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 **TSIM SHA TSUI PROPERTIES LIMITED**  **SINO LAND COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

(Stock Code: 83)

DISCLOSEABLE TRANSACTION

ACQUISITION OF INTEREST IN EXISTING JOINT VENTURE

This announcement is jointly made by TST Properties and Sino Land.

The respective boards of Directors of TST Properties and Sino Land wish to announce that on 25th June, 2021 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of Sino Land) entered into the Conditional Sale and Purchase Agreement with the Vendors and HQH for the Proposed Acquisition whereby the Purchaser has agreed to purchase and the Vendors have agreed to sell a total of 403,356 ordinary shares of HQH, representing approximately 40.33% of the total issued shares of HQH. The total consideration, which is determined based on the mechanism set out in the Conditional Sale and Purchase Agreement, is approximately S\$339 million (equivalent to approximately HK\$1,985.3 million), comprising of approximately S\$190.7 million (equivalent to approximately HK\$1,116.8 million) payable by the Purchaser to Vendor 1 and approximately S\$148.3 million (equivalent to approximately HK\$868.5 million) payable by the Purchaser to Vendor 2 in two tranches, respectively. As agreed between the parties, the Purchaser's payment of the total consideration will be fully satisfied by HQH (on behalf of the Purchaser) paying to the Vendors the Purchaser's pro rata entitlements to the dividends to be declared by HQH, in respect of the net proceeds derived by HQH from the Divestment concerning its disposal of 60% interest in Shanghai HQREM to a third party purchaser. Accordingly, the total consideration will be adjusted to reflect the final amount of the Purchaser's pro rata entitlements to such dividends to be declared by HQH. **The overall purpose and effect of the Proposed Acquisition is for the Purchaser to restore its effective interest in Shanghai HQREM (through HQH) at approximately 22.35% after the Divestment.**

The Purchaser is an indirect wholly-owned subsidiary of Sino Land and Sino Land is a subsidiary of TST Properties. As one or more of the relevant percentage ratios of TST Properties and Sino Land with respect to the Proposed Acquisition exceed 5% but are less than 25%, the Proposed Acquisition constitutes a discloseable transaction of each of TST Properties and Sino Land, which is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Completion of the Conditional Sale and Purchase Agreement is subject to the satisfaction or waiver (as appropriate) of certain conditions precedent and therefore the Proposed Acquisition may or may not proceed. As such, shareholders and potential investors of TST Properties and Sino Land are advised to exercise caution when dealing in the securities of TST Properties and Sino Land.

INTRODUCTION

This announcement is jointly made by TST Properties and Sino Land.

The respective boards of Directors of TST Properties and Sino Land wish to announce that on 25th June, 2021 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of Sino Land) entered into the Conditional Sale and Purchase Agreement with the Vendors and HQH for the Proposed Acquisition whereby the Purchaser has agreed to purchase and the Vendors have agreed to sell a total of 403,356 ordinary shares of HQH, representing approximately 40.33% of the total issued shares of HQH.

MAJOR TERMS OF THE CONDITIONAL SALE AND PURCHASE AGREEMENT

Date

25th June, 2021 (after trading hours)

Parties

- (1) The Purchaser, as purchaser
- (2) The Vendors, being Vendor 1 and Vendor 2, as vendors
- (3) HQH, being the target company whose shares are the subject matter of the Proposed Acquisition, as an existing joint venture between the Purchaser, Vendor 1 and Vendor 2 on a 23.53% : 58.82% : 17.65% basis as at the date of this announcement

Proposed Acquisition and Consideration

Under the Proposed Acquisition, the Purchaser has agreed to purchase a total of 403,356 ordinary shares of HQH (representing approximately 40.33% of the total issued shares of HQH), which comprise 226,899 ordinary shares of HQH from Vendor 1 and 176,457 ordinary shares of HQH from Vendor 2.

The total consideration for the Proposed Acquisition, which is determined based on the mechanism set out in the Conditional Sale and Purchase Agreement, is approximately S\$339 million (equivalent to approximately HK\$1,985.3 million), comprising of approximately S\$190.7 million (equivalent to approximately HK\$1,116.8 million) payable by the Purchaser to Vendor 1 and approximately S\$148.3 million (equivalent to approximately HK\$868.5 million) payable by the Purchaser to Vendor 2 in two tranches, respectively. As agreed between the parties, the Purchaser's payment of the total consideration will be fully satisfied by HQH (on behalf of the Purchaser) paying to the Vendors the Purchaser's pro rata entitlements to the dividends to be declared by HQH, in respect of the net proceeds derived by HQH from the Divestment concerning its disposal of 60% interest in Shanghai HQREM to a third party purchaser. Accordingly, the total consideration will be adjusted to reflect the final amount of the Purchaser's pro rata entitlements to such dividends to be declared by HQH.

Upon completion of the Proposed Acquisition, the Purchaser's shareholding interest in HQH will increase from approximately 23.53% to approximately 63.86%, whilst Vendor 1's shareholding interest in HQH will reduce from approximately 58.82% to approximately 36.14%, and Vendor 2 will cease to be a shareholder of HQH.

Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the following conditions being satisfied or waived in accordance with the Conditional Sale and Purchase Agreement:

- (a) completion of the Divestment by HQH in accordance with the terms and conditions of the relevant agreement;
- (b) receipt by HQH of the first instalment proceeds (net of all PRC taxes and expenses) from the Divestment;
- (c) receipt by the sellers in respect of the Vendor 1 Other Divestments of the first instalment proceeds (net of all PRC taxes and expenses) in connection with the Vendor 1 Other Divestments; and
- (d) dividend having been declared by HQH to its shareholders (who are the Purchaser and the Vendors) on a pro rata basis in respect of the first instalment proceeds (net of all PRC taxes and expenses) received by HQH from the Divestment.

Unwinding

It is understood that the Separate Agreement provides that, under certain specific circumstances, the purchaser under the Vendor 1 Other Divestments could exercise its right to unwind any transaction under the Vendor 1 Other Divestments pursuant to the terms thereof within 12 months after the consideration is paid to the sellers thereof. The Conditional Sale and Purchase Agreement provides that, in the event of the unwinding of any of the Vendor 1 Other Divestments under the Separate Agreement, the Proposed Acquisition would also need to be unwound and shareholding in HQH will need to be reinstated to the original position.

Overall effect of the Proposed Acquisition

On 11th June, 2021, HQH, together with other sellers, entered into the Separate Agreement with a third party purchaser, which is not an existing shareholder of HQH or Shanghai HQREM, concerning the Divestment pursuant to which HQH has agreed to dispose of 60% interest in Shanghai HQREM to the purchaser. After completion of the Divestment, HQH's interest in Shanghai HQREM will reduce from 95% to 35% (and thereby would result in Shanghai HQREM ceasing to be a subsidiary of HQH). Completion of the Divestment is a pre-condition to the completion of the Proposed Acquisition and the parties to the Conditional Sale and Purchase Agreement, being shareholders of HQH, have agreed and consented to the Divestment. In addition to the Divestment, the Separate Agreement also provides for the sale of interests in a portfolio of PRC companies by sellers which are companies within the same group as Vendor 1 (namely, the Vendor 1 Other Divestments).

As part of the arrangements under the Conditional Sale and Purchase Agreement, HQH will distribute, by way of dividends, all net proceeds of HQH from the Divestment to its shareholders (namely, the Purchaser and the Vendors) on a pro rata basis according to shareholding percentage they respectively hold in HQH before the Proposed Acquisition. The pro rata entitlements to the dividends receivable by the Purchaser from HQH will be applied towards payment of the total consideration for the Proposed Acquisition under the Conditional Sale and Purchase Agreement.

Whilst the Purchaser's shareholding interest in HQH will increase from approximately 23.53% to approximately 63.86% upon completion of the Proposed Acquisition, its effective interest in Shanghai HQREM (through HQH) and the underlying Property will remain unchanged at approximately 22.35% because the Divestment will reduce HQH's interest in Shanghai HQREM from 95% to 35%. **The overall purpose and effect of the Proposed Acquisition is for the Purchaser to restore its effective interest in Shanghai HQREM (through HQH) at approximately 22.35% after the Divestment.**

Before the Proposed Acquisition, HQH was accounted for as an associate in the financial statements of each of TST Properties and Sino Land using equity method of accounting. Notwithstanding that the Purchaser's shareholding interest in HQH will increase from approximately 23.53% to approximately 63.86% upon completion of the Proposed Acquisition, by reason of the arrangements set forth in the amended joint venture agreement (with key terms set out below) amongst the Purchaser, Vendor 1 and HQH to regulate the rights of shareholders of HQH after the Proposed Acquisition, HQH is expected to be recorded in the financial statements of each of TST Properties and Sino Land as a joint venture using equity method of accounting.

KEY TERMS OF THE AMENDED JOINT VENTURE AGREEMENT

As part of the Proposed Acquisition, the joint venture agreement for regulating the rights of shareholders of HQH will be amended and supplemented to reflect the arrangements between the Purchaser and Vendor 1 as the remaining shareholders of HQH and will include the following key terms:

- (a) the board of directors of HQH shall comprise five directors of which three persons shall be appointed by the Purchaser and two persons shall be appointed by Vendor 1;
- (b) the chairman of the board of HQH shall be appointed by the Purchaser, and the chairman shall not have a second or casting vote at any meeting of the board or at any general meeting of HQH;
- (c) each resolution of the board of HQH shall be carried by a simple majority of votes, with affirmative votes cast by at least two directors, one of whom shall be appointed by the Purchaser and one of whom shall be appointed by Vendor 1;
- (d) all matters put to vote at a general meeting of HQH shall be decided by shareholders holding at least 75% of the issued and paid-up ordinary share capital of HQH (which, based on the shareholding in HQH upon completion of the Proposed Acquisition, would mean that it will require the affirmative votes of both the Purchaser and Vendor 1); and
- (e) the Purchaser and Vendor 1 shall respectively be entitled to appoint two directors and one director in Shanghai HQREM, and in the event that HQH is entitled to appoint the general manager of Shanghai HQREM, Vendor 1 shall be entitled to appoint such general manager.

INFORMATION ON THE PARTIES

TST Properties is the holding company of Sino Land. Both TST Properties and Sino Land are investment holding companies and their principal businesses include property development and investment, investment in securities, financing, hotel and building management and services. The Purchaser, an indirect wholly-owned subsidiary of Sino Land, is an investment holding company and its principal business comprises, inter alia, its investment in HQH. As at the date of this announcement, the Purchaser holds approximately 23.53% shareholding interest in HQH and upon completion of the Proposed Acquisition, it will hold approximately 63.86% shareholding interest in HQH.

Vendor 1 is an investment holding company and a subsidiary of CapitaLand Limited, which is a diversified real estate group headquartered in Singapore and listed on the main board of Singapore Exchange Securities Trading Limited (SGX Main Board). As at the date of this announcement, Vendor 1 holds approximately 58.82% shareholding interest in HQH and upon completion of the Proposed Acquisition, it will hold approximately 36.14% shareholding interest in HQH.

Vendor 2 is an investment holding company and indirect wholly-owned by GIC (Realty) Private Limited, which is the investment holding company for the real estate investments of GIC Private Limited. GIC Private Limited, a global long-term investor with over US\$100 billion in assets in over 40 countries worldwide, has been established to manage Singapore's foreign reserves. As at the date of this announcement, Vendor 2 holds approximately 17.65% shareholding interest in HQH and upon completion of the Proposed Acquisition, it will cease to be a shareholder of HQH.

HQH is an investment holding company and its principal business comprises investment in Shanghai HQREM. Shanghai HQREM in turn engages in property investment and development and owns and operates the Property in Shanghai, PRC. As at the date of this announcement, HQH holds 95% interest in Shanghai HQREM, and after completion of the Divestment (which is a pre-condition to the completion of the Proposed Acquisition), it will hold 35% interest in Shanghai HQREM.

The audited net asset value of HQH as at 31st December, 2020 based on its audited financial statements for the financial year ended 31st December, 2020 was approximately S\$1,888.6 million. The audited net profits before and after taxation of HQH for the financial year ended on 31st December, 2019 were approximately S\$212.8 million and approximately S\$153.3 million respectively. The audited net profits before and after taxation of HQH for the financial year ended 31st December, 2020 were approximately S\$111.6 million and S\$81.4 million respectively.

Based on the information provided by the Vendors respectively and to the best of the knowledge, information and belief of the Directors of TST Properties and the Directors of Sino Land after having made all reasonable enquiries, each of Vendor 1, Vendor 2 and HQH and their respective ultimate beneficial owners are third parties independent of each of TST Properties and Sino Land and their respective connected persons.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The investment in Shanghai HQREM and the underlying Property through HQH is held by the Group for long term which generates steady recurrent income for the Group. The purpose of the Proposed Acquisition is to restore the Purchaser's effective interest in Shanghai HQREM and the underlying Property at approximately 22.35% after the Divestment.

The Directors of TST Properties and the Directors of Sino Land are respectively of the view that the terms of the Proposed Acquisition are on normal commercial terms and are fair, reasonable and in the interests of TST Properties and Sino Land and their respective shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is an indirect wholly-owned subsidiary of Sino Land and Sino Land is a subsidiary of TST Properties. As one or more of the relevant percentage ratios of TST Properties and Sino Land with respect to the Proposed Acquisition exceed 5% but are less than 25%, the Proposed Acquisition constitutes a discloseable transaction of each of TST Properties and Sino Land, which is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Completion of the Conditional Sale and Purchase Agreement is subject to the satisfaction or waiver (as appropriate) of certain conditions precedent and therefore the Proposed Acquisition may or may not proceed. As such, shareholders and potential investors of TST Properties and Sino Land are advised to exercise caution when dealing in the securities of TST Properties and Sino Land.

DEFINITIONS

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

"Conditional Sale and Purchase Agreement"	a conditional sale and purchase agreement dated 25th June, 2021 entered into between the Purchaser, the Vendors and HQH in relation to the sale and purchase of a total of 403,356 ordinary shares of HQH
"connected person"	has the meaning ascribed to it under Rule 14A.06 of the Listing Rules
"Directors"	the respective directors of TST Properties and Sino Land
"Divestment"	the proposed sale of 60% interest in Shanghai HQREM by HQH to a purchaser, which is not an existing shareholder of HQH or Shanghai HQREM, under the Separate Agreement, completion of such divestment is a condition precedent to the completion of the Proposed Acquisition
"Group"	TST Properties, Sino Land and their respective subsidiaries
"HK\$"	Hong Kong Dollars, the lawful currency of the Hong Kong Special Administrative Region of PRC
"HQH"	Hua Qing Holdings Pte Ltd, a company incorporated in Singapore

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Property"	Raffles City Shanghai, a commercial building comprising of prime office tower and a shopping mall located at 268 Xizang Zhong Road, Huangpu District, Shanghai, PRC
"Proposed Acquisition"	the proposed acquisition of a total of 403,356 ordinary shares of HQH by the Purchaser from the Vendors, on the terms and conditions of the Conditional Sale and Purchase Agreement
"Purchaser"	Vasilon Pte Ltd, a company incorporated in Singapore and an indirect wholly-owned subsidiary of Sino Land, and a shareholder of HQH, which is holding approximately 23.53% shareholding interest in HQH as at the date of this announcement
"S\$"	Singapore Dollars, the lawful currency of the Republic of Singapore
"Separate Agreement"	a separate cooperation framework agreement dated 11th June, 2021 entered into by HQH with the purchaser thereof and other parties for the conditional sale and purchase of interests in a portfolio of PRC companies, including Shanghai HQREM under the Divestment and other PRC companies under the Vendor 1 Other Divestments
"Shanghai HQREM"	Shanghai Hua Qing Real Estate Management Co., Ltd, a company established in the PRC which is held as to 95% by HQH as at the date of this announcement
"Sino Land"	Sino Land Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange, and a subsidiary of TST Properties
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TST Properties"	Tsim Sha Tsui Properties Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange
"US\$"	US Dollars, the lawful currency of the United States
"Vendor 1"	RCCF Shanghai Limited, a company incorporated in the Cayman Islands and a shareholder of HQH, which is holding approximately 58.82% shareholding interest in HQH as at the date of this announcement, and is expected to hold approximately 36.14% shareholding interest in HQH upon completion of the Proposed Acquisition

"Vendor 1 Other Divestments"	the proposed sale of interests in a portfolio of PRC companies (other than Shanghai HQREM) owned by Vendor 1, its holding company and/or their respective subsidiaries to the purchaser under the Separate Agreement
"Vendor 2"	Singavest Investments Pte Ltd, a company incorporated in Singapore and a shareholder of HQH, which is holding approximately 17.65% shareholding interest in HQH as at the date of this announcement, and will cease to hold any shareholding interest in HQH upon completion of the Proposed Acquisition
"Vendors"	Vendor 1 and Vendor 2
"%"	per cent

In this announcement, S\$ has been converted to HK\$ at the rate of S\$1=HK\$5.85625 for illustration purpose only.

By Order of the Board of
Tsim Sha Tsui Properties Limited
Fanny Cheng Siu King
Company Secretary

By Order of the Board of
Sino Land Company Limited
Fanny Cheng Siu King
Company Secretary

Hong Kong, 25th June, 2021

As at the date hereof, the Executive Directors of TST Properties are Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong, the Non-Executive Director is The Honourable Ronald Joseph Arculli, and the Independent Non-Executive Directors are Dr. Allan Zeman, Mr. Adrian David Li Man-kiu and Mr. Steven Ong Kay Eng.

As at the date hereof, the Executive Directors of Sino Land are Mr. Robert Ng Chee Siong, Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong, Mr. Gordon Lee Ching Keung and Mr. Thomas Tang Wing Yung, the Non-Executive Director is The Honourable Ronald Joseph Arculli, and the Independent Non-Executive Directors are Dr. Allan Zeman, Mr. Adrian David Li Man-kiu, Mr. Steven Ong Kay Eng and Mr. Wong Cho Bau.