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**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE LAND IN QINGPU DISTRICT,
SHANGHAI, THE PRC**

ACQUISITION OF THE LAND

On 19 May 2020, Shanghai Panlong (a non-wholly owned subsidiary of the Company) succeeded in the bids of the land use rights of the Land offered for sale by Shanghai Qingpu District Planning and Natural Resources Bureau at the Bidding at an aggregate consideration of RMB1,666,030,000 (equivalent to approximately HK\$1,851,144,000).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company.

The Transaction, when aggregated with the Previous Acquisition pursuant to Rule 14.22 of the Listing Rules, would remain as a major transaction under the Listing Rules based on the results of the applicable percentage ratios. Since the Company has complied with the Listing Rules in respect of the requirements for a major transaction in the Previous Acquisition, the Transaction is considered on a standalone basis and therefore constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under the Listing Rules.

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Information of the Land

The Land consists of two land parcels with a total gross floor area of 74,017.80 sq.m. for residential use with term of use of 70 years:

Land Parcel I is located at the west of Panlong Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: 05A-04), with a site area of 22,606.00 sq.m. and a gross floor area of 51,993.80 sq.m..

Land Parcel II is located at the west of Panlong Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: 05B-03), with a site area of 11,012.00 sq.m. and a gross floor area of 22,024.00 sq.m..

Consideration and payment terms

The consideration for each of Land Parcel I and Land Parcel II was RMB1,159,470,000 (equivalent to approximately HK\$1,288,300,000) and RMB506,560,000 (equivalent to approximately HK\$562,844,000), respectively. The consideration for each parcel of the Land was arrived at as a result of successful biddings of the Land by Shanghai Panlong at the Bidding, which was conducted in accordance with the relevant PRC laws and regulations, after taking into account the base price of the Bidding, current market conditions, location of the Land, and land price in the surrounding area. The consideration for the Land will be financed by the Group's internal resources.

The aggregate consideration for the Land of RMB1,666,030,000 (equivalent to approximately HK\$1,851,144,000) will be payable in the following manner:

<u>Required date of payment</u>	<u>Required amount paid / payable</u>
Within 5 business days of the signing of the Land Use Rights Grant Contracts	RMB333,206,000 (equivalent to approximately HK\$370,229,000) (representing 20% of the aggregate consideration, being the deposits)
Within 30 business days of the signing of the Land Use Rights Grant Contracts	RMB1,332,824,000 (equivalent to approximately HK\$1,480,915,000) (representing 80% of the aggregate consideration, being the remaining balance of the aggregate consideration)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, at the date of this announcement, each of Shanghai Qingpu District Planning and Natural Resources Bureau and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Land is located in the core area of the central business district of Hongqiao, and adjacent to Panlong metro station which is only one-stop away from the National Exhibition Center, the venue for hosting China International Import Expo (CIIE). With the CIIE, the region is undergoing fast development and residential market is in high demand. It is expected that the development of the Land will contribute good revenue stream to the Group in coming years.

The Directors consider that the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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 and redevelopment, sale, leasing, management and ownership of high-quality residential and mixed-use properties in the PRC.

Shanghai Panlong is established in the PRC with limited liability for the purpose of the development of the Land. Shanghai Panlong is indirectly owned as to 80% by wholly-owned subsidiaries of the Company (including Shanghai Panxing) and 10% by each of two independent third parties, respectively.

Shanghai Panxing was established as a joint venture in which the Company held 49% equity interests and subsequently became a wholly-owned subsidiary of the Company on 6 September 2019 upon the exercise of a call option. Further details may be found in the announcement of the Company issued on 6 March 2018. All the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the exercise of such call option are less than 5%.

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DEFINITIONS

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

“associate(s)”,	each has the meaning ascribed to it in the Listing Rules;
“connected person(s)”,	
“subsidiary(ies)”,	
“percentage ratio(s)”	
“Bidding”	the bidding process held by Shanghai Qingpu District Planning and Natural Resources Bureau at which the Land was offered for sale;
“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: 272);

“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Land”	the two land parcels situated at Qingpu District, Shanghai, the PRC, details of which are set out in the section headed “Information of the Land” in this announcement;
“Land Use Rights Grant Contracts”	two state-owned construction land use rights grant contracts (國有建設用地使用權出讓合同) to be entered into between Shanghai Qingpu District Planning and Natural Resources Bureau and Shanghai Panlong in relation to the acquisition of the land use rights of the Land in due course;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Previous Acquisition”	the previous acquisition of the four land parcels situated at (i) the east of Panlong East Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: 06-02); (ii) the west of Jingyi Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: 11A-04); (iii) the north of Weier Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: 11B-04, 11B-05); and (iv) the south of Weier Road, Xujing Town, Qingpu District, Shanghai, the PRC (land parcel no.: A05-04, A03-02), details of which are set out in the announcement of the Company dated 31 October 2019 and the circular of the Company dated 23 December 2019;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shanghai Land Transaction Centre”	Shanghai Land Transaction Centre *(上海市土地交易事務中心), a government body in the PRC responsible for, among other things, land grant transactions in Shanghai, the PRC;
“Shanghai Panlong”	Shanghai Panlong Tiandi Co., Ltd.* (上海蟠龍天地有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company;
“Shanghai Panxing”	Shanghai Panxing Management and Consultancy Co., Ltd.* (上海磐興管理諮詢有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Shanghai Qingpu District Planning and Natural Resources Bureau”	Shanghai Municipal Qingpu District Planning and Natural Resources Bureau* (上海市青浦區規劃和自然資源局), a government body in the PRC, responsible for, among other things, managing the primary land market, the tendering, auction and listing-for-sale of rights to use state-owned land in Qingpu District, Shanghai, the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction Confirmations”	two written confirmations dated 19 May 2020 issued by Shanghai Land Transaction Centre confirming the successful biddings of the land use rights of the Land at the Bidding by Shanghai Panlong;
“Transaction”	the acquisition of the land use rights of the Land;
“sq.m.”	square metre, unit of area; and
“%”	per cent.

For the purpose of this announcement and for illustration purpose only, conversion of HK\$ to RMB is based on the exchange rate of HK\$1.00 = RMB0.9. 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, 19 May 2020

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Douglas H. H. SUNG (Chief Financial Officer and Chief Investment Officer) and Ms. Stephanie B. Y. LO; 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, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

** For identification purposes only*