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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

**FRAMEWORK AGREEMENT IN RELATION TO
THE FORMATION OF LIMITED PARTNERSHIPS**

The Board is pleased to announce that on 28 November 2014, after trading hours, China KC Principal Partner and China KC Investment Management entered into the Framework Agreement with Green Acres, pursuant to which China KC Investment Management has been appointed to identify opportunities for potential Investments and, where approved by the Investors, establish and set up Project Vehicles to invest. The terms and conditions of each Project Vehicle will be regulated by a Limited Partnership Agreement to be entered into by the participating Investors.

The total Commitment by SOL Entity under the Framework Agreement is US\$375 million (equivalent to approximately HK\$2,906.25 million). Such Commitment, calculated with reference to the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules, will be more than 5% but less than 25%. Therefore, the entry into of the Framework Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the formation of Project Vehicle for Investment as contemplated under the Framework Agreement may or may not happen, Shareholders, holders of securities of the Company and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

** For identification purposes only*

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THE FRAMEWORK AGREEMENT

Date:

28 November 2014

Parties:

- (i) China KC Principal Partner, an entity set up by SOL Entity and through which SOL Entity will make a Commitment to the respective Project Vehicle as a limited partner of such Project Vehicle
- (ii) China KC Investment Management, as Investment Manager
- (iii) Green Acres

Investment Objective and Policy

The investment strategy of the Investors will be to develop, own, and operate mid-size, mixed-use knowledge communities with residential and commercial property components in strategic locations characterized by a high concentration of universities, high-tech parks and/or research and development parks.

Capital Commitment

Total Commitment by the Investors	:	US\$600 million (equivalent to approximately HK\$4,650.00 million)
Commitment by SOL Entity	:	US\$375 million (equivalent to approximately HK\$2,906.25 million)
Commitment by Green Acres	:	US\$225 million (equivalent to approximately HK\$1,743.75 million)

The funding of the Commitment by SOL Entity and Green Acres shall be subject to the identification and approval of satisfactory investment opportunities in accordance with the investment approval process and other terms prescribed in the Framework Agreement.

SOL Entity's Commitment will be funded from the Company's internal resources.

Investment Opportunity and Management

During the 36-month period beginning from the date of the Framework Agreement (subject to early termination events set forth in the Framework Agreement), so long as no more than 85% of SOL Entity's Commitment has been invested or committed for investment, the Investment Manager shall (by itself, the Company and/or any of its Affiliates) exclusively offer knowledge community Investment opportunities that meet the investment objective and policy set forth in the Framework Agreement to the Investors.

Where approved by the Investors, the Investment Manager shall establish and set up Project Vehicles to invest into such Investments. Each Project Vehicle will be structured as a limited partnership in the Cayman Islands with the Investors that elect to participate in such Investments as limited partners and an entity to be set up by SOL Entity to serve as the general partner. The terms and conditions of a Project Vehicle will be regulated by a Limited Partnership Agreement to be entered into by the participating Investors. It is expected that the Project Vehicles will not be accounted for as subsidiaries of the Company.

If none of the Investors elect to participate in an Investment opportunity identified by the Investment Manager pursuant to the Framework Agreement, the Investment Manager shall be entitled to deal with such Investment opportunity in any way in its sole discretion.

In addition, the Investment Manager will be appointed by the general partner of each Project Vehicle to manage such Project Vehicle.

Fees and Expenses

The Investors shall pay or reimburse the Investment Manager for all general expenses, pro rata to their respective Commitments. In addition, the Investment Manager will be paid a management fee on invested capital.

SOL Entity will be appointed to provide development management and asset management services to the Project Vehicles, and be paid a fee determined on an arm's length basis. The terms of appointment of such entity(ies) of SOL Entity shall be subject to separate agreements with the relevant Project Vehicle.

Subject to the Investment achieving certain investment performance thresholds, carried interest allocations shall be made to SOL Entity with respect to each Project Vehicle.

Distributions

The net investment revenues attributable to an Investment will generally be allocated among the participating Investors in proportion to their respective investment percentages for such Investment.

Transfer of Participating Interests

An Investor may transfer all or any part of its participating interest and its rights and obligations in respect of its Commitment to any of its Affiliates at its discretion. An Investor may only transfer to any person who is not its Affiliate if certain conditions in the Framework Agreement are satisfied.

Term and Exit

The term of the Framework Agreement is eight years, with up to two additional consecutive one-year extensions, each subject to Investors' unanimous approval.

Beginning on the fifth anniversary of the date of the Framework Agreement, and continuing on an annual basis until the earlier of (i) the termination of the arrangements in the Framework Agreement and (ii) expiration of the term prescribed in the Framework Agreement, the Investment Manager and the Investors shall assess potential liquidity and exit options including, without limitation, a portfolio sale or liquidation and the Investment Manager shall use commercially reasonable efforts to effectuate the above actions to provide liquidity. For the avoidance of doubt, the Company shall not be obliged to acquire such participating interests from any Investor.

Termination

The arrangement in the Framework Agreement shall be terminated upon, inter alia, the expiration of the term of the Framework Agreement, the liquidation, sale or realization of all participating interests and/or Investments, or by Investors' unanimous approval for termination.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Company decided to enter into the Framework Agreement due to its desire to (i) establish a platform through which it is able to capitalize attractive knowledge community investment opportunities in the PRC on an on-going basis; (ii) broaden the Company's exposure to global institutional investors and sources of private equity; and (iii) create additional income streams for the Group via the expansion of the Company's third party investment management business.

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

IMPLICATION OF THE LISTING RULES

As the relevant percentage ratios set out in the Listing Rules in respect of the Commitment by SOL Entity under the Framework Agreement exceed 5% but are less than 25%, the entry into of the Framework Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Framework Agreement is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under the Listing Rules.

Where necessary, the Company will comply with the reporting, announcement, shareholders' approval and/or other requirements under the Listing Rules when a Project Vehicle is established and a Limited Partnership Agreement or other relevant agreements are entered into.

GENERAL INFORMATION

The Group 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.

Green Acres is a special purpose vehicle mainly engaging in real estate investment which is ultimately wholly owned by a public institution based in the Middle East.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Green Acres and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

As the formation of Project Vehicle for Investment as contemplated under the Framework Agreement may or may not happen, Shareholders, holders of securities of the Company and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

DEFINITIONS

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

“Affiliate(s)”	when used in reference to any specified person, means (i) any person that controls, and is controlled by or is under common control with such specified person, and (ii) any person that is an officer or director or such specified person, or a spouse or an immediate family member of such specified person, provided inter alia, that the Project Vehicles shall be deemed not to be Affiliates of the Investment Manager, and China Xintiandi Limited (a wholly-owned subsidiary of the Company) and its subsidiaries shall not be deemed to be Affiliates of the Company etc, and provided further that in the case of Green Acres, limb (ii) above shall not apply and no natural person shall be an Affiliate of Green Acres;
“Board”	the board of Directors;
“China KC Investment Management”	China KC Investment Management Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;
“China KC Principal Partner”	China KC Principal Partner Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;
“Commitment”	with respect to each Investor, the amount it has committed to contribute from time to time on the terms of the Framework Agreement;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose Shares are listed on the main board of the Stock Exchange (stock code: 272);

“connected persons” and “subsidiary(ies)”	each has the meaning defined under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Framework Agreement”	the framework agreement dated 28 November 2014 entered into between China KC Principal Partner, China KC Investment Management and Green Acres;
“Green Acres”	Green Acres B 2014 Limited, a company incorporated in Jersey, ultimately wholly owned by a public institution based in the Middle East;
“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;
“Investment(s)”	any acquisition or investment approved and subsequently made by the Investors through the Project Vehicles;
“Investment Manager”	China KC Investment Management, or any other person appointed from time to time as an Investment Manager;
“Investors(s)”	Green Acres, SOL Entity and/or any other investor who shall have executed an accession agreement substantially in the form located in the Framework Agreement, pursuant to which such investor shall have become a party to and bound by all terms and conditions and provisions of the Framework Agreement;
“Limited Partnership Agreement”	limited partnership agreement for governing a Project Vehicle, which shall be in a form substantially similar to the template annexed to the Framework Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

“Project Vehicle(s)”	limited partnerships to be established by the Investment Manager through which an Investment is acquired unless agreed otherwise by the participating Investors and the Investment Manager;
“Shareholders”	holders of Shares;
“Shares”	the ordinary shares of US\$0.0025 each in the share capital of the Company;
“SOL Entity”	the Company or its Affiliates, including but not limited to the Investment Manager;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	percent.

Unless otherwise specified in this announcement and for the purpose of illustration only, US\$ is translated into HK\$ at the rate of US\$1.00 = HK\$7.75. No representation is made that any amounts in US\$ 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, 28 November 2014

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Daniel Y. K. WAN and Mr. Philip K. T. WONG; the non-executive director of the Company is Mr. Frankie Y. L. WONG; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW