



Press Release

Acquisition of New Shanghai Office Property - SOL Leveraging Brand & Management Expertise to Add Value to KIC Brand

[20 December 2017, Shanghai] – Shui On Land Limited (“Shui On Land” or the “Company”, Stock Code: 272) announced today the purchase of the entire interest of the Property comprising two office buildings in Shanghai through the acquisition of Shanghai Xin Wan Jing Property Limited (“Target Company”) for a consideration of approximately RMB1,144.3 million (equivalent to approximately HK\$1,353.7 million).

The transaction was done through the Sale and Purchase Agreement between Shanghai Ze Chen Real Estate Co. Limited, an indirect wholly-owned subsidiary of the Company, and C&D Real Estate Corporation Limited (the Vendor), which owns 100% of the Target Company and consists itself of over 250 companies with real estate development as its core business. The Target Company is primarily engaged in real estate development and management and property management. Its sole asset is the Property named Jianfa Junyi Building comprising two office buildings. The agreement was entered into following the Company’s successful bid in the tender which closed on 19 December 2017.

The consideration was determined with reference to the Property value based on comparable properties within comparable vicinity and physical specifications of the Property, the adjusted total amount of assets and liabilities of the Target Company as at 31 July 2017, as well as the shareholder’s loans of approximately RMB319.3 million (equivalent to approximately HK\$377.7 million).

The Property is situated at New Jiangwan City, Yangpu District, Shanghai, in close proximity to the KIC project of the Company and with good public transport connectivity. The two office buildings, with a total site area of approximately 11,246 square metres (“sq.m.”) and a total saleable gross floor area (“GFA”) of 45,298 sq.m. and 418 underground car parking lots, were newly completed in September this year in a bare shell condition. The Company intends to renovate, reposition and lease up the Property for long term investment purpose.

Given the high occupancy rate in our KIC project, the acquisition expands the Company’s capacity to meet the ever-growing demand, as well as strengthens the KIC brand. The acquisition also increases the Company’s office portfolio in the upcoming and growing New Jiangwan City office sub-market thus augmenting the Company’s presence in the Shanghai office market, in line with the Company’s new long-term strategies. In addition, the Property provides us an excellent opportunity to leverage on our core strengths, namely brand and asset management expertise, as part of our transition into an asset light business model.

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About Shui On Land

Headquartered in Shanghai, Shui On Land (Stock Code: 272) is the flagship property development company of the Shui On Group in the Chinese Mainland with a proven track record in developing mixed-use, sustainable development communities. As of 30 June 2017, the Company has nine projects in various stages of development in prime locations of major cities, with a landbank of 11.7 million sq.m. (9.8 million sq.m. of leasable and saleable GFA, and 1.9 million sq.m. of clubhouses, car parking spaces and other facilities). The Company was listed on the Hong Kong Stock Exchange on October 4, 2006, the largest Chinese real estate enterprise listed that year. Shui On Land was included in the Hang Seng Composite Index, HSCI Composite Industry Index - Properties & Construction, Hang Seng Composite LargeCap & MidCap Index and Hang Seng Stock Connect Hong Kong Index.

For further information please visit website www.shuionland.com.

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