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**瑞安房地產
Shui On Land Limited
瑞安房地產有限公司***

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

**PLACING OF EXISTING SHARES
AND
SUBSCRIPTION OF NEW SHARES**

Global Co-ordinator

**Goldman
Sachs**

Goldman Sachs (Asia) L.L.C.

Placing Agents

**Goldman
Sachs**



BNP PARIBAS
CORPORATE & INVESTMENT BANKING

CAZENOVE ASIA

A Standard Chartered group company

**Goldman Sachs (Asia)
L.L.C.**

**BNP Paribas Capital (Asia Pacific)
Limited**

Cazenove Asia Limited

On 10 June 2009, the Vendor and the Placing Agents entered into the Placing Agreement with the Company whereby the Vendor has appointed the Placing Agents and the Placing Agents have conditionally agreed to act as agents for the Vendor to procure purchasers or, failing which, themselves as principals, on a fully underwritten basis, severally and not jointly nor jointly and severally, to purchase 418,500,000 Placing Shares held by the Vendor at the Placing Price of HK\$4.87 per Share. On 10 June 2009, the Company entered into the Subscription Agreement with the Vendor whereby the Vendor conditionally agreed to subscribe for such number of Subscription Shares equivalent to the number of Placing Shares actually sold by the Vendor under the Placing Agreement at the Subscription Price of HK\$4.87 per Share.

The 418,500,000 Placing Shares represent (i) approximately 9.999% of the existing issued ordinary share capital of the Company of 4,185,597,171 Shares as at the date of this announcement; (ii) approximately 9.090% of the issued ordinary share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares); and (iii) approximately 8.332% of the issued ordinary share capital of the Company as enlarged by the Subscription and the Bonus Issue (assuming that the Bonus Issue is completed on or before the completion of the Subscription and there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares and the Bonus Shares).

Completion of the Placing and the Subscription is conditional on certain conditions precedent as more particularly set out in the Placing Agreement and the Subscription Agreement, respectively.

The gross proceeds and the net proceeds of the Subscription will be approximately HK\$2,038.10 million and approximately HK\$1,994.76 million respectively. The net proceeds are intended to be used to develop the current land bank or for general corporate purposes, including working capital.

THE PLACING AGREEMENT

Date

10 June 2009

Parties

The Vendor, the Placing Agents and the Company.

The Vendor is a controlling shareholder (as defined in the Listing Rules) of the Company (as at the date of this announcement prior to the completion of the Placing and/or Subscription) currently holding 945,178,594 Shares (representing approximately 22.582% of the issued Share capital of the Company). The Vendor and its concert parties are currently holding an aggregate of 2,282,400,225 Shares (representing approximately 54.530% of the issued Share capital of the Company).

To the best of the information, knowledge and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents and their ultimate beneficial owners is a third party independent of, and not connected with, the Company, its subsidiaries and their respective directors, chief executives and substantial shareholders, and their respective associates, and is not a connected person of the Company.

The Placing

The Vendor has appointed the Placing Agents and the Placing Agents have conditionally agreed to act as agents for the Vendor to procure purchasers or, failing which, themselves as principals, on a fully underwritten basis, severally and not jointly nor jointly and severally, to purchase 418,500,000 Placing Shares held by the Vendor at the Placing Price.

Placees

The Placees and their ultimate beneficial owners will be third parties independent from and not acting in concert with any of the Vendor and its concert parties and further that the Placees and their ultimate beneficial owners are independent of and not connected with any of the Company, its subsidiaries, their respective directors, chief executives, substantial shareholders, and their respective associates, and otherwise are not connected persons of the Company. It is also expected that the Placing Shares will be placed to not less than six Placees which are professional, institutional or other investors. The Company currently anticipates that none of the Placees will become a substantial shareholder of the Company upon completion of the Placing.

Number of Placing Shares

A total of 418,500,000 Placing Shares, which will be placed by the Placing Agents on a

fully underwritten basis, represent (i) approximately 9.999% of the existing issued ordinary share capital of the Company of 4,185,597,171 Shares as at the date of this announcement; (ii) approximately 9.090% of the issued ordinary share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares); and (iii) approximately 8.332% of the issued ordinary share capital of the Company as enlarged by the Subscription and the Bonus Issue (assuming that the Bonus Issue is completed on or before the completion of the Subscription and there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares and the Bonus Shares).

Placing Price

The Placing Price (or the Subscription Price) of HK\$4.87 per Placing Share (or Subscription Share) represents (i) a discount of approximately 7.06% to the closing price of HK\$5.24 per Share on Last Trading Day; (ii) a discount of approximately 9.31% to the average closing price of HK\$5.37 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day and (iii) a discount of approximately 7.94% to the average closing price of HK\$5.29 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Vendor and the Placing Agents. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

The total amount of proceeds of the Placing is HK\$2,038.10 million (on the assumption that all the Placing Shares are placed in full).

Rights of the Placing Shares

The Placing Shares will be sold free from all Encumbrances together with all rights attaching to them ranking pari passu to the Shares in all respects as at the date of the Placing Agreement, including the right to receive all dividends declared on the record date which falls on or after the date of the Placing Agreement.

Conditions of the Placing

The obligation of the Placing Agents to proceed to completion of the Placing is conditional upon:

- (a) the Subscription Agreement having been entered into by the parties thereto;
- (b) the Placing Agents having received:

- (1) from the Vendor and the Company certified board resolutions approving the Placing and the entering into of the Placing Agreement;
 - (2) the Cayman Island, Hong Kong and United States legal opinions in connection with the Placing; and
 - (3) a signed Lock-up Undertaking;
- (c) there not having come to the attention of the Placing Agents at any time prior to completion of the Placing (i) any breach of, or any event rendering untrue, incorrect or breached in any material respect, any of the representations, warranties or undertakings referred to in the Placing Agreement or (ii) any material breach of, or failure to perform, any of the other agreements, conditions and/or obligations of the Company and/or the Vendor which are required to be performed at or before completion of the Placing;
- (d) there not having come to the attention of the Placing Agents at any time prior to completion of the Placing (i) any change in local or international financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls or (ii) any suspension of dealings in the Shares for any period whatsoever (even if such suspension is subsequently lifted prior to completion of the Placing) other than as a result of the Placing, or any cancellation of the listing of the Shares, on the Stock Exchange or (iii) any adverse announcement, determination or ruling of any governmental or other regulatory body (including delay in approval of this announcement or any other relevant announcement by any relevant stock exchange), which would (in any case mentioned in (i), (ii) or (iii) above), in the opinion of the Placing Agents, prejudice materially the success of the Placing; and
- (e) there not having been imposed any moratorium, suspension or material restriction or trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to completion of the Placing.

Subject to fulfilment (and/or waiver by the Placing Agents) of the conditions as set out in the Placing Agreement, the Placing is expected to complete on the Closing Date which is 15 June 2009, or such later date as the Vendor and the Placing Agents may agree in writing.

Lock-up undertaking

In order to induce the Placing Agents to enter into the Placing Agreement:

- (a) the Vendor undertakes to each Placing Agents that (except for the sale of the Placing Shares pursuant to the Placing Agreement) from the date of the Placing Agreement and on or prior to the date being ninety (90) days after the date of the Placing Agreement it will not and will procure that none of its nominees,

- companies controlled by it and/or trusts associated with it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agents) (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the new Shares to be issued under the Subscription Agreement but excluding the Placing Shares) or any interests therein or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above. For the avoidance of doubt, this undertaking does not restrict the Vendor or any of its nominees, companies controlled by it and/or trusts associated with it (whether individually or together and whether directly or indirectly) from purchasing any Shares;
- (b) the Company undertakes to each Placing Agents that (except for (i) the new Shares to be allotted and issued to the subscribers named in the Subscription Agreement; (ii) any new Shares or options to be issued pursuant to any existing or previous employee share option schemes of the Company; (iii) any Shares or other securities or rights issued or granted to shareholders by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its articles of association or on the exercise of rights existing at the date of the Placing Agreement) from the date of the Placing Agreement and on and prior to the date being ninety (90) days after the date of the Placing Agreement it will not (without the prior written consent of the Placing Agents) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above; and
- (c) the Vendor and the Company undertake to procure Mr. Lo Hong Sui, Vincent to enter into the Lock-up Undertaking.

THE SUBSCRIPTION AGREEMENT

Date

10 June 2009

Parties

The Vendor as subscriber and the Company as issuer.

The Subscription Price

The Subscription Price is HK\$4.87 per Share, which is the same as the Placing Price.

Number of Subscription Shares

The Company will allot and issue a total of 418,500,000 Subscription Shares which is equivalent to the number of Placing Shares sold by the Vendor under the Placing Agreement, all of which will be subscribed by the Vendor. The number of Subscription Shares will represent (i) approximately 9.999% of the existing issued ordinary share capital of the Company as at the date of this announcement; (ii) approximately 9.090% of the issued ordinary share capital of the Company as enlarged by the Subscription (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares); and (iii) approximately 8.332% of the issued ordinary share capital of the Company as enlarged by the Subscription and the Bonus Issue (assuming that the Bonus Issue is completed on or before the completion of the Subscription and there is no change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares and the Bonus Shares).

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the issued Shares as at the date of allotment of the Subscription Shares.

Conditions of the Subscription

Completion of the Subscription is conditional on:

- (1) completion of the Placing; and
- (2) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all the Subscription Shares.

The Subscription Agreement does not provide for either party to waive any of the above conditions.

Completion

The Completion of the Subscription will take place on or before 24 June 2009, which is

14 days from the date of Placing Agreement (or such later date, subject to compliance with all the necessary requirements of the Listing Rules, as may be agreed between the parties), otherwise the Subscription Agreement will cease and terminate. If the Subscription is not completed within 14 days from the date of Placing Agreement, it will constitute a connected transaction under the Listing Rules and is subject to compliance with the requirements under Chapter 14A of the Listing Rules, including the issue of a separate announcement and approval of the independent Shareholders.

General Mandate

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted at the AGM. As such, the issue of the Subscription Shares is not subject to further approval of the Shareholders.

Under the General Mandate, a maximum of 837,119,434 Shares can be issued and allotted as of the date of this announcement. Save for the 418,500,000 Subscription Shares, no Share has been issued under the General Mandate as of the date of this announcement and since it was granted on 4 June 2009.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

REASONS FOR THE TOP-UP PLACING AND USE OF PROCEEDS

The Directors consider the top-up placing under the Placing Agreement and the Subscription Agreement represents an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company. Accordingly, the Directors consider the Placing and Subscription are in the interests of the Company and the Shareholders as a whole.

Based on a total of 418,500,000 Subscription Shares to be subscribed by the Vendor as a result of the completion of the Placing of 418,500,000 Placing Shares, the total gross proceeds of the Placing and Subscription will be approximately HK\$2,038.10 million and the total net proceeds of the Subscription will amount to approximately HK\$1,994.76 million after deduction of the relevant expenses, which will be used to develop the current land bank or for general corporate purposes, including working capital. The net proceeds raised per Share upon the completion of the Subscription will be approximately HK\$4.77 per Share.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table illustrates (1) the existing shareholding structure as at the date of announcement; (2) the shareholding structure immediately after completion of the Placing but before the Subscription; (3) the shareholding structure immediately after completion of the Placing and the Subscription; and (4) the shareholding structure immediately after completion of the Placing, the Bonus Issue and the Subscription; on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares and the Bonus Shares, as the case may be; and (b) the Placees do not and will not hold any Shares other than the Placing Shares.

	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription		Immediately after completion of the Placing, the Bonus Issue and the Subscription	
	Shares	% of total issued Shares	Shares	% of the total issued Shares	Shares	% of the total issued Shares	Shares	% of the total issued Shares
Vendor and its concert parties	2,282,400,225	54.530%	1,863,900,225	44.531%	2,282,400,225	49.573%	2,510,640,246	49.987%
Placees (note)	-	-	418,500,000	9.999%	418,500,000	9.090%	418,500,000	8.332%
Public shareholders	1,903,196,946	45.470%	1,903,196,946	45.470%	1,903,196,946	41.337%	2,093,516,642	41.681%
Total	4,185,597,171	100%	4,185,597,171	100%	4,604,097,171	100%	5,022,656,888	100%

Notes: The Placees and their ultimate beneficial owners will be third parties independent from and not acting in concert with any of the Vendor and its concert parties and further that the Placees and their ultimate beneficial owners are independent of and not connected with any of the Company, its subsidiaries, their respective directors, chief executives, substantial shareholders, and their respective associates, and otherwise are not connected persons of the Company.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

As a result of the Placing, the aggregate percentage shareholding of the Vendor and its concert parties will reduce from 54.530% to 44.531% (a decrease of approximately 9.999%) and as a result of the Subscription, their aggregate percentage shareholding will be increased from 44.531% to 49.573% (an increase of approximately 5.042%). Accordingly, the Vendor would be required to make a general offer under Rule 26 of the Takeovers Code unless a waiver from the SFC is granted. Pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code, a waiver under Rule 26 of the Takeovers Code is not required where a shareholder, together with persons acting in concert with him has continuously held more than 50% of the voting rights of a company for at least 12 months immediately preceding the relevant placing and top-up transaction.

Given the Vendor and its concert parties have continuously held more than 50% of the voting rights of the Company for the past 12 months immediately preceding the Placing, a waiver under Rule 26 of the Takeovers Code is not required.

INFORMATION REGARDING THE COMPANY

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

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 4 June 2009;
“Board”	board of Directors;
"Bonus Issue"	the issue of Bonus Shares on and subject to the terms and conditions set out in the circular of the Company dated 30 April 2009;
“Bonus Shares”	the issue of 418,559,717 new shares as bonus shares to existing shareholders whose names appear on the register of members of the Company on 4 June 2009, being the record date by reference to which entitlements to such new shares will be determined;
“Closing Date”	15 June 2009 or such later date as the Vendor and the Placing Agents may agree in writing;
“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(s)”	has the meaning given to that term in the Listing Rules;
“concert parties”	has the meaning given to that term in the Takeovers Code;
“Directors”	directors of the Company;
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to

	the Director by resolution of the Shareholders passed at the AGM;
“Group”	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;
“Last Trading Day”	10 June 2009, being the last trading day for the Shares before the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lock-up Undertaking”	the lock-up undertaking executed by Mr. Lo Hong Sui, Vincent in favour of the Placing Agents;
“Placee(s)”	any professional, institutional or other investor procured by the Placing Agents to subscribe for any Placing Shares pursuant to the obligations under the Placing Agreement;
“Placing”	the placing of 418,500,000 Placing Shares pursuant to the terms of the Placing Agreement;
“Placing Agents”	Goldman Sachs (Asia) L.L.C., BNP Paribas Capital (Asia Pacific) Limited and Cazenove Asia Limited (a Standard Chartered group company);
“Placing Agreement”	the placing agreement dated 10 June 2009 entered into among the Vendor, the Placing Agents and the Company in relation to the Placing;
“Placing Price”	HK\$4.87 per Placing Share;
“Placing Shares(s)”	418,500,000 existing Shares beneficially owned by the Vendor and to be placed under the Placing Agreement;
“PRC”	the People’s Republic of China;
“SFC”	Securities and Futures Commission;
“Share(s)”	the ordinary share(s) of US\$0.0025 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 10 June 2009 entered into between the Vendor as subscriber and the Company as issuer in relation to the Subscription;
“Subscription Price”	HK\$4.87 per Subscription Share which is equal to the Placing Price;
“Subscription Shares”	such number of Subscription Shares which is equivalent to the number of Placing Shares sold by the Vendor under the Placing Agreement;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takovers and Mergers;
“Vendor”	Shui On Investment Company Limited, a company incorporated in Hong Kong and a controlling shareholder of the Company;
“United States” or “US”	the United States of America, including its territories and dependencies, any state of the United States and the District of Columbia; and
“%”	per cent.

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

Hong Kong, 10 June 2009

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman and Chief Executive Officer), Mr. Louis H. W. WONG and Mr. Aloysius T. S. LEE; 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*

If there is any inconsistency between the English version and the Chinese version of this announcement, the English version shall prevail.