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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
SUPPLEMENTAL AGREEMENT RELATING TO
THE USE OF AIRCRAFT

Reference is made to the announcement of the Company dated 4 September 2009 relating to the continuing connected transactions under the Original Agreement pursuant to which the SOL Group will use an Aircraft owned by Top Dynasty for the purpose of transporting passengers for the business of the SOL Group.

On 2 November 2010, the Company and Top Dynasty entered into the Supplemental Agreement to extend the term of the Original Agreement for three years, so that the term shall end on 31 December 2013.

At the date of this announcement, Mr. Lo is a director, the Chairman and Chief Executive Officer of the Company in which he has an interest of approximately 51.45% in its issued share capital as notified to the Company and the Stock Exchange pursuant to the relevant provisions of Part XV of the SFO. Mr. Lo is therefore a connected person of the Company. Top Dynasty is an associate of Mr. Lo, and is therefore an associate of a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable relevant percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules in respect of the Continuing Connected Transactions are more than 0.1% but less than 5%, the Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempted from independent shareholders' approval requirement under the Listing Rules.

THE SUPPLEMENTAL AGREEMENT

Date

2 November 2010

Parties

- (1) Top Dynasty; and
- (2) The Company

Major Terms

The Supplemental Agreement is to extend the term of the Original Agreement for three years, so that the term shall end on 31 December 2013.

ANNUAL CAPS

It is expected that the maximum annual Fees payable by the SOL Group to the Top Dynasty Group under the Supplemental Agreement for the three years ending 31 December 2013 will be as follows:

	During the financial year ending 31 December		
	2011	2012	2013
Annual Caps	RMB19.4 million (approximately HK\$22 million)	RMB20.2 million (approximately HK\$23 million)	RMB21.1 million (approximately HK\$24 million)

The Annual Caps are determined based on (i) the previous travelling schedules of the Chairman and the senior management of the Company; (ii) the internal projection of the Fees to be incurred by reference to the estimated flight hours based on SOL Group's business growth; (iii) the high inflation and fuel costs environment; (iv) the prevailing market rates of similar services offered by an independent aircraft service provider; and (v) the historical amounts paid under the Original Agreement during the period from 4 September 2009 to 30 June 2010 which are set out below. The Directors are of the view that the Annual Caps are reasonable. The Fees will be funded by internal resources of the SOL Group.

	Audited amount from 4 September 2009 to 31 December 2009	Unaudited amount from 1 January 2010 to 30 June 2010
Fees paid by the SOL Group to the Top Dynasty Group	RMB4.1 million (approximately HK\$4.7 million)	RMB11.2 million (approximately HK\$12.8 million)

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT AND THE CONTINUING CONNECTED TRANSACTIONS

The senior management of the Company has extensive and sometimes unexpected travel schedules around different parts of the PRC and occasionally to other parts of the world. The benefits of entering into the Supplemental Agreement are the time costs which would have been saved from the rigid adherence to the fixed schedules as well as unexpected waiting time for commercial flights, especially in regions where commercial flights are either scarce or even absent. In addition, travelling on the Aircraft provides a venue for senior management meetings and it will facilitate effective private discussions. In comparison with meeting in any other venue, confidentiality can be better secured.

The Directors (including the independent non-executive Directors), with Mr. Lo (who has a material interest in the transaction) having abstained from voting on the Board Resolutions, are of the view that procuring the use of the Aircraft will increase the efficiency of the Company, and consider that the terms of the Supplemental Agreement (together with the Continuing Connected Transactions and the Annual Caps) were agreed on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation between the parties, and that the Continuing Connected Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

At the date of this announcement, Mr. Lo is a director, the Chairman and Chief Executive Officer of the Company in which he has an interest of approximately 51.45% in its issued share capital as notified to the Company and the Stock Exchange pursuant to the relevant provisions of Part XV of the SFO. Mr. Lo is therefore a connected person of the Company. Pursuant to the Listing Rules, Top Dynasty is an associate of Mr. Lo, and is therefore an associate of a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable relevant percentage ratios (other than the profits ratio) under Chapter 14A of the Listing Rules in respect of the Continuing Connected Transactions are more than 0.1% but less than 5%, the Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from 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 principal business activity of Top Dynasty is aircraft holding.

DEFINITIONS

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

“Aircraft”	the aircraft which is provided by Top Dynasty to the SOL Group from time to time under the Original Agreement as supplemented by the Supplemental Agreement;
“Annual Cap(s)”	the maximum annual Fees payable by the SOL Group to the Top Dynasty Group for the Continuing Connected Transactions;
“associate”, “connected person”	each has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Board Resolutions”	the board resolutions for approving the terms of the Supplemental Agreement (together with the Continuing Connected Transactions and the Annual Caps);
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“Continuing Connected Transactions”	the continuing connected transactions to be entered into between the SOL Group and the Top Dynasty Group in relation to the transactions contemplated under the Supplemental Agreement;
“Directors”	the directors of the Company;

“Fees”	the fees relating to the use of the Aircraft under the Supplemental Agreement which include but not limited to fuel, insurance and maintenance of the Aircraft, air navigation, costs for the flight crew, passenger airport taxes and airport charges;
“HK\$”	Hong Kong dollars, 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;
“Mr. Lo”	Mr. Vincent H. S. LO;
“Original Agreement”	the agreement dated 4 September 2009 entered into between the Company and Top Dynasty in relation to the use of the Aircraft;
“PRC”	the People’s Republic of China including Hong Kong and the Macao Special Administrative Region;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of shares in the ordinary share capital of the Company;
“SOL Group”	the Company and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement dated 2 November 2010 entered into between the Company and Top Dynasty for purpose of extending the term of the Original Agreement;

“Top Dynasty”	Top Dynasty Investment Limited, a company incorporated under the laws of Hong Kong and also a subsidiary of Shui On Company Limited, a company incorporated under the laws of the British Virgin Islands and owned by the Bosrich Unit Trust. The trustee of Bosrich Unit Trust is Bosrich Holdings (PTC) Inc.. The units of Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo is a discretionary beneficiary;
“Top Dynasty Group”	Top Dynasty and its direct or indirect holding companies and subsidiaries; and subsidiaries of Top Dynasty’s direct or indirect holding companies; and
“%”	percent.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rate of HK\$1.00 = RMB0.88. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.

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

Hong Kong, 2 November 2010

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman and Chief Executive Officer), Mr. Louis H. W. WONG, Mr. Daniel Y. K. WAN and Mr. Freddy C. K. 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*