limited and Smart Will Investments Limited, which are controlled by Shui On Company Limited and together constitute a closely allied group of Shareholders, holds 675,493,996 Shares, 1,477,888,889 Shares, 183,503,493 Shares, 29,847,937 Shares, 633,333,333 Shares, 908,448,322 Shares, 150,000,000 Shares, 323,319,781 Shares and 230,000,000 Shares, respectively, and together represent approximately 57.20% of the issued share capital of the Company at the date of this announcement.

The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited, Doreturn Limited and Smart Will Investments Limited on the Sale and Purchase Agreement and the Acquisition pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened to consider the Acquisition.

A circular containing, among other things, details about the Acquisition required under the Listing Rules is expected to be despatched for the Shareholders' information on or before 21 January 2019.

DEFINITIONS

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

| | |
|---|---|
| “Acquisition” | the proposed acquisition by China Xintiandi of the Sale Shares and the Sale CPS pursuant to the terms of the Sale and Purchase Agreement; |
| “associate(s)”; “connected person(s)”; “connected person at the subsidiary level”; “subsidiary(ies)”; “substantial shareholder” | each has the meaning ascribed to it under the Listing Rules; |
| “Board” | the board of Directors; |
| “BSREP CXTD” | BSREP CXTD Holdings L.P., a Cayman Islands exempted limited partnership and a substantial shareholder of CXTD; |
| “China Xintiandi” | China Xintiandi Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company; |
| “Company” | Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 272); |
| “Completion” | completion of the Acquisition; |

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| “Consideration” | the consideration equivalent to approximately HK\$4,073,780,000 payable by China Xintiandi to BSREP CXTD in relation to the Acquisition in accordance with the Sale and Purchase Agreement; |
| “CXTD” | China Xintiandi Holding Company Limited, a company incorporated in the Cayman Islands with limited liability and a non-wholly owned subsidiary of the Company at the date of this announcement; |
| “Director(s)” | the directors of the Company; |
| “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; |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 28 December 2018 entered into between, inter alia, China Xintiandi and BSREP CXTD in relation to the Acquisition; |
| “Sale CPS” | all the outstanding perpetual subordinated convertible securities in the principal amount of US\$100,000 (equivalent to approximately HK\$780,000) issued by CXTD and held by BSREP CXTD; |
| “Sale Shares” | all the shares in CXTD held by BSREP CXTD constituting approximately 21.894% of all the issued share capital of CXTD, to be acquired by China Xintiandi pursuant to the Sale and Purchase Agreement; |

| | |
|------------------|---|
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Share(s)” | the ordinary share(s) of the Company with nominal value of US\$0.0025 each; |
| “US\$” | United States dollars, the lawful currency of the United States of America; and |
| “%” | per cent. |

Translation of US\$ into HK\$ and RMB into HK\$ in this announcement is based on the approximate exchange rate of US\$1.00 to HK\$7.80 and HK\$1.00 to RMB0.8361, respectively, for information purposes only. Such translations should not be construed as representations that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

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

Hong Kong, 31 December 2018

At the date of this announcement, the executive Directors are Mr. Vincent H. S. LO (Chairman), Mr. Douglas H. H. SUNG (Chief Financial Officer) and Ms. Stephanie B. Y. LO; the non-executive Director is Mr. Frankie Y. L. WONG; and the independent non-executive Directors are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

** For identification purposes only*