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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)

CONTINUING CONNECTED TRANSACTIONS

**FURTHER EXTENSION OF CONSTRUCTION AGREEMENT
IN RELATION TO THE DALIAN PROJECT**

Reference is made to the announcement of the Company dated 23 November 2012 and the circular of the Company dated 14 December 2012 in relation to the Framework Construction Agreement entered into between Richcoast and Yida PRC pursuant to which the Yida PRC Group may enter into contracts with the Richcoast Group to provide construction services in respect of the Dalian Project. The term of the Framework Construction Agreement will expire on 31 December 2015.

On 4 December 2015, Richcoast, Yida PRC and Dalian Yida entered into the Fourth Supplemental Agreement, whereby the parties agreed that (1) Yida PRC shall transfer, and Dalian Yida shall accept the transfer of, all the rights and obligations of Yida PRC under the Framework Agreement with effect from 1 January 2016, and (2) the term of the Framework Construction Agreement shall be extended for a term of three financial years ending on 31 December 2018.

As Dalian Yida (through its wholly-owned subsidiary) is a substantial shareholder of Dalian Delan Software Development Co., Ltd., Dalian Jiadao Information Co., Ltd., Dalian Qiantong Science & Technology Development Co., Ltd. and Dalian Ruisheng Software Development Co., Ltd., all being non-wholly owned subsidiaries of the Company for the purposes of the Listing Rules, Dalian Yida is a connected person of the Company. Therefore, the transactions contemplated under the Framework Construction Agreement as supplemented by the Fourth

Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since one of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the Annual Caps exceeds 5%, the entering into of the Fourth Supplemental Agreement and Continuing Connected Transactions (together with the Annual Caps) are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the Listing Rules.

At the date of this announcement, Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders, in aggregate hold 4,587,365,484 Shares, representing approximately 57.15% of the total issued Shares. So far as the Company is aware, no Shareholder is materially interested in the Fourth Supplemental Agreement and the Continuing Connected Transactions. As such, none of the Shareholders is required to abstain from voting if a general meeting of the Company is convened to approve the Fourth Supplemental Agreement and the Continuing Connected Transactions (together with the Annual Caps). Accordingly, written approval by Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited in respect of the entering into of the Fourth Supplemental Agreement and the Continuing Connected Transactions (together with the Annual Caps) has been obtained and an application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to hold a general meeting in accordance with Rule 14A.37 of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions.

It is expected that a circular containing, among other things, further details of the Continuing Connected Transactions, a letter from the Independent Board Committee and advice letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be dispatched to the Shareholders on or before 28 December 2015 in accordance with the Listing Rules.

Reference is made to the announcement of the Company dated 23 November 2012 and the circular of the Company dated 14 December 2012 in relation to the Framework Construction Agreement entered into between Richcoast and Yida PRC pursuant to which the Yida PRC Group may enter into contracts with the Richcoast Group to provide the Construction Services. The term of the Framework Construction Agreement will expire on 31 December 2015.

On 4 December 2015, Richcoast, Yida PRC and Dalian Yida entered into the Fourth Supplemental Agreement to amend the terms of the Framework Construction Agreement. Principal terms of the Fourth Supplemental Agreement are set out as follows:

THE FOURTH SUPPLEMENTAL AGREEMENT

Date : 4 December 2015

Parties : (1) Richcoast
(2) Yida PRC
(3) Dalian Yida

At the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Yida PRC and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

As Dalian Yida (through its wholly-owned subsidiary) is a substantial shareholder of Dalian Delan Software Development Co., Ltd., Dalian Jiadao Information Co., Ltd., Dalian Qiantong Science & Technology Development Co., Ltd. and Dalian Ruisheng Software Development Co., Ltd., all being non-wholly owned subsidiaries of the Company for the purposes of the Listing Rules, Dalian Yida is a connected person of the Company.

Transfer of rights and obligations under the Framework Construction Agreement

Yida PRC shall transfer, and Dalian Yida shall accept the transfer of, all the rights and obligations of Yida PRC under the Framework Construction Agreement with effect from 1 January 2016.

Extension of term of Framework Construction Agreement

The term of the Framework Construction Agreement shall be extended for a term of three financial years ending on 31 December 2018.

ANNUAL CAPS

It is expected that the maximum annual fees payable by the Richcoast Group to the Dalian Yida Group for the provision of the Construction Services under the Framework Construction Agreement as supplemented by the Fourth Supplemental Agreement for each of the three financial years ending 31 December 2016, 2017 and 2018 (the “**Annual Caps**”) will be as follows:

During the financial year ending 31 December

2016	2017	2018
RMB600,000,000	RMB600,000,000	RMB600,000,000
(equivalent to approximately HK\$726,805,800)	(equivalent to approximately HK\$726,805,800)	(equivalent to approximately HK\$726,805,800)

In determining the Annual Caps, the Directors have taken into account (i) the estimated construction costs which the Richcoast Group will incur for each of the three financial years ending 31 December 2016, 2017 and 2018 based on the latest development plan of the Dalian Project; (ii) the estimated total annual contract amount payable by the Richcoast Group to the Dalian Yida Group for the Construction Services which have been awarded to the Yida PRC Group or are under discussions between the Richcoast Group and the Dalian Yida Group; and (iii) the quality, capability and the scope of the services that can be provided by the Dalian Yida Group as compared with other contractors of similar rank.

The fees paid by the Richcoast Group to the Yida PRC Group in respect of the Construction Services were approximately RMB290,660,000 (equivalent to approximately HK\$352,088,961) for the financial year ended 31 December 2013, RMB262,020,000 (equivalent to approximately HK\$317,396,097) for the financial year ended 31 December 2014 and RMB62,980,000 (equivalent to approximately HK\$76,290,383) for the six months ended 30 June 2015.

REASONS AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

In view of the latest development plan of the Dalian Project, the Richcoast Group anticipated that Construction Services would be demanded from the Dalian Yida Group in coming years. The Dalian Project will focus on and speed up the development of Hekou Bay for the next three years from 2016 to 2018. Taking into consideration that the estimated total annual contract amount payable by the Richcoast Group to the Dalian Yida Group for the Construction Services which have been awarded to the Yida PRC Group or are under discussions between the Richcoast Group and the Dalian Yida Group, the Company considered that it is necessary to enter into the Fourth Supplemental Agreement to set the Annual Caps for the three financial years ending on 31 December 2016, 2017 and 2018. The Directors consider that the entering into of the Fourth Supplemental Agreement will allow the Group to meet the development schedule and potentially enjoy the resulting economic benefits, which is in line with the commercial objectives of the Group.

The Yida PRC Group was engaged by the Richcoast Group since year 2008 to perform site formation work for certain plots of area of the Land. So far as the Directors are aware, as part of the reorganisation in preparation for the listing of Yida Holdings, Dalian Yida became the onshore holding company of the Yida Holdings Group. As Yida PRC no longer engages in construction works, Yida PRC, Dalian Yida and Richcoast have agreed to the transfer of Yida PRC's rights and obligations under the Framework Construction Agreement to Dalian Yida pursuant to the Fourth Supplemental Agreement. The Directors are of the view that, considering the strength and experience of the Yida Holdings Group in handling large-scale development projects in Dalian and the Group's smooth and close working experience with Yida PRC, Dalian Yida is one of the few competent contractors which has adequate capacity and strong local experience to cope with the Group's scheduled development in the Dalian Project. In addition, the Group is satisfied with the high quality services offered by the Yida PRC Group throughout the years.

The Directors (other than the members of the Independent Board Committee whose view will be set out in the circular to be dispatched to the Shareholders together with the opinion of the independent financial adviser) consider that the Continuing Connected Transactions will be conducted in the ordinary and usual course of business of the Group, the Fourth Supplemental Agreement has been entered into on normal commercial terms after arm's length negotiations between the parties and the terms of the Fourth Supplemental Agreement (together with the Annual Caps as set out in this announcement) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As Dalian Yida (through its wholly-owned subsidiary) is a substantial shareholder of Dalian Delan Software Development Co., Ltd., Dalian Jiadao Information Co., Ltd., Dalian Qiantong Science & Technology Development Co., Ltd. and Dalian Ruisheng Software Development Co., Ltd., all being non-wholly owned subsidiaries of the Company for the purposes of the Listing Rules, Dalian Yida is a connected person of the Company. Therefore, the transactions contemplated under the Framework Construction Agreement as supplemented by the Fourth Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since one of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the Annual Caps exceeds 5%, the entering into of the Fourth Supplemental Agreement and the Continuing Connected Transactions (together with the Annual Caps) are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the Listing Rules.

At the date of this announcement, Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, a closely allied group of Shareholders, in aggregate hold 4,587,365,484 Shares, representing approximately 57.15% of the total issued Shares. So far as the Company is aware, no Shareholder is materially interested in the Fourth Supplemental Agreement and the Continuing Connected Transactions. As such, none of the Shareholders is required to abstain from voting if a general meeting of the Company is convened to approve the Fourth Supplemental Agreement and the Continuing Connected Transactions (together with the Annual Caps). Accordingly, written approval by Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, New Rainbow Investments Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited in respect of the entering into of the Fourth Supplemental Agreement and the Continuing Connected Transactions (together with the Annual Caps) has been obtained and an application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to hold a general meeting in accordance with Rule 14A.37 of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders, and an independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions.

It is expected that a circular containing, among other things, further details of the Continuing Connected Transactions, a letter from the Independent Board Committee and a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders will be dispatched to the Shareholders on or before 28 December 2015 in accordance with the Listing Rules.

GENERAL INFORMATION

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

Dalian Yida is a wholly-owned subsidiary of Yida Holdings principally engaged in the development of residential properties in Dalian. Yida Holdings Group is principally engaged in the development of business parks in the PRC.

DEFINITIONS

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

“Annual Cap(s)”	the maximum annual fees payable by the Richcoast Group to the Dalian Yida Group for the provision of Construction Services for the three financial years ending 31 December 2016, 2017 and 2018;
“Board”	the board of Directors;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange;
“connected person”, “subsidiary”, “substantial shareholder”	each has the meaning ascribed to it in the Listing Rules;

“Construction Services”	the construction services provided and to be provided by the Dalian Yida Group to the Richcoast Group under the Framework Construction Agreement as supplemented by the Fourth Supplemental Agreement, including but not limited to the excavation and/or filling, clearance of the construction site, removal of the construction garbage, setting up drainage system and construction of the main structures of the Land;
“Continuing Connected Transactions”	the transactions contemplated under the Framework Construction Agreement as supplemented by the Fourth Supplemental Agreement;
“Dalian Project”	the Dalian Tiandi property development project jointly developed and operated by the Group, the SOCAM Group and the Yida Holdings Group, being a large-scale integrated development in Dalian, the PRC, with an estimated developable gross floor area of approximately 3.3 million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities;
“Dailan Yida”	Dalian Yida Development Company Limited* (大連億達發展有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Yida Holdings;
“Dalian Yida Group”	Dalian Yida and its subsidiaries;
“Directors”	the directors of the Company;
“Fourth Supplemental Agreement”	the fourth supplemental agreement dated 4 December 2015 entered into between Richcoast, Yida PRC and Dalian Yida to extend the term of the Framework Construction Agreement to 31 December 2018;
“Framework Construction Agreement”	the framework construction agreement dated 7 August 2008 entered into between Richcoast and Yida PRC in respect of the provision of the Construction Services, as supplemented by a supplemental agreement dated 17 July 2009 entered into between Richcoast and Yida PRC, the second supplemental agreement dated 26 August 2010 entered into between Richcoast and Yida PRC, and the third supplemental agreement dated 23 November 2012 entered into between Richcoast and Yida PRC;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the committee of the Board comprising Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW, each being an independent non-executive Director, formed to advise the Independent Shareholders in relation to the Continuing Connected Transactions;
“Independent Shareholders”	all the Shareholders as no Shareholder is required to abstain from voting in relation to the approval of the entering into of the Fourth Supplemental Agreement and the Continuing Connected Transactions (together with the Annual Caps);
“Land”	the land area constituting the Dalian Project;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
“Richcoast”	Richcoast Group Limited (a non wholly-owned subsidiary of the Company for the purposes of the Listing Rules) which is incorporated in the British Virgin Islands and is a joint venture company held as to 61.54% by Innovate Zone Group Limited (a wholly-owned subsidiary of the Company), 28.2% by Main Zone Group Limited (a member of the SOCAM Group) and 10.26% by Many Gain International Limited (a member of the Yida Holdings Group);
“Richcoast Group”	Richcoast and its subsidiaries;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shareholders”	holders of ordinary shares of the Company;
“SOCAM Group”	SOCAM Development Limited and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Yida Holdings”	Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 3639);
“Yida Holdings Group”	Yida Holdings and its subsidiaries;
“Yida PRC”	Yida Group Co., Ltd.* (億達集團有限公司), a limited liability company established in the PRC;
“Yida PRC Group”	Yida PRC and its subsidiaries; and
“%”	percent.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.82553. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.

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

Hong Kong, 4 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*