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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

**NEW FRAMEWORK AGREEMENT
IN RELATION TO THE RUI HONG XIN CHENG PROJECT**

Reference is made to the announcement of the Company dated 27 October 2009 relating to the Project Services Framework Agreement entered into between WLL, SODH and the JV Company on the provision of project services by WLL and SODH to the JV Company for the development of the RHXC Project. The term of the Project Services Framework Agreement ended on 31 December 2011.

On 23 February 2012, the JV Company and WLL entered into the New Framework Agreement to provide guidelines and basis of Annual Caps on the provision of Services by the WLL Group to the JV Company for a further term of three financial years expiring on 31 December 2014.

Mr. Lo, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. The ultimate controlling shareholder of WLL is currently an associate of Mr. Lo pursuant to Rule 14A.11(4)(c) of the Listing Rules. Therefore, WLL and the WLL Group are the associates of a connected person of the Company. Accordingly, the transactions contemplated under the New Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps exceed 0.1% but less than 5%, the entering into of the New Framework Agreement and the Continuing Connected Transactions are subject to the announcement, annual review and reporting requirements but exempt from the independent shareholders' approval requirement under the Listing Rules.

THE NEW FRAMEWORK AGREEMENT

Date:	23 February 2012
Parties:	(1) JV Company; and (2) WLL
Term:	Three financial years expiring on 31 December 2014
Subject:	To provide guidelines and basis of Annual Caps on the provision of Services by the WLL Group to the JV Company
Major Terms:	Pursuant to the New Framework Agreement, the JV Company may enter into separate Service Contracts with the WLL Group in respect of the provision of the Services by WLL Group from time to time for a term expiring no later than 31 December 2014.

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 aggregate fees for the Services payable by the JV Company to the WLL Group under the New Framework Agreement for each of the three financial years ending 31 December 2012, 31 December 2013, and 31 December 2014 respectively will be as follows:

	During the financial year ending 31 December		
	2012	2013	2014
Annual Caps	RMB11,760,000 (approximately HK\$14,341,000)	RMB20,581,000 (approximately HK\$25,098,000)	RMB30,000,000 (approximately HK\$36,585,000)

In respect of the three financial years ended 31 December 2009, 31 December 2010 and 31 December 2011, the JV Company has not paid or incurred any fees for the services provided by the WLL Group under the Project Services Framework Agreement.

The Annual Caps are determined by reference to the internal projection of the fees for the Services for each of the three financial years ending 31 December 2014, taking into account (i) the construction work based on the latest development plan of the RHXC Project; (ii) the volume of the Service Contracts under negotiation and anticipated to be entered into between the JV Company and the WLL Group; (iii) the prevailing market rates with respect to the provision of the Services and (iv) inflation.

THE REASON FOR AND BENEFIT OF THE CONTINUING CONNECTED TRANSACTIONS

By entering into the Continuing Connected Transactions, the JV Company will benefit in accessing the expertise and experience of the WLL Group in project management, design management, sales, leasing and marketing, thus potentially accelerate the development schedules of the RHXC Project.

The Continuing Connected Transactions 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 New Framework Agreement provides a framework for the Services which may be provided by the WLL Group to the JV Company from time to time on a non-exclusive basis and regulates the future possible business relationship between the WLL Group and the JV Company in respect of the provision of the Services.

The Directors (including the independent non-executive Directors) believe that the terms of the New Framework Agreement 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 (together with the Annual Caps) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Lo, being the Director and the controlling shareholder of the Company, has a material interest in the Continuing Connected Transactions, and he is required to abstain and has abstained from voting on the relevant resolutions passed by the Board as required under the Listing Rules and the applicable rules and regulations.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Lo, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. The ultimate controlling shareholder of WLL is currently an associate of Mr. Lo pursuant to Rule 14A.11(4)(c) of the Listing Rules. Therefore, WLL and the WLL Group are the associates of a connected person of the Company. Accordingly, the transactions contemplated under the New Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Annual Caps exceed 0.1% but less than 5%, the entering into of the New Framework Agreement and the Continuing Connected Transactions are subject to the announcement, annual review and reporting

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 owns and conducts property development of the RHXC Project.

The principal business activity of WLL is asset management and project management.

DEFINITIONS

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

“Annual Caps”	the maximum annual aggregate fees for the Services payable by the JV Company to the WLL Group under the New Framework Agreement for the three years ending 31 December 2012, 31 December 2013 and 31 December 2014;
“associate(s)”, “connected person(s)”, “controlling shareholder”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“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”	the transactions contemplated under the New Framework Agreement;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;

“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“JV Company”	Shanghai Rui Hong Xin Cheng Co., Ltd., a company incorporated in the PRC and a non wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. Lo”	Mr. Vincent H. S. LO;
“New Framework Agreement”	the project services framework agreement dated 23 February 2012 entered into between the JV Company and WLL in respect of the provision of Services by WLL Group to the JV Company;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan area;
“Project Services Framework Agreement”	the project services framework agreement dated 27 October 2009 entered into between WLL, SODH and the JV Company in respect of the provision of project services to the JV Company;
“RHXC Project”	The Rui Hong Xin Cheng property development project in Hongkou District, Shanghai, the PRC which is owned by the JV Company and with an estimated developable gross floor area of approximately 1.6 million square metres, comprising residential, commercial and retail properties;
“RMB”	Renminbi, the lawful currency of the PRC;
“Service Contract(s)”	the contract(s) which may be entered into between the JV Company and the WLL Group which set out the terms and conditions for the specific kind of Services, payment and other customary terms for the relevant Services;

“Services”	the services that will be provided by the WLL Group to the JV Company under the New Framework Agreement, including but not limited to project management, sales and leasing for the development of the RHXC Project;
“Shareholders”	holders of the shares of the Company;
“SODH”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of the Company;
“WLL”	Winnington Land Limited, a limited liability company incorporated under the laws of Hong Kong;
“WLL Group”	WLL and its associates; and
“%”	percent.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.82. 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, 23 February 2012

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Freddy C. K. LEE (Chief Executive Officer) and Mr. Daniel Y. K. WAN; 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, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.

** For identification purposes only*