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Shui On Land and China Xintiandi set Strategic Partnership with China Life

(4 December 2013, Hong Kong)

Shui On Land Ltd (“Shui On Land” or the “Company”, Stock code: 272) announced today that its wholly-owned subsidiaries, Shui On Development (Holding) Limited (“Shui On Development”, the beneficial owner of the Sale Shares of Sinothink Holdings Limited (“Sinothink Holdings”), and Taipingqiao Holding Company Limited (“Taipingqiao Holding”, a subsidiary of China Xintiandi), have entered into a Sale and Purchase Agreement (“SPA”) with China Life Trustees Limited (“China Life Trustees”). China Life Trustees agreed to purchase the Sale Shares to be held by Taipingqiao Holding subsequent to the Corporate Restructuring and Shui On Development agreed to assign the Intercompany Loan to China Life Trustees for an estimated total consideration of RMB 3,323 million (approximately HK\$ 4,206 million).

Sinothink Holdings is currently the legal and beneficial owner holding the entire issued share capital of Sinoco Limited, which in turn owns 99% equity interest of Shanghai Xing Qiao Properties Co., Ltd. (“Shanghai Xing Qiao”), the project company that owns and develops Lot 126. The entire issued share capital of Sinothink Holdings held by Shui On Development will be transferred to Taipingqiao Holding pursuant to the Corporate Restructuring. Upon completion of the SPA, China Life Trustees will be entitled to 99% attributable interests in Shanghai Xing Qiao.

Pursuant to the SPA, Taipingqiao Holding shall be entitled to exercise its right to buy back the Sale shares and the Intercompany Loan during certain periods of time within seven years after completion of the SPA. If Taipingqiao Holding chooses to pay the buy-back price in cash, the IRR will be 9% per annum. If the shares of Taipingqiao Holding or one of Taipingqiao Holding’s affiliates are listed, or are due to be listed, on a Qualified Stock Exchange and such entity holds certain specified property assets in Shanghai then, Taipingqiao Holding may choose to pay in a combination of cash and such listed or to be listed shares, in which case (1) the total IRR shall be 9.5% per annum and (2) the cash portion of the buy-back price will correspond to an IRR of 6% (or a lower percentage to be agreed by the parties) and the remaining balance will be paid to China Life Trustees with the listed share, in each case in accordance with the terms and conditions of the Sale and Purchase Agreement.

On completion of the SPA, Shanghai Xing Qiao will engage Shanghai Xintiandi Management Co., Ltd. (“Shanghai Xintiandi”) as the exclusive asset manager of the project company during the period that Taipingqiao Holding can exercise the call back option, such services will cover certain management services, including but not limited to administration, leasing, business and financial management, marketing, communication, and property management services.

Lot 126, Taipingqiao property development project in Huangpu District, Shanghai, has an estimated leasable and saleable gross floor area of approximately 79,000 square metres comprising commercial, office and retail properties, which is currently under development by Shanghai Xing Qiao and is expected to be completed between 2013 and 2014.

The Company intends to apply the net proceeds from the Disposal, estimated to be approximately RMB3,285 million (approximately HK\$4,158 million), to repay existing



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indebtedness, and fund capital and other project related expenditures related to its real estate development.

Mr Philip Wong, CEO of China Xintiandi (CXTD) says, “China Life is one of the largest insurance companies in the PRC. Through this transaction, CXTD has established a strategic partnership with China Life and created an opportunity to secure China Life as a strategic investor via the asset buy back option. “