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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)

CONNECTED TRANSACTION

**ACQUISITION OF THE REMAINING 30% INTEREST IN
GLOBE STATE PROPERTIES LIMITED
IN RELATION TO LOT 117, TAIPINGQIAO**

The board of Directors of the Company is pleased to announce that on 29 July 2009, SOD, a wholly-owned subsidiary of the Company, has entered into a Sale and Purchase Agreement with EML and SHC, pursuant to which SOD will acquire from the Sellers their entire interest in Globe State, being 30% equity interest in the issued share capital of Globe State together with the Loan owed by Globe State to the Sellers in the amount of RMB55,635,972 (approximately HK\$63,222,695), for a total cash Consideration of RMB100,000,000 (approximately HK\$113,636,363).

Globe State, currently owned as to 70% by the Company, 20% by EML and 10% by SHC, holds 99% equity interest in Shanghai Lakeville Properties Co., Ltd. (上海翠湖天地房地產有限公司), a PRC project company holding the Project, namely the development at Lot 117, Taipingqiao Area, Lu Wan District, Shanghai, PRC. Each of EML and SHC is a connected person of the Company by virtue of its being a substantial shareholder of Globe State, a non-wholly owned subsidiary of the Company. Therefore, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Acquisition are more than 0.1% but less than 2.5%, the Acquisition is subject to the reporting and announcement requirements but exempt from independent shareholders' approval under the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date

29 July 2009

Parties

Sellers: EML and SHC

Purchaser: SOD

Assets to be acquired

The Sale Shares, being the entire 30% equity interest held by the Sellers in the issued share capital of Globe State, and the Loan owed by Globe State to the Sellers.

Major Terms of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, SOD has agreed to acquire the Sale Shares and the Loan from the Sellers. Upon Completion, Globe State will become an indirect wholly-owned subsidiary of the Company.

Consideration

The Consideration for the Acquisition is RMB100,000,000 (approximately HK\$113,636,363) in cash, payable by SOD to the Sellers in US Dollars on a pro rata basis in accordance to their respective shareholdings in Globe State pursuant to the terms of the Sale and Purchase Agreement. The first instalment of RMB33,333,333 (approximately HK\$37,878,787), representing one-third of the entire Consideration, shall be payable by SOD to the Sellers on or before 31 July 2009. The second instalment in the remaining sum of RMB66,666,667 (approximately HK\$75,757,576), representing the remaining two-thirds of the Consideration, shall be payable by SOD to the Sellers on the Completion Date. The Consideration will be funded by the internal resources of the Group.

The Consideration was determined based on arm's length negotiation between the parties with reference to the value of the Loan, the consolidated net asset value and the market value of the unsold properties held by Globe State.

Completion

Completion of the Acquisition will take place on or before 31 December 2009 in accordance with the terms contemplated under the Sale and Purchase Agreement.

INFORMATION ON GLOBE STATE

Globe State is a 70% owned subsidiary of the Company, which in turn holds 99% equity interest in Shanghai Lakeville Properties Co., Ltd. (上海翠湖天地房地產有限公司), a PRC project company holding the Project, namely the development at Lot 117, Taipingqiao Area, Lu Wan District, Shanghai, PRC.

The audited consolidated net asset value of Globe State as of 31 December 2008 is approximately RMB42,205,000. The unaudited consolidated profit before and after taxation of Globe State for the year ended 31 December 2007 were RMB12,166,000 and RMB7,774,000 respectively. The audited consolidated profits before and after taxation and extraordinary items of Globe State for the year ended 31 December 2008 were RMB6,643,000 and RMB4,584,000 respectively. The corresponding audited net asset value and the net profits (both before and after taxation) attributable to the Acquisition of Globe State were approximately RMB12,661,500 (in terms of net asset value), RMB1,992,900 and RMB1,375,200 (in terms of profits for 2008) respectively.

REASONS FOR THE TRANSACTION

The development of the Project was fully completed and held for sale. Following the completion of the Sale and Purchase Agreement, Globe State will become a wholly owned subsidiary of the Company enabling the Company to better manage and plan for the entire Project. In addition, it will allow the Company the flexibility to use Globe State and its subsidiaries as the vehicles for future project developments, and allow the Company to retain the profits in the PRC for future development, instead of having to pay dividends from the Project out of the PRC to its overseas shareholders.

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

IMPLICATIONS OF THE LISTING RULES

Globe State is currently owned as to 70% by the Company, 20% by EML and 10% by SHC. Each of EML and SHC is a connected person of the Company by virtue of its being a substantial shareholder of Globe State, a subsidiary of the Company for the purposes of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Acquisition are more than 0.1% but less than 2.5%, the Acquisition is subject to the reporting and announcement requirements but exempt from independent shareholders' approval under the Listing Rules.

GENERAL INFORMATION

The Company, through its subsidiaries and associates, is one of the leading property developers in the PRC. It 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.

The principal business activity of EML and SHC respectively is investment holding company.

DEFINITIONS

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

“Acquisition”	the purchase of the Sale Shares and the Loan in accordance with the terms of the Sale and Purchase Agreement;
“Business Day”	a day, other than a Saturday or Sunday, on which banks are open for business in Hong Kong and Shanghai;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“Completion”	the completion of the Sale and Purchase Agreement;
“Completion Date”	the date which shall be confirmed by SOD to the Sellers in writing on a day no later than 31 December 2009, being the Business Day upon which Completion is to take place pursuant to the Sale and Purchase Agreement;
“Consideration”	the cash consideration payable under the Sale and Purchase Agreement in the aggregate amount of RMB100,000,000 (approximately HK\$113,636,363);
“Directors”	the directors of the Company;
“EML”	Equity Millennium Limited, a company incorporated under the laws of the British Virgin Islands;
“EML Sale Shares”	the 20 fully paid shares legally and beneficially owned by EML, representing 20% of the issued share capital of Globe State;
“Globe State”	Globe State Properties Limited, a 70% owned subsidiary of the Company, and the ultimate owner of the PRC project company holding the Project;
“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”	the non-interest bearing loan in the aggregate amount of RMB55,635,972 (approximately HK\$63,222,695) which is repayable on demand and owed by Globe State to the Sellers;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“Project”	development at Lot 117, Taipingqiao Area, Lu Wan District, Shanghai, PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“SHC”	Shun Hing China Investment Limited, a company incorporated under the laws of Hong Kong;
“SHC Sale Shares”	the 10 fully paid shares legally and beneficially owned by SHC, representing 10% of the issued share capital of Globe State.
“SOD”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of the Company;
“Sale and Purchase Agreement”	the agreement between SOD, EML and SHC in relation to the sale and purchase of 30% of the issued share capital of Globe State and the assignment of the Loan;
“Sale Shares”	collectively the EML Sale Shares and the SHC Sale Shares;
“Sellers”	EML and SHC;
“Shareholders”	holders of shares in the ordinary share capital of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules; and
“US Dollars”	United States Dollars, the lawful currency of the United States of America.

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

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

Hong Kong, 29 July 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*