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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)

## **MAJOR AND CONNECTED TRANSACTION**

### **CONDITIONAL DISPOSAL OF 61.54% SHARE INTEREST AND THE RELATED LOANS IN RICHCOAST GROUP LIMITED**

The Board announces that on 14 November 2017 (after trading hours of the Stock Exchange), Innovate Zone (a wholly-owned subsidiary of the Company) and SODH entered into the Sale and Purchase Agreement with the Purchaser and Yida, pursuant to which (i) Innovate Zone has conditionally agreed to sell and procure the sale of, and the Purchaser has conditionally agreed to acquire the Sale Shares (representing 61.54% of the issued share capital of Richcoast), the Offshore Loans and the Assignable Onshore Debts; and (ii) the Purchaser has conditionally agreed to procure the repayment of the Non-Assignable Onshore Debts, for the Total Transaction Amount, being RMB3,160 million (equivalent to approximately HK\$3,716.34 million).

Richcoast is an investment holding company and through its subsidiaries, holds 78% interest in the Dalian Tiandi Project, and the remaining 22% of which is held by the Yida Group. Upon Completion, Richcoast will cease to be a subsidiary of the Company.

Since the highest applicable percentage ratio for the Company in respect of the Transaction is 25% or more but is less than 75%, the Transaction (including the settlement arrangements in connection with the Deferred Payment after Completion) constitutes a major transaction for the Company subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser is a substantial shareholder of Richcoast, an indirect non-wholly owned subsidiary of the Company, and is therefore a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction with a connected person at the subsidiary level for the Company subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the Transaction. As such, no Shareholder would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Transaction.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, holds 675,493,996 Shares, 1,707,888,889 Shares, 183,503,493 Shares, 633,333,333 Shares, 908,448,322 Shares, 150,000,000 Shares and 323,319,781 Shares, respectively, and together representing approximately 56.84% of the issued share capital of the Company at the date of this announcement.

The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited for the Sale and Purchase Agreement and the Transaction pursuant to Rule 14.44 of the Listing Rules and as a result, no extraordinary general meeting will be convened to consider the Sale and Purchase Agreement and the Transaction.

A circular containing, amongst other things, details of the Transaction will be despatched to the Shareholders once available. As the Company requires time for compiling the information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 5 December 2017.

**Completion is subject to various conditions precedent set out in the paragraph headed "The Sale and Purchase Agreement — Conditions" in this announcement. As such, the Transaction may or may not materialise. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Board announces that on 14 November 2017 (after trading hours of the Stock Exchange), Innovate Zone (a wholly-owned subsidiary of the Company) and SODH entered into the Sale and Purchase Agreement with the Purchaser and Yida in respect of the Transaction. Upon Completion, Richcoast will cease to be a subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SALE AND PURCHASE AGREEMENT**

In accordance to the “Asset Light Strategy” the Group has been pursuing since 2015, the Transaction enables the Group to optimize the value of some of its mature and/or underperforming properties, to improve its overall asset turnover rate, and to recycle its capital into other new opportunities. The Transaction is estimated to deliver, after deducting taxes and transaction costs, a total net proceeds from the disposal of approximately RMB3,102 million (equivalent to approximately HK\$3,648.12 million), and a net gearing reduction of 6%. Upon Completion, Richcoast will cease to be a subsidiary of the Company under the Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the Sale and Purchase Agreement and the transactions contemplated thereunder (including the arrangement in relation to the Non-payment Fee) are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

**14 November 2017**

### **Parties**

1. Innovate Zone, a wholly-owned subsidiary of the Company holding 61.54% share interest in Richcoast at the date of this announcement, as the seller;
2. Many Gain International Limited, a wholly-owned subsidiary of Yida holding 10.26% share interest in Richcoast at the date of this announcement, as the Purchaser;
3. SODH, as the guarantor of the obligations of Innovate Zone under the Sale and Purchase Agreement; and

4. Yida, as the guarantor of the obligations of the Purchaser under the Sale and Purchase Agreement.

Save for the information set out in the sections headed “Information on the Richcoast Group” and “Implications of the Listing Rules” below, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser, Yida and their respective beneficial owners are independent of the Company and its connected persons.

### **Subject Matters**

Pursuant to the Sale and Purchase Agreement, (i) Innovate Zone has conditionally agreed to sell and procure the sale of, and the Purchaser has conditionally agreed to acquire the Sale Shares (representing 61.54% of the issued share capital of Richcoast), the Offshore Loans and the Assignable Onshore Debts; and (ii) the Purchaser has conditionally agreed to procure the repayment of the Non-Assignable Onshore Debts.

### **Total Transaction Amount and payment terms**

The Total Transaction Amount, comprising consideration for the Disposal and the debt repayment amount, is RMB3,160 million (equivalent to approximately HK\$3,716.34 million) which includes:

- (i) ***Consideration for the Disposal:*** a sum of approximately RMB2,871.76 million (equivalent to approximately HK\$3,377.35 million) being the consideration payable to Innovate Zone for the Disposal, comprising:
  - (a) an amount of RMB3,186 (equivalent to approximately HK\$3,746.91) for the Sale Shares;
  - (b) an amount of approximately RMB1,804.37 million (equivalent to approximately HK\$2,122.04 million) for the Offshore Loans; and
  - (c) an amount of approximately RMB1,067.39 million (equivalent to approximately HK\$1,255.31 million) for the Assignable Onshore Debts; and
- (ii) ***Debt repayment amount:*** an amount of approximately RMB288.24 million (equivalent to approximately HK\$338.99 million) for the repayment of the Non-Assignable Onshore Debts by Richcoast PRC subsidiaries to the Group via their self operating funds.

The Total Transaction Amount shall be paid and settled, or procured to be paid and settled, by the Purchaser in cash in the following manner:

- (i) an earnest money of RMB10 million (equivalent to approximately HK\$11.76 million) that has been paid prior to the date of the Sale and Purchase Agreement would be converted into part of the deposit upon signing of the Sale and Purchase Agreement;
- (ii) an amount of approximately RMB333.63 million (equivalent to approximately HK\$392.37 million), being the remaining deposit, shall be paid within three Business Days upon signing of the Sale and Purchase Agreement;
- (iii) (a) an amount of approximately RMB364.89 million (equivalent to approximately HK\$429.13 million); and (b) an amount of up to approximately RMB77.94 million (equivalent to approximately HK\$91.66 million), subject to the cash balance available on the books of the members of the Richcoast Group in the PRC, shall be paid/settled on the Completion Date;
- (iv) an amount of approximately RMB212.56 million (equivalent to approximately HK\$249.98 million) shall be paid/settled by 29 December 2017; and
- (v) the remaining balance of the Total Transaction Amount, being the Total Transaction Amount of RMB3,160 million less the accumulative amount paid/settled on or before the later of the Completion Date or 29 December 2017, shall be paid/settled within 12 months after the Completion Date, of which accumulative amount of at least RMB1,672.56 million (equivalent to approximately HK\$1,967.02 million) shall be paid/settled within six months after the Completion Date.

The Purchaser shall pay interest calculated on a daily basis at the rate of 5% per annum on the balance of the Total Transaction Amount outstanding at the Completion Date (the “**Deferred Payment**”) until the date of actual payment (both dates inclusive). The interest rate was determined after arm’s length negotiations having taken into account interest rates applicable to similar arrangement. As security, the Purchaser shall on Completion issue to Innovate Zone a promissory note for an amount equivalent to the outstanding balance of the consideration for the Sale Shares and the Offshore Loans (the “**Outstanding Disposal Offshore Consideration**”) and carrying the aforesaid interest. Upon the settlement of any of the Outstanding Disposal Offshore Consideration (including the accrued interest thereon), a corresponding amount of the Purchaser’s obligations under the promissory note shall be reduced proportionately. The promissory note will be returned to the Purchaser upon full payment of the Outstanding Disposal Offshore Consideration and the accrued interest thereon. Moreover, the Sale and Purchase Agreement provides for certain further financial control measures to secure the payment of the Deferred

Payment, including that funds arising from new loan facilities of and assets disposal by the Richcoast Group in certain circumstances shall be placed in a joint custody account and Innovate Zone shall have the right to appoint a designated financial supervisor to the Richcoast Group until and unless all the Deferred Payment (including the accrued interest thereon) is settled.

The Total Transaction Amount was determined after arm's length negotiations between Innovate Zone and the Purchaser with reference to the carrying value of the Group's interest in the Richcoast Group (which holds 78% interest in the Dalian Tiandi Project) as well as the Group's cumulative cash investment cost in the Richcoast Group, and after taking into account the following factors:

- (i) Dalian Tiandi Project is a joint-venture project in which the Group has a 48% effective interest, and subject to various restrictions as set out in the joint venture agreement; and
- (ii) the Richcoast Group has a net loss (before taxation) of RMB681.48 million (equivalent to approximately HK\$801.46 million) and RMB691.48 million (equivalent to approximately HK\$813.22 million) for the year end 31 December 2016 and 31 December 2015 respectively.

### **Conditions**

Completion is conditional upon, among other things, the satisfaction or, as applicable, waiver of the following conditions on or before the Long Stop Date:

- (i) there being (a) no government resumption or surrender of; (b) no change in ownership of; and (c) no encumbrance created on, the Richcoast Group's properties on or before the Completion Date, which would have a material adverse effect to the Richcoast Group's properties;
- (ii) the Shareholders' approval having been obtained by the Company in respect of the Sale and Purchase Agreement and the Transaction contemplated thereunder pursuant to the Listing Rules;
- (iii) the shareholders' approval having been obtained by Yida in respect of the Sale and Purchase Agreement and the Transaction contemplated thereunder pursuant to the Listing Rules;
- (iv) banks' consents having been obtained in relation to the assignment of the related Assignable Onshore Debt, or where applicable, in relation to the Disposal;
- (v) financial institutions' consents having been obtained in relation to the release on the Completion Date of the corporate guarantees provided by the Group in favour of certain financial institutions for the benefit of the Richcoast Group;

- (vi) financial institutions' consents having been obtained in relation to the change of control of Richcoast;
- (vii) (a) consent of Mitsui having been obtained in relation to the release of the corporate guarantee executed by the Company in its favour for the benefit of the Richcoast Group; or (b) its exit from the relevant investment in the Dalian Tiandi Project prior to Completion; and
- (viii) a supplemental agreement having been entered into between one of the Richcoast PRC subsidiaries and an independent third party in relation to the development of a school on the project site of the Dalian Tiandi Project.

### **Completion**

Completion shall take place on the second Business Day after the date on which all of the conditions are satisfied or waived (except for the conditions under paragraphs (ii) and (iii) above which cannot be waived) in accordance with the Sale and Purchase Agreement, or on such other date as agreed between Innovate Zone and the Purchaser in writing.

At the date of this announcement, Richcoast is a subsidiary of the Group but is accounted for as an associate of the Company in the financial statements of the Group. Following Completion, Richcoast will cease to be a subsidiary of the Company and the Company will no longer hold any shareholding interest in Richcoast.

### **Guarantee**

SODH has agreed to guarantee to the Purchaser the performance by Innovate Zone of all its obligations under the Sale and Purchase Agreement until Innovate Zone's obligations thereunder have been satisfied in full.

Yida has agreed to guarantee to Innovate Zone the performance by the Purchaser of all its obligations under the Sale and Purchase Agreement until the Purchaser's obligations thereunder have been satisfied in full.

## INFORMATION ON THE RICHCOAST GROUP

At the date of this announcement, Richcoast is a joint venture company held as to 61.54% by the Group through Innovate Zone, 28.20% by the SOCAM Group through Main Zone Group Limited and 10.26% by the Yida Group through the Purchaser.

Richcoast, through its subsidiaries, holds 78% interest in the Dalian Tiandi Project and the remaining 22% interest in the Dalian Tiandi Project is held by the Yida Group. The Richcoast Group was formed in 2007 for the development and operation of the Dalian Tiandi Project, which is a property development and investment 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 three million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities.

The Board has been informed by the SOCAM Group that Main Zone Group Limited (a wholly-owned subsidiary of SOCAM) has on the date of this announcement entered into a sale and purchase agreement to dispose of its entire shareholding interest in Richcoast to the Purchaser, details of which has been set out in an announcement of SOCAM of even date (the “SOCAM Disposal”).

Set out below is a summary of the audited financial information of the Richcoast Group for the two years ended 31 December 2015 and 2016:

	<b>For the year ended 31 December</b>			
	<b>2016</b>		<b>2015</b>	
	<i>RMB</i>	<i>Equivalent to</i>	<i>RMB</i>	<i>Equivalent to</i>
	<i>million</i>	<i>approximately</i>	<i>million</i>	<i>approximately</i>
		<i>HK\$ million</i>		<i>HK\$ million</i>
Net loss (before taxation)	(681.48)	(801.46)	(691.48)	(813.22)
Net loss (after taxation)	(569.74)	(670.05)	(598.82)	(704.25)

The unaudited consolidated total equity, including non-controlling interest, of the Richcoast Group at 30 June 2017 was approximately RMB1,230.01 million (equivalent to approximately HK\$1,446.56 million).

## FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

The Group expects to recognise a loss of approximately RMB495 million (equivalent to approximately HK\$582.15 million) on the Transaction, being the difference between (i) the Total Transaction Amount; and (ii) the unaudited carrying value of the Group's investment in Richcoast of approximately RMB3,597 million (equivalent to approximately HK\$4,230.27 million), as well as the costs and expenses relating to the Transaction of approximately RMB58 million (equivalent to approximately HK\$68.21 million). Such estimated disposal loss will be partly offset by the interest accrued on the Deferred Payment of approximately RMB93 million (equivalent to approximately HK\$109.37 million), which is to be recognised as income of the Group after Completion until full settlement of the Deferred Payment.

Shareholders should note that the financial impact set out above is for illustrative purpose only, which will have to be ascertained with reference to the carrying value of the Group's investment in Richcoast at the Completion Date.

The net proceeds of RMB3,102 million (equivalent to approximately HK\$3,648.12 million) from the Transaction, after deducting the transaction costs and expenses, will be used by the Group to further reduce bank borrowings and for general working capital purpose. The exact allocation of the net proceeds will depend on the proportion of bank borrowings that may be renewed, extended or refinanced under the prevailing credit market condition.

### **Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement**

Pursuant to the Contribution Agreement, Innovate Zone, the Purchaser and Main Zone Group Limited agreed to provide funding to the Richcoast Group by way of contributing loans of not exceeding RMB781 million (the “**Contributing Loans**”) in proportion to their effective shareholding ratio in the Richcoast Group. In addition, under the Contribution Agreement, any shareholders of Richcoast may from time to time extend additional loan(s) to the Richcoast Group which shall be matched by the other shareholders. Pursuant to the First Financial Support Agreement and the Second Financial Support Agreement, Innovate Zone further provided additional unilateral loans up to RMB240 million and RMB289 million (the “**Unilateral Loans**”) to the Richcoast Group, respectively.

At the date of this announcement, the Purchaser did not provide any of its share of the Contributing Loans or make any matching loans corresponding to the Unilateral Loans to the Richcoast Group. In accordance with the terms of the Contribution Agreement, the Purchaser shall pay to Innovate Zone a fee equal to 12% per annum of the outstanding amount of the loans provided, and the excess corresponding Contributing Loans extended, by Innovate Zone multiplied by the Purchaser's effective shareholding ratio in the Richcoast Group, which amounted to approximately RMB52.08 million (equivalent to approximately HK\$61.25 million) (the "**Non-payment Fee**").

As part of the Transaction, pursuant to the Sale and Purchase Agreement, Innovate Zone and the Purchaser has agreed that all Non-payment Fee payable by the Purchaser to Innovate Zone upon Completion shall be considered as fully settled. As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Non-payment Fee exceeds 0.1% but is less than 5%, such financial assistance by the Group to the Yida Group constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has any material interest in the arrangement in relation to the Non-payment Fee.

## **IMPLICATIONS OF THE LISTING RULES**

At the date of this announcement, Mr. Vincent Lo, who is the Chairman of the Company and an executive Director, and his associates are together beneficially interested in approximately 57.23% of the issued shares of the Company. Mr. Vincent Lo is also the chairman and an executive director of SOCAM, and he and his associates are together beneficially interested in approximately 48.44% of the issued shares of SOCAM at the date of this announcement. Mr. Vincent Lo does not have any interests in the Yida Group nor is he otherwise related or connected to the Yida Group and its connected person(s).

At the date of this announcement, Mr. Frankie Wong, who is a non-executive Director, is also an executive director, the chief executive officer and chief financial officer of SOCAM. He is beneficially interested in approximately 0.81% of the issued shares of SOCAM and does not have any interests in the shares of the Company and Yida at the date of this announcement.

None of the Directors has any material interest in the Transaction. Nevertheless, to adhere to the highest level of good corporate governance, in view of the SOCAM Disposal, each of Mr. Vincent Lo and Mr. Frankie Wong voluntarily abstained from voting on the Board resolutions for approving the Transaction.

Since the highest applicable percentage ratio for the Company in respect of the Transaction is 25% or more but is less than 75%, the Transaction (including the settlement arrangements in connection with the Deferred Payment after Completion) constitutes a major transaction for the Company subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will comply with all disclosure obligations under the Listing Rules in respect of the Deferred Payment as and if appropriate.

The Purchaser is a substantial shareholder of Richcoast, an indirect non-wholly owned subsidiary of the Company, and is therefore a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the Transaction also constitutes a connected transaction with a connected person at the subsidiary level for the Company subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the Transaction. As such, no Shareholder would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Transaction.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, holds 675,493,996 Shares, 1,707,888,889 Shares, 183,503,493 Shares, 633,333,333 Shares, 980,448,322 Shares, 150,000,000 Shares and 323,319,781 Shares, respectively, and together representing approximately 56.84% of the issued share capital of the Company at the date of this announcement.

The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited for the Sale and Purchase Agreement and the Transaction pursuant to Rule 14.44 of the Listing Rules and as a result, no extraordinary general meeting will be convened to consider the Sale and Purchase Agreement and the Transaction.

A circular containing, amongst other things, details of the Transaction will be despatched to the Shareholders once available. As the Company requires time for compiling the information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 5 December 2017.

**Completion is subject to, various conditions precedent set out in the paragraph headed “The Sale and Purchase Agreement — Conditions” in this announcement. As such, the Transaction may or may not materialise. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.**

## **GENERAL INFORMATION**

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

Innovate Zone is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

Many Gain is a wholly-owned subsidiary of Yida and its principal activity is investment holding.

SODH principally engages in investment holding and debt financing.

The Yida Group principally engages in the development of business parks in the PRC.

## DEFINITIONS

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

“associates”, “connected person(s)”, “subsidiaries” and “substantial shareholders”	each shall have the meaning ascribed to it under the Listing Rules;
“Assignable Onshore Debts”	the loans and debts as well as the receivables due by members of the Richcoast Group in the PRC to members of the Group in the PRC in an aggregate amount of approximately RMB1,164.11 million (equivalent to approximately HK\$1,369.06 million) at the date of the Sale and Purchase Agreement, which shall be assigned to the Purchaser or its designated assignee pursuant to the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open in Hong Kong and the PRC to the general public for business;
“Completion”	completion of the Disposal under the Sale and Purchase Agreement;
“Completion Date”	the date of Completion;
“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);
“Contributing Loans”	has the meaning ascribed to it under the section headed “Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement” in this announcement;
“Contribution Agreement”	the contribution agreement dated 31 December 2015 entered into among Main Zone Group Limited, Innovate Zone, the Purchaser and Richcoast in relation to (among other things) the provision of additional funding for the Dalian Tiandi Project;

“Dalian Tiandi 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 three million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities;
“Deferred Payment”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — Total Transaction Amount and payment terms” in this announcement;
“Directors”	the directors of the Company;
“Disposal”	the disposal by Innovate Zone of the Sale Shares, the Offshore Loans and the Assignable Onshore Debts to the Purchaser pursuant to the Sale and Purchase Agreement;
“First Financial Support Agreement”	the financial support agreement dated 31 December 2015 entered into between Innovate Zone and Richcoast in relation to a unilateral loan of an amount up to RMB240 million, as further disclosed in the announcement of the Company dated 31 December 2015;
“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;
“Innovate Zone”	Innovate Zone Group Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	29 December 2017 (or such other date as may be agreed between the parties to the Sale and Purchase Agreement);

“Macau”	the Macau Special Administrative Region of the PRC ;
“Mitsui”	Mitsui Fudosan Residential Co. Ltd., a company incorporated in Japan with limited liability, and a project partner of certain investment in the Dalian Tiandi Project;
“Mr. Frankie Wong”	Mr. Frankie Y. L. Wong;
“Mr. Vincent Lo”	Mr. Vincent H. S. Lo;
“Non-Assignable Onshore Debts”	the loans and debts due by members of the Richcoast Group in the PRC to members of the Group in the PRC in an aggregate amount of RMB288.24 million (equivalent to approximately HK\$338.99 million) at the date of the Sale and Purchase Agreement, which shall be repaid to the Group incidental to the Disposal;
“Non-payment Fee”	has the meaning ascribed to it under the section headed “Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement” in this announcement;
“Offshore Loans”	the shareholder’s loans due by members of the Richcoast Group outside PRC to Innovate Zone in aggregate amount of approximately RMB1,911.38 million (equivalent to approximately HK\$2,247.89 million) at the date of the Sale and Purchase Agreement, which shall be assigned to the Purchaser or its designated assignee pursuant to the Sale and Purchase Agreement;
“Outstanding Disposal Offshore Consideration”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — Total Transaction Amount and payment terms” in this announcement;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and Macau);
“Purchaser”	Many Gain International Limited, a wholly-owned subsidiary of Yida incorporated in the British Virgin Islands with limited liability;

“Richcoast”	Richcoast Group Limited, a company incorporated in the British Virgin Islands with limited liability, which is held as to 61.54% by the Group through Innovate Zone, 28.20% by the SOCAM Group through Main Zone Group Limited and 10.26% by the Yida Group through the Purchaser at the date of this announcement;
“Richcoast Group”	collectively, Richcoast and its subsidiaries;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 November 2017 entered into among Innovate Zone, SODH, the Purchaser and Yida in relation to the Transaction, as supplemented from time to time;
“Sale Shares”	480 ordinary shares of US\$1.00 each in Richcoast, representing 61.54% of the issued share capital of Richcoast;
“Second Financial Support Agreement”	the financial support agreement dated 5 December 2016 entered into between Innovate Zone and Richcoast in relation to a unilateral loan of an amount up to RMB289 million, as further disclosed in the announcement of the Company dated 5 December 2016;
“Shares”	the ordinary shares of the Company with nominal value of US\$0.0025 each;
“Shareholders”	holders of the Shares;
“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 Disposal”	has the meaning ascribed to it under the section headed “Information on the Richcoast Group” in this announcement;
“SOCAM Group”	collectively, SOCAM and its subsidiaries;
“SODH”	Shui On Development (Holding) Limited, an exempted company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Transaction Amount”	the total consideration for the Disposal and the debt repayment amount, being RMB3,160 million (equivalent to approximately HK\$3,716.34 million);
“Transaction”	the Disposal and the repayment of the Non-Assignable Onshore Debts;
“Unilateral Loans”	has the meaning ascribed to it under the section headed “Financial Assistance in relation to the Non-payment Fee under the Contribution Agreement” in this announcement;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Yida”	Yida China Holdings 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: 3639);
“Yida Group”	collectively, Yida and its subsidiaries; and
“%”	per cent.

*For the purpose of this announcement, the exchange rate at HK\$1 = RMB0.8503 has been used for illustrative purpose only and do not constitute a representation that any amount has been, could have been or may be exchanged at such rates.*

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

Hong Kong, 14 November 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*