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(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)



(Incorporated in Hong Kong with limited liability)

(Stock Code: 83)

## **DISCLOSEABLE AND CONNECTED TRANSACTION**

### **FORMATION OF THE JOINT VENTURE FOR THE ACQUISITION AND DEVELOPMENT OF THE LAND IN HONG KONG**

The respective boards of directors of TST Properties and Sino Land are pleased to announce that on 13th September, 2023, the Tender was successfully awarded by the Government of HKSAR to the Developer JV pursuant to the tender offer submitted by the Developer JV on 11th September, 2023 at a tender price of HK\$5.35 billion. Pursuant to the Joint Venture MOA, the Joint Venture is established among Sino Land, China Overseas, Great Eagle and Chinese Estates in the shareholding proportion of 50:20:20:10 respectively for the purposes of setting up the Developer JV following the successful award of the Tender to acquire and develop the Land under the particulars and conditions of the Tender.

The total capital commitment of the JV Partners in respect of the acquisition and development of the Land by the Developer JV (including the tender price) is expected to be approximately HK\$10.5 billion, of which Sino Land is expected to contribute approximately HK\$5.25 billion, representing its 50% interest in the Joint Venture.

TST Properties is the holding company of Sino Land. As one or more of the applicable percentage ratios in respect of the Group's total capital commitment in the Joint Venture and the Developer JV exceeds 5% but all of the applicable percentage ratios are less than 25%, the formation of the Joint Venture and the Developer JV constitutes a discloseable transaction for each of TST Properties and Sino Land and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Chinese Estates is a substantial shareholder of certain subsidiaries of Sino Land. Chinese Estates is therefore a connected person of each of TST Properties and Sino Land at the subsidiary level (as defined under the Listing Rules), and accordingly, the formation of the Joint Venture and the Developer JV constitutes a connected transaction of each of TST Properties and Sino Land under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, given (i) the Directors have approved the formation of the Joint Venture and the Developer JV and the transactions contemplated thereunder; and (ii) the Directors (including the Independent Non-executive Directors) have confirmed that the terms of the formation of the Joint Venture and the Developer JV, including the estimated total capital commitment of the Group in the Joint Venture and the Developer JV, are fair and reasonable, on normal commercial terms and in the interests of the Group and the shareholders of TST Properties and Sino Land as a whole, the formation of the Joint Venture and the Developer JV is subject to reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

## **TENDER FOR, ACQUIRE AND DEVELOP THE LAND THROUGH THE DEVELOPER JV**

The respective boards of directors of TST Properties and Sino Land are pleased to announce that on 13th September, 2023, the Tender was successfully awarded by the Government of HKSAR to the Developer JV pursuant to the tender offer submitted by the Developer JV on 11th September, 2023 at a tender price of HK\$5.35 billion.

Pursuant to the Joint Venture MOA, the Joint Venture is established among Sino Land, China Overseas, Great Eagle and Chinese Estates in the shareholding proportion of 50:20:20:10 respectively for the purposes of setting up the Developer JV following the successful award of the Tender to acquire and develop the Land under the particulars and conditions of the Tender.

## **FORMATION OF THE JOINT VENTURE**

Pursuant to the Joint Venture MOA, the principal features of the Joint Venture include the following:

### **1. Principal Activity**

The Developer JV, which is a direct wholly-owned subsidiary of the Joint Venture, is set up to acquire and develop the Land into a residential and retail development together with government accommodation, and to deal with all residential units, non-industrial portion and related ancillary car parking spaces erected on the Land pursuant to the particulars and terms of the Joint Venture MOA, the subsequent joint venture agreement to be entered into among the JV Partners and in accordance with the conditions of sale specified in the Tender.

The financial results of the Joint Venture and the Developer JV are expected to be recorded in the financial statements of TST Properties and Sino Land as a joint venture respectively using equity method of accounting.

### **2. Funding and Profit Sharing**

The total capital commitment of the JV Partners in respect of the acquisition and development of the Land by the Developer JV (including the tender price) is expected to be approximately HK\$10.5 billion, of which Sino Land is expected to contribute approximately HK\$5.25 billion, representing its 50% interest in the Joint Venture.

Funding requirement shall be met by loans from banks or financial institutions to the Developer JV and on the terms to be agreed by all JV Partners (the “**External Loans**”) or, if necessary, by the JV Partners as shareholders’ loans to the Joint Venture (the “**Shareholders’ Loans**”) on a pro rata basis in proportion to their respective shareholding interests in the Joint Venture and the Joint Venture shall provide the Shareholders’ Loans to the Developer JV. If banks or financial institutions providing the External Loans require any guarantees or securities from the JV Partners, the JV Partners shall provide the same on a several and pro rata basis in proportion to their respective shareholding interests in the Joint Venture.

Sino Land's commitment to the above funding requirements will be supported by internal resources and/or corporate banking facilities of Sino Land as it considers appropriate.

Any profit derived from the investment of the Joint Venture in the Developer JV will be ultimately distributed among the JV Partners on a pro rata basis in proportion to their respective shareholding interests in the Joint Venture.

### **3. Guarantees**

The JV Partners agreed to act as the guarantors for the obligation of the Joint Venture and the Developer JV on a several and pro rata basis according to their respective shareholding interests in the Joint Venture.

### **4. Board Representations**

The boards of directors of the Joint Venture and the Developer JV shall comprise ten directors with five directors to be appointed by Sino Land, two directors to be appointed by each of China Overseas and Great Eagle, and one director to be appointed by Chinese Estates.

The JV Partners will, in good faith, negotiate and finalise the terms of and execute a joint venture agreement in connection with the Joint Venture within six months from the date of the Tender accepted by the Government of HKSAR or any other time the JV Partners may agree. Such joint venture agreement should be substantially based on the commercial rationale reflected in the Joint Venture MOA.

## **DEVELOPMENT OF THE LAND**

The Land comprises the development site located at New Kowloon Inland Lot No. 6590, Kai Tak Area 2A Site 2 and Site 3, Kai Tak, Kowloon, Hong Kong and will have direct access to Sung Wong Toi Station via the future underground shopping street, covering a total site area of approximately 145,303 square feet. The permissible total gross floor area for construction is approximately 992,279 square feet. It is expected that, upon completion of the development project, the Land will provide approximately 856,244 square feet of residential gross floor area and approximately 136,035 square feet of retail gross floor area together with government accommodation in compliance with the conditions of sale specified in the Tender.

## **REASONS FOR AND BENEFITS OF THE JOINT VENTURE**

One of the principal business areas of the Group is property development and investment. The formation of the Joint Venture and the Developer JV for the acquisition and development of the Land is consistent with the core business strategies of the Group and is a continuation of the Group's principal activity with other business partners.

## **IMPLICATIONS UNDER THE LISTING RULES**

TST Properties is the holding company of Sino Land. As one or more of the applicable percentage ratios in respect of the Group's total capital commitment in the Joint Venture and the Developer JV exceeds 5% but all of the applicable percentage ratios are less than 25%, the formation of the Joint Venture and the Developer JV constitutes a discloseable transaction for each of TST Properties and Sino Land and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Chinese Estates is a substantial shareholder of certain subsidiaries of Sino Land. Chinese Estates is therefore a connected person of each of TST Properties and Sino Land at the subsidiary level (as defined under the Listing Rules), and accordingly, the formation of the Joint Venture and the Developer JV constitutes a connected transaction of each of TST Properties and Sino Land under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, given (i) the Directors have approved the formation of the Joint Venture and the Developer JV and the transactions contemplated thereunder; and (ii) the Directors (including the Independent Non-executive Directors) have confirmed that the terms of the formation of the Joint Venture and the Developer JV, including the estimated total capital commitment of the Group in the Joint Venture and the Developer JV, are fair and reasonable, on normal commercial terms and in the interests of the Group and the shareholders of TST Properties and Sino Land as a whole, the formation of the Joint Venture and the Developer JV is subject to reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the formation of the Joint Venture and the Developer JV and the transactions contemplated thereunder, and as such, no Director has abstained from voting on the respective board resolutions approving the formation of the Joint Venture and the Developer JV and the transactions contemplated thereunder.

## **INFORMATION ON THE GROUP AND THE JV PARTNERS**

### **The Group**

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.

### **China Overseas**

China Overseas is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 688). The principal activities of China Overseas and its subsidiaries include property development and investment, and other operations.

## **Great Eagle**

Great Eagle is a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 41). The principal activities of Great Eagle and its subsidiaries include investment holding, property development and investment, operations of hotel, restaurant and flexible workspace, asset management, project management, trading of building materials, securities investment, provision of property management, maintenance and property agency services and property leasing.

## **Chinese Estates**

Chinese Estates is an investment holding company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 127). The principal activities of Chinese Estates' subsidiaries include property investment and development, building and property management, brokerage, securities investment, money lending and cosmetics distribution and trading.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of China Overseas, Great Eagle and their respective ultimate beneficial owners are independent third parties not connected with the directors, substantial shareholders and chief executives of TST Properties and Sino Land, their respective subsidiaries and their respective associates.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

|                       |   |
|-----------------------|---|
| “associate”           | has the meaning ascribed to it under Rule 14A.06 of the Listing Rules   |
| “China Overseas”      | China Overseas Land & Investment Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 688)                         |
| “Chinese Estates”     | Chinese Estates Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 127)                                   |
| “connected person(s)” | has the meaning ascribed to it under Rule 14A.06 of the Listing Rules   |
| “Developer JV”        | Capital Asian Limited, a company incorporated in Hong Kong with limited liability and directly wholly-owned by the Joint Venture, which is a project company formed for the purposes of acquiring and developing the Land |
| “Director(s)”         | the respective director(s) of TST Properties and Sino Land  |
| “Government of HKSAR” | the Government of the Hong Kong Special Administrative Region of the People’s Republic of China   |

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| “Great Eagle”       | Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 41)   |
| “Group”             | TST Properties, Sino Land and their respective subsidiaries as a whole   |
| “HK\$”              | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”         | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Joint Venture”     | Fansway Limited, a company incorporated in Hong Kong with limited liability and is owned as to 50%, 20%, 20% and 10% by Sino Land, China Overseas, Great Eagle, and Chinese Estates respectively, being the joint venture company formed to set up the Developer JV for the acquisition and development of the Land  |
| “Joint Venture MOA” | the memorandum of agreement dated 11th September, 2023 entered into among the JV Partners setting out their rights and obligations in relation to the submission and acceptance of the Tender through the Developer JV and the objectives with regard to the setting up of the Joint Venture and the Developer JV as its wholly-owned subsidiary for the acquisition and development of the Land |
| “JV Partners”       | the partners of the Joint Venture, being Sino Land, China Overseas, Great Eagle and Chinese Estates  |
| “Land”              | the land registered in the Land Registry as New Kowloon Inland Lot No. 6590, Kai Tak Area 2A Site 2 and Site 3, Kai Tak, Kowloon, Hong Kong, which has a site area of approximately 145,303 square feet  |
| “Listing Rules”     | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “Sino Land”         | Sino Land Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 83) and a subsidiary of TST Properties  |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited  |
| “Tender”            | the public tender invitation launched by the Government of HKSAR for the acquisition and development of the Land   |

“TST Properties” Tsim Sha Tsui Properties Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 247)

“%” per cent

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, 14th September, 2023

*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 Directors are The Honourable Ronald Joseph Arculli and Ms. Nikki Ng Mien Hua, 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, Mr. Thomas Tang Wing Yung and Mr. Victor Tin Sio Un, the Non-Executive Directors are The Honourable Ronald Joseph Arculli and Ms. Nikki Ng Mien Hua, 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.*