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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 AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF THE ISSUED SHARE CAPITAL IN
RIMMER AND MAGIC GARDEN**

AND

**CONNECTED TRANSACTION
IN RELATION TO THE FINANCIAL ASSISTANCE TO MEMBERS
OF THE SELLERS' GROUP**

AND

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO LANGHAM XINTIANDI HOTEL RELATED TRANSACTIONS**

**Financial Adviser to
Shui On Land Limited**



THE TRANSACTIONS

On 9 September 2011, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Sellers (namely Cassidy and SOI) pursuant to which the Sellers shall at Completion sell and the Purchaser (or its nominee) shall purchase, among others, the entire legal and beneficial ownership in (i) the RI Shares and (ii) the MGI Shares.

Shui On Plaza and Xintiandi Plaza Business

Cassidy legally and beneficially owns the RI Shares and Rimmer owns 80% equity interest in Shanghai Rimmer, which in turn owns the land use rights and the building ownership rights pertaining to Shui On Plaza and 24% equity interest in Xintiandi Plaza Business. Upon Completion, the Purchaser (or its nominee) will indirectly hold 80% equity interest in Shanghai Rimmer, which in turn owns the land use rights and the building ownership rights pertaining to Shui On Plaza and 24% equity interest in Xintiandi Plaza Business.

Langham Xintiandi Hotel

SOI legally and beneficially owns the MGI Shares and Magic Garden indirectly owns 50% equity interest in Shanghai Li Xing, which in turn owns the land use rights and the building ownership rights pertaining to Langham Xintiandi Hotel and 107 Hotel. It is intended that, the land use rights and building ownership rights and all liabilities pertaining to Langham Xintiandi Hotel and 107 Hotel shall be segregated by way of the de-merger of Shanghai Li Xing and upon completion of the Proposed De-merger, a company holding the land use rights and building ownership rights and assuming all the liabilities pertaining to Langham Xintiandi Hotel will be indirectly wholly-owned by Magic Garden, and this company will not assume any liabilities whatsoever pertaining to 107 Hotel, nor hold the land use rights and building ownership rights of 107 Hotel. Upon Completion and the completion of the Proposed De-merger, the Purchaser (or its nominee) will indirectly hold 66.7% equity interest in Shanghai Li Xing (or a new company), which in turn will own the land use rights and building ownership rights pertaining to Langham Xintiandi Hotel but not assuming any liabilities whatsoever pertaining to 107 Hotel, nor holding the land use rights and building ownership rights of 107 Hotel.

SOI, being a substantial Shareholder of the Company, is a connected person of the Company for the purpose of the Listing Rules. Cassidy, being a subsidiary of SOI, is also a connected person of the Company for the purpose of the Listing Rules. Given the Sellers are connected persons of the Company, the Transactions constitute connected transactions of the Company as defined under Rule 14A.13 of the Listing Rules. As the relevant percentage ratios set out in the Listing Rules in respect of the Transactions are more than 5% but less than 25%, the Transactions also constitute discloseable transactions of the Company. Therefore, the Transactions are subject to reporting, announcement and the independent Shareholders' approval requirements under the Listing Rules.

FINANCIAL ASSISTANCE

Following the Completion, the Retained Receivables would be regarded as a financial assistance provided by the Group to members of the Sellers' Group, which are connected persons of the Company, and therefore a connected transaction pursuant to Chapter 14A of the Listing Rules. As the relevant percentage ratios set out in the Listing Rules in respect of such transaction are more than 0.1% but less than 5%, such transaction falls within Rule 14A.32 of the Listing Rules and is subject to reporting and announcement requirements but exempt from independent Shareholders' approval requirement under the Listing Rules.

Following the Completion, the Retained Payables would be regarded as a financial assistance given by members of the Sellers' Group, which are connected persons of the Company, to the Group. However, given such financial assistance is provided by the Sellers' Group for the benefit of the Group on normal commercial terms (or better to the Group) and no security over the assets of the Group is granted in respect of such financial assistance, such transaction is exempt from the reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Langham Xintiandi Hotel Related Transactions

On 1 April 2010 and before the date of the Agreement, Shanghai Li Xing entered into:

- (a) the Hotel Management Agreement with Langham Shanghai, whereby Langham Shanghai, an indirect wholly-owned subsidiary of GE Holdings, shall have the exclusive right to manage and operate Langham Xintiandi Hotel for a term of 20 years from the opening of Langham Xintiandi Hotel renewable by Langham Shanghai for multiple 10-year periods subject to the terms therein; and
- (b) the Licence Agreement with Langham International, whereby Langham International, an indirect wholly-owned subsidiary of GE Holdings, has agreed to grant to Shanghai Li Xing a non-exclusive and non-transferable licence to use the “Langham” and other marks for the operation of Langham Xintiandi Hotel during the term of the Hotel Management Agreement.

Upon Completion and completion of the Proposed De-merger, Shanghai Li Xing will become a subsidiary of the Company and by virtue of Mr. Vincent Lo’s relationship with GE Holdings, GE Holdings and its subsidiaries (including Langham Shanghai and Langham International) will be regarded as connected persons of the Company under Chapter 14A of the Listing Rules. As such, the Langham Xintiandi Hotel Related Transactions will become continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules upon Completion.

As the relevant percentage ratios set out in the Listing Rules in respect of the Annual Caps are more than 0.1% but less than 5% on an annual basis, the Langham Xintiandi Hotel Related Transactions fall within Rule 14A.34 of the Listing Rules and are subject to the announcement, annual review and reporting requirements only and are exempt from approval by the independent Shareholders under the Listing Rules.

In addition, as the term for each of the Hotel Management Agreement and the Licence Agreement exceeds three years, an independent financial adviser has been appointed to advise the independent board committee of the Company and the independent Shareholders as to whether it is normal business practice for contracts of this type to be of such duration.

EGM

An EGM will be held for the independent Shareholders to consider and approve, if appropriate, the Transactions. Pursuant to the Listing Rules, any Shareholders with a material interest in the Transactions will abstain from voting on resolution(s) approving the Transactions. To the best of the knowledge of the Directors, except for Shui On Properties Limited, SOI and New Rainbow Investments Limited, no Shareholders will be required to abstain from voting on the resolution(s) to approve the Transactions at the EGM.

The Circular containing, among other things, further details of the 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 of the Company and the independent Shareholders, and the advice from the independent financial adviser on the duration of the Hotel Management Agreement and the Licence Agreement, is expected to be dispatched to the Shareholders on or before 3 October 2011.

A. THE TRANSACTIONS

Introduction

On 9 September 2011, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Sellers (namely Cassidy and SOI) pursuant to which:

- (a) the Sellers shall at Completion sell and the Purchaser (or its nominee) shall purchase the entire legal and beneficial ownership in (i) the RI Shares and (ii) the MGI Shares;
- (b) the Sellers shall or shall procure the relevant members of the Sellers' Group to, at Completion assign to the Purchaser (or its nominee) and, the Purchaser (or its nominee) shall accept, all of the Sellers' or the relevant members of the Sellers' Group's rights, title, interest and benefits in and to the Shareholder Loans; and
- (c) the Purchaser (or its nominee) shall at Completion assume all of the Assumed Liabilities and all obligations pertaining to such Assumed Liabilities due and owing by the relevant member of the Sellers' Group to the relevant member of the Target Groups as from Completion,

on terms and conditions as set out in the Agreement.

Cassidy legally and beneficially owns the RI Shares and Rimmer owns 80% equity interest in Shanghai Rimmer, which in turn owns the land use rights and the building ownership rights pertaining to Shui On Plaza and owns 24% equity interest in Xintiandi Plaza Business.

SOI legally and beneficially owns the MGI Shares and Magic Garden owns the entire issued share capital of Landton through Victorious Run. Landton, Trillion Full and Metro Land own 50%, 22.5% and 27.5%, respectively, of the equity interest in Shanghai Li Xing, which in turn owns the land use rights and the building ownership rights pertaining to Langham Xintiandi Hotel and 107 Hotel.

It is intended that:

- (a) the land use rights and building ownership rights and all liabilities pertaining to Langham Xintiandi Hotel and 107 Hotel shall be segregated by way of the de-merger of Shanghai Li Xing (the "**Proposed De-merger**"). Magic Garden will, through Victorious Run, Landton and Shanghai Li Xing (or a new company), hold all the legal and beneficial interest, and assume all liabilities, in relation to Langham Xintiandi Hotel on completion of the Proposed De-merger; and
- (b) upon completion of the Proposed De-merger:
 - (i) a company holding the land use rights and building ownership rights and assuming all the liabilities pertaining to 107 Hotel will be owned by Trillion Full and Metro Land as to 45% and 55%, respectively; and

- (ii) a company holding the land use rights and building ownership rights and assuming all the liabilities pertaining to Langham Xintiandi Hotel will be wholly-owned by Landton, and this company will not assume any liabilities whatsoever pertaining to 107 Hotel, nor hold the land use rights and building ownership rights of 107 Hotel.

Upon Completion and completion of the Proposed De-merger, the Purchaser (or its nominee) will indirectly own:

- (a) 80% equity interest in Shanghai Rimmer, which in turn owns the land use rights and the building ownership rights pertaining to Shui On Plaza and 24% equity interest in Xintiandi Plaza Business; and
- (b) 66.7% equity interest in Shanghai Li Xing (or a new company), which in turn owns the land use rights and building ownership rights pertaining to Langham Xintiandi Hotel but not assuming any liabilities whatsoever pertaining to 107 Hotel.

The Agreement

Date : 9 September 2011

Parties : (a) the Purchaser; and
(b) the Sellers

Consideration : Pursuant to the Agreement, the Initial Consideration is HK\$2,086 million which shall be adjusted in accordance with the “Consideration Adjustment” below.

The total amount of the consideration under the Transactions is determined based on the aggregate amount of NAV (Shui On Plaza), NAV (Langham Xintiandi Hotel) and the Shareholder Loans minus the Assumed Liabilities.

Issue of Initial Consideration Shares : Subject to adjustment following Completion, the Initial Consideration shall be settled by way of the Purchaser procuring the Company to issue the Initial Consideration Shares to the Sellers in accordance with the Agreement at Completion.

The number of Initial Consideration Shares shall be determined according to the following formula:

$$ICS = IC / [BSP \times (1 + P)]$$

where:

ICS = the number of Initial Consideration Shares;
IC = the amount of the Initial Consideration;
BSP = the Benchmark Share Price; and
P = 12.5%, being the agreed premium to the Benchmark Share Price.

The Benchmark Share Price shall be the higher of the following:

- (a) HK\$3.02 per Share, being the higher of: (i) the average of the volume weighted average price per Share (as appearing on or derived from Bloomberg or any successor service) for the consecutive 30 Trading Days immediately preceding and including the date of the Agreement; and (ii) the closing price per Share (as appearing on or derived from Bloomberg or any successor service) at the date of the Agreement; and
- (b) the average of the volume weighted average price per Share (as appearing on or derived from Bloomberg or any successor service) for the Trading Days commencing from the Trading Day immediately following the date of the Agreement and ending on the date of the latest practicable date as provided in the Circular being not less than 2 business days (in Hong Kong) from the date of the Circular or, if that is not a Trading Day, the immediately preceding Trading Day, both days inclusive,

provided that if at any time during any of the above Trading Day periods the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then the quotations on the dates on which the Shares shall have been quoted ex-dividend shall be deemed to be the volume weighted average price thereof (as appearing on or derived from Bloomberg or any successor service) plus an amount equal to the amount of that dividend per Share.

Assuming that the price per Share in (b) of the above is lower than (a) and that (a) of the above represents HK\$3.02, being the average of the volume weighted average price per Share for the consecutive 30 Trading Days immediately preceding and including the date of the Agreement such that the Benchmark Share Price will be HK\$3.02, 613,529,412 Shares will be issued as Initial Consideration Shares to the Sellers.

Assuming that from the period between the date of this announcement and the Completion Date: (i) there is no change in the share capital of the Company; and (ii) Shui On Properties Limited, SOI and New Rainbow Investments Limited have not changed their shareholdings in the Company, the shareholdings of Shui On Properties Limited, SOI and New Rainbow Investments Limited held in the Company in aggregate will increase from 50.91% to 56.08%.

Consideration Adjustment : After Completion, the Purchaser and the Sellers shall direct an independent accountant appointed by the Purchaser and the Sellers to prepare the Completion Accounts.

In the event that the amount of the Initial Consideration payable by the Purchaser at Completion is less than the Combined Adjusted NAV as set out in the Completion Accounts, the amount equal to the shortfall shall be deemed to be a “**sellers’ receivable**”, provided that the sellers’ receivable shall not exceed HK\$85 million in any event and the Purchaser shall procure the Company to issue additional number of Shares (the “**Additional Consideration Shares**”) to the Sellers as determined by the following formula within 5 business days after the later of (a) the receipt of the Completion Accounts by the Purchaser; and (b) the date of grant by the Stock Exchange of the listing of and permission to deal in the Additional Consideration Shares, the number of the Additional Consideration Shares shall be determined according to the following formula:

$$ACS = SR / [BSP \times (1 + P)]$$

where:

ACS = the number of Additional Consideration Shares issuable;
 SR = the amount of the sellers’ receivable;
 BSP = the Benchmark Share Price; and
 P = 12.5%, being the agreed premium to the Benchmark Share Price.

In the event that the amount of the Initial Consideration payable by the Purchaser is greater than the Combined Adjusted NAV as set out in the Completion Accounts, the amount equal to the shortfall shall be deemed to be a “**purchaser’s receivable**”. The Sellers jointly and severally shall pay, within 5 business days after receipt of the Completion Accounts by the Sellers, an amount equal to such purchaser’s receivable to the Purchaser.

Pursuant to the Agreement, the total amount of the consideration under the Transactions payable by the Purchaser to the Sellers shall not exceed HK\$2,171 million in any event.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Initial Consideration Shares and the Additional Consideration Shares (if any) issued pursuant to the Agreement.

- Conditions Precedent** :
- Completion of the Rimmer Acquisition and the MGI Acquisition is conditional upon, among others things, the following conditions precedent being satisfied:
 - (a) the majority of the independent Shareholders approving the Agreement and the Transactions, including, the issue of the Initial Consideration Shares and any Additional Consideration Shares, if necessary;

- (b) the listing of and permission to deal in the Initial Consideration Shares and any Additional Consideration Shares being granted by the Stock Exchange (either unconditionally, or subject to customary conditions) and not being subsequently revoked on or prior to the Completion Date;
- (c) the delivery to the Purchaser of the relevant bank consents in relation to the sale and purchase of the RI Shares and the MGI Shares;
- (d) the SFC Waiver not being revoked on or prior to Completion;
- (e) there having been no material adverse change since the date of the Agreement; and
- (f) all approvals, authorizations and consents to which the Transactions are subject having been issued by all relevant authorities, governmental departments, and regulatory or administrative bodies in all applicable jurisdictions (including the PRC, Hong Kong, Cayman Islands and BVI).

Each party to the Agreement undertakes to the other party to use its best endeavours (to the extent it is within its power to do so) to ensure that the conditions precedent are fulfilled to their mutual satisfaction as soon as practicable and in any event by 31 December 2011 (or such other date as may be agreed in writing by the parties to the Agreement).

Completion : Completion shall take place on such date as may be agreed in writing between the Purchaser and the Sellers within 10 business days following written notification by the Purchaser to the Sellers of the fulfillment to the satisfaction of the Purchaser (or waiver) of the conditions precedent.

On-going obligations and undertakings - Proposed De-merger : Subject to and following Completion, SOI agrees and undertakes to the Purchaser that it will:

- (a) provide commercially reasonable assistance to the Purchaser to facilitate the completion of the Proposed De-merger as soon as practicable after the Completion Date;
- (b) subject to certain conditions as set out in the Agreement, indemnify and hold harmless the Purchaser fully on demand for itself and as trustee for the relevant indemnified person against the Pro-rata Portion of all costs, expenses and Taxes (including but not limited to any transfer Tax or capital gain Tax) incurred by any member of the Magic Garden Group, including the De-merged Company, arising directly or indirectly from the Proposed De-merger or the Property Transfer.

- On-going obligations and undertakings – Retained Receivables and Retained Payables*** : The Sellers jointly and severally undertake to the Purchaser that they will procure all Retained Receivables be settled in full in RMB and in cash by the relevant members of the Sellers’ Group within 12 months from the Completion Date.
- The Purchaser undertakes to the Sellers that it will procure all Retained Payables be settled in full in RMB and in cash by the relevant members of the Target Groups within 12 months from the Completion Date.
- Purchaser’s Rights to Terminate*** : The Purchaser may at Completion or any time prior to Completion, terminate the Agreement without liability on its part if:
- (a) any fact, matter or event comes to the notice of the Purchaser which constitutes a breach by the Sellers of the Agreement or would constitute a breach of any of the warranties given by the Sellers under the Agreement; or
 - (b) there has been any change, event, circumstance or other matter since the date of the Agreement that has, or would reasonably be expected to have a material adverse effect on the ability of the Sellers or any member of the Target Groups to perform its respective obligations under the Agreement (which includes, but not limited to, the assignment of the Shareholder Loan and the assumption of Assumed Liabilities).

Information of Rimmer Group

Shui On Plaza

Shui On Plaza is a commercial and office premises located at No. 333 Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC. The construction of Shui On Plaza was completed in 1997. Shui On Plaza has a total gross floor area of approximately 65,815 square metres.

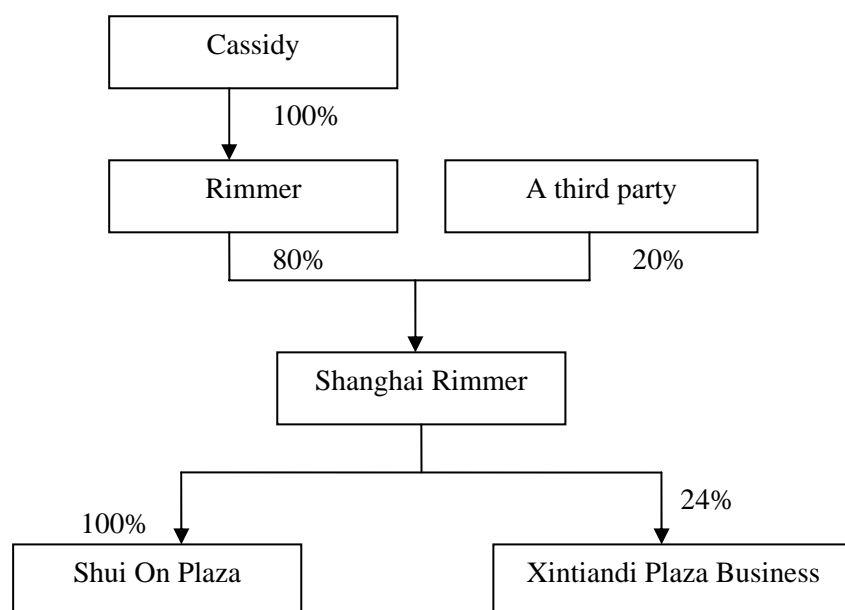
Xintiandi Plaza Business

Xintiandi Plaza Business is a company incorporated in the PRC whose primary business is sales of, *inter alias*, general merchandise, art work, clothing, electronic products, construction materials, chemical raw materials, computer and accessories, machinery and furniture, and exhibition.

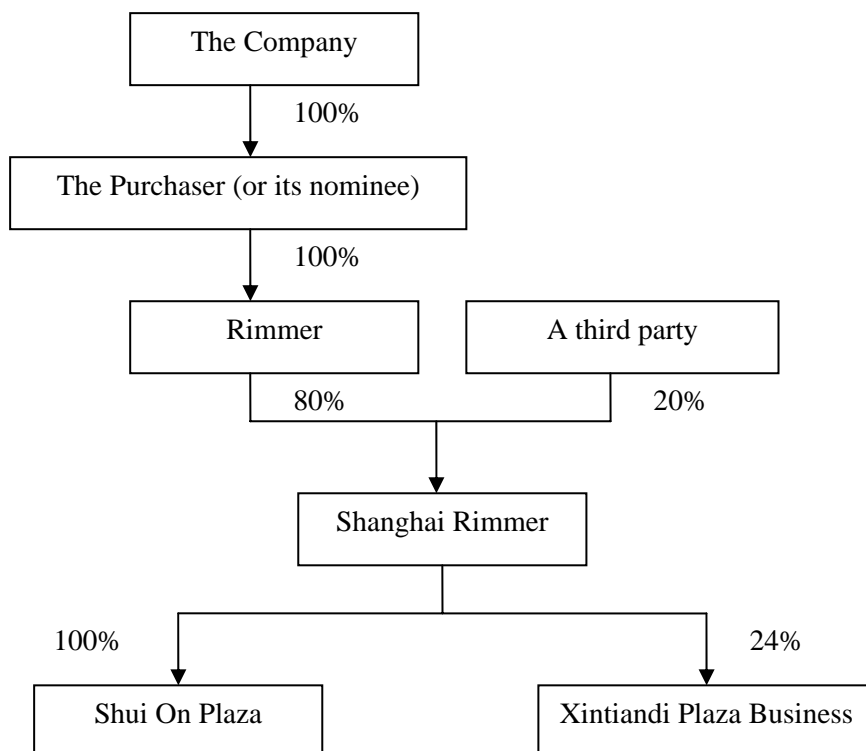
Rimmer

Rimmer is an investment holding company incorporated in BVI and a wholly-owned subsidiary of Cassidy. At the date of this announcement, Rimmer owns 80% equity interests in Shanghai Rimmer, which in turn owns the land use rights and the building ownership rights pertaining to Shui On Plaza and 24% equity interest in Xintiandi Plaza Business.

At the date of this announcement, the existing shareholding structure of Rimmer is set out as follows:



Upon completion of the Rimmer Acquisition, the shareholding structure of Rimmer will be as follows:



The unaudited net asset value of the Rimmer Group at the Last Accounting Date was approximately HK\$2,390 million. After taking into account the indicative property valuation of Shui On Plaza provided by Savills as at 31 July 2011 of approximately RMB3,098 million (equivalent to approximately HK\$3,748 million), the net asset value of the Rimmer Group is adjusted to approximately HK\$2,411 million as at the Last Accounting Date.

The following table sets out the net profit of the Rimmer Group for the years ended 31 December 2009 and 2010 extracted from the unaudited management accounts of the Rimmer Group prepared under the Hong Kong Financial Reporting Standards:

	For the years ended 31 December	
	2009 (unaudited) HK\$ million	2010 (unaudited) HK\$ million
Profit before taxation for the year	182	418
Profit attributable to the owner of the Rimmer Group for the year	143	254

Information on Langham Xintiandi Hotel and Magic Garden

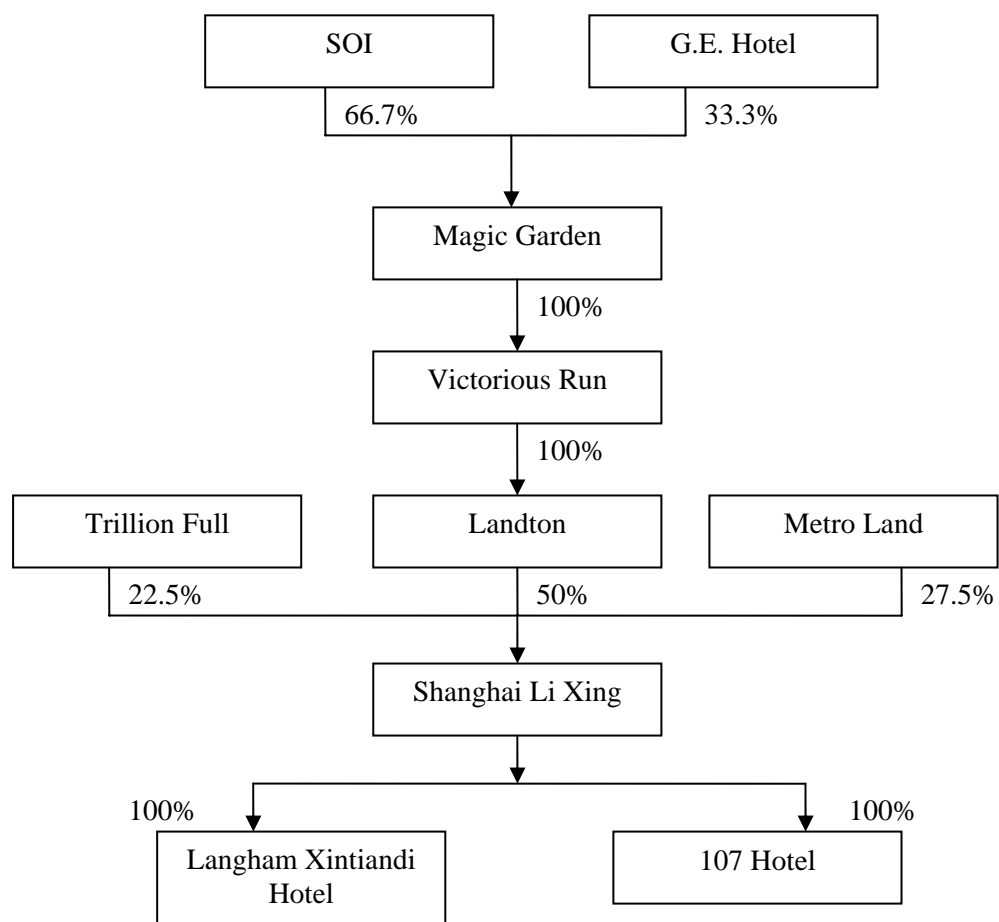
Langham Xintiandi Hotel

Langham Xintiandi Hotel is a hotel located at 4/1 Qiu, Jiefang 108, Huaihai Middle Road, Luwan District (now known as Huangpu District), and is next to 上海新天地 (Shanghai Xintiandi), which is owned by the Group and is a renowned destination for leisure and entertainment as well as commerce and residence in Shanghai. It is a luxury hotel comprising 24 storeys and a five-level basement with a total gross floor area of approximately 53,795 square metres, providing 357 guest rooms and various hotel and entertainment facilities. Langham Xintiandi Hotel commenced a soft opening in October 2010 and the grand opening is expected to take place in March 2012.

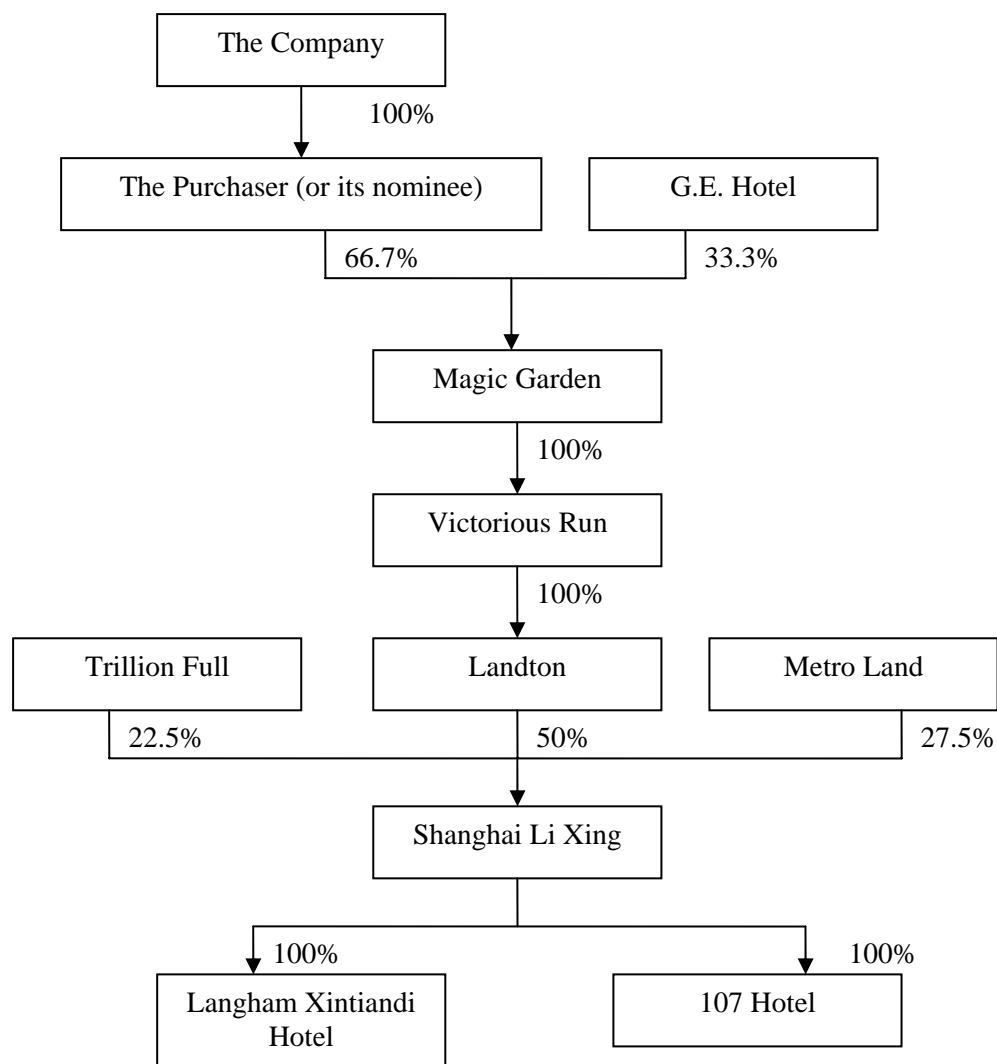
Magic Garden

Magic Garden is an investment holding company incorporated in BVI and held as to 66.7% by SOI and 33.3% by G.E. Hotel. At the date of this announcement, Magic Garden indirectly owns 50% equity interests in Shanghai Li Xing, which in turn owns the land use rights and the building ownership rights pertaining to Langham Xintiandi Hotel and 107 Hotel.

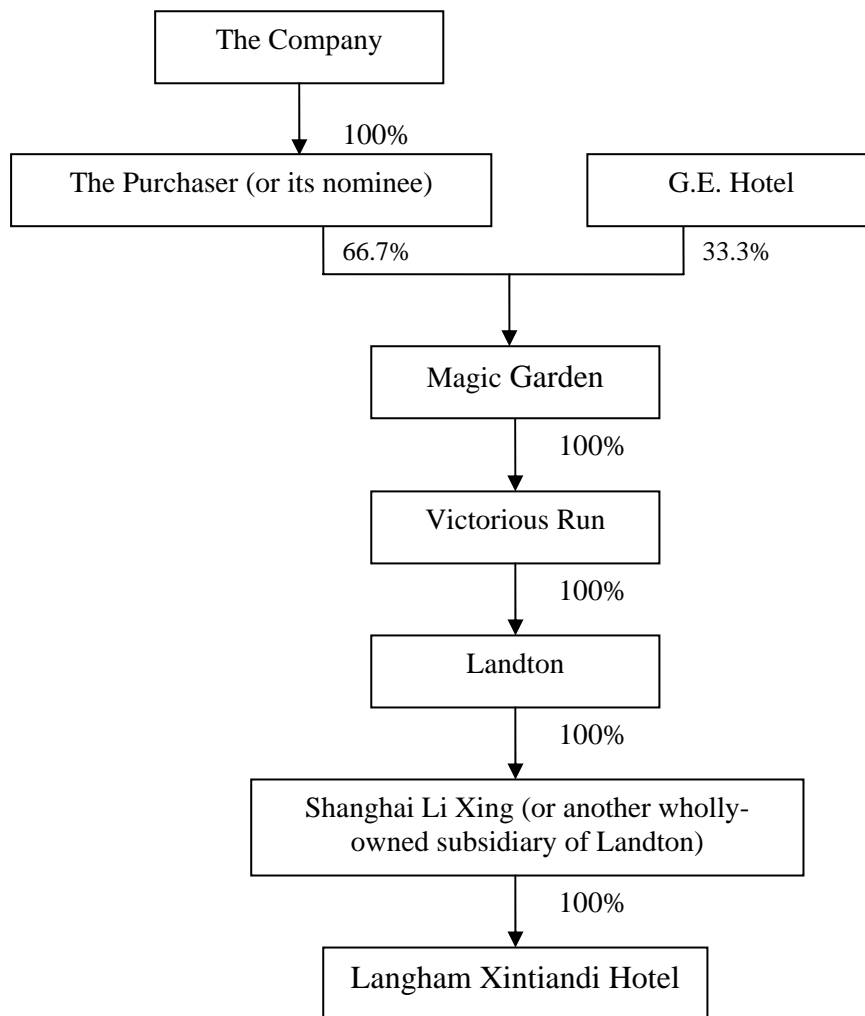
At the date of this announcement, the existing shareholding structure of Magic Garden is set out as follows:



Upon completion of the MGI Acquisition but before completion of the Proposed De-merger, the shareholding structure of Magic Garden will be as follows:



Upon completion of the MGI Acquisition and the Proposed De-merger, the shareholding structure of Magic Garden will be as follows:



The unaudited net liabilities of the Magic Garden Group as attributable to Langham Xintiandi Hotel at the Last Accounting Date were approximately HK\$13 million. After taking into account (1) the indicative property valuation of Langham Xintiandi Hotel provided by Savills as at 31 July 2011 of approximately RMB1,997 million (equivalent to approximately HK\$2,416 million), (2) the deduction of the amount of goodwill and intangible assets, and (3) the deduction of the amount of fixed assets, the net asset value of the Magic Garden Group is adjusted to approximately HK\$383 million as at the Last Accounting Date.

The following table sets out the net (loss)/profit of Magic Garden as attributable to Langham Xintiandi Hotel for the years ended 31 December 2009 and 2010 extracted from unaudited management accounts of the Magic Garden Group prepared under the Hong Kong Financial Reporting Standards:

	For the years ended 31 December	
	2009 (unaudited) HK\$ million	2010 (unaudited) HK\$ million
(Loss)/profit before taxation for the year	(113)	11
(Loss)/profit attributable to SOI as attributable to Langham Xintiandi Hotel for the year	(85)	20

Reasons for the Transactions and expected benefits to the Company

Both Shui On Plaza and Langham Xintiandi Hotel are located in the heart of downtown Shanghai, Luwan District (now known as Huangpu District), which is one of the city's most important business districts as well as one of the most renowned shopping destinations in Shanghai. The Transactions will complement the Company's strong established position in the PRC real estate market with a stronger presence in Shanghai and position the Company to capture the growth potential from the main financial and business hub of the PRC.

The Transactions are expected to make a positive contribution to the income stream of the Company. Shui On Plaza has a high quality tenant mix, which provides a higher degree of stability with respect to the tenant base and income stream. For the year ended 31 December 2009, Shui On Plaza recorded a rental income of approximately HK\$152 million, with an average occupancy rate of 100% and 93.2% for retail and office spaces respectively. For the year ended 31 December 2010, it recorded a rental income of approximately HK\$178 million, with an average occupancy rate of 100% and 99.6% for retail and office spaces respectively.

Langham Xintiandi Hotel is a newly completed luxury hotel. Since its soft opening in October 2010, Langham Xintiandi Hotel had an average occupancy rate of 38.1% in the first quarter of 2011, which increased to 54.6% in the second quarter of 2011. Driven by China's strong economic growth, the luxury hotel sector has demonstrated positive development trends and growth potential. Given the prospects of the sector, the acquisition represents an attractive opportunity to the Company to own an interest in a luxury hotel in Shanghai, a prime business and tourist city in the PRC. It is consistent with the Company's development strategies and business plans which diversify its income stream into the hotel industry, as demonstrated by the recently announced strategic alliance between the Company and Langham Hospitality Group Limited.

As the consideration under the Transactions is to be satisfied by the issue of the Initial Consideration Shares and the Additional Consideration Shares (if any), shareholders' equity base of the Company will be enlarged by 6.8% from approximately RMB25,308 million to approximately RMB27,032 million, based on the Company's interim results as of 30 June 2011 and the amount of the Initial Consideration. The issue of these Shares will strengthen the capital base of the Company and reflects the controlling shareholder's continuing support to the growth of the Company.

The Directors (including the independent Non-Executive Directors but excluding (1) Mr. Vincent Lo who has a material interest in the Transactions given his interest in the Sellers; and (2) Mr. Frankie Y. L. Wong who is a director of SOI, Rimmer, Shanghai Rimmer and Xintiandi Plaza Business and would abstain from voting at the Board regarding the matters relating to the Transactions) believe that the terms of the Transactions are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Implication under the Listing Rules

Each of Shui On Properties Limited and SOI is a wholly-owned subsidiary of SOCL. New Rainbow Investments Limited is a wholly-owned subsidiary of Shui On Construction and Materials Limited, which in turn is held as to approximately 48.2% by SOCL at the date of this announcement. Therefore, Shui On Properties Limited, SOI and New Rainbow Investments Limited, a closely allied group of Shareholders, holds 1,411,712,352 Shares, 1,104,085,477 Shares and 137,469,656 Shares respectively. Together, they hold approximately 50.91% of the entire issued share capital of the Company at the date of this announcement. As SOCL is owned by a unit trust and the units of such trust are the property of a discretionary trust of which Mr. Vincent Lo is a discretionary beneficiary, Mr. Vincent Lo is also deemed to be interested in the shares of SOCL and thus, will be regarded as having a material interest in the Transactions.

SOI, being a substantial Shareholder of the Company, is a connected person of the Company for the purpose of the Listing Rules. Cassidy, being a subsidiary of SOI, is also a connected person of the Company for the purpose of the Listing Rules. Given the Sellers are connected persons of the Company, the Transactions constitute connected transactions of the Company as defined under Rule 14A.13 of the Listing Rules. As the relevant percentage ratios set out in the Listing Rules in respect of the Transactions are more than 5% but less than 25%, the Transactions also constitute discloseable transactions of the Company. Therefore, the Transactions are subject to reporting, announcement and the independent Shareholders' approval requirements under the Listing Rules.

B. FINANCIAL ASSISTANCE

Following the Completion, the Retained Receivables would be regarded as a financial assistance provided by the Group to members of the Sellers' Group, which are connected persons of the Company, and therefore a connected transaction pursuant to Chapter 14A of the Listing Rules.

Following the Completion, the Retained Payables would be regarded as a financial assistance given by members of the Sellers' Group, which are connected persons of the Company, to the Group. However, given such financial assistance is provided by the Sellers' Group for the benefit of the Group on normal commercial terms (or better to the Group) and no security over the assets of the Group is granted in respect of such financial assistance, such transaction is exempt from reporting, announcement and independent Shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

Pursuant to the terms of the Agreement, the Retained Receivables and the Retained Payables shall be settled in full in RMB and in cash within 12 months from the Completion Date.

To the best of the Directors' knowledge, information and belief, the Directors believe that the Retained Receivables were incurred in the ordinary and usual course of the Target Groups' business and on normal commercial terms, and, being part of the Transactions, were fair and reasonable so far as the independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole.

The Directors believe that the maximum amount of the Retained Receivables for each of the financial year(s) until its full settlement in cash (which under the terms of the Agreement is to take place within 12 months from the Completion Date) will not exceed HK\$108 million.

The views of the Directors relating to the Retained Receivables refer to the views of all Directors, including the independent Non-Executive Directors but excluding Mr. Vincent Lo and Mr. Frankie Y. L. Wong as described above.

Reasons for the Financial Assistance

The Retained Receivables represent entrustment loan and current account owed by the PRC subsidiary of the Sellers' Group to Shanghai Rimmer at the date of the Agreement. These balances will not be settled prior to Completion as time is required for the Sellers' Group to remit the funds required into the PRC for settlement.

Implication under the Listing Rules

SOI, being a substantial Shareholder of the Company, is a connected person of the Company for the purpose of the Listing Rules and as a result, members of the Sellers' Group are also connected persons of the Company for the purpose of the Listing Rules. The Retained Receivables constitute a connected transaction of the Company under the Listing Rules. As the relevant percentage ratios set out in the Listing Rules in respect of such transaction are more than 0.1% but less than 5%, such transaction falls within Rule 14A.32 of the Listing Rules and is subject to reporting and announcement requirements but exempt from independent Shareholders' approval requirement under the Listing Rules.

C. CONTINUING CONNECTED TRANSACTIONS

(1) Langham Xintiandi Hotel Related Transactions

On 1 April 2010 and before the date of the Agreement, Shanghai Li Xing entered into the following transactions with Langham Shanghai and Langham International:

- (a) the Hotel Management Agreement with Langham Shanghai, whereby Langham Shanghai, an indirect wholly-owned subsidiary of GE Holdings, shall have the exclusive right to manage and operate Langham Xintiandi Hotel for a term of 20 years from the opening of Langham Xintiandi Hotel renewable by Langham Shanghai for multiple 10-year periods subject to the terms therein; and
- (b) the Licence Agreement with Langham International, whereby Langham International, an indirect wholly-owned subsidiary of GE Holdings, has agreed to grant to Shanghai Li Xing a non-exclusive and non-transferable licence to use the "Langham" and other marks for the operation of Langham Xintiandi Hotel during the term of the Hotel Management Agreement.

The key terms of each of the Langham Xintiandi Hotel Related Agreements are summarized as follows:

Hotel Management Agreement

- Date*** : 1 April 2010
- Parties*** : (a) Langham Shanghai, as the hotel manager; and
(b) Shanghai Li Xing.
- Subject*** : Shanghai Li Xing has appointed Langham Shanghai as hotel manager to provide hotel management service in the operation of Langham Xintiandi Hotel.
- Term*** : 20 years from the opening of the hotel, and renewable by Langham Shanghai for multiple 10-year periods provided that the GE Group shall remain interested in not less than one-third interest in Magic Garden.
- If the GE Group holds less than one-third interest in Magic Garden and Langham Shanghai fails to achieve 70% of the budgeted gross operating profit for three (3) consecutive years after the third anniversary of the opening of the hotel, Shanghai Li Xing may terminate the Hotel Management Agreement unless Langham Shanghai shall pay to Shanghai Li Xing the shortfall between the budgeted and the actual gross operating profit.
- Fee and other payments*** : A base fee of 0.5% of the total revenue and an incentive fee at 6.75% of the gross operating profit and a payment to Langham Shanghai for global marketing and advertising services at 2% of the total room revenue of Langham Xintiandi Hotel payable on a monthly basis.

Licence Agreement

- Date*** : 1 April 2010
- Parties*** : (a) Langham International, as the licensor; and
(b) Shanghai Li Xing, as the licensee.
- Subject*** : Langham International has granted a non-exclusive and non-transferable licence to Shanghai Li Xing to use the “Langham” and other marks for the operation of Langham Xintiandi Hotel.
- Term*** : Until the termination or expiration of the Hotel Management Agreement.
- Fee*** : 1% of the total revenue of Langham Xintiandi Hotel payable on a monthly basis.

Reasons for and benefits of the Langham Xintiandi Hotel Related Transactions

The Langham Xintiandi Hotel Related Agreements are related to the daily operations of Langham Xintiandi Hotel and have been entered into prior to the proposed acquisitions. As Shanghai Li Xing will become a subsidiary of the Company after Completion, the Directors believe that it is important to continue the Langham Xintiandi Hotel Related Transactions in order to maintain and continue the stability of the daily operations of Langham Xintiandi Hotel and also to ensure a smooth integration between the Group and the Target Groups after Completion and therefore it is in the best interest of the Company and Shanghai Li Xing to continue such transactions after Completion.

The continuation of the Langham Xintiandi Hotel Related Transactions is consistent with the Company's recent formation of a joint venture with Langham Hospitality Group Limited, which is knowledgeable and experienced in the development, operation and management of hotels and related complementary services.

Annual fees payable under the Hotel Management Agreement and the Licence Agreement

Under Rule 14A.35(2) of the Listing Rules, the Company is required to set an annual cap to the amount payable under the Hotel Management Agreement and the Licence Agreement for three financial years.

Langham Xintiandi Hotel commenced its soft opening in October 2010. The aggregate annual fees payable to GE Holdings under the Hotel Management Agreement and the Licence Agreement are approximately HK\$0.1 million for the period from its soft opening in October 2010 to 31 December 2010 and approximately HK\$0.7 million for the six months ended 30 June 2011. The Directors, however, believe that as Langham Xintiandi Hotel just had its soft opening, the said historical figures are not representative and it is impracticable to produce a fair estimate of the Annual Caps based on such limited historical operational data.

The total amount of annual fees payable by Shanghai Li Xing to Langham Shanghai under the Hotel Management Agreement and the Licence Agreement are determined with reference to the total revenue, total room revenue and gross operating profit of Langham Xintiandi Hotel. Generally a higher aggregate annual fee would be payable to Langham Shanghai under the Hotel Management Agreement and the Licence Agreement if and when the revenue and profit of Langham Xintiandi Hotel become higher, as its business develops. Any attempt to determine the Annual Caps with reference to the limited historical operational data of Langham Xintiandi Hotel would run the risk of under-estimating the growth potential of the hotel, which would not be beneficial to the Company and its shareholders as a whole.

Reference is made to the announcement made by GE Holdings on 1 April 2010 when, among others, the Hotel Management Agreement and Licence Agreement were entered into by Shanghai Li Xing with Langham Shanghai and Langham International respectively. The directors of GE Holdings set the annual caps in relation to the aggregate annual fees receivable by Langham Shanghai under the Hotel Management Agreement and Licensing Agreement at HK\$98,959,000 for each of the financial years ending 31 December 2011, 2012 and 2013, with a view to maximizing the earning potentials on the part of Langham Shanghai under such agreements. By the same token, given generally any growth in the annual fees payable to Langham Shanghai under the Hotel Management Agreement and the Licence Agreement would be linked to the growth in the revenue and profit of Langham Xintiandi Hotel, the Directors

consider that it is appropriate for the Annual Caps in relation to the Langham Xintiandi Hotel Related Transactions to be set also at HK\$98,959,000 for each of the financial years ending 31 December 2011, 2012 and 2013.

The Directors further believe that the terms of the Hotel Management Agreement and the Licence Agreement are on normal commercial terms, and together with the Annual Caps, are fair and reasonable so far as the independent Shareholders are concerned, and that, as part of the Transactions, the Langham Xintiandi Hotel Related Transactions are in the ordinary and usual course of the Group's business and in the interest of the Company and the Shareholders as a whole.

The views of the Directors relating to the Langham Xintiandi Hotel Related Transactions above refer to the views of all Directors, including the independent Non-Executive Directors but excluding Mr. Vincent Lo as described below.

Duration of the Hotel Management Agreement and the Licence Agreement

As the term for each of the Hotel Management Agreement and the Licence Agreement exceeds three years, an independent financial adviser has been appointed to advise the independent board committee of the Company and the independent Shareholders as to whether it is normal business practice for contracts of this type to be of such duration.

Implication under the Listing Rules

At the date of this announcement, (i) Mr. Vincent Lo and his spouse and the trustee of a discretionary trust of which he is a discretionary object are directly or indirectly interested in 2,654,600,915 Shares, representing approximately 50.93% of the entire issued share capital of the Company; and (ii) Mr. Vincent Lo has a deemed interest in approximately 33.06% of the issued share capital of GE Holdings under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) by virtue of his interest in a discretionary trust of which Mr. Vincent Lo is a beneficiary. Therefore, GE Holdings, and its subsidiaries (including Langham Shanghai and Langham International) will be regarded as connected persons of the Company under Chapter 14A of the Listing Rules by virtue of their relationship with Mr. Vincent Lo under the Listing Rules.

Shanghai Li Xing has been conducting the Langham Xintiandi Hotel Related Transactions with Langham Shanghai and Langham International since April 2010. The Langham Xintiandi Hotel Related Transactions will continue to be conducted on a regular and continuing basis and in the ordinary and usual course of business of the Group after Completion. Immediately after Completion, the Langham Xintiandi Hotel Related Transactions will constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As the relevant percentage ratios set out in the Listing Rules in respect of the Annual Caps for the Langham Xintiandi Hotel Related Transactions are more than 0.1% but less than 5% on an annual basis, the Langham Xintiandi Hotel Related Transactions fall within Rule 14A.34 of the Listing Rules and are subject to announcement, annual review and reporting requirements but exempt from independent Shareholders' approval requirement under the Listing Rules.

As disclosed above in relation to Mr. Vincent Lo's interests in GE Holdings, he may be regarded as having a material interest in the Langham Xintiandi Hotel Related Transactions and therefore has abstained from voting at the meeting of the Board convened for the purpose of approving, among others, the Langham Xintiandi Hotel Related Transactions. Save as disclosed above, none of the Directors has a material interest in the Langham Xintiandi Hotel Related Transactions.

D. EGM

The EGM will be held for the independent Shareholders to consider and approve, among others, the Agreement and the Transactions pursuant to the Listing Rules, any Shareholders with a material interest in the Transactions will abstain from voting on resolution(s) approving the Transactions. To the best of the knowledge of the Directors, except for Shui On Properties Limited, SOI and New Rainbow Investments Limited, no Shareholders will be required to abstain from voting on the resolution(s) to approve the Transactions at the EGM.

An independent board committee of the Company has been established to advise the independent Shareholders of the Company and an independent financial adviser has been appointed to advise the independent board committee and the independent Shareholders of the Company in relation to the Transactions.

The Circular containing, among other things, notice of the EGM and further details of the 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 of the Company and the independent Shareholders and the advice from the independent financial adviser on the duration of the Hotel Management Agreement and the Licence Agreement is expected to be dispatched to the Shareholders on or before 3 October 2011.

E. GENERAL INFORMATION ON THE GROUP, THE SELLERS, THE SELLERS' GROUP, LANGHAM SHANGHAI AND LANGHAM INTERNATIONAL

The Group

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.

The Sellers and the Sellers' Group

Both SOI and Cassidy primarily engage in investment holding. The Sellers' Group primarily engages in investment holding.

Langham Shanghai and Langham International

Langham Shanghai primarily engages in hotel management and hotel management consultancy and related services. Langham International primary engages in hotel management services and investment holding.

DEFINITIONS

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

“107 Hotel”	the real property or properties located at 7/1 Qiu, Jiefang 107, Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC;
“Additional Consideration Shares”	having the meaning as ascribed to it in the section headed “The Agreement – Consideration Adjustment”;
“Agreement”	the agreement dated 9 September 2011 amongst the Purchaser and the Sellers regarding the Transactions;
“Annual Cap(s)”	the maximum annual aggregate fee(s) payable under the Hotel Management Agreement and the Licence Agreement as described in the section headed “Annual fees payable under the Hotel Management Agreement and the Licence Agreement”;
“Assumed Liabilities”	the outstanding sum owing to Rimmer by SOI on Completion and standing in the sum of approximately HK\$1,202 million at the Last Accounting Date plus the applicable interest accrued thereon from time to time up to Completion;
“Benchmark Share Price”	the notional share price to be used in determining the number of Initial Consideration Shares and the Additional Consideration Shares (if any) to be allotted and issued to the Sellers under the Agreement;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Cassidy”	Cassidy Enterprises Corp., a company duly incorporated and registered under the laws of BVI, an indirectly wholly-owned subsidiary of SOI;
“Circular”	a circular to be dispatched to the Shareholders for the purpose of the EGM;
“Combined Adjusted NAV”	the aggregate of the Shui On Plaza Adjusted NAV and the Langham Xintiandi Hotel Adjusted NAV;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (Stock code: 272);
“Completion Accounts”	the audited consolidated financial statements (comprising the balance sheet) for each Target Group at the Completion Date;

“Completion Date”	the date upon which Completion is required to take place in accordance with the Agreement;
“Completion”	completion of the Transactions;
“controlling shareholder”, “connected person(s)”, “subsidiary”, “substantial shareholder”	each has the meaning defined under the Listing Rules;
“De-merged Company”	in the event Shanghai Li Xing is not the entity owning Langham Xintiandi Hotel following the Proposed De-merger, then such PRC subsidiary owning Langham Xintiandi Hotel following the Proposed De-merger and whose entire equity interest shall be owned by Landton;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held to approve, among other things, the Agreement and the Transactions;
“G.E. Hotel”	G.E. Hotel (Xintiandi) Limited, an indirect wholly-owned subsidiary of GE Holdings;
“GE Group”	GE Holdings and its subsidiaries;
“GE Holdings”	Great Eagle Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange (Stock code: 41);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hotel Management Agreement”	the agreement dated 1 April 2010 entered into between Langham Shanghai and Shanghai Li Xing for hotel management service in the operation of Langham Xintiandi Hotel;
“Initial Consideration Shares”	the Shares to be allotted and issued by the Company to the Sellers as settlement of the Initial Consideration pursuant to the Agreement;
“Initial Consideration”	the sum of HK\$2,086 million;

“Landton”	Landton Limited, a company duly incorporated in Hong Kong and an indirect wholly-owned subsidiary of Magic Garden;
“Langham International”	Langham Hotels International Limited (朗廷酒店國際有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of GE Holdings;
“Langham Shanghai”	朗廷酒店管理(上海)有限公司 (Langham Hotels (Shanghai) Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the GE Holdings;
“Langham Xintiandi Hotel Adjusted NAV”	the amount equal to: (a) NAV (Langham Xintiandi Hotel); plus (b) the aggregate amount of Shareholder Loans attributable to Langham Xintiandi Hotel; minus (c) the aggregate amount of Assumed Liabilities attributable to Langham Xintiandi Hotel, all at the Completion Date and as determined based on the Completion Accounts;
“Langham Xintiandi Hotel Related Agreements”	the Hotel Management Agreement and the Licence Agreement;
“Langham Xintiandi Hotel Related Transactions”	the transactions contemplated under the Langham Xintiandi Hotel Related Agreements;
“Langham Xintiandi Hotel”	the real property or properties located at 4/1 Qiu, Jiefang 108, Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC;
“Last Accounting Date”	30 June 2011;
“License Agreement”	the agreement dated 1 April 2010 entered into between Langham International and Shanghai Li Xing for granting of a non-exclusive and non-transferable licence to use the “Langham” and other marks for the operation of Langham Xintiandi Hotel;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Magic Garden Group”	Magic Garden, Victorious Run, Landton and Shanghai Li Xing;
“Magic Garden”	Magic Garden Investments Limited, a company duly incorporated and registered under the laws of BVI, and which is owned as to 66.7% by SOI and 33.3% by G.E. Hotel at the date of this announcement;

“Metro Land”	Metro Land Group (京投銀泰股份有限公司), a company incorporated in the PRC with limited liabilities and is owned by an independent third party;
“MGI Acquisition”	the acquisition of the MGI Shares from SOI by the Purchaser pursuant to the Agreement;
“MGI Shares”	66.7% of the entire issued share capital of Magic Garden;
“Mr. Vincent Lo”	Mr. Vincent H. S. Lo;
“NAV (Langham Xintiandi Hotel)”	the NAV of the Magic Garden Group x 66.7%;
“NAV (Shui On Plaza)”	the NAV of the Rimmer Group;
“NAV”	in relation to any Target Group, its net tangible asset value (calculated by reference to the indicative values of Shui On Plaza and Langham Xintiandi Hotel as of 31 July 2011 as provided by Savills) at the Completion Date and as set out in the Completion Accounts, save that in the calculation of the NAV of the Magic Garden Group at the Completion Date, the amount of the total fixed assets of the Magic Garden Group as at 31 July 2011 shall be deducted from the net tangible asset value of the Magic Garden Group;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
“Property Transfer”	the transfer of Langham Xintiandi Hotel or 107 Hotel, as the case may be, by Shanghai Li Xing to another company for the purpose of splitting the ownership of Langham Xintiandi Hotel and 107 Hotel as agreed among Landton, Trillion Full and Metro Land;
“Proposed De-merger”	having the meaning as ascribed to it in the section entitled “Introduction”;
“Pro-Rata Portion”	with respect to the relevant member of the Target Groups, the Purchaser’s total proportional shareholding, whether direct or indirect, in the issued and outstanding share capital or equity interest of such member of the Target Groups at Completion;
“Purchaser’s Group”	the group of companies comprising the Purchaser, any holding company from time to time of the Purchaser and any subsidiary of the Purchaser (including, following Completion, any member of the Target Groups) or of any such holding company;

“Purchaser”	Rich Bright Holdings Limited, a company duly incorporated and registered under the laws of BVI and an indirect wholly-owned subsidiary of the Company;
“Retained Payables”	the outstanding sums (including applicable interest thereon) owing to the relevant member of the Sellers’ Group from the relevant member of the Target Groups at Completion and at the Last Accounting Date, amounted to HK\$425 million;
“Retained Receivables”	the outstanding sums (including applicable interest thereon) owing to the relevant member of the Target Groups from the relevant member of the Sellers’ Group at Completion and at the Last Accounting Date, amounted to HK\$106 million;
“RI Shares”	the entire issued share capital of Rimmer;
“Rimmer Acquisition”	the acquisition of the RI Shares from Cassidy by the Purchaser pursuant to the Agreement;
“Rimmer Group”	Rimmer, Shanghai Rimmer and Xintiandi Plaza Business;
“Rimmer”	Rimmer Investments Limited, a company duly incorporated and registered under the laws of BVI, a direct wholly-owned subsidiary of Cassidy;
“Savills”	Savills Valuation and Professional Services Limited, an independent property valuer;
“Sellers’ Group”	SOCL and its subsidiaries (other than the Purchaser’s Group);
“Sellers”	Cassidy and SOI;
“SFC Waiver”	a waiver dated 18 August 2011 from the Director of Corporate Finance Division of the Securities and Futures Commission of Hong Kong pursuant to Note 1 on the dispensation from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the obligation of SOCL and parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned by it or parties acting in concert with it which would otherwise arise as a result of the Sellers or their nominee(s) subscribing for the Shares under the Agreement;
“Shanghai Li Xing”	Shanghai Li Xing Hotel Company Limited (上海禮興酒店有限公司), a company incorporated in the PRC with limited liabilities;
“Shanghai Rimmer”	Shanghai Jiu Hai Rimmer Properties Co., Ltd. (上海九海利盟房地產有限公司), a company incorporated in the PRC with limited liabilities;

“Shareholder Loans”	the outstanding sums owing to the relevant members of the Sellers' Group from the relevant members of the Target Groups on Completion and amounted to approximately HK\$622 million at the Last Accounting Date;
“Shareholders”	holders of the Shares;
“Shares”	the ordinary shares of the Company with nominal value of the USD0.0025 each;
“Shui On Plaza Adjusted NAV”	the amount equal to: (a) NAV (Shui On Plaza); plus (b) the aggregate amount of Shareholder Loans attributable to Shui On Plaza; minus (c) the aggregate amount of Assumed Liabilities attributable to Shui On Plaza, all at the Completion Date and as determined based on the Completion Accounts;
“Shui On Plaza”	the real property or properties located at No. 333 Huaihai Middle Road, Luwan District (now known as Huangpu District), Shanghai, the PRC;
“SOCL”	Shui On Company Limited, a company incorporated and registered under the laws of BVI;
“SOI”	Shui On Investment Company Limited, a company incorporated in Hong Kong with limited liabilities, a wholly-owned subsidiary of SOCL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Groups”	the Rimmer Group and the Magic Garden Group;
“Tax”	all forms of taxation, withholdings, deductions, duties, imposts, levies, fees, charges, social security contributions and rates imposed, levied, collected, withheld, assessed or enforced by any local, municipal, regional, urban, governmental, state, federal or other body or authority in the PRC, Hong Kong, Cayman Islands, BVI or elsewhere, in all cases being in the nature of taxation (including any business tax, value-added tax and goods and services tax), and any interest, penalty, surcharge or fine in connection therewith;
“Trading Day”	a day when the Stock Exchange is open for dealing or trading business, provided that, if no closing price is reported in respect of the Shares on the Stock Exchange for one or more consecutive dealing or trading days, such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing or trading days;

“Transactions”	the transactions contemplated under the Agreement, including the Rimmer Acquisition, the MGI Acquisition and the assignment of the Shareholder Loans and the Assumed Liabilities;
“Trillion Full”	Trillion Full Investments Limited, a company duly incorporated and registered under the laws of BVI and is owned by an independent third party;
“Victorious Run”	Victorious Run Limited, a company duly incorporated and registered under the laws of BVI, a direct wholly-owned subsidiary of Magic Garden;
“Xintiandi Plaza Business”	上海新天地廣場商業有限公司 (Shanghai Xintiandi Plaza Business Co., Ltd.), a company incorporated under the laws of PRC and held as to 24% equity interest by Shanghai Rimmer; and
“%”	percent.

For the purpose of illustration only, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.21. Such conversions should not be construed as representations that any amounts have been, could have been, or may be, exchanged at these or any other rates.

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

Hong Kong, 9 September 2011

At the date of this announcement, the executive Directors are Mr. Vincent H. S. LO (Chairman), Mr. Freddy C. K. LEE (Chief Executive Officer) and Mr. Daniel Y. K. WAN; the non-executive Directors are The Honourable LEUNG Chun Ying and Mr. Frankie Y. L. WONG; and the independent non-executive Directors 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*