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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)**

**(1) SUPPLEMENTAL AGREEMENT IN RELATION TO  
MAJOR TRANSACTION  
CONDITIONAL DISPOSAL OF 61.54% SHARE INTEREST  
AND THE RELATED LOANS IN RICHCOAST GROUP LIMITED**

**(2) DISCLOSURE PURSUANT TO RULE 13.09 OF THE LISTING RULES  
POSSIBLE EARLY REPAYMENT OF LOANS**

Reference is made to the announcement and the circular (the “**Circular**”) of Shui On Land Limited (the “**Company**”) dated 14 November 2017 and 5 December 2017 respectively in relation to the conditional major disposal of 61.54% share interest and the related loans in Richcoast. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Circular.

**SUPPLEMENTAL AGREEMENT**

The Board wishes to advise that the consents of certain financial institutions and Mitsui to, among other things, release the related corporate guarantees provided by the Group in their favour for the benefit of the Richcoast Group (the “**Related Guarantees**”), being part of the conditions precedent to the Disposal (the “**Related Conditions**”) have not yet been obtained. On 28 December 2017, Innovate Zone and SODH entered into the Supplemental Agreement to the Sale and Purchase Agreement with the Purchaser and Yida, pursuant to which all the parties agreed to, among other things, extend the Long Stop Date to 31 March 2018 and amend the conditions precedent to the Disposal such that the Group may continue to provide the Related Guarantees if the Related Conditions cannot be fulfilled on or before 31 March 2018.

## **DISCLOSURE UNDER RULE 13.09 OF THE LISTING RULES**

Reference is also made to the announcement dated 28 December 2017 by SOCAM Development Limited (“SOCAM”) in relation to the completion of the disposal of their interest in Richcoast to the Purchaser (the “SOCAM Disposal”) on 28 December 2017.

The Directors noted that the completion of the SOCAM Disposal will give rise to a change in control in the Richcoast Group and an event enabling certain lenders of the Richcoast Group to call for early repayment of the related loans before their maturity (the “Event”), which in turn may constitute an event entitling certain other lenders and debtors of the Group under other financing agreements and debt instruments of the Group to request for early repayment. The Directors also noted that Richcoast Group has failed to repay an amount due payable to certain financial institute when called for an amount of RMB91,977,300 (approximately HK\$109,846,000) (collectively with the Event, the “Triggering Events”). This announcement is therefore also made pursuant to Rule 13.09 of the Listing Rule and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Hong Kong) to give the Shareholders and potential investors further information in relation to such Triggering Events.

The Directors are assessing the financial impact of the Triggering Events and will conduct meetings with its lenders and holders of its debt instruments which may be affected where appropriate. The Directors believe that the impact should be manageable as:

1. pursuant to the terms of the Yida Indemnity, (i) Yida will provide a counter-indemnity in favour of such members of the Group providing the Related Guarantees in relation to their loss and expenses arising from continuing to provide the Related Guarantees; and (ii) Yida will undertake to procure the Richcoast Group to repay all loans and indebtedness subject to demand from relevant lenders (including providing the Richcoast Group with the necessary funds);
2. the Event is temporary in nature and will remain only until the Completion of the Disposal on or before 31 March 2018; and
3. the Company has put in place back-up plan to deal with scenarios where a repayment needs to be funded by the Group.

**There is however no certainty that no financing documents or debt instruments of the Group will be affected by the Triggering Events or that the Yida Indemnity will sufficiently cover all losses that the Group may suffer as a result of the Triggering Events. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.** Further announcement will be made on any development in relation to the impact of the Triggering Events on the Group's financing documents and debt instruments as and when appropriate.

## **INTRODUCTION**

Reference is made to the announcement and the circular (the "**Circular**") of Shui On Land Limited (the "**Company**") dated 14 November 2017 and 5 December 2017 respectively in relation to the conditional major disposal of 61.54% share interest and the related loans in Richcoast. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as those defined in the Circular.

The Board wishes to advise that the consents of certain financial institutions and Mitsui to, among other things, release the Related Guarantees provided by the Group, being part of the conditions precedent to the Disposal have not yet been obtained. On 28 December 2017, Innovate Zone and SODH entered into the Supplemental Agreement to the Sale and Purchase Agreement with the Purchaser and Yida, pursuant to which all the parties agreed to, among other things, extend the Long Stop Date to 31 March 2018 and amend the conditions precedent to the Disposal such that the Group may continue to provide the Related Guarantees if the Related Conditions cannot be fulfilled on or before 31 March 2018.

## **SUPPLEMENTAL AGREEMENT**

### **Date**

28 December 2017

### **Parties**

- (1) Innovate Zone;
- (2) Purchaser;
- (3) SODH; and
- (4) Yida.

## Principal terms

Pursuant to the Supplemental Agreement, all the parties agreed that:

1. the Long Stop Date shall be extended from 29 December 2017 to 31 March 2018;
2. it would be an additional condition precedent to the Disposal that the Guarantee Waiver be obtained;
3. in the event that the consents for release of the Related Guarantees have not been obtained on or before 31 March 2018, the Group shall, subject to obtaining the Guarantee Waiver, agree to continue to provide the Related Guarantees, the aggregate amount of which shall not be more than RMB784,800,000 (equivalent to approximately HK\$937,265,000) until the Latest Release Dates, i.e. 31 March 2018 in the case of the Related Guarantee in favour of Mitsui and in the case of the rest of the Related Guarantees, the earlier of the expiry of the term of the relevant underlying loans and the first anniversary of the Completion Date, and treat the Related Conditions as having been satisfied, provided that, among other things, the Purchaser shall:
  - (a) from the 61st day to 182nd day after the Completion Date, pay to Innovate Zone the guarantee fee calculated at a simple interest rate of 3% per annum (which shall increase to 5% from the 183rd day after the Completion Date) until the release of the Related Guarantees; and
  - (b) procure the Richcoast Group to implement the re-financing plan to settle all the loans under the Related Guarantees and to repurchase Mitsui's interest in Many Praises, thereby enabling all the Related Guarantees, including the Related Guarantee in favour of Mitsui, to be released no later than the Latest Release Dates; and
4. Yida shall on Completion provide a counter-indemnity in favour of such members of the Group providing the Related Guarantees in relation to their loss and expenses arising from continuing to provide the Related Guarantees, as well as undertaking to procure the Richcoast Group to repay all loans and indebtedness subject to the Related Guarantees on demand by the relevant lenders (“**Yida Indemnity**”).

## **REASONS FOR THE SUPPLEMENTAL AGREEMENT AND THE CONTINUED PROVISION OF THE RELATED GUARANTEES**

The entering into of the Supplemental Agreement is to facilitate the satisfaction of the Related Conditions in relation to the Disposal. The terms of the Supplemental Agreement were determined after arm's length negotiations among the parties to the Sale and Purchase Agreement. Having considered the benefit of the Completion of the Disposal and the terms of the Supplemental Agreement, in particular the guarantee fees and the indemnity provided and to be provided by Yida, the Directors (including the independent non-executive Directors) consider that terms of the Supplemental Agreement and the terms for the continual provision of the Related Guarantees are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **DISCLOSURE UNDER RULE 13.09 OF THE LISTING RULES**

Reference is also made to the announcement dated 28 December 2017 by SOCAM in relation to the completion of the disposal of their interest in Richcoast to the Purchaser.

The Directors noted that the completion of the SOCAM Disposal will give rise to the Event, namely a change in control in Richcoast, which in turn may constitute an event entitling certain other lenders and debtors of the Group under other financing agreements and debt instruments of the Group to request for early repayment. The Directors also noted that Richcoast Group has failed to repay an amount due payable to certain financial institute when called for an amount of RMB91,977,300 (approximately HK\$109,846,000). This announcement is therefore also made pursuant to Rule 13.09 of the Listing Rule and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Hong Kong) to give the Shareholders and potential investors further information in relation to such Triggering Events.

The Directors are assessing the financial impact of the Triggering Events and will conduct meetings with its lenders and holders of its debt instruments which may be affected where appropriate. The Directors believe that the impact should be manageable as:

1. pursuant to the terms of the Yida Indemnity, (i) Yida will provide a counter-indemnity in favour of such members of the Group providing the Related Guarantees in relation to their loss and expenses arising from continuing to provide the Related Guarantees; and (ii) Yida will undertake to procure the Richcoast Group to repay all loans and indebtedness subject to demand from relevant lenders (including providing the Richcoast Group with the necessary funds);

2. the Event is temporary in nature which will only remain until the Completion of the Disposal on or before 31 March 2018; and
3. the Company has put in place back-up plan to deal with scenarios where a repayment needs to be funded by the Group.

**There is however no certainty that no financing documents or debt instruments of the Group will be affected by the Triggering Events or that the Yida Indemnity can sufficiently cover all losses that the Group may suffer as a result of the Triggering Event. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.** Further announcement will be made on any development in relation to the impact of the Triggering Events on the Group's financing documents and debt instruments as and when appropriate.

## **DEFINITIONS**

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

“Event”	the change in control of Richcoast as a result of the completion of the SOCAM Disposal;
“Triggering Events”	the Event and the failure of Richcoast Group to repay certain indebtedness due to certain financial institute for an amount of RMB91,977,300 (approximately HK\$109,846,000);
“Guarantee Waiver”	the waiver/consent to be obtained under various loan/facility agreements between, among others, SODH and various financial institutions for the Group to continue to provide the Related Guarantees;
“Many Praises”	Many Praises Dalian Limited, a company held as to 93.18% by Richcoast and 6.82% by Mitsui;
“Related Conditions”	the conditions precedent to the Sale and Purchase Agreement which have not been fulfilled in relation to obtaining certain consents from financial institutions and Mitsui to, among other things, release of the Related Guarantees;

“Related Guarantees”	the guarantees given by members of the Group to financial institutions and Mitsui which the Group will continue to provide in the event that the Related Conditions have not been fulfilled on or before 31 March 2018 as set out in the Section headed “SUPPLEMENTAL AGREEMENT”.
“Latest Release Dates”	in relation to the Related Guarantee in favour of Mitsui, 31 March 2018, and in the case of the rest of the Related Guarantees, the earlier of the expiry of the term of the underlying loans and the first anniversary from the Completion Date;
“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”	the disposal by SOCAM of their entire interest in Richcoast to Many Gain as referred to in the announcement of SOCAM dated 28 December 2017;
“Supplemental Agreement”	supplemental agreement entered into by Innovate Zone, Many Gain, SODH and Yida in relation to, among other things, treating the Related Conditions as having been fulfilled; and
“Yida Indemnity”	the counter-indemnity to be provided by Yida on Completion in favour of such members of the Group providing the Related Guarantee in relation to their loss and expenses arising for continuing to provide the Related Guarantees.

*For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 : HK\$0.83733. No representation is made that any amounts in RMB have been or could be converted at the above rates.*

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

Hong Kong, 28 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*