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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

PROVISION OF FINANCIAL ASSISTANCE TO DALIAN GROUP

On 5 December 2014, Innovate Zone entered into the Financial Support Agreement with Richcoast and Many Gain pursuant to which Innovate Zone agreed to lend or procure its associates to lend, and Richcoast agreed to borrow or procure its subsidiaries to borrow the Loans by entering into separate loan agreements. Many Gain agreed to guarantee to Innovate Zone and/or its associates the performance of up to 22% of the payment obligations in respect of the Loans by the Dalian Group.

Richcoast is a connected subsidiary of the Company for the purposes of the Listing Rules. Therefore, the provision of Loans by Innovate Zone and/or its associates to the Dalian Group constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loans exceed 0.1% but is/are less than 5%, the entering into of the Financial Support Agreement constitutes a connected transaction for the Company which is subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirement under the Listing Rules.

Since Many Gain is a substantial shareholder of Richcoast, Many Gain is a connected person of the Company. Therefore, Yida's Guarantee constitutes a connected transaction for the Company under the Listing Rules. As all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of Yida's Guarantee are less than 1%, Yida's Guarantee is a de minimis transaction under Rule 14A.76(1) of the Listing Rules.

* For identification purposes only

THE FINANCIAL SUPPORT AGREEMENT

Date

5 December 2014

Parties

- (1) Innovate Zone, as financial support provider;
- (2) Richcoast, as financial support receiver; and
- (3) Many Gain, as financial support guarantor.

Subject matter

Pursuant to the Financial Support Agreement, Innovate Zone agreed to lend or procure its associates to lend, and Richcoast agreed to borrow or procure its subsidiaries to borrow the Loans by entering into separate loan agreements. Many Gain agreed to guarantee to Innovate Zone and/or its associates the performance of up to 22% of the payment obligations in respect of the Loans by the Dalian Group.

Principal terms of the Financial Support Agreement

The principal terms of the Financial Support Agreement are summarized as follows:

- Principal aggregate amount of the Loans : Up to RMB280 million.
- Interest rate : Innovate Zone and/or its associates shall receive interest at 12% per annum (that is, up to RMB33.6 million in aggregate).
- Obligation : It is a condition that, under the terms of the Financial Support Agreement, Richcoast has to procure the Dalian Group to pledge its assets covering certain residential and commercial premises and land for technological and educational use in Hekou Bay and Huangnichuan North to Innovate Zone and/or its associates (as the case may be), the value of which, based on an independent market valuation, must not be less than RMB560 million.

- Guarantor : Many Gain guarantees to Innovate Zone and/or its associates the performance of up to 22% of the payment obligations in respect of the Loans by the Dalian Group.
- Maturity date : No later than 8 December 2015, or on an earlier date as specified in the related loan agreements.
- Availability of the Loans : The Loans shall be available to be drawn down by the Dalian Group at any time from the date of the Financial Support Agreement to 8 December 2014 and in accordance with the terms of the related separate loan agreements.
- Purpose of the Loans : The Dalian Group will use the Loans to repay existing indebtedness with near term maturities.

REASONS FOR THE FINANCIAL SUPPORT AGREEMENT

Richcoast is the offshore joint venture company ultimately held by the Company, SOCAM and Yida which in turn holds 78% of its PRC subsidiaries in the Dalian Project with Yida holding the remaining 22%. As such, the Dalian Group is effectively held as to 48% by SOL Group, 22% by SOCAM Group and 30% by Yida Group.

Based on the financial assessment of the Dalian Project and given that Innovate Zone is the majority shareholder of the Dalian Project, the Board, after evaluating the feasible alternatives and solutions, considers that the entering into of the Financial Support Agreement is intended to provide funding to the Dalian Project to repay existing indebtedness with near term maturities in a rapid and efficient manner.

The Directors (excluding (1) Mr. Vincent Lo, who has a material interest in the Transactions given his interest in SOCAM; and (2) Mr. Philip Wong, who is a non-executive director of SOCAM) consider that the terms of the Financial Support Agreement and the Transactions are entered into after arm's length negotiation between the parties, are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Mr. Vincent Lo, being the Chairman and an executive director for the Company and SOCAM respectively, has a material interest in the Transactions because Richcoast together with the Dalian Group as a whole are the connected subsidiaries of the Company under Chapter 14A of the Listing Rules. Mr. Philip Wong is also a director for the Company and SOCAM respectively. Accordingly, Mr. Vincent Lo and

Mr. Philip Wong have abstained from voting on the relevant resolutions passed by the Board to approve the Financial Support Agreement and the Transactions. None of the other Directors has any material interest in the Transactions or was required to abstain from voting on the resolutions passed by the Board to approve the Transactions.

IMPLICATIONS OF THE LISTING RULES

At the date of this announcement, Richcoast is held as to 61.54% by SOL Group, 28.2% by SOCAM Group and 10.26% by Yida Group. Mr. Vincent Lo, being the Chairman and an executive Director of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at the general meetings of the Company. Mr. Vincent Lo, who is also the Chairman and an executive director of SOCAM, and his associates are together entitled to control the exercise of more than 30% voting power at the general meetings of SOCAM. Therefore, SOCAM is an associate of Mr. Vincent Lo and a connected person of the Company at the listed issuer level. Accordingly, Richcoast is a connected subsidiary of the Company under Chapter 14A of the Listing Rules. The provision of Loans by Innovate Zone and/or its associates to the Dalian Group constitutes a connected transaction for the Company under the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loans exceed 0.1% but is/are less than 5%, the entering into of the Financial Support Agreement constitutes a connected transaction for the Company which is subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirement under the Listing Rules.

Since Many Gain is a substantial shareholder of Richcoast, Many Gain is a connected person of the Company. Therefore, Yida's Guarantee constitutes a connected transaction for the Company under the Listing Rules. As all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of Yida's Guarantee are less than 1%, Yida's Guarantee is a de minimis transaction under Rule 14A.76(1) of the Listing Rules.

GENERAL INFORMATION

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

DEFINITIONS

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

“associate(s)”, “connected person(s)”, “connected subsidiary(ies)”, “subsidiary(ies)” and “substantial shareholder”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liabilities whose shares are listed on the main board of the Stock Exchange (Stock code: 272);
“Dalian Group”	Richcoast and its subsidiaries from time to time, which holds the Dalian Project;
“Dalian Project”	the Dalian Tiandi property development project jointly developed and operated by the Group, the SOCAM Group and the Yida Group, being a large-scale integrated development in Dalian, the PRC, with an estimated developable gross floor area of approximately 3 million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities;
“Director(s)”	Director(s) of the Company;
“Financial Support Agreement”	the financial support agreement dated 5 December 2014 entered into between Innovate Zone as financial support provider, Richcoast as financial support receiver and Many Gain as financial support guarantor in relation to the Loans;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Innovate Zone”	Innovate Zone Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loans”	the loans in an aggregate amount of RMB280 million made by Innovate Zone and/or its associates to the Dalian Group pursuant to the Financial Support Agreement and related loan agreements;
“Main Zone”	Main Zone Group Limited, a wholly-owned subsidiary of SOCAM and a company incorporated in the British Virgin Islands;
“Many Gain”	Many Gain International Limited, a wholly-owned subsidiary of Yida and a company incorporated in the British Virgin Islands;
“Mr. Philip Wong”	Mr. Philip K. T. WONG, an executive Director of the Company;
“Mr. Vincent Lo”	Mr. Vincent H. S. LO, the Chairman and executive Director of the Company;
“Richcoast”	Richcoast Group Limited, a company incorporated in the British Virgin Islands with limited liability held as to 61.54% by SOL Group through Innovate Zone, 28.2% by SOCAM Group through Main Zone and 10.26% by Yida Group through Many Gain respectively and a non wholly-owned subsidiary of the Company for the purposes of the Listing Rules;
“RMB”	Renminbi, the lawful currency of the PRC;
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;

“SOCAM”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (Stock code: 983);
“SOCAM Group”	SOCAM and its subsidiaries;
“SOL Group”	the Company and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the transactions contemplated under the Financial Support Agreement including Yida’s Guarantee;
“Yida”	Yida China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock code: 3639);
“Yida Group”	Yida and its subsidiaries (including Many Gain); and
“Yida’s Guarantee”	the guarantee provided by Many Gain to Innovate Zone to guarantee the performance of up to 22% of the payment obligations in respect of the Loans by the Dalian Group to Innovate Zone and/or its associates.

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

Hong Kong, 5 December 2014

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Daniel Y. K. WAN and Mr. Philip K. T. WONG; the non-executive director of the Company is 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.