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**Shui On Land Limited**  
**瑞安房地產有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 272)**

**CONNECTED TRANSACTION**

**ACQUISITION OF 15% EQUITY INTERESTS IN SOCM**

On 7 December 2015, the Seller entered into the SP Agreement with the Purchaser (an indirect wholly-owned subsidiary of the Company holding 15% of the equity interests in SOCM), pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase 15% of the equity interests in SOCM for a total consideration of RMB22,200,000.

The Seller is a connected person of the Company at the subsidiary level by virtue of its 15% equity interests in SOCM (where SOCM is an indirect non-wholly owned subsidiary of the Company). Accordingly, the Acquisition constitutes a connected transaction of the Company as defined under the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 1% but all of them are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**THE SP AGREEMENT**

**Date**

7 December 2015

## **Parties and subject matter of the SP Agreement**

### Parties:

- (1) Seller; and
- (2) Purchaser, an indirect wholly-owned subsidiary of the Company.

### Subject matter:

15% of the equity interests in SOCM.

## **Consideration for the Acquisition**

The consideration is RMB22,200,000. It was determined based on a statutory valuation report provided by a local PRC appraiser.

## **Manner of payment**

The consideration shall be satisfied in cash in the following manner:

- (a) a deposit in the amount of RMB6,660,000 representing 30.27% of the consideration will be paid by the Purchaser to Shanghai United Assets and Equity Exchange on or before the date of the SP Agreement, which shall be deemed as part payment of the consideration upon the SP Agreement becoming effective;
- (b) the remaining balance of the consideration in the amount of RMB15,540,000 shall be payable by the Purchaser to Shanghai United Assets and Equity Exchange within five business days upon the execution of the SP Agreement; and
- (c) all the consideration in the amount of RMB22,200,000 shall be remitted by Shanghai United Assets and Equity Exchange to the Seller after the transaction certificate is issued.

## **Completion of the Acquisition**

The completion of the Acquisition shall take place within thirty business days after the date of the SP Agreement and within ninety business days after the transaction certificate is obtained from the Shanghai United Assets and Equity Exchange. The parties shall then go through the formalities to complete the title transfer.

## INFORMATION ON SOCM

### Background of SOCM

SOCM is a limited liability company established in the PRC which is principally engaged in building construction and maintenance in the PRC.

### Financial information of SOCM and source of fund

Set out below is a summary of certain unaudited consolidated financial information of SOCM for each of the two financial years ended 31 December 2013 and 31 December 2014:

	<b>2014</b> <i>(RMB million)</i>	<b>2013</b> <i>(RMB million)</i>
Net profit (before taxation and extraordinary items)	12.9	16.7
Net profit (after taxation and extraordinary items)	9.5	12.3

The valuation of SOCM as at 30 June 2015 was approximately RMB148,000,000. There was no original acquisition cost of the 15% equity interests in SOCM to the Seller. However, the Seller originally contributed RMB1,200,000, representing 40% equity interests in SOCM in the year of 1985. There were a few subsequent capital increases in SOCM.

The consideration payable by the Purchaser to the Seller pursuant to the SP Agreement will be funded by the Group's internal resources.

### REASONS FOR THE ACQUISITION AND EXPECTED BENEFITS TO THE COMPANY

At the date of this announcement, the Purchaser and Shui On Granpex together hold 85% equity interests in SOCM. Upon completion of the Acquisition, SOCM will become indirectly wholly owned by the Company.

Upon completion of the Acquisition, SOCM could have a simplified decision-making process with the Company being the sole shareholder.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

The Seller is a connected person of the Company at the subsidiary level by virtue of its 15% equity interests in SOCM (where SOCM is an indirect non-wholly owned subsidiary of the Company). Accordingly, the acquisition by the Purchaser from the Seller constitutes a connected transaction of the Company as defined under the Listing Rules.

None of the Directors has any material interest in the Acquisition or was required to abstain from voting on the resolutions passed by the Board to approve the Acquisition.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 1% but all of them are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## GENERAL INFORMATION

The Group is one of the leading property developers in the PRC. The Group engages principally in the development, sale, leasing, management and ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

The Purchaser is an indirectly wholly-owned subsidiary of the Company.

The Seller is principally engaged in property management and construction.

## DEFINITIONS

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

<b>“Acquisition”</b>	the acquisition of 15% of the equity interests by the Purchaser from the Seller in SOCM as contemplated under the SP Agreement;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (stock code: 272);

<b>“connected person(s); subsidiary(ies)”</b>	each has the meaning ascribed to it in the Listing Rules;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“PRC”</b>	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
<b>“Purchaser”</b>	重慶豐德豪門實業有限公司 (Chongqing Fengde Haomen Industrial Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“Seller”</b>	上海建五實業有限公司 (Shanghai Jianwu Industrial Co., Ltd.*), a company established in the PRC with limited liability;
<b>“Shanghai United Assets and Equity Exchange”</b>	上海聯合產權交易所, the assets and equity exchange established by Shanghai government;
<b>“Shui On Granpex”</b>	Shui On Granpex Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company;
<b>“SOCM”</b>	瑞安建築有限公司 (Shui On Construction Co., Ltd.*), a company established in the PRC with limited liability, which is indirectly owned as to 85% by the Company at the date of this announcement;

<b>“SP Agreement”</b>	The sale and purchase agreement in relation to the acquisition of 15% of the equity interests in SOCM entered into by the Seller and the Purchaser on the date of this announcement;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited; and
<b>“%”</b>	percent.

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

Hong Kong, 7 December 2015

*At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman) and Mr. Frankie Y. L. WONG; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.*

*\* For identification purposes only*