

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)

TERMINATION OF DISCLOSEABLE AND CONNECTED TRANSACTIONS

IN RESPECT OF

**MITSUI'S 49% INTERESTS IN VALUE LAND RELATING TO
FOSHAN LOT 18 PROJECT IN FOSHAN LING NAN TIAN DI**

The Board announces that on 26 August 2014, SODH and Mitsui have entered into the Foshan SPA in relation to the Foshan Lot 18 Project, pursuant to which SODH has agreed to purchase, and Mitsui has agreed to sell its 49% equity interests in Value Land together with the related shareholder's loan, for a total consideration of RMB372,850,000 (equivalent to approximately HK\$471,960,000). The Group's joint venture with Mitsui in the Foshan Lot 18 Project shall be terminated upon completion of the Foshan SPA.

Reference is made to the announcement of the Company dated 29 November 2011 and the circular of the Company dated 3 January 2012 regarding the discloseable and connected transactions relating to the joint venture arrangement with Mitsui in the Foshan Lot 18 Project.

The Board announces that SODH and Mitsui have entered into the Foshan SPA on 26 August 2014 pursuant to which SODH has agreed to purchase, and Mitsui has agreed to sell its 49% equity interests in Value Land together with the related shareholder's loan, for a total consideration of RMB372,850,000 (equivalent to approximately HK\$471,960,000).

The consideration under the Foshan SPA was determined based on arm's length negotiations between the parties on normal commercial terms with reference to an independent valuation of the fair market value of the assets to be acquired provided by an independent valuer.

The closing of the sale and purchase of the Sale Interests shall take place on the tenth Business Day from the date of the Foshan SPA. Upon completion of the Foshan Lot 18 Transaction, the Group's joint venture with Mitsui in the Foshan Lot 18 Project shall be terminated. Value Land will become an indirect wholly-owned subsidiary of the Company.

The Foshan Lot 18 Transaction is neither a connected transaction of the Company pursuant to Rule 14A.09 of the Listing Rules nor a notifiable transaction for the Company as the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Foshan Lot 18 Transaction are less than 5%.

Reasons for the Foshan Lot 18 Transaction

As Mitsui is adjusting its investment strategy in the PRC property market whereas the Company is confident about the long term development potential of the PRC property market, including Foshan, Mitsui and SODH have agreed to enter into the Foshan Lot 18 Transaction.

Upon completion of the Foshan Lot 18 Transaction, Value Land will become an indirect wholly-owned subsidiary of the Company. This will simplify the decision-making process of Value Land. The Company will have better control over and greater flexibility on the development strategy of Lot 18 in response to the changing market conditions.

The Directors (including the independent non-executive Directors) consider that the terms of the Foshan Lot 18 Transaction were agreed on normal commercial terms, and that the Foshan Lot 18 Transaction is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors has any material interest in the Foshan Lot 18 Transaction and thus none of them was required to abstain from voting on the relevant Board resolutions approving the Foshan Lot 18 Transaction.

GENERAL INFORMATION

At the date of this announcement, Value Land is held as to 51% by SODH and 49% by Mitsui. Value Land indirectly holds 92% of Foshan Yong Rui, a company which holds the land use rights of Lot 18.

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.

Mitsui is a wholly-owned subsidiary of Mitsui Fudosan Co., Ltd., a listed company in Japan and one of the largest real estate developers in Japan with leading expertise in development and asset management. Mitsui engages in residential property development, sale of its development and sale on consignment of other developers in Japan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mitsui and the ultimate beneficial owner of Mitsui are not connected persons of the Company pursuant to Rule 14A.09 of the Listing Rules.

DEFINITIONS

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

“associate(s)” “connected person(s)” , “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day other than a Saturday or Sunday or public holiday on which banks are open in Hong Kong, Japan, Cayman Islands and the PRC for general commercial business;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Foshan Lot 18 Project”	the Group’s joint venture arrangement with Mitsui for the development of Lot 18 following the completion of the Transactions (as defined in the announcement of the Company dated 29 November 2011 and the circular of the Company dated 3 January 2012) ;
“Foshan Lot 18 Transaction”	the transaction(s) contemplated under the Foshan SPA;
“Foshan Ling Nan Tian Di”	the Foshan Ling Nan Tian Di property development project which is well-positioned in the old town centre of central Chancheng District in Foshan City of Guangdong, the PRC, being a large-scale urban redevelopment project with an estimated developable gross floor area of approximately 1,427,000 square metres comprising residential, commercial and retail properties, hotels and cultural facilities excluding clubhouses, car parks and other facilities;
“Foshan SPA”	the sale and purchase agreement dated 26 August 2014 entered into between SODH and Mitsui in relation to the Sale Interests of the Foshan Lot 18 Project;
“Foshan Yong Rui”	Fo Shan Yong Rui Tian Di Property Development Co., Limited (佛山詠瑞天地置業有限公司), a company established under the laws of the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Lot 18”	the land situated at the north of Zhaoxiang Road (兆祥路) and the east of Shidongxia Road (市東下路) in Lot 18 of Foshan Ling Nan Tian Di with an estimated developable above-ground gross floor area of approximately 109,000 square metres;
“Mitsui”	Mitsui Fudosan Residential Co., Ltd., a company incorporated under the laws of Japan with limited liability;
“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 area;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Interests”	49% equity interests in Value Land together with the related shareholder’s loan owned by Mitsui as at the date of closing of the Foshan Lot 18 Transaction;
“Shareholders”	holders of the shares of the Company;
“SODH”	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Value Land”	Value Land Investment Limited, a company incorporated in the Cayman Islands with limited liability which is owned as to 51% by SODH and 49% by Mitsui at the date of this announcement.

For the purpose of this announcement and for illustration purpose only, conversion of RMB to HK\$ is based on the exchange rate of HK\$1: RMB0.79. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

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

Hong Kong, 26 August 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.

** For identification purposes only*