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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)**

**DISCLOSEABLE TRANSACTION**

**ACQUISITION OF LAND IN HONGQIAO DISTRICT, SHANGHAI, THE PRC**

The Board is pleased to announce that on 30 September 2010, the Company has made a successful bid for the Land located in Hongqiao District, Shanghai, the PRC at a price of RMB3,188,000,000. On 30 September 2010, the Company entered into the Confirmation Agreement with the Land Exchange Center confirming the successful bid for the Land.

As the relevant applicable percentage ratios defined in Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 30 September 2010, the Company as the bidder has made a successful bid for the Land located in Hongqiao District, Shanghai, the PRC at a price of RMB3,188,000,000. On 30 September 2010, the Company entered into the Confirmation Agreement with the Land Exchange Center confirming the successful bid for the Land.

## **CONFIRMATION AGREEMENT**

- Date : 30 September 2010
- Parties : (a) the Company as the successful bidder; and  
(b) the Land Exchange Center as the tenderer.
- Major terms : The Confirmation Agreement confirmed the Acquisition in accordance with the terms and conditions stipulated therein. Pursuant to the Confirmation Agreement, the Acquisition is conditional upon the signing of the land use rights transfer agreement for the Land to be entered into between the Land Bureau and the Company or its nominee(s).

## **CONSIDERATION**

The total consideration amount of RMB3,188,000,000 was determined as a result of the public bidding held by the Land Exchange Center on 30 September 2010, which was conducted in accordance with the relevant PRC laws and regulations. The total consideration represents the minimum starting bid price of RMB2,824,670,000 for the Land as quoted in the Tender Notice and Conditions plus a premium of approximately 12.9% on the minimum starting bid price. The Group will fund the consideration partly by its internal resources and partly by bank borrowings.

A deposit of RMB564.92 million (equivalent to approximately HK\$641.95 million) has been paid by the Company, and the remaining balances shall be settled in accordance with the terms of the land use rights transfer agreement and the ancillary documents relating to the Acquisition.

## **REASONS FOR THE ACQUISITION**

The Land is adjacent to and directly linked to the Hongqiao Transportation Hub. It is expected that the Hongqiao Transportation Hub will become an important economic center of the Yangtze Delta, and will link Shanghai to the rest of the PRC. Based on the latest proposed development plan of the Shanghai government, the Hongqiao Transportation Hub is expected to be supported by a strong transportation network of international airport, high speed inter city trains, Maglev train, subway lines and highway network. With the geographical proximity of the Land to the Hongqiao Transportation Hub, the Directors believe that the Acquisition is a rare and unique investment opportunity for the Group. Furthermore, the Acquisition is in line with the Group's business strategies and its business model in the PRC.

The Directors (including the independent non-executive directors) considered that the Acquisition was on normal commercial terms in the ordinary and usual course of business of the Company, and that the Acquisition would be commercially viable and fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the relevant applicable percentage ratios defined in Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under the Listing Rules.

## **GENERAL INFORMATION**

Following the Acquisition, the Company will, through its subsidiaries, hold and develop the Land.

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 Land Bureau (as the seller) manages the land resources and the purposes of land use to cope with the urban development planning of Hongqiao District, Shanghai, the PRC.

The main functions of the Land Exchange Center is to register land transactions and to conduct tenders, auctions and public quotations relating to land use rights transactions in Shanghai, the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Land Bureau and the Land Exchange Centre and their respective ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **DEFINITIONS**

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

<b>“Acquisition”</b>	the successful bidding for the acquisition of the land use rights of the Land by the Company on 30 September 2010;
<b>“associates”, “connected person(s)”, “subsidiary(ies)”</b>	each has the meaning ascribed to it in the Listing Rules;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange;

<b>“Confirmation Agreement”</b>	the agreement (中標通知書) dated 30 September 2010 between the Company and the Land Exchange Center relating to the Acquisition;
<b>“Directors”</b>	the directors of the Company;
<b>“GFA”</b>	gross floor area;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC;
<b>“Hongqiao Transportation Hub”</b>	the transportation hub (上海虹橋交通樞紐) covering three municipal districts of Shanghai including the Changning District, the Minhang District and the Qingpu District with an area of approximately 26.26 square kilometres, which is expected to become Shanghai’s key transportation link to the rest of the PRC;
<b>“Land”</b>	a piece of land located at west of Sheng Hong Road, south of Su Hong Road, east of Sheng Chang Road and north of Zhou Hong Road, Hongqiao District, Shanghai, the PRC (中國上海市虹橋區商務核心區一期 06 地塊), a mixed-use development project with a net site area of approximately 62,300 square metres and an estimated developable above ground GFA of approximately 233,140 square metres;
<b>“Land Bureau”</b>	Shanghai Municipal Bureau of Planning and Land Resources (上海市規劃和土地管理局) in Shanghai, the PRC;
<b>“Land Exchange Center”</b>	Shanghai Real Estate Trading Center (上海市房地產交易中心土地交易市場) in Shanghai, the PRC;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“PRC”</b>	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;

<b>“Shareholders”</b>	holders of ordinary shares of the Company;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Tender Notice and Conditions”</b>	the tender notice and conditions (國有建設用地使用權出讓預申請須知) published by the Land Bureau in relation to the bidding of the Land; and
<b>“%”</b>	percent.

*Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into 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  
**Shui On Land Limited**  
**Vincent H. S. LO**  
*Chairman*

Hong Kong, 30 September 2010

*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, Mr. Daniel Y. K. WAN and Mr. Freddy C. K. 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 purpose only*