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Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

DISCLOSEABLE TRANSACTION

FORMATION OF JOINT VENTURE FOR DEVELOPMENT OF LAND IN HONG KONG

The board of directors of TST Properties is pleased to announce that on 12th October, 2016, the Government of Hong Kong accepted the tender offer from the Joint Venture in respect of the acquisition of the Land at a land premium of HK\$2,528 million. The Joint Venture is formed between Sino Land, a subsidiary of TST Properties, and Empire Group for the purpose of acquisition and development of the Land for long term investment purpose and is owned as to 60% by Sino Land and as to 40% by Empire Group.

The Project Costs, being the total capital commitment of Sino Land and Empire Group in respect of the development of the Land, are expected to be approximately HK\$3,300 million, of which Sino Land is expected to contribute approximately HK\$1,980 million, representing its 60% interest in the Joint Venture.

The total capital commitment of Sino Land in respect of acquisition and development of the Land constitutes a discloseable transaction for TST Properties under the Listing Rules. Accordingly, TST Properties is making an announcement pursuant to Rule 14.34 of the Listing Rules.

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THE JOINT VENTURE

1. Principal Activity

The Joint Venture is formed between Sino Land, a subsidiary of TST Properties, and Empire Group for the purpose of acquisition and development of the Land into a commercial development for long term investment purpose. Sino Land and Empire Group hold 60% and 40% in the Joint Venture respectively. On 12th October, 2016, the Government of Hong Kong accepted the tender offer from the Joint Venture and awarded the right to the Joint Venture in respect of the development of the Land. According to the arrangements of the Joint Venture, Sino Land and Empire Group shall pay the land premium and bear the development costs in proportion to their respective interests in the Joint Venture and they shall respectively appoint such number of directors to the board of the Joint Venture with the ratio of number according to their respective interests in the Joint Venture. As Sino Land has 60% interest in the Joint Venture, the financial results of the Joint Venture will be consolidated in the financial statements of TST Properties and Sino Land as a subsidiary respectively.

2. Project Costs and Funding

The Project Costs, being the total capital commitment of Sino Land and Empire Group in respect of development of the Land, are expected to be approximately HK\$3,300 million, of which Sino Land is expected to contribute approximately HK\$1,980 million, representing its 60% interest in the Joint Venture. The Project Costs will be funded by shareholders' loans from Sino Land and Empire Group on a several and pro rata basis by reference to their respective interests in the Joint Venture and project financing by way of loans from banks or financial institutions on terms to be agreed by Sino Land and Empire Group, in accordance with the payment obligations of the costs of the Land to the Government of Hong Kong and the construction schedule of the Land.

3. Profit Sharing

It has been agreed that any profit derived from the development of the Land will be ultimately shared by Sino Land and Empire Group on a 60:40 basis.

DEVELOPMENT OF THE LAND

The Land covers a total site area of approximately 18,996 square feet. The permissible total gross floor area for construction is approximately 284,945 square feet including a government accommodation comprising an arts and cultural centre and office premises with a total net operational floor area of not less than 29,866 square feet. It is intended that the Land will be developed into a commercial development including an arts and cultural centre and office premises. The project manager in respect of the development of the Land will be Sino Land or its wholly-owned subsidiary.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the relevant percentage ratios of TST Properties in respect of Sino Land's expected total capital commitment for the development of the Land exceeds 5% but is less than 25%, the acquisition of the Land constitutes a discloseable transaction for TST Properties. Accordingly, TST Properties is required to make an announcement in respect of the acquisition of the Land under Rule 14.34 of the Listing Rules.

REASONS FOR THE JOINT VENTURE

One of the main business areas of the Group is property development and investment in Hong Kong. The formation of the Joint Venture and the acquisition and development of the Land are consistent with the core business strategies of the Group and are a continuation of the Group's principal activity in Hong Kong with other business partners. It is expected that, upon completion of the development project, the Land will provide a total gross floor area of commercial development of approximately 284,945 square feet including an arts and cultural centre and office premises with a total net operational floor area of not less than 29,866 square feet.

GENERAL

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.

Empire Group is a Hong Kong company which is ultimately owned by Dr. Kwok Ping-sheung, Walter.

Based on the information provided by Empire Group and to the best of the knowledge, information and belief of the directors (including the independent non-executive directors) of TST Properties after having made all reasonable enquiries, save that Empire Group is an existing substantial shareholder of a current indirect insignificant subsidiary of TST Properties, each of Empire Group and its ultimate beneficial owner is an independent third party not connected with TST Properties or its directors, substantial shareholders, chief executive, subsidiaries and associates (as defined in the Listing Rules). The directors (including the independent non-executive directors) of TST Properties believe that the terms of the formation of the joint venture for the acquisition and development of the Land are on normal commercial terms, fair and reasonable and in the interests of TST Properties and its shareholders as a whole.

DEFINITIONS

“Empire Group”	Empire Group Holdings Limited, a company incorporated in Hong Kong which is ultimately owned by Dr. Kwok Ping-sheung, Walter
“Group”	TST Properties and its subsidiaries
“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”	Grand Apex Limited, a company incorporated in Hong Kong and is owned as to 60% by Sino Land and as to 40% by Empire Group, which is the joint venture formed for the acquisition and development of the Land for long term investment purpose
“Land”	the land registered in the Land Registry as Aberdeen Inland Lot No. 462 at Yip Kan Street and Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong, with a site area of approximately 18,996 square feet and a total gross floor area for construction of approximately 284,945 square feet for non-residential use
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Project Costs”	comprise the land premium and the estimated construction costs in respect of the development of the Land, professional fees, and financing and marketing costs

“Sino Land”	Sino Land Company Limited, a company incorporated in Hong Kong and a subsidiary of TST Properties, whose shares are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TST Properties”	Tsim Sha Tsui Properties Limited, a company incorporated in Hong Kong whose shares are listed on the main board of the Stock Exchange

By Order of the Board of
Tsim Sha Tsui Properties Limited
Velencia Lee
Company Secretary

Hong Kong, 24th October, 2016

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.