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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
CHINA XINTIANDI COMPANY LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
AND
POSSIBLE MAJOR TRANSACTION**

This announcement is made pursuant to PN15 and Rule 13.09 of the Listing Rules.

The Board announces that the Company has submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 28 May 2012, China Xintiandi submitted a listing application form (Form A1) to the Stock Exchange for the listing of, and permission to deal in, the China Xintiandi Shares in issue and to be issued under the Global Offering on the Main Board of the Stock Exchange.

China Xintiandi, the subject of the Proposed Spin-off, is a wholly-owned subsidiary of the Company. It is positioned to be the premier commercial property company of the Shui On Group. The business of China Xintiandi will focus principally on managing, designing, leasing, marketing, enhancing and redeveloping premium retail, office, entertainment and hotel properties in affluent urban areas in the PRC.

It is currently proposed that pursuant to the Global Offering, China Xintiandi Shares will be offered for subscription by the public in Hong Kong and will be placed with professional and institutional investors.

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Shareholders with an assured entitlement to China Xintiandi Shares by way of a Preferential Offering if the Proposed Spin-off takes place. Details of the Preferential Offering have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

Following the completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of China Xintiandi will be reduced. Such reduction of the Company's shareholding interest in China Xintiandi is expected to constitute a major transaction of the Company and accordingly, Shareholders' approval for the Proposed Spin-off will be required. The Company will comply with the applicable requirements set out in Chapter 14 of the Listing Rules as and when necessary.

Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, hold 1,411,712,352 shares, 1,717,614,889 shares and 137,469,656 shares of the Company, respectively. Together, they hold approximately 56.06% of the issued share capital of the Company on the date of this announcement. Since none of the Shareholders is required to abstain from voting on the Proposed Spin-off, the Company intends to obtain the written approval of Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited for the purpose of approving the Proposed Spin-off in lieu of an approval from the Shareholders at a Shareholders' meeting pursuant to Rule 14.44 of the Listing Rules.

The Proposed Spin-off is subject to, among other things, Listing Approval, the final decisions of the Board and of the board of directors of China Xintiandi and the approval of the Shareholders. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

Further announcement(s) will be made by the Company on any material developments with respect to the Proposed Spin-off as and when appropriate.

INTRODUCTION

This announcement is made pursuant to PN15 and Rule 13.09 of the Listing Rules.

The Board announces that the Company has made a submission to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 28 May 2012, China Xintiandi submitted a listing application form (Form A1) to the Stock Exchange for the listing of, and permission to deal in, the China Xintiandi Shares in issue and to be issued under the Global Offering on the Main Board of the Stock Exchange.

CHINA XINTIANDI

China Xintiandi, the subject of the Proposed Spin-off, is a wholly-owned subsidiary of the Company. It is positioned to be the premier commercial property company of the Shui On Group. The business of China Xintiandi will focus principally on managing, designing, leasing, marketing, enhancing and redeveloping of premium retail, office, entertainment and hotel properties in affluent urban areas in the PRC.

THE PROPOSED SPIN-OFF

It is currently proposed that pursuant to the Global Offering, China Xintiandi Shares will be offered for subscription by the public in Hong Kong and will be placed with professional and institutional investors.

Following the completion of the Proposed Spin-off, the Company's percentage holding in the issued share capital of China Xintiandi will be reduced. Such reduction of the Company's shareholding interest in China Xintiandi is expected to constitute a major transaction of the Company and accordingly, Shareholders' approval for the Proposed Spin-off will be required. The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules as and when necessary.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Board considers that the Proposed Spin-off is in the interests of the Group and the Shareholders taken as a whole, because:

- (1) the Proposed Spin-off will enable China Xintiandi to raise capital through the Global Offering. Part of such capital is expected to be used to fund China Xintiandi's acquisitions and investments in commercial properties to enhance and expand its property portfolio. Another part of such capital is expected to be used to settle certain intercompany balances between China Xintiandi and the Group;
- (2) following the listing of the China Xintiandi Shares, China Xintiandi will be able to raise further capital in the future from the equity capital markets should the need arise;
- (3) the expansion of the business of China Xintiandi will in turn benefit the Company as the Company will remain a controlling shareholder of China Xintiandi after the listing of the China Xintiandi Shares;
- (4) the Company will be able to raise capital for its business expansion through (i) partial disposal of existing China Xintiandi Shares in the Global Offering and (ii) the sale of certain commercial properties in various PRC cities to China Xintiandi; and
- (5) the Proposed Spin-off will give investors the option to invest in China Xintiandi's pure-play commercial property business, which is different from the Company's business of developing large-scale, mixed-use properties.

ASSURED ENTITLEMENT

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Shareholders with an assured entitlement to China Xintiandi Shares by way of a Preferential Offering if the Proposed Spin-off takes place. Details of the Preferential Offering have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

LISTING RULES IMPLICATIONS

It is expected that the Proposed Spin-off, if it proceeds, will constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will require Shareholders' approval. The Company will comply with the reporting, announcement and shareholders' approval requirements set out in Chapter 14 of the Listing Rules as and when necessary if the Proposed Spin-off proceeds.

An Independent Board Committee will be formed to consider the Proposed Spin-off, and an Independent Financial Adviser has been appointed to advise the Independent Board Committee and Shareholders on the fairness and reasonableness of the Proposed Spin-off.

Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, hold 1,411,712,352 shares, 1,717,614,889 shares and 137,469,656 shares of the Company, respectively. Together, they hold approximately 56.06% of the issued share capital of the Company on the date of this announcement. Since none of the Shareholders is required to abstain from voting on the Proposed Spin-off, the Company intends to obtain the written approval of Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited for the purpose of approving the Proposed Spin-off in lieu of an approval from the Shareholders at a Shareholders' meeting pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, details of the Proposed Spin-off, including the related advice of the Independent Financial Adviser to the Independent Board Committee and Shareholders, the recommendation of the Independent Board Committee to Shareholders, and all other necessary information and documents will be despatched to Shareholders promptly in accordance with the provisions of the Listing Rules or otherwise as permitted by the Stock Exchange as and when appropriate.

GENERAL INFORMATION

The Company, through its subsidiaries and associates, 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.

In connection with the Global Offering, the price of China Xintiandi Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the prospectus, which is proposed to be issued in connection with the Hong Kong Public Offering.

The Proposed Spin-off is subject to, among other things, Listing Approval, the final decisions of the Board and of the board of directors of China Xintiandi and the approval of the Shareholders. Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. Shareholders and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

This announcement is not an offer for sale of any securities in the United States. No securities can be offered or sold in the United States unless registered or exempted from registration. Any public offering of securities in the United States will be done by means of a prospectus. The Proposed Spin-off of China Xintiandi will not be registered in the United States.

Further announcement(s) will be made by the Company on any material developments with respect to the Proposed Spin-off as and when appropriate.

DEFINITIONS

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

“Board”	the board of Directors;
“China Xintiandi”	China Xintiandi Company Limited, a company incorporated in the Cayman Islands with limited liability, and its subsidiaries;
“China Xintiandi Shares”	ordinary shares of US\$0.01 each in the share capital of China Xintiandi;
“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;
“Global Offering”	the Hong Kong Public Offering and the International Offering (including the Preferential Offering);
“Group”	the Company and its subsidiaries (excluding China Xintiandi);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Hong Kong Public Offering”	the proposed issue and offer for subscription of China Xintiandi Shares to the public in Hong Kong;
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors to be formed to advise Shareholders as to whether the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Company and Shareholders as a whole;
“Independent Financial Adviser”	Platinum Securities Company Limited, which will advise the Independent Board Committee and Shareholders as to whether the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Company and Shareholders as a whole and to advise Shareholders on how to vote at the extraordinary general meeting(s) of the Company, if any, to be convened to consider and, if thought fit, approve the Proposed Spin-off;
“International Offering”	the proposed placing of China Xintiandi Shares with professional and institutional investors;
“Listing Approval”	the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the China Xintiandi Shares on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PN15”	Practice Note 15 of the Listing Rules;
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region and Taiwan, for the purpose of this announcement;
“Preferential Offering”	the preferential offer of China Xintiandi Shares to qualifying Shareholders on an assured basis;
“Proposed Spin-off”	the proposed disposal of part of the Company’s interest in China Xintiandi by way of a separate listing of China Xintiandi Shares on the Main Board of the Stock Exchange;
“Shareholders”	the holders of the shares of the Company;

“Shui On Group”	Shui On Company Limited and its subsidiaries (excluding SOCAM Development Limited and its subsidiaries);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States”	the United States of America; and
“%”	percent.

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

Hong Kong, 28 May 2012

At the date of this announcement, the executive directors of the Company 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 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 purpose only.*