

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

MAJOR TRANSACTION
SUPPLEMENTAL ANNOUNCEMENT

PROPOSED ISSUE OF CONVERTIBLE PERPETUAL SUBORDINATED
SECURITIES BY CHINA XINTIANDI HOLDING COMPANY LIMITED

AND

PROPOSED ISSUE OF WARRANTS BY THE COMPANY

Sole Placement Agent and Sole Manager



Joint Solicitation Agent



J.P.Morgan

Joint Financial Advisor (in alphabetical order)

J.P.Morgan



* *For identification purposes only*

Reference is made to the announcements of the Company dated 31 October 2013, 27 November 2013 and 4 December 2013 and the circular of the Company dated 30 November 2013 (the “**Circular**”).

Unless the context otherwise requires, terms used in this supplemental announcement shall have the same meanings as those defined in the Circular.

The Directors would like to clarify that the terms of the Transaction remain unchanged as a result of the sale and purchase agreement dated 4 December 2013 entered into between Taipingqiao Holding Company Limited, Shui On Development and China Life Trustees Limited in respect of the disposal of Lot 126 of Corporate Avenue 2 (“**Lot 126**”), the details of which are set out in the Company’s announcement dated 4 December 2013.

The purpose of this announcement is to set out certain additional information related to the Transaction, assuming the disposal of Lot 126 completes before the Closing of the Transaction.

The Directors would like to clarify that the terms of the Transaction remain unchanged as a result of the sale and purchase agreement dated 4 December 2013 entered into between Taipingqiao Holding Company Limited, Shui On Development and China Life Trustees Limited in respect of the disposal of Lot 126, the details of which are set out in the Company’s announcement dated 4 December 2013.

The following sets out additional information related to the Transaction, assuming the disposal of Lot 126 completes before the Closing of the Transaction.

If the disposal of Lot 126 completes before the Closing of the Transaction, Lot 126 will not be part of the Initial Portfolio at Closing, but the Group will receive additional cash in the aggregate amount of approximately RMB3,323 million as a result of the disposal of Lot 126.

Assuming completion of the disposal of Lot 126 prior to the Closing of the Transaction:

- the “Initial Portfolio” set out in the Circular would be adjusted to exclude Lot 126, and would mean Shanghai Xintiandi, Xintiandi Style, Corporate Avenue 1, Corporate Avenue 2 (Lot 127 only), Shui On Plaza and The HUB;
- the “Adjusted Equity Value” set out in the Circular would be the adjusted equity value of the Closing China Xintiandi Group calculated by taking the equity value of the Closing China Xintiandi Group as reflected on the Closing China

Xintiandi Group's unaudited consolidated balance sheet and adjusting this figure to reflect (1) an agreed valuation of RMB21,856 million for the Initial Portfolio (after excluding Lot 126), (2) outstanding construction costs for the properties under development in the Initial Portfolio (after excluding Lot 126), (3) agreed write-offs of certain assets, (4) the loan amounts attributable to outstanding construction costs; and (5) an amount of approximately RMB192 million pre-tax profit recorded by the Closing China Xintiandi Group in the disposal of Lot 126.

- the “Post-Money Adjusted Equity Value” set out in the Circular would be RMB14,165 million, comprising the aggregate of (i) the Adjusted Equity Value of the Closing China Xintiandi Group as at 30 June 2013, plus an amount of approximately RMB192 million of pre-tax profit recorded by the Closing China Xintiandi Group in the disposal of Lot 126; and (ii) the Investment Amount; and
- the “Post-Money Equity Value” set out in the Circular would be RMB15,714 million, being the post-money equity value of the Closing China Xintiandi Group comprising the aggregate of (i) the equity value of the Closing China Xintiandi Group as reflected on the Closing China Xintiandi Group's unaudited consolidated balance sheet as at 30 June 2013 as adjusted to reflect agreed write-offs of certain assets, plus an amount of approximately RMB192 million of pre-tax profit recorded by the Closing China Xintiandi Group in the disposal of Lot 126; and (ii) the Investment Amount.

Assuming the completion of the disposal of Lot 126 prior to Closing of the Transaction, upon Closing, taking into account approximately RMB192 million of pre-tax profit recorded by the Closing China Xintiandi Group in the disposal of Lot 126, the Convertible Perpetual Securities issued by China Xintiandi to Brookfield would represent, on a fully diluted and as converted basis, approximately 21.65%¹ of the issued share capital of China Xintiandi, subject to limited adjustment to take into account the movements of certain non-fixed assets and liabilities in the accounts (such as cash, debts and other assets) between 30 June 2013 and Closing, to ensure that the conversion price of the Convertible Perpetual Securities reflects the position of China Xintiandi in respect of these line items at Closing.

¹ This percentage is calculated by dividing the US\$500 million of Brookfield's Investment Amount (approximately RMB3,066 million as per the 30 June Exchange Rate) by the aggregate of the Adjusted Equity Value of the Closing China Xintiandi Group as at 30 June 2013 (RMB11,099 million) and Brookfield's Investment Amount.

Taking into account the disposal of Lot 126 and an amount of approximately RMB192 million recorded as pre-tax profit in the disposal of Lot 126, the Post-Money Adjusted Equity Value of the Closing China Xintiandi Group of RMB14,165 million would represent an approximate 9.85% discount to the Post-Money Equity Value of the Closing China Xintiandi Group of RMB15,713 million.

THE INITIAL PORTFOLIO

Assuming the completion of the disposal of Lot 126 prior to completion of the Transaction, the total market value of the Initial Portfolio (after excluding Lot 126) as at 30 September 2013 would have been RMB23,332 million. The descriptions of properties constituting the Initial Portfolio (after excluding Lot 126) would be as follows:

Property	Location	Leasable GFA of property (sq.m)
Shanghai Xintiandi	Lots 109-13/I, 109-I/I, 112-8/I and 112-I/I, Shanghai Xintiandi, Taipingqiao Area, Huangpu District, Shanghai, PRC	57,000
Xintiandi Style	Lot 113, Ma Dang Road, Huangpu District, Shanghai, PRC	27,000
Corporate Avenue 1	Phase 1 of Corporate Avenue, Lot 110, Taipingqiao Area, Huangpu District, Shanghai, PRC	83,000
Corporate Avenue 2	Phase 2 of Corporate Avenue, Lot 127, Taipingqiao Area, Huangpu District, Shanghai, PRC	82,000
Shui On Plaza	333 Huai Hai Zhong Road, Huangpu District, Shanghai, PRC	58,000
The HUB	Lot 152-1/1, Hua Cao Zhen, Min Hang District, Shanghai, PRC	277,000

FINANCIAL INFORMATION ON CHINA XINTIANDI

Assuming the completion of the disposal of Lot 126 prior to completion of the Transaction, based on the unaudited consolidated accounts of China Xintiandi prepared in accordance with International Financial Reporting Standards:

- for the financial year ended 31 December 2011, the rental revenue attributable to the Initial Portfolio (after excluding Lot 126) was RMB515,352,000, the net

profit before taxation² attributable to the holding companies of the Initial Portfolio (after excluding Lot 126) was RMB1,457,392,000 and net profit after taxation² attributable to the holding companies of the Initial Portfolio (after excluding Lot 126) was RMB997,067,000;

- for the financial year ended 31 December 2012, the rental revenue attributable to the Initial Portfolio (after excluding Lot 126) was RMB633,307,000, the net profit before taxation² attributable to the holding companies of the Initial Portfolio (after excluding Lot 126) was RMB1,688,578,000 and net profit after taxation² attributable to the holding companies of the Initial Portfolio (after excluding Lot 126) was RMB1,161,967,000; and
- for the six months ended 30 June 2013, the rental revenue attributable to the Initial Portfolio (after excluding Lot 126) was RMB344,094,000, the net profit before taxation² attributable to the holding companies of the Initial Portfolio (after excluding Lot 126) was RMB632,258,000 and net profit after taxation² attributable to the holding companies of the Initial Portfolio (after excluding Lot 126) was RMB400,318,000.

The Company notes that completion of the disposal of Lot 126 is subject to certain conditions as set out in the Company's announcement dated 4 December 2013 in relation to the disposal of Lot 126.

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

Hong Kong, 6 December 2013

As 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 Director is Mr. Frankie Y. L. WONG; and the independent non-executive Directors are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.

² Net profit before taxation and net profit after taxation include historical sales of development properties and fair value gain of investment properties.