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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)

ANNOUNCEMENT
2016 INTERIM RESULTS PROFIT ALERT

This announcement is made by Shui On Land Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to inform potential investors and shareholders of the Company that, based on the information currently available to the Company, it is expected that profit attributable to shareholders of the Company for the six months ended 30 June 2016 is likely to decline significantly as compared with that for the corresponding period in 2015.

The decrease in the profit attributable to shareholders of the Company is primarily due to the following reasons:

- a) a decrease in fair value gain of investment properties by approximately 80% as compared with the corresponding period in 2015. For the six months ended 30 June 2015, we reported RMB2,797 million fair value gain of investment properties having taken into account of the actual transacted selling price of 1 and 2 Corporate Avenue in the Shanghai Taipingqiao development; and
- b) an exchange loss (both realized and unrealized) of around RMB350 million as a result of the depreciation of the Renminbi during the six months ended 30 June 2016, as compared to an appreciation of the Renminbi for the six months ended 30 June 2015 which generated a gain of RMB10 million.

Notwithstanding the above factors, based on currently available information, the Company estimates that the Gross Profit and Operating Profit for the six months ended 30 June 2016 will likely see a year-on-year increase. The Company remains cautiously optimistic regarding the long term prospects of the Group. The Group's contracted property sales and other assets disposal for the first half of 2016, including contributions from Dalian associates, increased significantly by 410% to RMB16,642 million compared with that for the corresponding period in 2015. A total gross floor area ("GFA") of 740,200 square metres ("sq. m.") was sold and pre-sold at an average selling price of RMB22,500 per sq. m. As of 30 June 2016, the Group's total locked-in sales, including disposal of commercial properties and contributions from Dalian associates, was RMB21,325 million, for delivery and recognised as revenue in the second half of 2016 and beyond. In addition to the contracted property sales and other assets disposal outlined above, as of 30 June 2016, a total GFA of 52,400 sq. m., amounting to a total value of RMB2,938 million was subscribed.

The information contained in this announcement is based on a preliminary review and analysis on the internal management accounts available as of the date of this announcement, which have not been audited or reviewed by the auditors of the Company.

The Company is still in the process of finalizing the results of the Group for the six months ended 30 June 2016. Details of the Group's financial information for the six months ended 30 June 2016 will be disclosed in its interim results announcement in August 2016.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 5 August 2016

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Frankie Y. L. WONG and Mr. Douglas H. H. SUNG (Chief Financial Officer); 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, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

** For identification purposes only*