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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)

DISCLOSEABLE TRANSACTION

INVESTMENT IN A JOINT VENTURE COMPANY

The Board is pleased to announce that on 24 January 2017, Hua Xia Rising, a joint venture company owned indirectly as to 50% by the Company and 50% by CITIC, made a successful bid for the Land offered for sale by the Wuhan Land Bureau. The Land is located in East Lake Ring, Wuhan, the PRC. On the same date, Hua Xia Rising entered into the Confirmation Agreement with Wuhan Land Bureau confirming the successful bid for the Land.

The Land Use Rights Transfer Agreement in relation to the Acquisition is expected to be entered into within 10 working days after the successful bid for the Land. It is intended that Hua Xia Rising will set up a wholly-owned project company in Wuhan to enter into the Land Use Rights Transfer Agreement for future development of the Land.

Following the successful bidding of the Land, the Company and CITIC respectively shall make further investments in Hua Xia Rising for funding the Acquisition. The amount of Investment by the Company is expected to be approximately RMB1,410 million.

As one of the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules with reference to the Investment of the Company is more than 5% but less than 25%, the Investment of the Company constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under the Listing Rules.

INTRODUCTION

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THE INVESTMENT

Following the successful bidding of the Land, the Company and CITIC respectively shall make further investments in Hua Xia Rising for funding the Acquisition. The amount of Investment to be made by the Company is expected to be approximately RMB1,410 million. Subsequent to the Investment, the percentage of shareholding in Hua Xia Rising respectively held indirectly by the Company and CITIC shall remain to be the same.

FURTHER INFORMATION ON THE ACQUISITION AND REASONS FOR THE INVESTMENT

The Land is located in the central area of Optics Valley Central City (光谷中心城), which is positioned by the local government as the administrative services centre and business centre of Optics Valley. Optics Valley is located in Wuhan East Lake High-tech Development Zone and ranked top 10 among the 114 high-tech zones in China in 2015, which is one of the National Innovation Demonstration Zones (國家自主創新示範區) and the Free Trade Zones (自由貿易區) in China. Optics Valley Central City serves as the engine of the national innovation city and is planned to be a world-class innovation centre.

With the geographical proximity of the Land to Optics Valley Central City, the Directors believe that the Acquisition is a rare and unique investment opportunity. Furthermore, the Acquisition and the Investment are in line with the Group's business strategies in optimising resources for future expansion and its business model in the PRC. The partnership forged between the Group and CITIC will also enable us to take the comparative advantages of capital and resources of both groups for the Acquisition and development of the Land.

The Investment will be used for funding the Acquisition by Hua Xia Rising, which is in line with the business strategy of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Investment are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

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

CITIC is China's largest conglomerate operating domestically and overseas, with businesses in financial services, resources and energy, manufacturing, engineering contracting and real estate as well as others. CITIC's rich history, diverse platform and strong corporate culture across all businesses ensure that CITIC is unrivalled in capturing opportunities arising from China's continued growth. CITIC is listed on the Stock Exchange, where it is a constituent of the Hang Seng Index. CITIC Group, a Chinese state owned enterprise, owns 58% of CITIC.

Hua Xia Rising was incorporated in May 2016 in Hong Kong and its principal business is investment in companies of property development and related products and services. Hua Xia Rising is accounted for as a jointly-controlled entity, and the results of Hua Xia Rising will not be consolidated with those of the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CITIC is a third party independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant applicable percentage ratios calculated under Rule 14.07 of the Listing Rules with reference to the Investment of the Company is more than 5% but less than 25%, the Investment of the Company constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the land use rights of the Land by Hua Xia Rising;
“connected person(s)” and “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“CITIC”	CITIC Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange (Stock Code: 267);
“CITIC Group”	CITIC Group Corporation, a wholly state-owned company established in the PRC in 1979 and the controlling shareholder of CITIC;

“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);
“Confirmation Agreement”	the confirmation agreement for successful bidding of state-owned land use rights (國有建設用地使用權成交確認書) dated 24 January 2017 between Hua Xia Rising and Wuhan Land Bureau relating to the Acquisition;
“Directors”	the directors of the Company;
“GFA”	gross floor area;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hua Xia Rising”	Hua Xia Rising (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a joint venture company owned indirectly as to 50% by the Company and 50% by CITIC ;
“Investment”	an investment in the amount of approximately RMB1,410 million in Hua Xia Rising proposed to be contributed by the Company by way of equity and/or debt;
“Land”	a piece of land (no. 165) located at west of Gaokeyuan West Road, south of Erquan Road, east of Guanggu Five Road and north of Xingyuan Road in the East Lake High-tech Development Zone, East Lake Ring, Wuhan, the PRC (中國武漢市環東湖東湖新技術開發區 165 地塊), a mixed-use development project with a net site area of approximately 35.38 hectares and an estimated developable above ground GFA of approximately 1,284,360 square metres;
“Land Use Rights Transfer Agreement”	the state-owned land use rights transfer agreement (國有建設用地使用權出讓合同) to be entered into between Hua Xia Rising and the Wuhan Land Bureau in respect of the Land;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

“RMB”	Renminbi, the lawful currency of the PRC;
“Group”	the Company and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Wuhan Land Bureau”	The East Lake High-tech Development Zone branch of Wuhan Land Resources and Planning Bureau (武漢市國土資源和規劃局東湖新技術開發區分局); and
“%”	percent.

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

Hong Kong, 24 January 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 purpose only*