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Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

CONTINUING CONNECTED TRANSACTIONS

**Project Services Framework Agreement in relation to
the Wuhan Tiandi Project**

On 20 November 2009, SODH and the JV Company entered into a Framework Agreement pursuant to which the JV Company may enter into separate Service Contracts with the Shui On Group to perform the Services in respect of the Project from time to time in accordance with the terms of the Framework Agreement for the three years ending 31 December 2011.

Mr. Lo is a director, the Chairman and Chief Executive Officer of the Company in which he has an interest of approximately 50.08% in its issued share capital at the date of this announcement. Mr. Lo is therefore a connected person of the Company. Fieldcity is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules as an associate of Mr. Lo pursuant to Rule 14A.11(4)(c) of the Listing Rules, a connected person of the Company (at the Company level), is currently entitled to exercise, or control the exercise of, 10% or more of the voting power at the general meeting of Fieldcity. Thus, the JV Company is also a connected person of the Company pursuant to Rule 14A.11(6) of the Listing Rules. Accordingly, the Services Fees payable by the JV Company to the Shui On Group under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the Continuing Connected Transactions for the Services Fees payable to the Shui On Group are more than 0.1% but less than 2.5%, the Continuing Connected Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

THE FRAMEWORK AGREEMENT

Date

20 November 2009

Parties

- (1) SODH and
- (2) JV Company

Major Terms

Pursuant to the Framework Agreement, the JV Company may enter into separate Service Contracts with the Shui On Group to perform the Services in respect of the Project from time to time for a term of three years expiring no later than 31 December 2011.

Detailed terms of each Service Contract, including the specific kind of Service, payment and other customary terms for the provision of such Service, will be determined on an arm's length basis and according to the prevailing fair and usual market practice. The Services Fees will be determined in accordance with the prevailing market rate for such Services or, if there is no prevailing market rate available, with reference to the prevailing rate for the provision of similar services within the same industry. Such Services Fees will be funded by the internal resources of the JV Company.

ANNUAL CAPS

It is expected that the maximum annual Services Fees payable by the JV Company to the Shui On Group under the Framework Agreement for the three years ending 31 December 2011 are as follows:

	During the financial year ending		
	31 December		
	2009	2010	2011
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
The Shui On Group Annual Caps	39,000,000	64,000,000	81,000,000

The Shui On Group Annual Caps are determined by reference to the internal projection of the Services Fees to be incurred with regard to (i) the latest Project development plan; (ii) the expected increase in construction works of the Project for the three years ending 31 December 2011; (iii) the volume of the Service Contracts under negotiation and anticipated to be entered into between the JV Company and the Shui On Group; (iv) the prevailing market rates with respect to the Services; (v) the anticipated potential residential sales growth in the PRC property market; and (vi) inflation.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

By entering into the Continuing Connected Transactions, the JV Company will benefit in accessing the existing expertise and technology know-how in relation to project management, property development, property management, sales and marketing from the Shui On Group, thus potentially accelerate the development schedules of the Project.

The Continuing Connected Transactions contemplated under the Framework Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Company and its subsidiaries. The Framework Agreement provides a framework for the Services which may be provided by the Shui On Group from time to time on a non-exclusive basis and regulates the future possible business relationship between the JV Company and the Shui On Group in respect of the provision of the Services.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement (together with the Continuing Connected Transactions and the Shui On Group Annual Caps) are fair and reasonable, and that the transactions are on normal commercial terms in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole, and that it is beneficial to the Company to enter into the Framework Agreement.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Lo is a director, the Chairman and Chief Executive Officer of the Company in which he has an interest of approximately 50.08% in its issued share capital at the date of this announcement. Mr. Lo is therefore a connected person of the Company. Fieldcity is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules as an associate of Mr. Lo pursuant to Rule 14A.11(4)(c) of the Listing Rules, a connected person of the Company (at the Company level), is currently entitled to exercise, or control the exercise of, 10% or more of the voting power at the general meeting of Fieldcity. Thus, the JV Company is also a connected person of the Company pursuant to Rule 14A.11(6) of the Listing Rules. Accordingly, the

Services Fees payable by the JV Company to the Shui On Group under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the Continuing Connected Transactions for the Services Fees payable to the Shui On Group are more than 0.1% but less than 2.5%, the Continuing Connected Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

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.

The JV Company holds the Project and conducts property development of the Project in Wuhan, the PRC. At the date of this announcement, part of the first stage of the Project has been completed while part of it is under construction.

DEFINITIONS

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

“associate” ,	each has the meaning ascribed to it in the Listing Rules;
“connected person(s)” ,	
“subsidiary”	
“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 of Hong Kong Limited;
“Continuing Connected Transactions”	continuing connected transactions entered into or to be entered into between the JV Company and the Shui On Group in relation to the Services in accordance with the Framework Agreement;
“Directors”	the directors of the Company;

“Fieldcity”	Fieldcity Investments Limited, a company incorporated under the laws of the British Virgin Islands which is a subsidiary of the Company;
“Framework Agreement”	the project services framework agreement dated 20 November 2009 between SODH and the JV Company for a term of three years expiring no later than 31 December 2011 in relation to the Project;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JV Company”	Wuhan Shui On Tiandi Property Development Company Limited, a limited liability company organized and existing under the laws of the PRC which owns the Project, and also the indirect subsidiary of Fieldcity;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. Lo”	Mr. Vincent H. S. LO;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan area;
“Project”	the project in Wuhan Tiandi which is owned by the JV Company in Wuhan, the PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Service” or “Services”	the service(s) that will be provided by the Shui On Group to the JV Company under the Framework Agreement, including but not limited to project management, property management, sales and leasing;
“Service Contract(s)”	the contract(s) which may be entered into between the Shui On Group and the JV Company which set out the terms and conditions for the specific kind of Services, payment and other customary terms for the relevant Services;

“Services Fees”	the fees payable by the JV Company to the Shui On Group in relation to the Services;
“Shareholders”	holders of shares of the Company;
“Shui On Group”	SODH and its subsidiaries;
“Shui On Group Annual Cap(s)”	the maximum annual Services Fees payable by the JV Company to the Shui On Group under the Framework Agreement;
“SODH”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands and a direct wholly-owned subsidiary of the Company; and
“%”	percent.

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

Hong Kong, 20 November 2009

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman and Chief Executive Officer), Mr. Daniel Y. K. WAN, Mr. Louis H. W. WONG and Mr. Aloysius T. S. LEE; the non-executive director of the Company is The Honourable LEUNG Chun Ying; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. Edgar W. K. CHENG, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.

** For identification purposes only*