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瑞安房地產
SHUI ON LAND

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
FORMATION OF JOINT VENTURE
ADVANCEMENT OF LOAN
AND
PROPOSED DISPOSAL OF EQUITY INTERESTS IN
PROJECT COMPANY
PUT OPTION IN RELATION TO SHARES IN THE JV COMPANY**

FORMATION OF JOINT VENTURE

On 9 August 2017, Sheng Pu, an indirect wholly-owned subsidiary of the Company, Guotai Junan (as the manager of the Trust) and Hong Fang entered into the Shareholders' Agreement, pursuant to which Sheng Pu, Guotai Junan and Hong Fang have agreed to establish the JV Company held as to 49% by Sheng Pu, 31% by Guotai Junan and 20% by Hong Fang respectively, for the acquisition of the Project Company from the Company.

The registered capital of the JV Company is RMB100,000,000 (equivalent to approximately HK\$116,299,000) and will be contributed by Sheng Pu, Guotai Junan and Hong Fang in proportion to their respective shareholding in the JV Company, being RMB49,000,000 (equivalent to approximately HK\$56,987,000), RMB31,000,000 (equivalent to approximately HK\$36,053,000) and RMB20,000,000 (equivalent to approximately HK\$23,260,000) in cash, respectively.

ADVANCEMENT OF LOAN AND ADDITIONAL FUNDING

Apart from the capital contribution to the JV Company, Sheng Pu shall provide up to approximately RMB2,226,050,000 (equivalent to approximately HK\$2,588,882,000) additional funds to the JV Company in the following manner:

- (a) Sheng Pu will advance unsecured interest-bearing shareholders' loan in the amount of RMB1,040,700,000 (equivalent to approximately HK\$1,210,327,000) and Guotai Junan will advance secured interest-bearing shareholders' loan in the amount of RMB1,083,170,000 (equivalent to approximately HK\$1,259,720,000), respectively, to the JV Company;
- (b) Sheng Pu and Hong Fang will provide unsecured interest-bearing funding in the amount up to approximately RMB400,000,000 (equivalent to approximately HK\$465,197,000) and up to approximately RMB237,540,000 (equivalent to approximately HK\$276,257,000), respectively, to fund the payment of interest arising from the Guotai Junan Loan;
- (c) Sheng Pu shall advance unsecured interest-bearing loan for an amount up to RMB131,680,000 (equivalent to approximately HK\$153,143,000) to the JV Company for repayment of part of the GJ Tranche B Loan when the JV Company repays the GJ Tranche A Loan. If Sheng Pu fails to advance such loan, Sheng Pu will be required to pay a sum up to approximately RMB34,470,000 (equivalent to approximately HK\$40,088,000) as additional finance expenses incurred ; and
- (d) Sheng Pu and Hong Fang shall bear the additional working capital needs and shortfall in the purchase price for the Project Company in an aggregate amount estimated at RMB774,000,000 (equivalent to approximately HK\$900,157,000) in the form of unsecured interest-bearing loan in a ratio of 80% and 20% respectively, representing RMB619,200,000 (equivalent to approximately HK\$720,126,000) and RMB154,800,000 (equivalent to approximately HK\$180,031,000) respectively.

Funding and capital contribution from the Trust is limited to a cap of RMB1,114,170,000 (equivalent to approximately HK\$1,295,773,000) in total, and the remaining shareholders' funding will be provided to the JV Company and /or supported by Sheng Pu and Hong Fang in the ratio of 80% and 20% respectively. Such ratio is reflected in the aggregate exposure and funds contribution as to 80% by Sheng Pu, covering its funding and contribution mentioned above, and the consideration payable on exercise of the Put Option and incidentally assuming the GJ Tranche A Loan which is not guaranteed by Hong Fang to be transferred to

Sheng Pu, totalling RMB2,964,440,000 (equivalent to approximately HK\$3,447,600,000), and 20% by Hong Fang, covering its funding and contribution mentioned above, including its exposure as the sole guarantor of the GJ Tranch B Loan.

PROPOSED DISPOSAL OF EQUITY INTERESTS IN PROJECT COMPANY

Upon establishment of the JV Company, Top Faith, an indirect wholly-owned subsidiary of the Company, shall dispose to and the JV Company shall acquire the entire equity interest of the Project Company at a cash consideration of RMB110,000,000 (equivalent to approximately HK\$127,929,000). It is expected that the Proposed Disposal will be completed by the year end of 2017.

PUT OPTION OF GUOTAI JUNAN'S EQUITY INTEREST IN THE JV COMPANY

Pursuant to the terms of the Shareholders' Agreement, Sheng Pu has granted to Guotai Junan the Put Option, a right to put its entire equity interest in the JV Company to Sheng Pu at a cash consideration of RMB31,000,000 (equivalent to approximately HK\$36,053,000).

LISTING RULES IMPLICATIONS

All the respective applicable percentage ratios for the Company in respect of the Proposed Disposal and the Put Option are less than 5%.

As one of the applicable percentage ratios for the Company in respect of the capital contribution of the Company in the JV Company (including the aggregate exposure and funds contribution) under the Shareholders' Agreement together with the advancement of the shareholders' loans and other funding under the Shareholders' Agreement is more than 5% but is less than 25%, the transactions contemplated under the Shareholders' Agreement constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios for the Company in respect of the advancement of the shareholders' loan by Sheng Pu together with the outstanding Guotai Junan Loan that may be assigned to Sheng Pu when the Put Option is exercised on an aggregate basis is more than 5% but is less than 25%, the advancement of the shareholders' loans by Sheng Pu constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Shareholders' Agreement and the Proposed Disposal are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company.

FORMATION OF JOINT VENTURE

On 9 August 2017, Sheng Pu, an indirect wholly-owned subsidiary of the Company, Guotai Junan (as the manager of the Trust) and Hong Fang entered into the Shareholders' Agreement, pursuant to which Sheng Pu, Hong Fang and Guotai Junan have agreed to establish the JV Company held as to 49% by Sheng Pu, 31% by Guotai Junan and 20% by Hong Fang respectively, for the acquisition of the Project Company.

The principal terms of the Shareholders' Agreement are set out as follows.

Date

9 August 2017

Parties

- (a) Sheng Pu;
- (b) Guotai Junan (as manager acting on behalf of the Trust); and
- (c) Hong Fang.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than Hong Fang holding 1% of the equity interest in an indirect non-wholly owned subsidiary of the Company, each of Guotai Junan, the Trust and Hong Fang and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

PURPOSE OF THE FORMATION OF THE JV COMPANY

The JV Company shall be established for the purpose of investing, developing and constructing and managing the Project via the management of the Project Company.

INFORMATION ON THE PROJECT COMPANY AND THE PROJECT

The Project Company is established in the PRC and its principal business activity is property development and property investment. The Project Company is an indirect wholly-owned subsidiary of the Company.

The main assets of the Project Company is Lot 167, which is a parcel of land located in Hongkou district, Shanghai, PRC. The Project, to be undertaken on Lot 167, covers an area of approximately 61,494 sq.m with developable gross floor area of approximately 213,200 sq.m. The Project is a large-scale, city core redevelopment project, which is projected to be a core urban living destination within the inner ring of Shanghai, PRC. It is expected that 40% of the developable gross floor area will be for residential development purpose and 60% for commercial development purpose. The development cycle of the Project is expected to be 6 to 8 years and the total investment of the Project is expected to be approximately RMB15,000,000,000 (equivalent to approximately HK\$17,444,903,000), and external funding will be raised as required.

PRINCIPAL TERMS OF THE SHAREHOLDERS' AGREEMENT

Capital commitments and future funding

The registered capital of the JV Company is RMB100,000,000 (equivalent to approximately HK\$116,299,000) and will be contributed by Sheng Pu, Guotai Junan and Hong Fang in proportion to their respective shareholding in the JV Company, being RMB49,000,000 (equivalent to approximately HK\$56,987,000), RMB31,000,000 (equivalent to approximately HK\$36,053,000) and RMB20,000,000 (equivalent to approximately HK\$23,260,000) in cash, respectively.

Payment of the capital contributions by Sheng Pu and Hong Fang is subject to, among other things, Hong Fang having obtained the necessary approval to invest in the Project from the relevant government authorities in the PRC.

Payment of the capital contributions by Guotai Junan is subject to, among other things:

- (a) Hong Fang having executed a deed of guarantee in favour of Guotai Junan as security for the GJ Tranche B Loan;
- (b) the scope of relocation work to be conducted incidental to the Project having been approved by the relevant government authorities in the PRC;
- (c) the JV Company having obtained its business licenses;
- (d) an agreement having been entered into by the Project Company with the relevant government authorities in the PRC in relation to the relocation work to be conducted incidental to the Project;
- (e) Sheng Pu having paid all its capital contributions to the JV Company; and
- (f) Hong Fang having paid all its capital contributions to the JV Company.

Advancement of Shareholders' Loans and additional funding

(a) Shareholders' Loans by Sheng Pu and Guotai Junan

Sheng Pu Loan

Sheng Pu Loan is an unsecured loan for an amount of RMB1,040,700,000 (equivalent to approximately HK\$1,210,327,000) which carries an interest at the rate of PBOC lending rate multiplied by 110% per annum and is subordinated in terms of repayment to a substantial portion of the Guotai Junan Loan. Advancement of the Sheng Pu Loan is subject to, among other things, Guotai Junan and Hong Fang having paid their respective shares of the capital contributions to the JV Company pursuant to the Shareholders' Agreement. The Sheng Pu Loan shall be for a term of 8 years, commencing from the date of its first advancement to the JV Company.

Guotai Junan Loan

The Guotai Junan Loan comprises of two tranches, a tranche A loan for an amount of RMB658,390,000 (equivalent to approximately HK\$765,703,000) and a tranche B loan for an amount of RMB424,780,000 (equivalent to approximately HK\$494,016,000), which carry interest at the rate of 7.539% per annum and 6.99% per annum respectively. The Guotai Junan Loan will be secured by the pledge of all the equity interests in the Project Company; and in relation to the GJ Tranche B Loan, by an additional corporate guarantee from Hong Fang. Advancement of the Guotai Junan Loan is subject to the following conditions:

- (i) the conditions precedent for payment of the capital contribution by Guotai Junan having been fulfilled;
- (ii) the JV Company having completed the acquisition of the Project Company and the Project Company having obtained its new business license;
- (iii) Sheng Pu having advanced the Sheng Pu Loan to the JV Company; and
- (iv) the registration of the pledge of the entire equity interests in the Project Company in favour of Guotai Junan having been completed with the relevant registration department in the PRC.

(b) Additional funding by Sheng Pu and Hong Fang

Sheng Pu will provide unsecured interest-bearing funding in the amount up to approximately RMB400,000,000 (equivalent to approximately HK\$465,197,000) to fund the payment of interest arising from the GJ Tranche

A Loan and Hong Fang will provide unsecured interest-bearing funding in the amount up to approximately RMB237,540,000 (equivalent to approximately HK\$276,257,000) to fund the payment of interest arising from the GJ Tranche B Loan. Both funding will carry an interest at the rate of PBOC lending rate multiplied by 110% per annum.

Save for the initial capital contribution and the Guotai Junan Loan, Guotai Junan is not obliged to provide further funding needs for the JV Company. Further additional shareholders' funding will be advanced by Sheng Pu and Hong Fang.

(c) Additional loan by Sheng Pu

Sheng Pu shall advance unsecured interest-bearing loan for an aggregate amount up to RMB131,680,000 (equivalent to approximately HK\$153,143,000) to the JV Company for repayment of part of the GJ Tranche B Loan when the JV Company repays the GJ Tranche A Loan. Such loan will carry an interest at the rate of PBOC lending rate multiplied by 110% per annum. If Sheng Pu fails to advance such loan, Sheng Pu will be required to pay a sum up to approximately RMB34,470,000 (equivalent to approximately HK\$40,088,000) as additional finance expenses incurred.

(d) Further funding needs

Additional advancement to fund any additional working capital needs of the JV Company in an aggregate amount estimated at RMB774,000,000 (equivalent to approximately HK\$900,157,000) in the form of unsecured interest-bearing loan which will carry an interest at the rate of PBOC lending rate multiplied by 110% per annum, including the shortfall in the registered capital of the Project Company and the consideration for the Proposed Disposal, being RMB10,000,000 (equivalent to approximately HK\$11,630,000) to be borne by Sheng Pu and Hong Fang at a ratio of 80% and 20% respectively, representing RMB619,200,000 (equivalent to approximately HK\$720,126,000) and RMB154,800,000 (equivalent to approximately HK\$180,031,000) respectively.

Funding and capital contribution from the Trust is limited to a cap of RMB1,114,170,000 (equivalent to approximately HK\$1,295,773,000) in total, and the remaining shareholders' funding will be provided to the JV Company and /or supported by Sheng Pu and Hong Fang in the ratio of 80% and 20% respectively. Such ratio is reflected in the aggregate exposure and funds contribution as to 80% by Sheng Pu, covering its funding and contribution mentioned above, and the consideration payable on exercise of the Put Option and incidentally assuming the GJ Tranche A Loan which is not guaranteed by

Hong Fang to be transferred to Sheng Pu, totalling RMB2,964,440,000 (equivalent to approximately HK\$3,447,600,000), and 20% by Hong Fang, covering its funding and contribution mentioned above, including its exposure as the sole guarantor of the GJ Tranch B Loan. The funding and capital contribution of Sheng Pu will be funded by internal resources of the Group.

The amounts of such capital commitment, loans and funding were arrived at after arm's length negotiation among the parties to the Shareholders' Agreement with reference to the capital requirement for acquiring the Project Company and the working capital requirement for the development of the Project.

Distribution of Profits

Sheng Pu and Hong Fang will participate in sharing the profits of the JV Company in a ratio of 80% and 20%. Guotai Junan will not share in any profits of the JV Company.

Board composition

The board of directors of the JV Company shall comprise of 5 directors, of which 2 directors (including the chairman of the board of directors of the JV Company) shall be nominated by Sheng Pu. Each of Guotai Junan and Hong Fang shall nominate 1 director; and the remaining 1 director shall be nominated by Guotai Junan and Hong Fang jointly.

Return of capital

In the liquidation of the JV Company, Guotai Junan shall have the priority over Sheng Pu and Hong Fang to get paid its capital contribution, outstanding loans and interest. Sheng Pu and Hong Fang will then share the remaining assets of the JV Company at a ratio of 80% and 20%.

PROPOSED DISPOSAL OF EQUITY INTERESTS IN PROJECT COMPANY

Upon establishment of the JV Company, Top Faith, an indirect wholly-owned subsidiary of the Company, shall dispose to and the JV Company shall acquire the entire equity interest of the Project Company for a cash consideration of RMB110,000,000 (equivalent to approximately HK\$127,929,000). The consideration for the Proposed Disposal was determined based on arm's length negotiations among the parties to the Shareholders' Agreement with reference to the valuation of total assets and the net assets of the Project Company of approximately RMB119,100,000 (equivalent to approximately HK\$138,500,000) and approximately RMB110,790,000 (equivalent to approximately HK\$128,850,000) assessed by an independent valuer as at 31 May 2017, respectively. The book value of the total assets and net assets of the Project Company on its audited accounts for the year ended 31 December 2016 were

approximately RMB97,850,000 (equivalent to approximately HK\$113,800,000) and approximately RMB89,700,000 (equivalent to approximately HK\$104,320,000), respectively. It is expected that the Proposed Disposal will be completed by the year end of 2017.

At the date of this announcement, the Project Company is an indirect wholly-owned subsidiary of the Company. Upon completion of the Proposed Disposal, the Project Company will become a wholly-owned subsidiary of the JV Company, which in turn will be owned as to 49% by Sheng Pu, as to 31% by Guotai Junan and 20% by Hong Fang, respectively, and will accordingly cease to be a subsidiary of the Company.

FINANCIAL EFFECTS AND USE OF PROCEEDS FROM THE PROPOSED DISPOSAL

The net loss (both before and after taxation and extraordinary items) attributable to the Project Company for the two financial years ended 31 December 2015 and 2016 are RMB47,000 (equivalent to approximately HK\$55,000) and RMB104,000 (equivalent to approximately HK\$121,000), respectively. Taking into account the consideration received, and with reference to the investment costs of the Project Company as at 31 May 2017, the Group anticipates that the Proposed Disposal will record a loss of approximately RMB50,196,000 (equivalent to approximately HK\$58,378,000). The anticipated loss includes the loss from the difference between the valuation and carrying amount of the net assets in the Project Company as at 31 May 2017 and also the relevant transaction costs involved.

Taking into account transaction taxes and expenses at approximately RMB1,675,000 (equivalent to approximately HK\$1,948,000), and the total capital contribution, loans and funding requirement by Sheng Pu to the JV Company when paid in full, the total net proceeds from the Proposed Disposal receivable by the Group are estimated to be approximately RMB51,325,000 (equivalent to approximately HK\$59,690,000). The Group intends to apply such proceeds to fund general working capital.

PUT OPTION OF GUOTAI JUNAN'S EQUITY INTEREST IN THE JV COMPANY

Pursuant to the terms of the Shareholders' Agreement, Sheng Pu has granted to Guotai Junan the Put Option, a right to put its entire equity interest in the JV Company to Sheng Pu at a cash consideration of RMB31,000,000 (equivalent to approximately HK\$36,053,000). Any outstanding Guotai Junan Loan shall also be assigned to Sheng Pu when the Put Option is exercised. The Put Option shall be exercised at the discretion of Guotai Junan if Sheng Pu refuses to sell its equity interest in the JV Company to Guotai Junan within 60 days prior to the expiration of the eighth year of the date when Guotai Junan contributes its first capital

contribution to the JV Company. The consideration shall be payable by Sheng Pu to Guotai Junan upon completion of the exercise of the Put Option on or before the expiration of the eighth year of the date when Guotai Junan contributes its first capital contribution to the JV Company.

INFORMATION ON THE GROUP

The Company, through its subsidiaries and associates, is one of the leading property developers in the PRC. The Group engages principally in the development, sale, leasing, management and ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

Sheng Pu is a company established in the PRC with limited liability and an investment holding company. It is an indirect wholly-owned subsidiary of the Company.

Top Faith is a company incorporated in Hong Kong with limited liability. Top Faith is an investment holding company holding the entire equity interest in the Project Company. It is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON HONG FANG, THE TRUST AND GUOTAI JUNAN

Hong Fang is a company established in the PRC with limited liability and a subsidiary of the Shanghai Hongkou District State-owned Assets Supervision and Administration Commission. Hong Fang and its subsidiaries are principally engaged in relocation, property management, real estate development and public rental housing agency services.

The Trust is set up by Guotai Junan and funded by independent PRC bank(s) in July 2017 for the purpose of investing in the JV Company by way of capital contribution of not more than RMB31,000,000 (equivalent to approximately HK\$36,053,000), being its initial capital contribution to the JV Company, and shareholder's loans of not more than RMB1,083,170,000 (equivalent to approximately HK\$1,259,720,000), being the aggregate amount of the Guotai Junan Loan. The investment period of the Trust in the JV Company is expected to be 8 years. The Trust has been filed with the Asset Management Association of China on 26 July 2017.

Guotai Junan is a company established in the PRC with limited liability. Guotai Junan is an asset management company principally engaged in providing integrated financial services in the PRC securities industry. Guotai Junan is empowered by the Trust to act as its manager to deal with all the matters in relation to the formation of the JV Company. Guotai Junan shall enjoy and bear all its rights, obligations, interests and risks under the Shareholders' Agreement as the manager of the Trust.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE SHAREHOLDERS' AGREEMENT

Shanghai, PRC being the financial centre of mainland China has been undergoing rapid development in the past decades, benefitting from the economic growth and transformation of the PRC. The shareholders of the JV Company recognise the business opportunity arising from the urbanisation of Shanghai, PRC and intend to participate in the process. Therefore, the shareholders of the JV Company are setting up the JV Company to develop and manage the Project and explore other business opportunities.

The formation of the JV Company is also part of the Company's asset light strategy. With synergies brought by joint venture, fund or partnership structures, the Company is able to accelerate its business expansion, diversify the funding requirement and manage concentration risk of large scale development projects. Hong Fang, being an expert in relocation, will play an important role in managing the relocation and residents settlement of Lot 167 so as to orderly improve the residents' living conditions.

The Directors are of the view that the terms and conditions of the Shareholders' Agreement and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

All the respective applicable percentage ratios for the Company in respect of the Proposed Disposal and the Put Option are less than 5%.

As one of the applicable percentage ratios for the Company in respect of the capital contribution of the Company in the JV Company (including the aggregate exposure and funds contribution) under the Shareholders' Agreement together with the advancement of the shareholders' loans and other funding under the Shareholders' Agreement is more than 5% but is less than 25%, the transactions contemplated under the Shareholders' Agreement constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios for the Company in respect of the advancement of the shareholders' loan by Sheng Pu together with the outstanding Guotai Junan Loan that may be assigned to Sheng Pu when the Put Option is exercised on an aggregate basis is more than 5% but is less than 25%, the advancement of the shareholders' loans by Sheng Pu constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Shareholders' Agreement and the Proposed Disposal are subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”, “connected person(s)”, “percentage ratio(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (stock code: 272)
“Director(s)”	the director(s) of the Company
“GJ Tranche A Loan”	an interest-bearing loan in an amount of RMB658,390,000 (equivalent to approximately HK\$765,703,000) at the rate of 7.539% per annum, to be advanced by Guotai Junan to the JV Company secured by the pledge of all the equity interests in the Project Company
“GJ Tranche B Loan”	an interest-bearing loan in an amount of RMB424,780,000 (equivalent to approximately HK\$494,016,000) at the rate of 6.99% per annum, to be advanced by Guotai Junan to the JV Company secured by the pledge of all the equity interests in the Project Company and a corporate guarantee from Hong Fang
“Group”	the Company and its subsidiaries
“Guotai Junan”	Shanghai Guotai Junan Securities Asset Management Company Limited* (上海國泰君安證券資產管理有限公司), a company established in the PRC with limited liability and acts a manager of the Trust under the Shareholders' Agreement

“Guotai Junan Loan”	GJ Tranche A Loan and GJ Tranche B Loan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Fang”	Shanghai Hongfang (Group) Company Limited* (上海虹房(集團)有限公司), a company established in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Company”	a joint venture company established in the PRC by Sheng Pu, Hong Fang and Guotai Junan pursuant to the Shareholders’ Agreement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Lot 167”	a piece of land covering an area of 61,494 sq.m. situated in Hongkou district, Shanghai, PRC and is held by the Project Company
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Project”	a large-scale, city core redevelopment project covers an area of approximately 61,494 sq.m. with developable gross floor area of approximately 213,200 sq.m.
“Project Company”	Shanghai Bali Real Estate Development Company Limited* (上海百麗房地產開發有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Proposed Disposal”	the proposed disposal of the entire equity interest in the Project Company by Top Faith to the JV Company

“Put Option”	an option granted by Sheng Pu to Guotai Junan a right to put its entire equity interest in the JV Company to Sheng Pu at a consideration of RMB31,000,000 (equivalent to approximately HK\$36,053,000)
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	the ordinary shares of the Company with nominal value of US\$0.0025 each
“Shareholders”	holders of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement dated 9 August 2017 entered into among Sheng Pu, Guotai Junan (which acts as the manager of the Trust) and Hong Fang
“Shareholders’ Loans”	Sheng Pu Loan and Guotai Junan Loan
“Sheng Pu”	Shanghai Sheng Pu Enterprise Management Consulting Company Limited* (上海盛甫企業管理諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sheng Pu Loan”	unsecured interest-bearing loan in the amount of RMB1,040,700,000 (equivalent to approximately HK\$1,210,327,000) which carries an interest at the rate of PBOC lending rate multiplied by 110% per annum to be advanced by Sheng Pu to the JV Company
“Top Faith”	Top Faith Development Limited (迪豐發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Trust”	Guojun Asset Management 2091 Oriented Asset Management Plan* (國君資管2091定向資產管理計劃), a trust set up by Guotai Junan and funded by PRC bank(s)
“U.S.”	the United States of America
“US\$”	U.S. dollars, the lawful currency of the U.S.
“%”	per cent.

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 = RMB0.85985. 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, 9 August 2017

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

** For identification purposes only*