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瑞安房地產
SHUI ON LAND

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 AWARD OF NANJING PROJECT WORKS

The Board announces that on 14 December 2017, SOCM (an indirect wholly-owned subsidiary of the Company) received a confirmation, by way of the Letter of Acceptance, on its engagement by Jiangsu Jiu Xi (an indirect wholly-owned subsidiary of SOCAM) as the main contractor to carry out the Project Works for a total contract sum of approximately RMB34.93 million (equivalent to approximately HK\$41.15 million).

Mr. 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 the general meetings of the Company. Accordingly, Mr. Lo is a connected person of the Company. Mr. 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 the general meetings of SOCAM. Therefore, Jiangsu Jiu Xi, being an indirect wholly-owned subsidiary of SOCAM and hence an associate of Mr. Lo, is a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction and the Previous Transaction on an aggregate basis exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that on 14 December 2017, SOCM received a confirmation, by way of the Letter of Acceptance, on its engagement by Jiangsu Jiu Xi as the main contractor to carry out the Project Works. SOCM and Jiangsu Jiu Xi will subsequently enter into the definitive contract to set out the detailed terms of the engagement in furtherance of the Letter of Acceptance.

THE LETTER OF ACCEPTANCE

Date

14 December 2017

Parties

- (1) SOCM, an indirect wholly-owned subsidiary of the Company, as main contractor.
- (2) Jiangsu Jiu Xi, an indirect wholly-owned subsidiary of SOCAM, as employer.

Subject matter

Jiangsu Jiu Xi confirmed the engagement of SOCM as the main contractor to carry out construction works, including (among others) foundation and main structural works, electrical and mechanical works, and interior fit-out works, for Site C of the Nanjing Project (the “**Project Works**”).

Contract sum and payment terms

The total contract sum payable by Jiangsu Jiu Xi to SOCM for the Project Works is approximately RMB34.93 million (equivalent to approximately HK\$41.15 million) (the “**Contract Sum**”).

The Contract Sum shall be settled by Jiangsu Jiu Xi in the following manner:

- (1) 75% of the Contract Sum shall be payable to SOCM on a monthly basis in accordance with the progress of the Project Works completed by SOCM;
- (2) 10% of the Contract Sum shall be payable to SOCM after completion of the inspection and acceptance of the Project Works;
- (3) 10% of the Contract Sum shall be payable to SOCM after issuance of the statement of account for completion of the Project Works; and

- (4) 5% of the Contract Sum will be withheld as non-interest bearing retention money, of which 2% will be released to SOCM one year following issuance of the completion certificate of the Project Works and the remaining 3% will be released to SOCM two years after the expiry of a 24-month defects liability period following completion of the Project Works.

The Project Works were awarded to SOCM through a selective tendering process initiated by Jiangsu Jiu Xi. The Contract Sum offered by SOCM was accepted by Jiangsu Jiu Xi after due consideration of the comparable rates offered by the other independent third party contractors tendering for the Project Works.

Completion

The Project Works to be carried out by SOCM shall be completed by 13 November 2018 (subject to any notice of adjustment of the work commencement date by Jiangsu Jin Xi), and SOCM shall be liable to pay damages of RMB30,000 (equivalent to approximately HK\$35,340) per calendar day for any delay in completion of the Project Works.

REASONS FOR AND BENEFITS OF THE TRANSACTION

SOCM was a former subsidiary of SOCAM, which was acquired by the Company in October 2014 and is a main contractor engaged in building construction and maintenance in the PRC for the group companies of SOCAM for numerous years. The Directors believe that the awarded Project Works will enable SOCM to fully utilize its expertise in furtherance of its operation.

The Directors (including the independent non-executive Directors but other than Mr. Lo, who has a material interest in the Transaction given his indirect interest in Jiangsu Jiu Xi; and Mr. Frankie Y. L. WONG (“**Mr. Wong**”) who is also an executive director, the Chief Executive Officer and the Chief Financial Officer of SOCAM, and both of Mr. Lo and Mr. Wong had abstained from voting on the relevant Board resolutions approving the Transaction) consider that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. 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 the general meetings of the Company. Accordingly, Mr. Lo is a connected person of the Company. Mr. 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 the general meetings of SOCAM. Therefore, Jiangsu Jiu Xi, being an indirect wholly-owned subsidiary of SOCAM and hence an associate of Mr. Lo, is a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction and the Previous Transaction on an aggregate basis exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A 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 engages principally in the development, sale, leasing, management and ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

Jiangsu Jiu Xi is an indirect wholly-owned subsidiary of SOCAM, which principally engages in the development of the Nanjing Project.

DEFINITIONS

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

“associate(s)”, “connected person” and “subsidiary(ies)”	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 liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 272)
“Contract Sum”	has the meaning ascribed to it under the section headed “THE LETTER OF ACCEPTANCE - Contract sum and payment terms” of this announcement
“Directors”	the directors of the Company
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Jiu Xi”	江蘇九西建設發展有限公司 (Jiangsu Jiu Xi Development Co., Ltd.*), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of SOCAM
“Letter of Acceptance”	the letter of acceptance issued by Jiangsu Jiu Xi on 14 December 2017 and acknowledged by SOCM on the same date in respect of the engagement of SOCM as the main contractor to carry out the Project Works
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lo”	Mr. Lo Hong Sui, Vincent
“Nanjing Project”	a property development known as “Nanjing Scenic Villa” located in Jiangning District, Nanjing, the PRC
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macao Special Administrative Region of the PRC)

“Previous Transaction”	the engagement of project management services from a subsidiary of the Company by Jiangsu Jiu Xi for the Nanjing Project pursuant to a contract dated 15 August 2017 for an amount of approximately RMB0.36 million (equivalent to approximately HK\$0.42 million), which constituted a de minimis transaction under Rule 14A.76 of the Listing Rules and was exempt from all connected transaction requirements under Chapter 14A of the Listing Rules
“Project Works”	has the meaning ascribed to it under the section headed “THE LETTER OF ACCEPTANCE — Subject matter” of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“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)
“SOCM”	瑞安建築有限公司 (Shui On Construction Co., Ltd.*), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Letter of Acceptance
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 : HK\$1.178. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

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

Hong Kong, 14 December 2017

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman) and Mr. Douglas H. H. SUNG (Chief Financial Officer); 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, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

** For identification purposes only*