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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)


瑞安建業有限公司*
SHUI ON CONSTRUCTION AND MATERIALS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 983)

CONNECTED TRANSACTION

CONNECTED TRANSACTION

PROVISION OF GUARANTEE AND COUNTER INDEMNITY

On 3 February 2011, Richcoast entered into the Framework Agreement with Mitsui for a joint venture arrangement relating to the Dalian Projects.

Pursuant to the Framework Agreement, Richcoast as vendor and Mitsui as purchaser further entered into the SP Agreement on 22 February 2011 with respect to the sale and purchase of 30% of the issued shares in JV Co. The SP Agreement is conditional upon the signing of the Participation Agreement, the Shareholders Agreement and the Guarantee.

Pursuant to the Framework Agreement and for the purpose of satisfying one of the conditions precedent of the SP Agreement, SODH (a wholly-owned subsidiary of SOL) and SOCAM, together being the Guarantors, entered into the Guarantee with Mitsui and JV Co pursuant to which the Guarantors agreed to severally (but not jointly) provide a guarantee to Mitsui and JV Co. The aggregate amount to be guaranteed by the Guarantors under the Guarantee shall be capped at and shall not exceed RMB500 million.

Many Gain (a member of the Yida Group) entered into the Counter Indemnity with SODH and SOCAM pursuant to which Many Gain agreed to guarantee that whenever SODH and SOCAM are required to pay any amount of their guaranteed obligations to Mitsui and JV Co under the Guarantee when due, Many Gain shall immediately on demand pay to SODH and SOCAM 30% of such amount as if it were the principal obligor.

At the date of this announcement, Richcoast is a joint venture company held as to 61.54% by Innovate Zone Group Limited (a wholly-owned subsidiary of SOL), 28.20% by Main Zone Group Limited (a wholly-owned subsidiary of SOCAM) and 10.26% by Many Gain (a member of the Yida Group) respectively. Garco and Sinoco are indirect wholly-owned subsidiaries of Richcoast which holds 70% equity interest in JV Co with the remaining 30% held by Mitsui. Mr. Lo is the Chairman of SOL and has an interest in approximately 50.88% of the issued share capital of SOL. He is also the Chairman of SOCAM and has an interest in approximately 37.26% of the issued share capital of SOCAM. Therefore, SOCAM is an associate of Mr. Lo and is a connected person of SOL. Accordingly, each of Richcoast, Garco, Sinoco and JV Co is a connected person of SOL under the Listing Rules. In addition, by virtue of Mr. Lo's interest in Richcoast and SOL as set out above, Richcoast, Garco, Sinoco and JV Co are associates of Mr. Lo and accordingly are connected persons of SOCAM under the Listing Rules.

Accordingly, the provision of the Guarantee by SODH and SOCAM to Mitsui and JV Co for the benefit of Richcoast, Garco, Sinoco and JV Co constitutes a connected transaction for each of SOL and SOCAM under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the maximum liabilities of each of SOL and SOCAM under the Guarantee exceed 0.1% but are less than 5%, the provision of the Guarantee is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules for each of SOL and SOCAM.

As Richcoast is a subsidiary of SOL for the purposes of the Listing Rules, Many Gain is a connected person of SOL by virtue of being a substantial shareholder of Richcoast. In addition, Many Gain, a member of the Yida Group, is also a connected person of SOCAM by virtue of being an associate of a substantial shareholder of a subsidiary of SOCAM for the purposes of the Listing Rules.

Accordingly, the provision of the Counter Indemnity by Many Gain to SODH and SOCAM constitutes a connected transaction for each of SOL and SOCAM under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the maximum liabilities of Many Gain to SODH under the Counter Indemnity are less than 1%, the provision of the Counter Indemnity by Many Gain to SODH is exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules for SOL. As the applicable percentage ratios in respect of the maximum liabilities of Many Gain to SOCAM under the Counter Indemnity exceed 1% but are less than 5%, the provision of the Counter Indemnity by Many Gain to SOCAM is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules for SOCAM.

INTRODUCTION

On 3 February 2011, Richcoast entered into the Framework Agreement with Mitsui for a joint venture arrangement relating to the Dalian Projects.

Pursuant to the Framework Agreement, Richcoast as vendor and Mitsui as purchaser further entered into the SP Agreement on 22 February 2011 with respect to the sale and purchase of 30% of the issued shares in JV Co. The SP Agreement is conditional upon the signing of the Participation Agreement, the Shareholders Agreement and the Guarantee.

Pursuant to the Framework Agreement and for the purpose of satisfying one of the conditions precedent of the SP Agreement, SODH (a wholly-owned subsidiary of SOL) and SOCAM, together being the Guarantors, entered into the Guarantee with Mitsui and JV Co pursuant to which the Guarantors agreed to provide a several (but not joint) guarantee to Mitsui and JV Co.

THE GUARANTEE

The salient terms of the Guarantee are summarised below:

Date

28 February 2011

Parties

(1) SODH

(2) SOCAM

as the Guarantors; and

(3) Mitsui

(4) JV Co

as the beneficiaries.

To the best of the knowledge, information and belief of the directors of SOL and SOCAM having made all reasonable enquiries, Mitsui and the ultimate beneficial owner of Mitsui are third parties independent of SOL and SOCAM and connected persons of SOL and SOCAM.

Guaranteed obligations

Subject to the limitation on the liability of the Guarantors set out below, pursuant to the terms of the Guarantee, SODH and SOCAM severally (but not jointly) guaranteed to Mitsui and JV Co, as a continuing obligation, and in the respective proportions of 69% and 31%:

- (a) 30% of the payment obligations of each of Garco and Sinoco to JV Co under the Participation Agreement;
- (b) JV Co's payment obligations to Mitsui under the Shareholders Agreement; and
- (c) any other obligations to Mitsui or JV Co that the relevant parties under the Transaction Documents (excluding Mitsui and its Affiliates) may have, including without limitation any indemnification obligations of such relevant parties to Mitsui or JV Co based on breaches of the representations, warranties and covenants of all parties under the Transaction Documents (excluding Mitsui and its Affiliates).

It is intended that the above payment obligations shall be guaranteed by SODH, SOCAM and Yida Group in proportion to their respective effective interests of 48%, 22% and 30% in Dalian Tiandi. Upon provision of the Counter Indemnity as set out below, SODH and SOCAM agreed to take up the 30% share of the guaranteed obligations of Yida Group such that the guaranteed obligations of SODH and SOCAM under the Guarantee are in the respective proportions of 69% and 31%.

Limitation on the liability of the Guarantors

The aggregate amount to be guaranteed by the Guarantors under the Guarantee shall be capped at and shall not exceed RMB500 million.

Mitsui and JV Co shall only be entitled to enforce the Guarantee after (a) any payment obligations set forth above arise; (b) there is a breach of such payment obligations; and (c) Mitsui and/or JV Co (as the case may be) have obtained a final and binding arbitral award against the breaching party or parties.

The Liability is limited (except for any claim under the Guarantee in the event that any Guarantor commits any fraud, wilful default or gross negligence) by the following:

- (a) if the arbitral award relating to the cause of the Liabilities is given on or before the sixth anniversary of the date of issuance of the Completion Certificate, Mitsui and JV Co shall be entitled to make a claim in respect of the Liabilities, provided that (i) the cause of such claim shall have arisen on or before six years

from the date of issuance of the Completion Certificate, (ii) on or before six years from the date of issuance of the Completion Certificate, the matter complained of shall have been notified in writing to the relevant parties under the Transaction Documents (excluding Mitsui and its Affiliates) giving adequate information so as to identify the nature and substance of the claim, and (iii) within one month from the date of the arbitral award, the matter complained of shall have been notified in writing to the Guarantors giving adequate information so as to identify the nature and substance of the claim;

- (b) if the arbitral award relating to the cause of the Liabilities is given after the sixth anniversary of the date of issuance of the Completion Certificate, Mitsui and JV Co shall be entitled to make a claim in respect of the Liabilities, provided that (i) the cause of such claim shall have arisen on or before six years from the date of issuance of the Completion Certificate, (ii) on or before six years and one week from the date of issuance of the Completion Certificate, the matter complained of shall have been notified in writing to the relevant parties under the Transaction Documents (excluding Mitsui and its Affiliates) giving adequate information so as to identify the nature and substance of the claim, and (iii) within one month from the date of the arbitral award, the matter complained of shall have been notified in writing to the Guarantors giving adequate information so as to identify the nature and substance of the claim;
- (c) the aggregate amount to be guaranteed by the Guarantors shall be reduced by the amount of dividends actually paid to Mitsui and the redemption price actually paid to Mitsui in respect of the redemption of the series 1 preference shares of JV Co and/or the series 2 preference shares of JV Co, provided, however, that:
 - (i) in the event that dividends are paid to Mitsui, the aggregate amount to be guaranteed shall be reduced by (aa) up to RMB120 million (or its equivalent in USD) (in respect of any dividends paid to Mitsui attributable to the residential portion of the Dalian Projects) and (bb) up to RMB171 million (or its equivalent in USD) (in respect of any dividends paid to Mitsui attributable to the retail portion of the Dalian Projects);
 - (ii) in the event that the series 1 preference shares of JV Co have been redeemed, the aggregate amount to be guaranteed by the Guarantors shall be reduced by the sum of RMB277 million (or its equivalent in USD) less the amount of dividends paid to Mitsui attributable to the residential portion of the Dalian Projects; and

- (iii) in the event that the series 2 preference shares of JV Co have been redeemed, the aggregate amount to be guaranteed by the Guarantors shall be reduced by the sum of RMB223 million (or its equivalent in USD) less the amount of dividends paid to Mitsui attributable to the retail portion of the Dalian Projects.

For the avoidance of doubt, the aggregate amount to be guaranteed by the Guarantors is (A) RMB52 million in the event that payments of all dividends in relation to the retail portion of the Dalian Projects and the payment of the redemption price of series 1 preference shares of JV Co have been made to Mitsui and the series 2 preference shares of JV Co have not been redeemed, and (B) RMB157 million in the event that payments of all dividends in relation to the residential portion of the Dalian Projects and the payment of the redemption price of series 2 preference shares of JV Co have been made to Mitsui and the series 1 preference shares of JV Co have not been redeemed.

Except as otherwise provided above, the Guarantee shall cease to be enforceable and binding on the parties thereto immediately after six years from the date of issuance of the Completion Certificate after which no claim shall be made thereunder.

PROVISION OF COUNTER INDEMNITY BY MANY GAIN TO SODH AND SOCAM

In connection with the guaranteed obligations of SODH and SOCAM to Mitsui and JV Co under the Guarantee, Many Gain (a member of the Yida Group) executed the Counter Indemnity in favour of SODH and SOCAM pursuant to which Many Gain agreed to provide a counter guarantee to SODH and SOCAM with the maximum amount payable by Many Gain being 30% of the guaranteed obligations paid by SODH and SOCAM to Mitsui and JV Co under the Guarantee.

The salient terms of the Counter Indemnity are summarised below:

Date

28 February 2011

Parties

(1) Many Gain

as the guarantor; and

(2) SODH

(3) SOCAM

as the beneficiaries.

Counter guarantee

Subject to the limitation on the liability of Many Gain set out below, Many Gain counter guaranteed to SODH and SOCAM that whenever SODH and SOCAM are required to pay any amount of their guaranteed obligations to Mitsui and JV Co under the Guarantee when due, Many Gain shall immediately on demand pay to SODH and SOCAM that amount as if it were the principal obligor.

Indemnity

Subject to the limitation on the liability of Many Gain set out below, as a separate and independent obligation, Many Gain undertook with SODH and SOCAM that if any amount which would otherwise be claimed by SODH or SOCAM under the aforesaid counter guarantee is for any reason not recoverable thereunder on the basis of a guarantee, Many Gain shall indemnify SODH and SOCAM immediately on demand against any cost, loss or liability which SODH or SOCAM may incur or suffer as a result of its paying any amount when due under or in connection with the Guarantee. The amount payable by Many Gain shall not exceed the amount it would have had to pay under the above counter guarantee if the amount claimed had been recoverable on the basis of a guarantee.

Limitation

The maximum amount payable by Many Gain under the Counter Indemnity is 30% of the guaranteed obligations paid by SODH and SOCAM to Mitsui and JV Co under the Guarantee, being in proportion to the Yida Group's effective shareholding interests in Dalian Tiandi.

THE TRANSACTION DOCUMENTS

The joint venture arrangement contemplated by the Framework Agreement was implemented through the execution of the Transaction Documents, including the SP Agreement, the Participation Agreement and the Shareholders Agreement which are summarised below for further information.

The SP Agreement

Pursuant to the Framework Agreement, Richcoast as vendor and Mitsui as purchaser entered into the SP Agreement on 22 February 2011 in respect of the sale and purchase of 2,250 series 1 preference shares and 750 series 2 preference shares of JV Co at the aggregate consideration of the USD equivalent of RMB209 million (which comprises the USD equivalent of RMB157 million for the sale and purchase of 2,250 series 1 preference shares of JV Co and the USD equivalent of RMB52 million for

the sale and purchase of 750 series 2 preference shares of JV Co). At the date of this announcement, completion took place upon the satisfaction of the conditions precedent, being the signing of the Participation Agreement, the Shareholders Agreement and the Guarantee.

The Participation Agreement

Pursuant to the Framework Agreement, Sinoco, Garco, JV Co and Richcoast entered into the Participation Agreement whereby:

- (i) Sinoco and Garco shall obtain from JV Co payment of USD1.00 and from Richcoast payment of certain working capital, which shall be used towards payment of part of the development costs (excluding the costs of purchasing the land for the Dalian Projects) for the development of the Dalian Projects;
- (ii) JV Co shall participate together with Sinoco and Garco in certain aspects of the Dalian Projects; and
- (iii) JV Co shall receive the Participation Payment from the profit of the Dalian Projects.

The Shareholders Agreement

Pursuant to the Framework Agreement, Richcoast, Mitsui and JV Co entered into the Shareholders Agreement to govern their respective rights and obligations in relation to JV Co and each of the other shareholders and the operation of JV Co, including without limitation to the financial commitment from Richcoast and Mitsui, the formation of executive committee, the board composition of JV Co, certain information and inspection rights to Richcoast and Mitsui, the distribution of dividends to Richcoast and Mitsui, the redemption of shares of JV Co, the provision and procurement of consultancy services by Mitsui and the mechanism for the transfer of shares of JV Co.

REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS

Dalian is recognised as a regional economic centre in northeast China. The development and sale or leasing of residential and retail developments of the Dalian Projects represent an attractive investment opportunity for SOL and SOCAM.

The joint venture among Richcoast and Mitsui will combine the compatible strength, expertise and experience of the partners concerned, and will create considerable synergies. It leverages SOL's expertise and experience in master planning and design of large-scale integrated project development in the PRC, SOCAM's experience in project management and design-and-build capacity in the PRC, and Mitsui's contribution in attracting Japanese buyers, tenants and other participants who may be potentially interested in the Dalian Projects.

The directors of SOL and SOCAM believe that the residential and retail developments in Dalian will offer excellent growth potential and the Dalian Projects will represent a unique investment opportunity, and the Guarantee and Counter Indemnity will facilitate the joint venture arrangement between Richcoast and Mitsui in relation to the Dalian Projects.

The directors of SOL (including the independent non-executive directors of SOL) consider that the terms of the Guarantee and Counter Indemnity are on normal commercial terms, fair and reasonable, and in the interests of SOL and the SOL Shareholders as a whole.

The directors of SOCAM (including the independent non-executive directors of SOCAM) consider that the terms of the Guarantee and Counter Indemnity are on normal commercial terms, fair and reasonable, and in the interests of SOCAM and the SOCAM Shareholders as a whole.

LISTING RULES IMPLICATIONS

At the date of this announcement, Richcoast is a joint venture company held as to 61.54% by Innovate Zone Group Limited (a wholly-owned subsidiary of SOL), 28.20% by Main Zone Group Limited (a wholly-owned subsidiary of SOCAM) and 10.26% by Many Gain (a member of the Yida Group) respectively. Garco and Sinoco are indirect wholly-owned subsidiaries of Richcoast which holds 70% equity interest in JV Co with the remaining 30% held by Mitsui. Mr. Lo is the Chairman of SOL and has an interest in approximately 50.88% of the issued share capital of SOL. He is also the Chairman of SOCAM and has an interest in approximately 37.26% of the issued share capital of SOCAM. Therefore, SOCAM is an associate of Mr. Lo and is a connected person of SOL. Accordingly, each of Richcoast, Garco, Sinoco and JV Co is a connected person of SOL under the Listing Rules. In addition, by virtue of Mr. Lo's interest in Richcoast and SOL as set out above, Richcoast, Garco, Sinoco and JV Co are associates of Mr. Lo and accordingly are connected persons of SOCAM under the Listing Rules.

Accordingly, the provision of the Guarantee by SODH (a wholly-owned subsidiary of SOL) and SOCAM to Mitsui and JV Co for the benefit of Richcoast, Garco, Sinoco and JV Co constitutes a connected transaction for each of SOL and SOCAM under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the maximum liabilities of each of SOL and SOCAM under the Guarantee exceed 0.1% but are less than 5%, the provision of the Guarantee is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules in respect of each of SOL and SOCAM.

As Richcoast is a subsidiary of SOL for the purposes of the Listing Rules, Many Gain is a connected person of SOL by virtue of being a substantial shareholder of Richcoast. In addition, Many Gain, a member of the Yida Group, is also a connected person of SOCAM by virtue of being an associate of a substantial shareholder of a subsidiary of SOCAM for the purposes of the Listing Rules.

Accordingly, the provision of the Counter Indemnity by Many Gain to SODH and SOCAM constitutes a connected transaction for each of SOL and SOCAM under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the maximum liabilities of Many Gain to SODH under the Counter Indemnity are less than 1%, the provision of the Counter Indemnity by Many Gain to SODH is exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules for SOL. As the applicable percentage ratios in respect of the maximum liabilities of Many Gain to SOCAM under the Counter Indemnity exceed 1% but are less than 5%, the provision of the Counter Indemnity by Many Gain to SOCAM is subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules for SOCAM.

Mr. Lo is both the chairman and a controlling shareholder of each of SOL and SOCAM and has abstained from voting on the relevant resolutions passed by the respective boards of directors of SOL and SOCAM.

GENERAL INFORMATION

The SOL Group 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 SOCAM Group is principally engaged in property development, asset management, cement production and construction businesses in the PRC and Hong Kong.

Mitsui is a wholly-owned subsidiary of Mitsui Fudosan Co., Ltd, a listed company in Japan. Mitsui engages in residential property development, sales of its development and sales on consignment of other developers in Japan.

JV Co is an investment holding company owned as to 70% by Richcoast and 30% by Mitsui.

Many Gain is a member of the Yida Group. The Yida Group is a conglomerate with interests in property development, construction and furnishing, equipment manufacturing, software park development, platform development for software and information services, and professional training and education in the PRC.

DEFINITIONS

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

“Affiliate”	with respect to any Person, any Person that directly or indirectly, through one or more intermediaries, Controls such first Person, is Controlled by, or is under common Control with such first Person;
“associate”	has the meaning ascribed thereto under the Listing Rules;
“Completion Certificate”	a completion certificate (建設工程竣工驗收許可證) for the retail premises of the Dalian Projects;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Control”	or its cognate terms in relation to any Person shall mean either of the following: (i) the power or right to set or determine the management of the affairs of that Person or to select, appoint or determine the composition of a majority of the directors of the board or members of any management committee or similar body, or to otherwise direct the management of that Person, or (ii) the ownership of not less than 50% of the total issued equity interests, voting shares or stock of that Person;
“Counter Indemnity”	the counter guarantee and indemnity dated 28 February 2011 provided by Many Gain in favour of SODH and SOCAM;

“Dalian Projects”	the projects to be jointly developed by Richcoast and Mitsui comprising the development and sale or leasing of certain residential and retail developments located in six land parcels at Hekou Bay and Huang Ni Chuan North under Dalian Tiandi;
“Dalian Tiandi”	the Dalian Tiandi property development project jointly developed and operated by the SOL Group, the SOCAM Group and the Yida Group, being a large-scale integrated development in Dalian, the PRC, with an estimated developable gross floor area of approximately 3.3 million square metres comprising software offices, residential, commercial and retail properties, hotels and educational facilities;
“Framework Agreement”	a framework agreement dated 3 February 2011 among Richcoast and Mitsui in respect of a joint venture arrangement relating to the Dalian Projects;
“Garco”	Garco Investment Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of Richcoast;
“Guarantee”	the guarantee dated 28 February 2011 provided by the Guarantors in favour of Mitsui and JV Co;
“Guarantors”	SODH and SOCAM;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JV Co”	Many Praises Dalian Limited, a company incorporated under the laws of the Cayman Islands, and which is owned as to 70% by Richcoast and 30% by Mitsui upon completion of the SP Agreement;
“Liability(ies)”	the liability(ies) of the Guarantors under or in connection with the Guarantee;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Many Gain”	Many Gain International Limited, a company incorporated in the British Virgin Islands with limited liability and a member of the Yida Group;

“Mitsui”	Mitsui Fudosan Residential Co. Ltd., a company incorporated under the laws of Japan;
“Mr. Lo”	Mr. Vincent H.S. Lo;
“Participation Agreement”	a development participation agreement dated 28 February 2011 among Sinoco, Garco, JV Co and Richcoast in respect of the Dalian Projects;
“Participation Payment”	any and all payments to be paid to JV Co pursuant to the Participation Agreement as determined by using the form of financial statements set out therein;
“Person”	any natural person, corporation, enterprise, joint venture, partnership, association, company, or other form of legal entity (whether incorporated or unincorporated and whether or not having separate legal personality);
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“Richcoast”	Richcoast Group Limited (a non-wholly owned subsidiary of SOL for the purposes of the Listing Rules) which is incorporated in the British Virgin Islands and is a joint venture company held as to 61.54% by Innovate Zone Group Limited (a wholly-owned subsidiary of SOL), 28.20% by Main Zone Group Limited (a wholly-owned subsidiary of SOCAM) and 10.26% by Many Gain (a member of the Yida Group) respectively;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders Agreement”	the shareholders agreement dated 28 February 2011 among Richcoast, Mitsui and JV Co in relation to the rights and obligations of Richcoast and Mitsui in JV Co;
“Sinoco”	Sinoco Investment Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of Richcoast;

“SP Agreement”	the sale and purchase agreement dated 22 February 2011 between Richcoast as vendor and Mitsui as purchaser in relation to the sale and purchase of 30% of the issued shares in JV Co;
“SOCAM”	Shui On Construction and Materials Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange (Stock Code: 983);
“SOCAM Group”	SOCAM and its subsidiaries;
“SOCAM Shareholders”	holders of SOCAM Shares;
“SOCAM Shares”	ordinary shares of nominal value HK\$1.00 each in the capital of SOCAM;
“SODH”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of SOL;
“SOL”	Shui On Land Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange (Stock Code: 272);
“SOL Group”	SOL and its subsidiaries;
“SOL Shareholders”	holders of SOL Shares;
“SOL Shares”	ordinary shares of nominal value USD0.0025 each in the capital of SOL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction Documents”	the Participation Agreement, the SP Agreement and the Shareholders Agreement;
“USD”	the United States dollars, the lawful currency of the United States of America;
“Yida”	Yida Group Company Limited, a company incorporated in the PRC;

“Yida Group” group of companies under common control, including Yida, Many Gain and their respective holding companies and subsidiaries; and

“%” percent.

By Order of the board of directors of
Shui On Land Limited
Vincent H. S. Lo
Chairman

By Order of the board of directors of
**Shui On Construction and
Materials Limited**
Wong Kun To, Philip
*Executive Director and
Chief Executive Officer*

Hong Kong, 28 February 2011

At the date of this announcement, the executive directors of SOL 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 SOL is The Honourable LEUNG Chun Ying; and the independent non-executive directors of SOL 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.

At the date of this announcement, the executive directors of SOCAM are Mr. LO Hong Sui, Vincent (Chairman), Mr. CHOI Yuk Keung, Lawrence (Vice Chairman), Mr. WONG Yuet Leung, Frankie (Vice Chairman), Mr. WONG Kun To, Philip (Chief Executive Officer) and Mr. WONG Fook Lam, Raymond; and the independent non-executive directors of SOCAM are Mr. Gerrit Jan DE NYS, Ms. LI Hoi Lun, Helen, Mr. David Gordon ELDON, Mr. CHAN Kay Cheung and Mr. TSANG Kwok Tai, Moses.

** For identification purposes only*

Websites: www.shuionland.com
www.socam.com