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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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION

**Disposal of 25% equity interest in Rightchina, and
an option for (i) the acquisition by WCL or its Affiliate of
an additional 25% equity interest in Rightchina; and
(ii) the assignment to WCL or its Affiliate of
the Additional Shareholders' Loans**

(2) POSSIBLE CONTINUING CONNECTED TRANSACTIONS

- (a) Provision of Guarantees and receipt of Loan Guarantee Fees**
(b) Provision of Shareholders' Loans

THE TRANSACTION

The Board is pleased to announce that, on 21 August 2008, SHL, a non wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with WCL pursuant to which WCL will acquire from SHL a 25% equity interest in Rightchina, a wholly-owned subsidiary of SHL, for a total consideration of RMB1,021 million (approximately HK\$1,160.2 million). SHL has also, subject to Closing, granted to WCL an irrevocable call option for the acquisition by WCL or its Affiliate of a further 25% equity interest in Rightchina and the assignment to WCL or its Affiliate of the Additional Shareholders' Loans at an exercise price of approximately RMB1,072 million (approximately HK\$1,218.2 million) plus an amount equivalent to the Additional Shareholders' Loans.

The major asset of Rightchina is a 99% attributable interest in the Super High Rise Project.

PROVISION OF GUARANTEES AND RECEIPT OF LOAN GUARANTEE FEES

SHL, WCL, Rightchina and GHJ will enter into the Rightchina Shareholders' Agreement upon Closing, pursuant to which the Group may provide Guarantees, and further, in the event where the Group has agreed to provide WCL's or its Affiliate's proportionate share of a Guarantee, WCL or its Affiliate shall give Loan Guarantee Fees to the Group. The Company expects that the amount of provision of Guarantees by the Group at any time during the financial years ending 31 December 2008, 2009 and 2010 will not exceed annual caps of RMB200 million (approximately HK\$227.3 million), RMB500 million (approximately HK\$568.2 million) and RMB1,000 million (approximately HK\$1,136.4 million), respectively. The Company expects that the amount of receipt of Loan Guarantee Fees from WCL or its Affiliate for the financial years ending 31 December 2008, 2009 and 2010 will not exceed annual caps of RMB4 million (approximately HK\$4.5 million), RMB10 million (approximately HK\$11.4 million) and RMB20 million (approximately HK\$22.7 million), respectively.

PROVISION OF SHAREHOLDERS' LOANS

At the date of 30 June 2008, the Existing Term Loans amounted to approximately RMB543 million (approximately HK\$617.0 million). Further, SHL, WCL, Rightchina and GHJ will enter into the Rightchina Shareholders' Agreement upon Closing, pursuant to which SHL may be required to provide New Shareholders' Loans to the Rightchina Group. The Company expects that the amount of provision of Shareholders' Loans at any time during the financial years ending 31 December 2008, 2009 and 2010 will not exceed annual caps of RMB745 million (approximately HK\$846.6 million), RMB900 million (approximately HK\$1,022.7 million), and RMB1,000 million (approximately HK\$1,136.4 million), respectively.

LISTING RULES IMPLICATIONS

The Transaction

As the relevant percentage ratios under the Listing Rules in respect of the Transaction are less than 25%, the Transaction constitutes a discloseable transaction of the Company. WCL is a connected person of the Company by virtue of its shareholdings in certain subsidiaries of the Company. Therefore, the Transaction also constitutes a connected transaction of the Company, with not all of the relevant percentage ratios under the Listing Rules in respect of the Transaction being less than 2.5%. Accordingly, the Transaction is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The provision of Guarantees, the receipt of Loan Guarantee Fees, and the provision of Shareholders' Loans

If the Call Option is exercised and the transfer of the Option Shares is completed, Rightchina will become a connected person of the Company. Therefore, (i) the provision of Guarantees and the receipt of Loan Guarantee Fees; and (ii) the provision of Shareholders' Loans, constitute possible continuing connected transactions of the Company. As not all of the relevant percentage ratios under the Listing Rules with reference to the annual caps in respect of (i) the provision of Guarantees; and (ii) the provision of Shareholders' Loans, are less than 2.5%, such continuing connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. As all of the relevant percentage ratios under the Listing Rules with reference to the annual caps in respect of the receipt of Loan Guarantee Fees are less than 2.5%, such continuing connected transactions are subject to the reporting and announcement requirements under the Listing Rules.

General

Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited, a closely allied group of Shareholders, each being a subsidiary of Shui On Company Limited, hold 940,000,000 shares, 941,678,594 shares and 396,071,631 shares of the Company, respectively. Together they hold approximately 54.41% of the entire issued share capital of the Company at the date of this announcement. Since none of the Shareholders is required to abstain from voting on (i) the entering into of the Sale and Purchase Agreement; (ii) the Transaction; (iii) the provision of Guarantees; and (iv) the provision of Shareholders' Loans, written approvals of Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited have been obtained for the purpose of approving the above transactions in lieu of an approval from the independent Shareholders at a shareholders' meeting pursuant to Rule 14A.43 of the Listing Rules.

An application has been made by the Company to the Stock Exchange for a waiver of the requirement for the Company to hold a shareholders' meeting in accordance with Rule 14A.43 of the Listing Rules, on the basis that the above transactions have been approved by a written approval of a closely allied group of Shareholders.

An independent board committee of the Company will be appointed to advise the independent Shareholders, and an independent financial adviser will also be appointed to advise the independent board committee and the independent Shareholders in relation to the terms of the above transactions.

A circular containing, among other things, further details of the above transactions, together with the recommendations of the independent board committee of the Company, the advice from the independent financial adviser to the independent board committee and the independent Shareholders will be despatched to the Shareholders as soon as practicable.

A. THE TRANSACTION

The Board is pleased to announce that, on 21 August 2008, the Group (through SHL) entered into the Sale and Purchase Agreement with WCL to dispose of part of its equity interest in Rightchina. Details of the Transaction are summarised as follows:

Date

21 August 2008

Parties

- (1) SHL, a non wholly-owned subsidiary of the Company (as the seller); and
- (2) WCL (as the purchaser).

Before Closing, Shui On Development (Holding) Limited (a wholly-owned subsidiary of the Company) and WCL hold 80.2% and 19.8% of the equity interests in SHL, respectively.

WCL is a connected person of the Company by virtue of its shareholdings in certain subsidiaries of the Company.

Subject matter

The transactions contemplated under the Sale and Purchase Agreement involve (i) the Disposal, i.e. the disposal by SHL to WCL of the Sale Shares, representing 25% equity interest in Rightchina at the Closing Date; and (ii) subject to Closing, the grant of the Call Option by SHL to WCL, i.e. an irrevocable call option for the acquisition by WCL or its Affiliate of the Option Shares, representing a further 25% equity interest in Rightchina at the Option Closing Date, and the assignment to WCL or its Affiliate of the Additional Shareholders' Loans.

Rightidea and Rightchina are non wholly-owned subsidiaries of the Company. Upon completion of the Corporate Reorganisation, Rightidea will own the entire issued Class A ordinary shares of GHL and Rightchina will own the entire issued Class B ordinary shares of GHL. GHL is an investment holding company and in turn holds a 99% equity interest in CSO. 重慶渝中國有資產經營管理有限責任公司 (Chongqing Yuzhong State-owned Assets Management Company Limited), an independent third party of the Company, holds the remaining 1% equity interest in CSO. CSO's interests in the Normal Assets Project and the Super High Rise

Project will be attributed to the holder of Class A ordinary shares of GHJ and the holder of Class B ordinary shares of GHJ, respectively. Accordingly, the major asset of Rightchina will be a 99% attributable interest in the Super High Rise Project.

The Super High Rise Project is an integrated commercial development project situated to the south of Rui Tian Road (瑞天路), to the west of Jia Hua Bridge (嘉華大橋), to the north of Hua Sheng Road (華盛路), and to the east of Jia Jin Road (嘉金路), in Chongqing, the PRC. The Group expects to commence development of the Super High Rise Project in various phases.

Consideration for the Disposal

The total consideration for the Disposal is RMB1,021 million (approximately HK\$1,160.2 million) in cash. The first instalment of RMB817 million (approximately HK\$928.4 million) will become payable by WCL to SHL on or before the earlier of the Closing Date and 29 August 2008. The second instalment of RMB102 million (approximately HK\$115.9 million) and third instalment of RMB102 million (approximately HK\$115.9 million), each together with the interest accrued thereon, will be paid by WCL to SHL on or before 31 October 2008 and 31 March 2009, respectively. Such payments of the consideration for the Disposal will be made in US\$ at the prevailing exchange rate to be determined with reference to the average exchange rate on each of the five Business Days immediately preceding the date of the relevant payment. WCL will charge its 5% equity interest in Rightchina in favour of SHL upon Closing to secure the payment of the said second and third instalments (including the corresponding interest thereon).

The Disposal was negotiated and entered into on an arm's length basis and on normal commercial terms. The total consideration for the Disposal was determined with reference to the current location and investment appeal of the Super High Rise Project, and the future development potential of the Super High Rise Project, taking into account the Group's history, expertise and experience in constructing large-scale commercial project developments in the PRC. As disclosed in the section headed "A. The Transaction — Financial information on Rightchina" in this announcement, subject to review by the auditors of the Company, the Group expects to record a gain of approximately RMB800 million as a result of the Closing, accordingly, the Directors consider that consideration for the Disposal is fair and reasonable.

Conditions

Closing is conditional upon the fulfilment (or waiver, as the case may be) of the following conditions:

- (i) the obtaining of approvals of the Shareholders for the Sale and Purchase Agreement and the transactions contemplated in the Sale and Purchase Agreement as may be required by the Listing Rules or a waiver from such requirement of approval being obtained from the Stock Exchange, the conditions of which will not result in a material change to the terms of the Sale and Purchase Agreement;
- (ii) (where deemed appropriate by SHL), the obtaining of written acknowledgement(s) from financial institution(s) consenting to the Transaction;
- (iii) the completion of the Corporate Reorganisation; and
- (iv) the warranties provided by each of SHL and WCL under the Sale and Purchase Agreement being true and accurate in all material aspects at the Closing Date.

Closing

The Closing Date will be 29 August 2008. In case the above conditions (i) and/or (ii) have not been satisfied by 29 August 2008 and SHL is then able to demonstrate to WCL's reasonable satisfaction that such conditions can be satisfied within a reasonable period of time after 29 August 2008, the Closing Date will be postponed to a date no later than 31 October 2008 and WCL will pay to SHL the first instalment of the consideration of RMB817 million (approximately HK\$928.4 million) on 29 August 2008. If the above conditions (i) and (ii) still cannot be satisfied by the said deferred date of Closing, then SHL will transfer back the said first instalment to WCL together with the interest accrued thereon and the Sale and Purchase Agreement will terminate immediately.

Call Option

As part of the transactions contemplated under the Sale and Purchase Agreement, SHL has also, subject to Closing, granted the Call Option to WCL, which is exercisable by WCL or its Affiliate at its discretion during the period commencing from 1 December 2008 and ending on 31 December 2008, for the acquisition from SHL by WCL or its Affiliate of the Option Shares, representing a further 25% equity interest in Rightchina at the Option Closing Date, and the

assignment to WCL or its Affiliate of the Additional Shareholders' Loans at an exercise price of approximately RMB1,072 million (approximately HK\$1,218.2 million) and an amount equivalent to the Additional Shareholders' Loans. The maximum amount of the Additional Shareholders' Loans to be assigned to WCL or its Affiliate is expected to be no more than RMB50 million (approximately HK\$56.8 million). The payment of such exercise price will be made by WCL or its Affiliate to SHL in US\$ at the prevailing exchange rate to be determined with reference to the average exchange rate on each of the five Business Days immediately preceding the date of payment of such price. The Company will issue an announcement upon exercise, expiry or transfer of the Call Option in accordance with the requirements under the Listing Rules. There is no price payable by WCL to acquire the Call Option.

Option Closing is conditional upon WCL or its Affiliate having paid the second and third instalments of the consideration for the Disposal together with their respective accrued interest. The Option Closing Date will be 30 September 2009, or such earlier or later date as the parties may agree in writing.

The Call Option was negotiated on an arm's length basis and on normal commercial terms. The exercise price of the Call Option was determined with reference to the current location and investment appeal of the Super High Rise Project, and the future development potential of the Super High Rise Project, taking into account the Group's history, expertise and experience in constructing large-scale commercial project developments in the PRC. As disclosed in the section headed "A. The Transaction — Financial information on Rightchina" in this announcement, subject to review by the auditors of the Company, the Group expects to record a gain of approximately RMB840 million as a result of the Option Closing, accordingly, the Directors consider that exercise price of the option is fair and reasonable.

Rightchina Shareholders' Agreement

SHL, WCL, Rightchina and GHJ will enter into the Rightchina Shareholders' Agreement upon Closing.

Business

The business of Rightchina is to invest in and, through its subsidiaries or otherwise in the manner set out in the Rightchina Shareholders' Agreement, to develop, sell and operate the Super High Rise Project and to manage the properties or any other development erected in relation thereto.

Board representation

The board of Rightchina will comprise up to 4 directors. Upon Closing, SHL and WCL or its Affiliate will be entitled to nominate a total of three directors and one director for appointment to the board of Rightchina, respectively. After the Option Closing, each of SHL and WCL or its Affiliate will be entitled to nominate a total of two directors for appointment to the board of Rightchina. Subject to SHL and its affiliates holding in aggregate no less than 47% of the equity interest in Rightchina, the chairman of the board of Rightchina will be a director nominated by SHL, who will not have a casting vote as stipulated in the Rightchina Shareholders' Agreement.

Funding

The funding in relation to the Super High Rise Project under the Rightchina Shareholders' Agreement is summarised below:

- (i) The Development Costs will be financed by borrowings from the banking sources of the Rightchina Group and other third party financial institutions or Development Cost loans mentioned in paragraph (ii) below. The shareholders of Rightchina may (but are not obliged to) provide Guarantees in proportion with their respective equity interest in Rightchina to secure such borrowings. If WCL or its Affiliate does not provide its respective portion of such Guarantees, the Group has a right to provide such Guarantees and is entitled to receive a Loan Guarantee Fee from WCL or its Affiliate.
- (ii) To the extent that external providers of finance for all or some of the Development Costs are unavailable, the shareholders of Rightchina shall fund the shortfall amount in proportion with their respective equity interest in Rightchina by making available New Shareholders' Loans to Rightchina on terms to be mutually agreed between the parties.

Assignment and transfer

Under the Sale and Purchase Agreement and the Rightchina Shareholders' Agreement, WCL may assign and/or novate its rights and/or obligations thereunder to its affiliate. Also, WCL may transfer its shares in Rightchina to its affiliate, who shall be bound by the Rightchina Shareholders' Agreement and assume the benefits thereof. Such transferee, assignee or novatee shall be referred to as "Affiliate".

SHL Shareholders' Agreement

Shui On Development (Holding) Limited, WCL and SHL will enter into an addendum to record the terms upon which they have agreed to supplement and amend certain provisions of the SHL Shareholders' Agreement as a result of the Corporate Reorganisation.

Financial information on Rightchina

Based on the unaudited consolidated financial statements of Rightchina for the year ended 30 June 2008, Rightchina had an unaudited proforma consolidated net liability value of approximately RMB1 million (approximately HK\$1.1 million). Based on the unaudited proforma consolidated financial statements of Rightchina for the years ended 31 December 2006 and 31 December 2007, the unaudited proforma consolidated net losses both before and after taxation of Rightchina were approximately RMB0.3 million (approximately HK\$0.3 million) and RMB0.2 million (approximately HK\$0.2 million), respectively.

Subject to review by the auditors of the Company, the Group expects to record a gain of approximately RMB800 million (approximately HK\$909.1 million) as a result of the Closing and a further gain of approximately of RMB840 million (approximately HK\$954.5 million) as a result of the Option Closing. These gains are calculated based on the difference between the consideration, net of transaction costs, and the pro-rata net liabilities of Rightchina of approximately RMB0.3 million, multiplied by the equity interest of SHL attributable to the Group. The gain as a result of the Option Closing is subject to further adjustment on fair value and change in pro rata consolidated asset value of Rightchina for the period from the Closing Date to the exercise date of the Call Option.

After completion of the Disposal but before the Call Option is exercised and the transfer of the Option Shares is completed, Rightchina Group will remain as subsidiaries of the Company. After the Call Option is exercised and the transfer of the Option Shares is completed, Rightchina Group will cease to be subsidiaries of the Company, and will be accounted for as associates by using equity method of accounting.

Reasons for the Transaction

The Group considers the Transaction as one of the opportunities to form strategic partnerships with investors for leveraging their brand equity as well as their expertise and advice in financial management, investment evaluation, property development and property management, as the increase of WCL's interest in Rightchina after the Disposal can strengthen the relationship between the Group

and WCL and the Call Option can motivate WCL to mobilise efforts, resources and experts for the future growth of the Rightchina Group. The Transaction also allows the Group to potentially accelerate the development schedules and undertake more new projects, and at the same time, manage its investment risks by diversifying its capital commitments without overly exposing itself to any particular project.

The Directors (including the independent non-executive Directors) consider that the Transaction is on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The proceeds from the Transaction will be used for the Group's general working capital purposes.

B. PROVISION OF GUARANTEES AND RECEIPT OF LOAN GUARANTEE FEES

As mentioned in the section headed "A. The Transaction — Rightchina Shareholders' Agreement — Funding" in this announcement, SHL, WCL, Rightchina and GHIL will enter into the Rightchina Shareholders' Agreement upon Closing, pursuant to which the Group may provide Guarantees for the purpose of financing the Development Costs. The requirement of Development Costs may be realised in the form of banking facilities. Provision of guarantees may facilitate the obtaining of the bank loans for financing the development of the Super High Rise Project. In the event where the Group agrees to provide WCL's or its Affiliate's proportionate share of a Guarantee, WCL or its Affiliate shall give Loan Guarantee Fees to the Group for its input.

The Company expects that the amount of provision of Guarantees by the Group at any time during the following financial years will not exceed the following annual caps:

	The financial year ending 31 December		
	2008	2009	2010
Annual caps	RMB200 million (approximately HK\$227.3 million)	RMB500 million (approximately HK\$568.2 million)	RMB1,000 million (approximately HK\$1,136.4 million)

The above annual caps with respect to the provision of Guarantees are determined with reference to estimated amount of external financing which may be required for Super High Rise Project.

The Company expects that the amount of receipt of Loan Guarantee Fees from WCL or its Affiliate for the following financial years will not exceed the following annual caps:

	During the financial year ending 31 December		
	2008	2009	2010
Annual caps	RMB4 million (approximately HK\$4.5 million)	RMB10 million (approximately HK\$11.4 million)	RMB20 million (approximately HK\$22.7 million)

The above annual caps in respect of the receipt of Loan Guarantee Fees are determined with reference to, as appropriate, the difference in interest rates of the loans provided to the Rightchina Group that would have been applicable if no Guarantee is given by the Group or WCL or its Affiliate (as the case may be).

The Directors (including the independent non-executive Directors) consider that although the provision of Guarantees and the receipt of Loan Guarantee Fees are not in the ordinary and usual course of business, they are on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

C. PROVISION OF SHAREHOLDERS' LOANS

At the date of 30 June 2008, the Existing Term Loans amounted to approximately RMB543 million (approximately HK\$617.0 million). Further, as mentioned in the section headed "A. The Transaction — Rightchina Shareholders' Agreement — Funding" in this announcement, SHL, WCL, Rightchina and GHIL will enter into the Rightchina Shareholders' Agreement upon Closing, pursuant to which SHL may be required to provide New Shareholders' Loans to the Rightchina Group. The purpose of the Shareholders' Loans is to finance the Development Costs. Where the external banking facilities are unavailable to fund the Development Costs due to any reason, the shareholders of Rightchina shall provide Shareholders' Loans to fund the shortfall amount in accordance with their shareholding proportion upon mutual agreement, which may facilitate the development of the Super High Rise Project.

The Company expects that the amount of provision of Shareholders' Loans at any time during the following financial years will not exceed the following annual caps:

	The financial year ending 31 December		
	2008	2009	2010
Annual caps	RMB745 million (approximately HK\$846.6 million)	RMB900 million (approximately HK\$1,022.7 million)	RMB1,000 million (approximately HK\$1,136.4 million)

The above annual caps are determined with reference to the current estimated Development Costs during each of the financial years ending 31 December 2008, 2009 and 2010, and the amount of Existing Term Loans outstanding in each of the respective years.

The Directors (including the independent non-executive Directors) consider that although the provision of Shareholders' Loans is not in the ordinary and usual course of business, it is on normal commercial terms, fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

D. LISTING RULES IMPLICATIONS

The Transaction

As the relevant percentage ratios under the Listing Rules in respect of the Transaction are less than 25%, the Transaction constitutes a discloseable transaction of the Company. WCL is a connected person of the Company by virtue of its shareholdings in certain subsidiaries of the Company. Therefore, the Transaction also constitutes a connected transaction of the Company, with not all of the relevant percentage ratios under the Listing Rules in respect of the Transaction being less than 2.5%. Accordingly, the Transaction is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The provision of Guarantees, the receipt of Loan Guarantee Fees, and the provision of Shareholders' Loans

If the Call Option is exercised and the transfer of the Option Shares is completed, Rightchina will become a connected person of the Company. Therefore, (i) the provision of Guarantees and the receipt of Loan Guarantee Fees; and (ii) the provision of Shareholders' Loans, constitute possible continuing connected transactions of the Company. As not all of the relevant percentage ratios under the Listing Rules with reference to the annual caps in

respect of (i) the provision of Guarantees; and (ii) the provision of Shareholders' Loans, are less than 2.5%, such continuing connected transactions are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. As all of the relevant percentage ratios under the Listing Rules with reference to the annual caps in respect of the receipt of Loan Guarantee Fees are less than 2.5%, such continuing connected transactions are subject to the reporting and announcement requirements under the Listing Rules.

General

Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited, a closely allied group of Shareholders, each being a subsidiary of Shui On Company Limited, hold 940,000,000 shares, 941,678,594 shares and 396,071,631 shares of the Company, respectively. Together they hold approximately 54.41% of the entire issued share capital of the Company at the date of this announcement. Since none of the Shareholders is required to abstain from voting on (i) the entering into of the Sale and Purchase Agreement; (ii) the Transaction; (iii) the provision of Guarantees; and (iv) the provision of Shareholders' Loans, written approvals of Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited have been obtained for the purpose of approving the above transactions in lieu of an approval from the independent Shareholders at a shareholders' meeting pursuant to Rule 14A.43 of the Listing Rules.

An application has been made by the Company to the Stock Exchange for a waiver of the requirement for the Company to hold a shareholders' meeting in accordance with Rule 14A.43 of the Listing Rules, on the basis that the above transactions have been approved by a written approval of a closely allied group of Shareholders.

An independent board committee of the Company will be appointed to advise the independent Shareholders, and an independent financial adviser will also be appointed to advise the independent board committee and the independent Shareholders in relation to the terms of the above transactions.

A circular containing, among other things, further details of the above transactions, together with the recommendations of the independent board committee of the Company, the advice from the independent financial adviser to the independent board committee and the independent Shareholders will be despatched to the Shareholders as soon as practicable.

E. INFORMATION REGARDING THE GROUP AND WCL

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

WCL engages principally in the provision of consultancy, financial, investment and project co-ordinating services.

F. DEFINITIONS

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

“Additional Shareholders’ Loans”	the amount (if any) of the shareholders’ loans made by SHL to Rightchina between the Closing Date and the Option Closing Date (both dates inclusive) which is attributable to the Option Shares;
“Affiliate”	has the meaning ascribed to it in the section headed “A. The Transaction — Assignment and transfer” in this announcement;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day other than a Saturday or Sunday or public holiday on which banks are open in Hong Kong, the Cayman Islands and the PRC for general commercial business;
“Call Option”	an irrevocable call option granted by SHL to WCL for, subject to Closing, the acquisition of the Option Shares by WCL or its Affiliate and the assignment of the Additional Shareholders’ Loans to WCL or its Affiliate as contemplated under the Sale and Purchase Agreement;
“Closing”	closing of the Disposal;
“Closing Date”	the date of Closing;
“Company”	Shui On Land Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange;

“connected person”	has the meaning ascribed to it under the Listing Rules;
“Construction Cost”	the total construction cost incurred and to be incurred for the purpose of or in connection with the development of the Super High Rise Project together with all related shared public facilities and infrastructures;
“Corporate Reorganisation”	the corporate reorganisation procedures to be carried out by the Group as provided in the Sale and Purchase Agreement, which comprise, among other things, the creation of Class A ordinary shares of GHL and Class B ordinary shares of GHL, the respective holders of which will have attributable interests in the Normal Assets Project and the Super High Rise Project, respectively;
“CSO”	Chongqing Shui On Tiandi Property Development Company Limited (重慶瑞安天地房地產發展有限公司), a Sino-foreign joint venture company established under the laws of PRC, which owns the land use rights relating to the Super High Rise Project and 99% of whose equity interest is owned by GHL;
“Development Cost”	the aggregate of the Construction Costs, interest expenses and sales and marketing costs and the Relocation and Land Costs incurred or to be incurred in connection with the development of the Super High Rise Project and the sales and marketing of the property units developed pursuant to the Super High Rise Project;
“Directors”	the directors of the Company;
“Disposal”	disposal of the Sale Shares by SHL to WCL in accordance with the terms of the Sale and Purchase Agreement;
“Existing Term Loans”	all the amount of loans for the Super High Rise Project provided by SHL to GHL up to Closing together with the interests accrued thereon calculated with reference to market rate, which will not be assigned to WCL pursuant to the Sale and Purchase Agreement and are repayable after all New Shareholders’ Loans are repaid;

“GHL”	Grand Hope Limited (僑雄有限公司), a company incorporated under the laws of Hong Kong;
“Group”	the Company and its subsidiaries;
“Guarantees”	guarantees or other forms of recourse to be provided by the Group and/or WCL or its Affiliate to facilitate the making of loans by the Rightchina Group’s banking sources and other third party financial institutions for the business to be carried on by the Rightchina Group;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Guarantee Fees”	the resulting guarantee fees payable by WCL or its Affiliate to the Group in the event WCL or its Affiliate does not provide its proportionate share of a Guarantee;
“New Shareholders’ Loans”	future additional shareholders’ loans to be provided by SHL and/or WCL or its Affiliate for the Super High Rise Project;
“Normal Assets Project”	the assets (other than the Super High Rise Project) indirectly owned by Rightidea through GHL after the Corporate Reorganisation;
“Option Closing”	closing of the acquisition of the Option Shares by WCL or its Affiliate and the assignment of Additional Shareholders’ Loans to WCL or its Affiliate upon the exercise of the Call Option;
“Option Closing Date”	the date of Option Closing;
“Option Shares”	the shares in Rightchina registered in the name of SHL representing 25% of the fully diluted equity interest in Rightchina at the Option Closing Date;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Relocation and Land Costs”	the total costs incurred and to be incurred for the purpose of or in connection with obtaining the land use rights relating to the land where the Super High Rise Project is situated, and the expropriation and clearing of the said land so as to render the said land ready for development purposes;
“Rightchina”	Rightchina Limited (偉華有限公司), a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of SHL;
“Rightchina Group”	Rightchina and its subsidiaries;
“Rightchina Shareholders’ Agreement”	an agreement between SHL, WCL, Rightchina and GHIL in relation to the regulation of their shareholdings in, and the management of, Rightchina;
“Rightidea”	Rightidea Limited (正思有限公司), a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of SHL;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	a sale and purchase agreement dated 21 August 2008 entered into between SHL and WCL in relation to the Transaction and the Call Option;
“Sale Shares”	the shares in Rightchina representing 25% of the equity interest in Rightchina at the Closing Date;
“Shareholders”	holders of ordinary shares of the Company;
“Shareholders’ Loans”	collectively, the Existing Term Loans and the New Shareholders’ Loans;
“SHL”	Score High Limited, a company incorporated under the laws of the British Virgin Islands and a non wholly-owned subsidiary of the Company;

“SHL Shareholders’ Agreement”	an agreement (as supplemented) between Shui On Development (Holding) Limited, WCL and SHL in relation to the regulation of their shareholdings in, and the management of, SHL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Super High Rise Project”	a development project in Chongqing Municipality, the PRC, situated to the south of Rui Tian Road (瑞天路), to the west of Jia Hua Bridge (嘉華大橋), to the north of Hua Sheng Road (華盛路), and to the east of Jia Jin Road (嘉金路), in Chongqing, the PRC, comprising primarily office, retail and other commercial space including car park space with a maximum gross floor area of approximately 684,915 square metres at Closing;
“Transaction”	collectively, the Disposal and the Call Option;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“WCL”	Winnington Capital Limited, a company incorporated under the laws of Hong Kong.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rates of HK\$1.00 = RMB0.88. No representation is made that any amount in RMB has been or could be converted at the above rate or at any other rates or at all.

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

Hong Kong, 21 August 2008

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman and Chief Executive Officer) and Mr. William T. ADDISON; the non-executive director of the Company is The Honourable LEUNG Chun Ying; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. Edgar W. K. CHENG, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.

* For identification purposes only