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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)

(1) MAJOR TRANSACTION —

**DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
INFOSHORE INTERNATIONAL LIMITED AND**

**ASSIGNMENT OF THE INTERCOMPANY LOANS OF
INFOSHORE INTERNATIONAL LIMITED**

**(2) POSSIBLE MAJOR TRANSACTION —
GRANT OF THE PUT OPTION**

Sole Financial Advisor



THE TRANSACTIONS

The Share Disposal

The Board is pleased to announce that on 10 December 2015, Taipingqiao Holding Company Limited (as seller) and China Xintiandi Holding Company Limited (as seller guarantor), both indirect subsidiaries of the Company, entered into a sale and purchase agreement with Bayline Global Limited (as purchaser), LKK Health Products Group Limited and Vanke Property (Hong Kong) Company Limited (as purchaser guarantors) in relation to the sale of the entire issued share capital of Infoshore International Limited, which indirectly owns 99% of the Corporate Avenue 3 Property in Shanghai, the PRC.

The final consideration for the Share Disposal will be an amount equal to RMB5,700,000,000 (being the agreed value attributed by the parties to the Corporate Avenue 3 Property at Closing) minus the adjusted liabilities and plus the adjusted assets attributable to the Target as at the date of Closing. The parties have estimated that the final consideration for the Share Disposal will be approximately RMB1,752,740,578.

Closing of the Share Disposal shall take place on the later of (i) 2 February 2016 and (ii) the date which is seven Business Days from the date on which all of the conditions precedents (as further set out in this announcement) have been fulfilled (or waived) (or such other date as may be agreed between the Seller and the Purchaser).

The Loan Assignment

On 10 December 2015, China Xintiandi Property Company Limited (as assignor) and China Xintiandi Holding Company Limited (as assignor guarantor), both indirect subsidiaries of the Company, entered into a loan assignment agreement with, inter alia, Bayline Global Limited (as assignee), LKK Health Products Group Limited and Vanke Property (Hong Kong) Company Limited (as assignee guarantors), in relation to the assignment of the loans owed by Infoshore International Limited to the Assignor.

The consideration for the Loan Assignment will be an amount equal to the aggregate of US\$39,277,780.27 and RMB2,401,485,618.32.

Completion of the Loan Assignment will take place on the Effective Date.

The Put Option

Under the Sale and Purchase Agreement, if Shanghai Le Fu fails to obtain the Housing Ownership Certificate by the date falling 18 months after the date of the Sale and Purchase Agreement (being the put option exercise date), the Purchaser shall have an option to sell to the Seller (i) the Sale Shares and any other shares in the Target which the Purchaser has acquired and (ii) any shareholder loans owed by the Target Group to the Purchaser or any of its affiliates. The Put Option will expire one month after the Put Option Exercise Date.

The Put Option is granted to the Purchaser at no cost to the Purchaser. The consideration for the Put Shareholder Instruments acquired pursuant to the Put Option shall be equal to an amount which would result in a net internal rate of return of 10% per annum for the Purchaser on its investment in the Target Group up to and including the Put Option Completion Date.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as the Sale and Purchase Agreement and the Loan Assignment Agreement were entered into by the parties within a 12 month period and the Sale and Purchase Agreement and the Loan Assignment Agreement were both entered into by indirect subsidiaries of the Company with Bayline Global Limited (as purchaser and assignee) relating to the Target, the Share Disposal and the Loan Assignment would be aggregated as a series of transactions.

As one or more of the applicable percentage ratios in respect of the Transactions exceeds 25% but is less than 75%, the entering into the Transactions (in aggregate) constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Put Option is exercisable at the discretion of the Purchaser and no actual monetary value of the exercise price has been determined, the grant of the Put Option constitutes a possible major transaction of the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the grant of the Put Option is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Transactions and the grant of the Put Option and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Transactions and the grant of the Put Option.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, hold 1,198,103,792 Shares, 1,450,808,826 Shares, 183,503,493 Shares, 573,333,333 Shares, 708,448,322 Shares, 150,000,000 Shares and 293,319,781 Shares, respectively, representing approximately 56.78 % of the issued share capital of the Company at the date of this announcement.

The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited for the Transactions and the grant of the Put Option pursuant to Rule 14.44 of the Listing Rules and as a result, no Shareholders' meeting will be convened to consider the Transactions and the grant of the Put Option.

DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Transactions and the Put Option is expected to be despatched to the Shareholders on or before 4 January 2016 in accordance with the Listing Rules.

WARNING

The Transactions and the grant of the Put Option are subject to the fulfilment (or waiver) of certain conditions precedent and may be terminated in certain circumstances. Accordingly, there is no assurance that the Transactions and the grant of the Put Option will be completed. Shareholders, investors in general and holders of securities of the Company should exercise caution when dealing in the securities of the Company.

1. INTRODUCTION

The Board is pleased to announce that on 10 December 2015, the Seller and the Seller Guarantor, both indirect subsidiaries of the Company, entered into a sale and purchase agreement with the Purchaser and the Purchaser Guarantors, in relation to the sale of the entire issued share capital of the Target, which indirectly owns 99% of the Corporate Avenue 3 Property in Shanghai, the PRC.

On 10 December 2015, the Assignor and the Assignor Guarantor, both indirect subsidiaries of the Company, entered into a loan assignment agreement with, inter alia, the Assignee and the Assignee Guarantors, in relation to the assignment of the Intercompany Loans.

2. SALE AND PURCHASE AGREEMENT

(a) Date

10 December 2015

(b) Parties

- (1) Seller: Taipingqiao Holding Company Limited
- (2) Seller Guarantor: China Xintiandi Holding Company Limited
- (3) Purchaser: Bayline Global Limited
- (4) Purchaser Guarantors: LKK Health Products Group Limited and Vanke Property (Hong Kong) Company Limited

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and the Purchaser Guarantors, and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

(c) Transaction

The Seller has agreed to sell, and the Purchaser has agreed to purchase, on Closing the Sale Shares, representing the entire issued share capital of the Target.

The Target is an investment holding company whose subsidiary, Union Grow, owns 99% of the registered capital of Shanghai Le Fu. Shanghai Le Fu owns the Corporate Avenue 3 Property in Shanghai, the PRC.

The Corporate Avenue 3 Property is located at No. 168 Hu Bin Road, Shanghai, the PRC. Construction works of the Corporate Avenue 3 Property have been completed in April 2015 while the Housing Ownership Certificate has not been obtained yet. The Purchaser may exercise the Put Option to sell the Put Shareholder Instruments to the Seller if the Housing Ownership Certificate is not obtained within 18 months after the date of the Sale and Purchase Agreement.

(d) Consideration

Final Share Consideration

The final consideration for the Share Disposal (the “**Final Share Consideration**”) will be an amount equal to RMB5,700,000,000:

- (1) minus the adjusted liabilities attributable to the Target as at the date of the Closing determined in the Closing Statement; and
- (2) plus the adjusted assets attributable to the Target as at the date of the Closing determined in Closing Statement.

The Final Share Consideration was determined based on arm’s length negotiations between the parties with reference to the management’s valuation of the Corporate Avenue 3 Property ranging from RMB5,582,000,000 to RMB5,798,000,000 after taking into account its in-place rents, physical specifications and market dynamics. The agreed value attributed by the parties to the Corporate Avenue 3 Property at Closing (being RMB5,700,000,000) represents a premium of approximately 5.7% over the carrying value of the Corporate Avenue 3 Property as at 30 June 2015 (being RMB5,391,000,000).

For the purpose of determining the payments to be made in connection with the Share Disposal, the parties have estimated that the Final Share Consideration will be RMB1,752,740,578 (the “**Estimated Share Consideration**”). The Estimated Consideration represents an excess of RMB615,170,459 over the unaudited consolidated net assets of the Target Group as at 30 September 2015.

Estimated Share Consideration

The Estimated Share Consideration will be settled as follows:

- (1) **Share Deposit:** On or before the eighth Business Day after the date of the Sale and Purchase Agreement, the Purchaser shall pay the US\$ equivalent of RMB701,096,231 (the “**Share Deposit**”) into an escrow account. The Share Deposit will be released to the Seller at Closing as partial payment of the Estimated Share Consideration.
- (2) **Remaining consideration amount:** At Closing, the balance of the Estimated Share Consideration will be settled as follows:
 - (i) the Purchaser shall deposit the US\$ equivalent of RMB440,545,474 (the “**Retention Escrow Amount**”) into an escrow account; and

- (ii) the Purchaser shall pay to the Seller the US\$ equivalent of the remaining balance of the Estimated Share Consideration.

Release of the Retention Escrow Amount

Half of the Retention Escrow Amount (together with any interest accrued thereon) shall be released to the Seller within five Business Days upon the occurrence of any of the following trigger events:

- (1) Shanghai Le Fu having obtained the Housing Ownership Certificate; and
- (2) completion of the sale of the 1% equity interest in Shanghai Le Fu held by Shanghai Fuxing to a purchaser (which may be Union Grow, any company with the Purchaser group or any other third party).

The remaining Retention Escrow Amount (together with any interest accrued thereon) shall be released to the Seller within five Business Days upon the occurrence of the other trigger event described above.

Post-Closing adjustments

Upon finalisation of the Closing Statement, if the Final Share Consideration exceeds the Estimated Share Consideration, the amount of the excess will be paid in cash by the Purchaser to the Seller, and if the Final Share Consideration is less than the Estimated Share Consideration, the amount of the shortfall will be paid in cash by the Seller to the Purchaser. Any such post-Closing adjustment payment is not subject to any cap and shall be paid within five Business Days after the date of finalisation of the Closing Statement. The management of the Company does not expect that there will be any material difference between the Estimated Share Consideration and the Final Share Consideration.

The Company will make an announcement when the Final Share Consideration has been determined.

(e) Conditions

Closing is conditional upon the following conditions having been fulfilled (or waived in accordance with the Sale and Purchase Agreement):

- (1) the Company having obtained the requisite shareholders' approval of the transaction contemplated under the Sale and Purchase Agreement as a "major transaction" as required under the Listing Rules; and

- (2) Shanghai Fuxing having provided a confirmation letter in favour of Union Grow in respect of the Share Disposal in accordance with the Sale and Purchase Agreement.

At the date of this announcement, condition (1) above has been fulfilled. Condition (2) may be waived by the Purchaser at any time by notice in writing from the Purchaser to the Seller.

(f) Closing

Closing of the Share Disposal shall take place on the later of (i) 2 February 2016 and (ii) the date which is seven Business Days from the date on which all of the conditions above have been fulfilled (or waived) (or such other date as may be agreed between the Seller and the Purchaser).

If any of conditions have not been fulfilled (or waived) on or before 29 February 2016 (or such later date as agreed between the Seller and the Purchaser), the Sale and Purchase Agreement shall be terminated automatically and the Share Deposit together with any accrued interest thereon will be released to the Purchaser.

Following Closing, the Seller will no longer have any shareholding interests in the Target and the Target Group will cease to be the subsidiaries of the Company.

(g) Termination

At any time before Closing, either the Seller or the Purchaser may terminate the Sale and Purchase Agreement by notice to the other in the event of:

- (1) damage to a substantial portion of the building standing on the Corporate Avenue 3 Property, and for this purpose “substantial portion” refers to such part(s) of the Corporate Avenue 3 Property which has/have a total gross floor area of 20% or more of the total gross floor area of the Corporate Avenue 3 Property; or
- (2) the commencement or progression of any process by a government entity to resume the Corporate Avenue 3 Property or any significant part of it which would result in a material adverse change.

At any time before Closing, the Purchaser may terminate the Sale and Purchase Agreement by notice to the Seller if any event or matter occurs which would constitute a breach of the warranties given by the Seller by reference to the facts and circumstances then existing and which would result in a material adverse change.

If the Sale and Purchase Agreement is terminated upon the occurrence of the above termination events, the Share Deposit together with any accrued interest thereon shall be released to the Purchaser.

If the Seller or the Purchaser fails to comply with its material obligations at Closing, the non-defaulting party is entitled to terminate the Sale and Purchase Agreement by notice to the other. The Share Deposit together with any accrued interest thereon shall be released to the Purchaser unless such termination is solely due to the Purchaser's failure to comply with its material obligations through no fault of the Seller, upon which the US\$ equivalent of RMB262,911,087 (representing 15% of the Estimated Share Consideration) together with any accrued interest thereon shall be released to the Seller and any remaining funds in the escrow account where the Share Deposit is held shall be released to the Purchaser. Where the termination is solely due to the Seller's failure to comply with its material obligations through no fault of the Purchaser, the Seller shall, in addition to the return of the Share Deposit together with any accrued interest thereon, pay to the Purchaser a break-up fee of HK\$10,000,000 to cover professional fees incurred by the Purchaser.

(h) Guarantees

Pursuant to the Sale and Purchase Agreement, (i) the Seller Guarantor has agreed to guarantee the Seller's obligations and undertakings under the Sale and Purchase Agreement (and related transaction documents) and (ii) each of the Purchaser Guarantors has agreed to guarantee the Purchaser's obligations and undertakings under the Sale and Purchase Agreement (and related transaction documents) on a several basis. Each Purchaser Guarantor's liability shall not exceed the following proportions of the Final Share Consideration:

- (1) LKKHPG: 90%
- (2) VPHK: 10%

3. LOAN ASSIGNMENT AGREEMENT

(a) Date

10 December 2015

(b) Parties

- (1) Assignor: China Xintiandi Property Company Limited
- (2) Assignor Guarantor: China Xintiandi Holding Company Limited

- (3) Assignee: Bayline Global Limited
- (4) Assignee Guarantors: LKK Health Products Group Limited and Vanke Property (Hong Kong) Company Limited
- (5) Borrower: Infoshore International Limited

(c) Transaction

The Assignor has agreed to assign or procure the assignment of, and the Assignee has agreed to accept the assignment of the Intercompany Loans.

(d) Consideration

The consideration for the Loan Assignment will be an amount equal to the aggregate of US\$39,277,780.27 and RMB2,401,485,618.32 (the “**Loan Consideration**”) to be settled as follows:

- (1) **Loan Deposit:** On or before the eighth Business Day after the date of the Loan Assignment Agreement, the Assignee shall pay the US\$ equivalent of RMB1,061,085,663 (the “**Loan Deposit**”) into an escrow account. The Loan Deposit will be released to the Assignor at completion of the Loan Assignment as partial payment of the Loan Consideration.
- (2) **Remaining consideration amount:** At completion of the Loan Assignment, the Assignee shall pay to the Assignor the US\$ equivalent of the remaining balance of the Loan Consideration.

If the Assignee fails to pay the remaining balance of the Loan Consideration, the Assignor may terminate the Loan Assignment Agreement and the Assignor shall be entitled to retain the US\$ equivalent of RMB397,907,124 (representing 15% of the Loan Consideration) together with any interest accrued thereon. Any remaining funds in the escrow account where the Loan Deposit is held shall be released to the Assignee.

The Loan Consideration constitutes an amount equal to the aggregate principal amounts of US\$36,500,000 and RMB2,236,552,881.40 and all accrued unpaid interests on the Intercompany Loans.

(e) Completion

Completion of the Loan Assignment will take place on the Effective Date.

(f) Termination

The Loan Assignment Agreement may be terminated by agreement of the parties. Upon termination of the Loan Assignment Agreement, the Loan Deposit together with any accrued interest thereon shall be released to the Assignee.

(g) Guarantees

Pursuant to the Loan Assignment Agreement, (i) the Assignor Guarantor has agreed to guarantee the Assignor's obligations and undertakings under the Loan Assignment Agreement and (ii) each of the Assignee Guarantors has agreed to guarantee the Assignee's obligations and undertakings under the Loan Assignment Agreement on a several basis. Each Assignee Guarantor's liability shall not exceed the following proportions of the Loan Consideration:

(1) LKKHPG: 90%

(2) VPHK: 10%

4. THE PUT OPTION

Under the Sale and Purchase Agreement, if Shanghai Le Fu fails to obtain the Housing Ownership Certificate by the date falling 18 months after the date of the Sale and Purchase Agreement (the "**Put Option Exercise Date**"), the Purchaser shall have an option to sell to the Seller (i) the Sale Shares and any other shares in the Target which the Purchaser has acquired and (ii) any shareholder loans owed by the Target Group to the Purchaser or any of its affiliates (the "**Put Shareholder Instruments**"). The Put Option will expire one month after the Put Option Exercise Date.

The Put Option is granted to the Purchaser at no cost to the Purchaser. The consideration for the Put Shareholder Instruments acquired pursuant to the Put Option shall be equal to an amount which would result in a net internal rate of return of 10% per annum for the Purchaser on its investment in the Target Group up to and including the Put Option Completion Date.

5. LICENCE AGREEMENT

On or before Closing, Sky Link (Hong Kong) Limited, an indirect subsidiary of the Company, will enter into a licence agreement with Shanghai Le Fu under which the “CORPORATE AVENUE 企业天地” brand will be licensed to Shanghai Le Fu on a royalty-free basis for use in respect of the Corporate Avenue 3 Property for an initial term of five years, automatically renewable for another five years upon expiry of the initial term. The terms of this licence were negotiated on an arms’ length basis between the parties in the context of the Share Disposal and taking into account the consideration payable by the Purchaser under the Sale and Purchase Agreement.

6. ASSET MANAGEMENT SERVICES, PROPERTY MANAGEMENT SERVICES AND PROJECT MANAGEMENT SERVICES

Pursuant to the Sale and Purchase Agreement, the Seller has agreed to procure that an affiliate of the Company, Shanghai Xintiandi Management Limited, assists the asset management team appointed by the Purchaser with the handover of asset management services with respect to the Corporate Avenue 3 Property for the period from Closing to 2 March 2016.

The Seller and the Purchaser have also agreed that affiliates of the Company will provide transitional property management and project management services to Shanghai Le Fu pursuant to relevant supplementary agreements to be entered into between Shanghai Le Fu and such affiliates on or before Closing.

Pursuant to the property management supplementary agreement, transitional property management services shall be provided for 30 days from the date of Closing and the fee payable is RMB200,000 for the entire term. Pursuant to the project management supplementary agreement, project management services shall be provided from Closing to 31 December 2016 or until Shanghai Le Fu achieves certain agreed project development milestones. A monthly management fee of RMB902,536.08 is payable from 1 January 2016 to 31 December 2016 while outstanding fees of RMB4,584,757.76 payable under the existing property management agreement shall be paid before 31 December 2015.

The management fees were negotiated on arms’ length basis between the parties, in the context of the Share Disposal, having regard to the terms of the existing property management and project management agreements, the transitional nature of such services, the agreed scope of services to be provided, manpower required and headquarter services to be shared under each agreement.

7. FINANCIAL INFORMATION ON THE TARGET GROUP

As at 30 September 2015, the unaudited consolidated net asset value, turnover, profits both before and after taxation of the Target Group were approximately RMB1,137,570,119, RMB24,082,676, RMB192,167,171 and RMB125,569,899 respectively.

For the financial year ended 31 December 2014, the audited consolidated net asset value, turnover, profits both before and after taxation of the Target Group were approximately RMB1,012,000,219, nil, RMB404,163,175 and RMB301,903,528 respectively.

For the financial year ended 31 December 2013, the audited consolidated net asset value, turnover, profits both before and after taxation of the Target Group were approximately RMB710,096,691, nil, RMB293,229,909 and RMB221,757,864 respectively.

With reference to the carrying value of the Target Group as at 30 September 2015, and after deducting estimated tax and transaction expenses of approximately RMB74,000,000, the Group expects that there will be a gain of approximately RMB622,000,000 arising from the Transactions (with RMB486,000,000 attributable to the Group after excluding minority interests in the Target Group).

8. REASONS FOR AND BENEFITS OF THE TRANSACTIONS AND USE OF PROCEEDS

In order to accelerate overall asset turnover and realisation of the value of assets owned, the Company's strategy is to divest commercial properties at the right price and time. The Company considers that the Transactions represent an opportunity for the Group to realise its investment in the Corporate Avenue 3 Property at an attractive value in the prevailing market conditions, in line with the Company's strategic monetisation plan for its property portfolio.

After paying down debt and deducting the transaction costs and expenses, the Group will record net proceeds of approximately RMB1,679,000,000 upon Closing of the Share Disposal and RMB2,653,000,000 on Completion of the Loan Assignment. Total net proceeds from the Transactions will be RMB4,332,000,000 (with RMB3,384,000,000 attributable to the Group after excluding minority interest), which in turn will reduce the Group's net gearing by 12% with reference to the carrying value of the Company as at 31 December 2014. It is intended that the net proceeds will be used for Group financial

purposes. The Directors (including the independent non-executive Directors) are of the view that the terms of the Transactions and the grant of the Put Option are normal commercial terms and fair and reasonable and in the interests of the Group and the Shareholders as a whole.

9. LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, as the Sale and Purchase Agreement and the Loan Assignment Agreement were entered into by the parties within a 12 month period and the Sale and Purchase Agreement and the Loan Assignment Agreement were both entered into by indirect subsidiaries of the Company with Bayline Global Limited (as purchaser and assignee) relating to Target, the Share Disposal and the Loan Assignment would be aggregated as a series of transactions.

As one or more of the applicable percentage ratios in respect of the Transactions exceeds 25% but is less than 75%, the entering into Transactions (in aggregate) constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Put Option is exercisable at the discretion of the Purchaser and no actual monetary value of the exercise price has been determined, the grant of the Put Option constitutes a possible major transaction of the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the grant of the Put Option is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Transactions and the grant of the Put Option and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Transactions and the grant of the Put Option.

Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited, which are controlled by Shui On Company Limited and which together constitute a closely allied group of Shareholders, hold 1,198,103,792 Shares, 1,450,808,826 Shares, 183,503,493 Shares, 573,333,333 Shares, 708,448,322 Shares, 150,000,000 Shares and 293,319,781 Shares, respectively, representing approximately 56.78% of the issued share capital of the Company at the date of this announcement.

The Company has obtained the written approval of Shui On Properties Limited, Shui On Investment Company Limited, Chester International Cayman Limited, Lanvic Limited, Boswell Limited, Merchant Treasure Limited and Doreturn Limited for the Transactions and the grant of the Put Option pursuant to Rule 14.44 of the Listing Rules and as a result, no Shareholders' meeting will be convened to consider the Transactions and the grant of the Put Option.

10. DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Transactions and the Put Option is expected to be despatched to the Shareholders on or before 4 January 2016 in accordance with the Listing Rules.

11. GENERAL INFORMATION

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

The Purchaser or Assignee is a company incorporated in the BVI and a special purpose vehicle owned by Foxtail Investments Limited and V Capital Limited.

The Purchaser Guarantors or Assignee Guarantors are LKKHPG and VPHK. The businesses of LKKHG cover four main areas, namely Chinese herbal plantation, R&D, production, sales and services of TCM health products, mobile internet platform, and property investment. Headquartered in Hong Kong China, LKKHPG has subsidiaries in mainland China, Hong Kong, Taiwan, and Malaysia. VPHK is an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of China Vanke Co., Ltd. (stock code: 2202) which is principally engaged in property development and property investment in the PRC and overseas.

12. WARNING

The Transactions and the grant of the Put Option are subject to the fulfilment (or waiver) of certain conditions precedent and may be terminated in certain circumstances. Accordingly, there is no assurance that the Transactions and the grant of the Put Option will be completed. Shareholders, investors in general and holders of securities of the Company should exercise caution when dealing in the securities of the Company.

13. DEFINITIONS

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

“Assignee” or “Purchaser”	Bayline Global Limited, a company incorporated in the BVI and owned by Foxtail Investments Limited and V Capital Limited;
“Assignee Guarantors” or “Purchaser Guarantors”	LKKHPG and VPHK;
“Assignor”	China Xintiandi Property Company Limited, a company incorporated under the laws of the Cayman Islands and an indirect subsidiary of the Company;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the Board of Directors of the Company;
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and New York and any day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9.00 a.m. and 5.00 p.m.) on which banks are open in Hong Kong and New York for general commercial business;
“BVI”	British Virgin Islands;
“Closing”	completion of the Share Disposal in accordance with the Sale and Purchase Agreement;
“Closing Statement”	the statement showing the adjusted assets and liabilities attributable to the Target as at Closing which is to be prepared by the Seller within 20 Business Days after the date of Closing and subject to joint audit by Deloitte Touche Tohmatsu and PricewaterhouseCoopers on the basis of a joint engagement by the Seller and the Purchaser;
“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: 00272);

“connected person”	has the meaning ascribed to it under the Listing Rules;
“Corporate Avenue 3 Property”	the real property or properties which are located at No. 168, Hu Bin Road, Shanghai, the PRC and owned by Shanghai Le Fu;
“Directors”	the directors of the Company;
“Effective Date”	2 February 2016 (or such other date as may be agreed between the Assignor and the Assignee);
“Estimated Share Consideration”	has the meaning given to it under the section headed “2. Sale and Purchase Agreement — (d) Consideration” of this announcement;
“Final Share Consideration”	has the meaning given to it under the section headed “2. Sale and Purchase Agreement — (d) Consideration” of this announcement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Housing Ownership Certificate”	the housing ownership certificate (commonly known as “大產權證” in Chinese) in respect of the whole of the Corporate Avenue 3 Property with the effect of confirming completion of the property ownership initial registration (房屋所有權初始登記) of the Corporate Avenue 3 Property issued by Shanghai local housing authority which shall be obtained by Shanghai Le Fu in accordance with the Sale and Purchase Agreement;
“Intercompany Loans”	the loans owed by the Target to the Assignor in the aggregate principal amounts of US\$36,500,000 and RMB2,236,552,881.40, together with all accrued unpaid interests;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LKKHPG”	LKK Health Products Group Limited, a company incorporated under the laws of Hong Kong with limited liability;

“Loan Assignment”	the assignment of all the present and future rights, title, interests and benefits of the Assignor under and in respect of the Intercompany Loans in accordance with the Loan Assignment Agreement;
“Loan Assignment Agreement”	the loan assignment agreement dated 10 December 2015 entered into among the Assignor, the Assignor Guarantor, the Assignee, the Assignee Guarantors and the Target;
“Loan Consideration”	has the meaning given to it under the section headed “3. Loan Assignment Agreement” of this announcement;
“Loan Deposit”	has the meaning given to it under the section headed “3. Loan Assignment Agreement” of this announcement;
“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;
“Put Option”	the put option granted to the Purchaser in relation to the Put Shareholder Instruments in accordance with the Sale and Purchase Agreement;
“Put Option Completion Date”	the date of completion of the sale and purchase of the Put Shareholder Instruments which shall take place no less than one month and no more than six months after the date of the notice served by the Purchaser on the Seller in relation to the exercise of the Put Option;
“Put Option Exercise Date”	has the meaning given to it under the section headed “4. The Put Option” of this announcement;
“Put Shareholder Instruments”	has the meaning given to it under the section headed “4. The Put Option” of this announcement;
“Retention Escrow Amount”	has the meaning given to it under the section headed “2. Sale and Purchase Agreement — (d) Consideration” of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 December 2015 entered into among the Seller, the Seller Guarantor, the Purchaser and the Purchaser Guarantors;

“Sale Shares”	100 ordinary shares of par value of US\$1.00 in the issued share capital of the Target;
“Seller”	Taipingqiao Holding Company Limited, a company incorporated under the laws of the BVI and an indirect subsidiary of the Company;
“Seller Guarantor” or “Assignor Guarantor”	China Xintiandi Holding Company Limited, a company incorporated under the laws of the Cayman Islands and an indirect subsidiary of the Company;
“Shanghai Fuxing”	Shanghai Fuxing Construction Development Company (上海復興建設發展有限公司), a company incorporated in the PRC with limited liability, being the owner of 1% of the registered capital of Shanghai Le Fu;
“Shanghai Le Fu”	Shanghai Le Fu Properties Co., Ltd. (上海樂復房地產有限公司), a company incorporated in the PRC with limited liability, of which 99% of its registered capital is owned by the Union Grow and 1% of its registered capital is owned by Shanghai Fuxing;
“Shareholder(s)”	the holder(s) of the Shares;
“Shares”	the ordinary shares of the Company with nominal value of US\$0.0025 each;
“Share Deposit”	has the meaning given to it under the section headed “2. Sale and Purchase Agreement — (d) Consideration” of this announcement;
“Share Disposal”	the disposal of the Sale Shares to the Purchaser in accordance with the Sale and Purchase Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Target”	Infoshore International Limited, a company incorporated under the laws of the BVI, which is an indirect subsidiary of the Company;
“Target Group”	the Target, Union Grow and Shanghai Le Fu;
“Transactions”	the Share Disposal and the Loan Assignment;

“Union Grow”	Union Grow Limited, a company incorporated under the laws of Hong Kong with limited liability, a direct wholly-owned subsidiary of the Target and the owner of 99% of the registered capital of Shanghai Le Fu;
“US\$”	United States dollars, the lawful currency of the United States of America;
“VPHK”	Vanke Property (Hong Kong) Company Limited, a company incorporated under the laws of the Hong Kong with limited liability; and
“%”	per cent.

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

Hong Kong, 10 December 2015

At the date of this announcement, the executive Directors are Mr. Vincent H. S. LO (Chairman) and 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 and Mr. David J. SHAW.

** For identification purposes only*