



## Shui On Land Limited 瑞安房地產有限公司\*

(incorporated in the Cayman Islands with limited liability)  
(Stock code: 272)

### ACQUISITION OF SHANGHAI SHENG JIN REAL ESTATE COMPANY LIMITED

Sino Realty, a wholly-owned subsidiary of the Company, has on 27 November 2006 entered into the Agreements with the Vendors to acquire the entire paid-up registered capital of Sheng Jin for a cash consideration of not more than RMB318,984,000. Sheng Jin owns the development rights to a site located in Yangpu District, Shanghai with an aggregate above ground floor area of approximately 137,400 square metres for office and commercial property development.

To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, none of the Vendors is connected with the Company, any of its subsidiaries or a connected person (as defined in the Listing Rules) of the Company or any of its subsidiaries.

The Acquisition is not a notifiable transaction under the Listing Rules.

On 27 November 2006, Sino Realty, a wholly owned subsidiary of the Company, entered into the Agreements with the Vendors for the sale and purchase of all the paid up registered capital of Sheng Jin for a cash consideration of not more than RMB318,984,000, on the terms and subject to the conditions of the Agreements.

Sheng Jin owns the development rights to the Land. The above ground gross floor area of the Land presently approved for development is 137,400 square metres. Under the existing agreement entered into between Sheng Jin and the Air Force pursuant to which Sheng Jin purchased the Land from the Air Force, Sheng Jin has to assign the Return Area to the Air Force upon completion of the buildings on the Land.

The transfer of land allocated to the PLA is governed by a separate land use rights granting procedure. Upon approval by the PLA and following payment of the land use rights fee, the land reserve bureau will issue a land use rights certificate.

Sheng Jin expects to obtain the land use rights certificate upon payment of the agreed amount to the Air Force and delivery to the land reserve bureau of the relevant approval for granting of military land.

The Acquisition is expected to be completed upon obtaining the land use rights certificate for the Land and the full payment of the consideration.

#### CONSIDERATION

The total cash consideration payable by Sino Realty to the Vendors will not be higher than RMB318,984,000. The consideration shall be reduced by the construction costs and taxes to be incurred by Sheng Jin for the construction of the Return Area, which have to be agreed with the Air Force. The consideration may also be reduced if the final approved gross floor area shall be less than 137,400 square metres.

The consideration amount was determined between the parties after arm's length negotiations and taking into account the land use rights fee already paid by the Vendors to the Air Force, development costs spent and profit of the Vendors. It is planned that the Acquisition will be entirely funded by the internal resources of the Company.

The total consideration shall be payable in the following manner:

- the sum of RMB40,000,000 to be paid upon signing of the Agreements as deposit;
- the sum of RMB10,000,000 to be paid upon approvals by the relevant authorities of the Acquisition and the injection of foreign exchange;
- the further sum of RMB90,944,000 to be paid upon approvals by the relevant authorities of the increase in registered capital of Sheng Jin and the injection of foreign exchange;
- the further sum of not more than RMB82,536,000 to be paid upon agreement with the Air Force on the construction costs and taxes incurred by Sheng Jin for the construction of the Return Area;
- the further sum of not more than RMB47,752,000 to be paid upon Sheng Jin obtaining the land use rights certificate for the Land; and
- the balance to be paid upon issuance of all requisite permits, such as the Construction Land Use Planning Permit and the Construction Engineering Planning Permit.

Other than the total consideration to be paid to the Vendors, Sino Realty has agreed to pay to the Air Force directly the sum of RMB263,016,000, which represents the outstanding consideration owing to the Air Force by Sheng Jin in respect of the original acquisition of the Land.

#### CONDITIONS

The Acquisition is conditional on obtaining the approval by the relevant PRC authorities for (a) the Acquisition and the increase in registered capital of Sheng Jin on or before 7 December 2006, (b) the injection of foreign exchange on or before 14 December 2006, and (c) the obtaining of the land use rights certificates for the Land on or before 31 December 2006.

#### TERMINATION

The parties may terminate the Agreements upon the occurrence of the following events (amongst others):

- if the land use rights certificate for the Land is not obtained on or before 31 December 2006;
- if the consideration payable by Sino Realty to the Air Force (representing the outstanding consideration presently owing to the Air Force by Sheng Jin) exceeds RMB263,016,000; and
- if the final approved above ground gross floor area of the Land for development is less than 137,400 square metres.

#### REASONS FOR THE ACQUISITION

The principal activities of the Company and its subsidiaries are the development, sale, leasing, management and long term ownership of high quality residential, office,

retail, entertainment and cultural properties in the PRC. As stated in the Prospectus, our strategic growth initiatives will primarily target cities where we already have projects and other major cities that exhibit suitable characteristics. The Acquisition, if approved by the relevant PRC authorities and completed, is the first addition to the Company's land bank since its listing and is in line with the Company's strategy to implement organic growth and development in the Shanghai Knowledge and Innovation Community project through the provision of additional office premises. The Land is immediately next to the northern part of the Live and Work Area (now known as KIC Village) and will enhance the scale of the Shanghai Knowledge and Innovation Community project and also satisfy the strong office demand in the Yangpu area.

As disclosed in the Prospectus, we have provisionally identified eight cities (including Kunming) as preferred locations for future projects. The process generally involves exploratory discussions with the relevant local governments to develop a master plan, which may lead in due course to formal tenders. Whilst the timing and priority of the cities where such developments might take place has not yet been determined, we are continuing our exploratory efforts in respect of such opportunities.

#### GENERAL

This announcement is made by the Company pursuant to the disclosure requirements under Rule 13.09(1) of the Listing Rules. The Acquisition is not a notifiable transaction under the Listing Rules.

#### DEFINITIONS

"Acquisition"	the acquisition of the entire paid-up registered capital of Sheng Jin by Sino Realty, on the terms and subject to the conditions of the Agreements
"Agreements"	the principal agreement and the share transfer agreement both dated 27 November 2006 entered into between Sino Realty and all the shareholders of Sheng Jin, pursuant to which Sino Realty has conditionally agreed to acquire the entire paid up registered capital of Sheng Jin
"Air Force"	Air Force of the PLA
"Board"	the board of directors of the Company
"Company"	Shui On Land Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the Stock Exchange a piece of land situated at No.700 Song Hu Road, Yangpu, Shanghai, PRC and known as Plot A of Lot 24, Qiu 1, Fang 3, New Jiang Wan City
"Land"	
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PLA"	the People's Liberation Army, PRC
"PRC"	the People's Republic of China
"Return Area"	23,000 square metres of completed gross floor area of the Land
"RMB"	renminbi yuan, the lawful currency of the PRC
"Prospectus"	the prospectus issued by the Company on 20 September 2006 in connection with its listing on the Stock Exchange
"Sheng Jin"	Shanghai Sheng Jin Real Estate Company Limited, a company established in the PRC with limited liability and beneficially owned by the Vendors (who are independent third parties)
"Sino Realty"	Sino Realty Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendors"	Liang Jinhua and Luo Shigui (owners of 90% and 10% of the paid-up registered capital of Sheng Jin respectively)

By order of the Board  
**Lo Hong Sui, Vincent**  
Chairman

Hong Kong, 29 November 2006

As at the date of this announcement, the directors of the Company are Mr. Lo Hong Sui, Vincent, Mr. Wong Ying Wai, Wilfred, Mr. Addison, William Timothy, Sir John Reginald Hartnell Bond\*\*, The Honourable Leung Chun Ying\*\*, Dr. Cheng Wai Kin, Edgar\*\*, Dr. Fung Kwok Lun, William\*\*, Professor Biddle, Gary Clark\*\*, Dr. McCarthy, Roger Lee\*\* and Mr. Shaw, David John\*\*.

\* for identification purposes only

\*\* Independent non-executive director