

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

**Repurchase of Economic Interest
relating to certain residential units at Wuhan Tiandi Project from
Business Infinity Global Limited**

On 7 September 2015, Shui On Development (Holding) Limited, a wholly-owned subsidiary of the Company, as the purchaser and Business Infinity Global Limited as the seller entered into the Repurchase Agreement, pursuant to which the Seller agreed to sell and the Purchaser agreed to repurchase the Economic Interest in relation to the Property at Wuhan Tiandi Project for a total cash consideration of RMB143,450,000 (approximately HK\$174,852,000).

The Seller is a subsidiary of SOCAM for the purposes of the Listing Rules. Mr. Vincent Lo, who is 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 general meetings of the Company. Accordingly, Mr. Vincent Lo is a connected person 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% of the voting power at general meetings of SOCAM. Therefore, the Seller 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 entering into of the Repurchase Agreement and the Transaction constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

** For identification purposes only*

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceed 0.1% but are less than 5%, the entering into of the Repurchase Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 27 February 2015 regarding the sale of the Economic Interest relating to the Property at Wuhan Tiandi Project by SOL Group to SOCAM Group.

The Company hereby announces that on 7 September 2015, Shui On Development (Holding) Limited, a wholly-owned subsidiary of the Company, as the purchaser, has agreed to repurchase the Economic Interest in relation to the Property from Business Infinity Global Limited, as the seller, pursuant to the terms of the Repurchase Agreement at a total cash consideration of RMB143,450,000 (approximately HK\$174,852,000).

THE REPURCHASE AGREEMENT

Date

7 September 2015

Parties

1. The Seller; and
2. The Purchaser.

Subject matter

The Seller agreed to sell and the Purchaser agreed to purchase the Economic Interest relating to the Property in accordance with the terms and conditions of the Repurchase Agreement.

Consideration and payment term

The total consideration in cash for the Transaction is RMB143,450,000 (approximately HK\$174,852,000) which was determined based on arm's length negotiation between the parties after taking into account the following factors:

- (i) the prevailing market value of comparable properties in Wuhan, Hubei Province, the PRC; and
- (ii) the independent valuation of the Property at 31 July 2015 prepared by Knight Frank Petty Limited of RMB162,000,000 (approximately HK\$197,462,000).

The original acquisition cost of the Property's Economic Interest to the Seller was RMB140,340,333 (approximately HK\$171,061,000) as announced by the Company on 27 February 2015.

The Consideration shall be paid by the Purchaser to the Seller in one single installment at Closing and it will be funded by the internal resources of SOL Group.

Completion

Completion will take place within 15 business days from the date of the Repurchase Agreement and in any event no later than 25 September 2015 pursuant to the terms of the Repurchase Agreement. Upon full payment of the Consideration by the Purchaser to the Seller, the Investment Agreement shall be automatically terminated.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction enables the Company to obtain higher return from the sale of luxurious properties in Wuhan, the PRC due to the loosened control measures implemented by the PRC government. It also reduces the management cost of the Company by eliminating the participation by the Seller in, and the requirements for reporting to and obtaining approval from the Seller in respect of, the sales and marketing operation of the Property in Wuhan Tiandi Project.

IMPLICATION OF THE LISTING RULES

The Seller is a wholly-owned subsidiary of the Fund, in which SOCAM indirectly holds only 0.075% share interest. However, as the Fund is managed by a subsidiary of SOCAM as its general partner, the Seller, being a subsidiary of the Fund, is regarded as a subsidiary of SOCAM for the purposes of the Listing Rules. Mr. Vincent Lo, who is 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 general meetings of the Company. Accordingly, Mr. Vincent Lo is a connected person 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% of the voting power at general meetings of SOCAM. Therefore, the Seller 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 entering into of the Repurchase Agreement and the Transaction constituted a connected transaction of 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 Transaction exceed 0.1% but are less than 5%, the entering into of the Repurchase Agreement is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding Mr. Vincent Lo, who has a material interest in the Transaction given his interest in SOCAM as mentioned above) consider that the terms of the Repurchase Agreement and the Transaction 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. Vincent Lo has abstained from voting on the relevant resolutions passed by the Board to approve the Repurchase Agreement and the Transaction. None of the other Directors has any material interest in the Transaction or was required to abstain from voting on the resolutions passed by the Board to approve the Repurchase Agreement and the Transaction.

GENERAL INFORMATION

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

The Seller is a wholly-owned subsidiary of the Fund of which the principal business activity is to invest in real estate projects.

DEFINITIONS

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

“associate(s)”, “connected person(s)”, and “subsidiary(ies)”	each shall have the meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Closing”	completion of the Transaction in accordance with the Repurchase Agreement;
“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 (stock code: 272);
“Consideration”	the total consideration for the Transaction, being RMB143,450,000 (approximately HK\$174,852,000);
“Director(s)”	the director(s) of the Company;
“Economic Interest”	the ownership of and the right to receive the Participation Payment in accordance with the terms and conditions of the Investment Agreement as referred to in the announcement of the Company dated 27 February 2015;
“Fund”	SoTan China Real Estate I, LP, a limited partnership formed in England under the Limited Partnerships Act 1907;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Investment Agreement”	has the meaning given to it as defined in the announcement of the Company dated 27 February 2015;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Vincent Lo”	Mr. Vincent H. S. LO, the Chairman and executive Director of the Company;
“Participation Payment”	has the meaning given to it as defined in the announcement of the Company dated 27 February 2015;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
“Property”	twelve residential units at Wuhan Tiandi Project, with an estimated total gross floor area of 4,495.19 square metres;
“Purchaser”	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;
“Repurchase Agreement”	the agreement dated 7 September 2015 entered into between the Seller and the Purchaser in relation to the Transaction;
“RMB”	Renminbi, the lawful currency of the PRC;
“Seller”	Business Infinity Global Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Fund;
“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;
“Transaction”	the transaction contemplated under the Repurchase Agreement regarding the repurchase of the Economic Interest relating to the Property;
“Wuhan Tiandi Project”	the Wuhan Tiandi property development project owned by Wuhan Shui On Tiandi Property Development Company Limited (武漢瑞安天地房地產發展有限公司), an indirect wholly-owned subsidiary of the Company. It is a large-scale mixed-use development project situated at Jiang’an District, Wuhan, Hubei Province, the PRC comprising residential, office, commercial properties and entertainment centre; 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 = RMB0.82041. 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, 7 September 2015

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