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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**

**FRAMEWORK SERVICES AGREEMENT WITH  
V I CAPITAL MANAGEMENT LIMITED**

On 1 April 2015, Shui On Development and ViCap entered into the Framework Services Agreement pursuant to which the Group may enter into Service Contracts with ViCap for the provision of Services by ViCap to the Group during the period of two years commencing from 1 April 2015 to 31 March 2017.

ViCap is wholly-owned by Mr. Frankie Wong who is the non-executive Director and a connected person of the Company. Therefore, ViCap is an associate of a connected person of the Company at the listed issuer level and thus a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Framework Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of 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 Cap exceed 0.1% but are less than 5%, the entering into of the Framework Services Agreement and the Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

\* For identification purposes only

## **THE FRAMEWORK SERVICES AGREEMENT**

### ***Date***

1 April 2015

### ***Parties***

1. Shui On Development; and
2. ViCap.

### ***Subject matter***

Shui On Development and ViCap entered into the Framework Services Agreement pursuant to which the Group may enter into Service Contracts with ViCap for the provision of Services by ViCap to the Group during the period of two years commencing from 1 April 2015 to 31 March 2017. ViCap shall provide to the Group the Services on such normal commercial terms as ViCap may agree with the Group from time to time.

### ***Service Fees***

The Group shall pay to ViCap the Service Fees which shall be determined in accordance with the fee scale for similar Services offered by independent third parties in the market, taking into account the expertise and experience of the senior management team of ViCap. In general and for indicative purpose, ViCap will charge the Service Fees which range from 1% to 1.5% of the transaction amount upon the successful completion of the relevant transaction. ViCap will not be entitled to any Service Fee from the Group if the relevant transaction is not completed for any reason out of the control of the Group; however, a discretionary payment in an amount not exceeding the Service Fee for the relevant transaction that would otherwise be payable may be made to ViCap in appreciation of its efforts and work in the relevant transaction, subject to the necessary approval having been made by the Group. It is expected that the amount of discretionary payment to ViCap will not be significant because, in principle, the Service Fee is payable on success basis only.

It is currently estimated that the maximum caps for the Service Fees payable by the Group to ViCap under the Framework Services Agreement are as follows:-

For the period from 1 April 2015 to 31 December 2015:	RMB25 million (equivalent to approximately HK\$31.6 million)
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For the period from 1 January 2016 to 31 December 2016:	RMB20 million (equivalent to approximately HK\$25.3 million)
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For the period from 1 January 2017 to 31 March 2017:	RMB5 million (equivalent to approximately HK\$6.3 million)
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The Caps are determined by reference to the internal projection of the Service Fees during the term of the Framework Services Agreement, taking into account (i) the volume of the Services Contracts under negotiation and anticipated to be entered into between ViCap and the Group and (ii) the prevailing market rates with respect to the provision of the Services.

## **REASONS FOR AND BENEFITS OF ENGAGEMENT OF CONSULTANCY SERVICES**

Mr. Frankie Wong, the non-executive Director, together with the senior management team of ViCap comprising real estate finance professionals who have worked at global investment banks have many years of experience in negotiating transaction terms and extensive industry network in soliciting potential business opportunities. ViCap engages in the provision of advisory and intermediary services on real estate projects and business acquisitions, disposals and corporate finance. Through the entering into of the Framework Services Agreement with ViCap, the Group will have access to the services of ViCap which will help expedite the successful divestment of property assets.

Further, ViCap's Service Fees are on success basis and on normal commercial terms determined in accordance with usual market practice, which is fair and reasonable to the Group.

## **LISTING RULES IMPLICATIONS**

ViCap is wholly-owned by Mr. Frankie Wong who is the non-executive Director and a connected person of the Company. Therefore, ViCap is an associate of a connected person of the Company at the listed issuer level and thus a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Framework Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of 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 Cap exceed 0.1% but are less than 5%, the entering into of the Framework Services Agreement and the Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (excluding Mr. Frankie Wong, who has a material interest in the Framework Services Agreement and the Continuing Connected Transactions by virtue of his interest in ViCap as mentioned above) consider that the terms of the Framework Services Agreement and the Continuing Connected Transactions are entered into after arm's length negotiation between the parties, are fair and reasonable and in the interests of the Company and its shareholders as a whole. Mr. Frankie Wong has abstained from voting on the relevant resolutions passed by the Board to approve the Framework Services Agreement and the Continuing Connected Transactions. None of the other Directors has any material interest in the Framework Services Agreement and the Continuing Connected Transactions or was required to abstain from voting on the resolutions passed by the Board to approve the Framework Services Agreement and the Continuing Connected Transactions.

## **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 long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

ViCap principally engages in provision of advisory and intermediary services on corporate and business acquisitions, mergers, disposals and finances.

## DEFINITIONS

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

“associate”, “connected person” and “subsidiary(ies)”	each shall have the meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Cap(s)”	the maximum aggregate Service Fees payable by the Group to ViCap under the Framework Services Agreement for the relevant period in a financial year;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the main board of the Stock Exchange (stock code: 272);
“Continuing Connected Transactions”	the transactions contemplated under the Framework Services Agreement;
“Director(s)”	the director(s) of the Company;
“Framework Services Agreement”	the framework services agreement dated 1 April 2015 entered into between Shui On Development and ViCap in relation to the provision of Services by ViCap to the Group;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Frankie Wong”	Mr. Frankie Y. L. WONG, the non-executive Director;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
“RMB”	Renminbi, the lawful currency of the PRC;

“Services”	the advisory services, including but not limited to financial advisory services, merger and acquisition services, divestment consultancy services, etc., in accordance with the terms of the Framework Services Agreement;
“Service Contract(s)”	the contract(s) which may be entered into by ViCap with the Group setting out the terms and conditions, including payment and other customary terms, for the relevant Services;
“Service Fee(s)”	fee(s) for the Services provided by ViCap to the Group under the Services Contracts;
“Shui On Development”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“ViCap”	V I Capital Management Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Mr. Frankie Wong; and
“%”	per cent.

*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 = RMB0.79. 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, 1 April 2015

*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.*