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If you have sold or transferred all your shares in Shui On Land Limited, you should at once hand this circular to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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DISCLOSEABLE TRANSACTION:

(1) Disposal of a 25% interest in Fieldcity Investments Limited

(2) Disposal of a 49% interest in Portspin Limited

* for identification purposes only

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“Chongqing Land”	the lands situated at 重慶市渝中區化龍橋片區一期改造工程地塊 and 重慶市渝中區化龍橋片區二期改造工程地塊 ;
“Chongqing Sale and Purchase Agreement”	a sale and purchase agreement dated 1 September 2006 and made between SOD and WCL;
“Chongqing Tiandi Project”	a city-core development project in Chongqing Municipality situated on the south bank of the Jialing River on the hillside, comprising, on completion, an expected gross floor area of approximately 2.6 million square metres;
“Chongqing Transaction”	the transaction contemplated under the Chongqing Sale and Purchase Agreement;
“CSO”	Chongqing Shui On Tiandi Property Development Company Limited, a Sino-foreign joint venture company established under the laws of PRC;
“Directors”	the directors of the Company;
“Fieldcity”	Fieldcity Investments Limited, a company incorporated under the laws of the British Virgin Islands;
“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;
“independent third party(ies)”	Parties independent of the Company and its connected persons (as defined in the Listing Rules);
“Latest Practicable Date”	12 July 2007, being the latest practicable date for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Lot 116 Land”	the land situated to the south of 復興中路, to the west of 濟南路, to the east of 順倉路, and to the north of 合肥路;
“Lot 116 Sale and Purchase Agreement”	a sale and purchase agreement dated 29 June 2007 and made between SOD and Trophy for the sale and purchase of 49% of the issued share capital of Portspin;
“Lot 116 Project”	a development project in Shanghai Municipality situated at the Lot 116 Land;
“Lot 116 Transaction”	the transaction contemplated under the Lot 116 Sale and Purchase Agreement;
“Portspin”	Portspin Limited, a company incorporated under the laws of the British Virgin Islands;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“Sale and Purchase Agreements”	the Chongqing Sale and Purchase Agreement, the Wuhan Sale and Purchase Agreement and the Lot 116 Sale and Purchase Agreement collectively;
“Sale Transactions”	the Wuhan Transaction, the Chongqing Transaction and the Lot 116 Transaction collectively;
“Shareholders”	holders of Shares;
“Shares”	ordinary shares of nominal value US\$0.0025 each in the capital of the Company;
“SHL”	Score High Limited, a company incorporated under the laws of the British Virgin Islands;
“SOD”	Shui On Development (Holding) Limited, a company incorporated under the laws of the Cayman Islands;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholders”	has the meaning ascribed to it in the Listing Rules;
“Super Field”	Super Field Limited, a company incorporated under the laws of Hong Kong;
“Target Companies”	SHL, Fieldcity and Portspin;
“Trophy”	Trophy Property Development L.P., a collective investment scheme established under the laws of Hong Kong;

DEFINITIONS

“US\$” or USD	United States dollars, the lawful currency of the United States of America;
“WCL”	Winnington Capital Limited, a company incorporated under the laws of Hong Kong;
“WSO”	Wuhan Shui On Tiandi Property Development Co. Ltd, a wholly owned subsidiary of Super Field;
“Wuhan Land”	the site known as “Yong Qing Pian” (永清片) in Wuhan;
“Wuhan Sale and Purchase Agreement”	a sale and purchase agreement dated 29 June 2007 and made between SOD and Trophy for the sale and purchase of 25% of the issued share capital of Fieldcity;
“Wuhan Shareholder Loans”	the amount of US\$98,095,696, which is 25% of the total amount owing by Fieldcity to SOD under the shareholder loan agreement dated 31 May 2007;
“Wuhan Tiandi Project”	a development project in Wuhan Municipality situated on the Wuhan Land;
“Wuhan Transaction”	the transaction contemplated under the Wuhan Sale and Purchase Agreement;
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Vincent H. S. LO

(Chairman and Chief Executive Officer)

Mr. William T. ADDISON

Non-Executive Director:

The Honourable LEUNG Chun Ying

Independent Non-Executive Directors:

Sir John R. H. BOND

Dr. Edgar W. K. CHENG

Dr. William K. L. FUNG

Professor Gary C. BIDDLE

Dr. Roger L. McCARTHY

Mr. David J. SHAW

Registered Office:

Walker House

87 Mary Street

George Town

Grand Cayman KY1-9001

Cayman Islands

Place of Business

in Hong Kong:

34/F, Shui On Centre

6-8 Harbour Road

Wan Chai

Hong Kong

17 July 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION:

(1) Disposal of a 25% interest in Fieldcity Investments Limited

(2) Disposal of a 49% interest in Portspin Limited

LETTER FROM THE BOARD

1. INTRODUCTION

The Company announced that its wholly owned subsidiary, SOD, entered into a series of transactions to dispose of certain equity interests in three of its subsidiaries, namely SHL, Fieldcity and Portspin pursuant to the following agreements:

- (a) a sale and purchase agreement dated 29 June 2007 between SOD and Trophy relating to the sale and purchase of 25% of the issued share capital of Fieldcity;
- (b) a sale and purchase agreement dated 29 June 2007 between SOD and Trophy relating to the sale and purchase of 49% of the issued share capital of Portspin; and
- (c) a sale and purchase agreement dated 1 September 2006 between SOD and WCL relating to the sale and purchase of 9.9% of the issued capital of SHL. For the avoidance of doubt, such transaction had already been completed in November 2006 and had previously been disclosed in the Company's prospectus dated 20 September 2006. It is now disclosed again for the purpose of complying with the relevant Listing Rules.

Each of the Sale Transactions by itself does not constitute a discloseable transaction under the Listing Rules. However, the Sale Transactions, when aggregated, constitute a discloseable transaction under Chapter 14 of the Listing Rules. The purpose of this circular is to provide shareholders of the Company with further information regarding the Sale Transactions.

2. THE SALE AND PURCHASE AGREEMENTS

A. The Wuhan Sale and Purchase Agreement

- (1) Date: 29 June 2007
- (2) Seller: SOD
- (3) Purchaser: Trophy
- (4) Assets to be disposed of:
 - (i) 25 ordinary shares, representing a 25% interest in Fieldcity. Prior to the sale, Fieldcity was a wholly owned subsidiary of SOD. Following completion, SOD will own 75% of the issued share capital of Fieldcity, which will continue to be a subsidiary of SOD and the Company.
 - (ii) The Wuhan Shareholder Loans in an amount of USD98,095,696.
- (5) Consideration: RMB1,245 million

LETTER FROM THE BOARD

(6) Payment Method: The consideration is payable in cash in USD over five instalments:

On Signing	RMB62,250,000
On or before 15 October 2007	RMB249,000,000
On or before 15 March 2008	RMB249,000,000
On or before 15 July 2008	RMB373,500,000
On or before 15 October 2008	RMB311,250,000
Total	RMB1,245,000,000

The Wuhan Transaction was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined following negotiations, and is based on the valuation of the Wuhan Land at approximately RMB4,730 million as at 30 June 2006, the addition of a 20% premium on top of such valuation, and on the basis that SOD will bear approximately RMB2,690 million of the land grant fees related to the Wuhan Land with Trophy and SOD sharing the remaining unpaid land grant fees in the amount of RMB700 million in accordance with the respective shareholding proportions at completion.

Fieldcity owns the Wuhan Land, which is a major asset of Super Field, indirectly through its subsidiaries, (i) Super Field, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of Fieldcity; and (ii) WSO, a wholly owned subsidiary of Super Field and the registered owner of the Wuhan Land. Based on the unaudited consolidated financial statements of Fieldcity for the year ended 31 December 2006, Fieldcity had a consolidated net book asset value of RMB38,825,120. Based on the unaudited consolidated financial statements of Fieldcity for the years ended 31 December 2005 and 2006, the consolidated net loss of Fieldcity before taxation and extraordinary items for those years were RMB3,233,051 and RMB13,522,050 respectively, and the net loss of Fieldcity after taxation and extraordinary items for those years were RMB3,233,051 and RMB6,945,639 respectively.

The Company expects to record a gain of approximately RMB476 million. This is determined by deducting the pro rata consolidated asset value of Fieldcity of approximately RMB16 million as of 31 May 2007 and the Wuhan Shareholders Loan in the amount of US\$98,095,696 and transaction costs from the consideration receivable for the Wuhan Transaction.

Upon completion of the Wuhan Transaction, the Group's non-current assets, current assets, current liabilities and non-current liabilities will be increased by RMB311 million, RMB934 million, RMB3 million and RMB750 million respectively.

LETTER FROM THE BOARD

(4) Assets disposed of:	99 ordinary shares, representing a 9.9% interest in SHL. Following completion, the current shareholders of SHL are WCL (as to 9.9%), Ocean Equity Holdings Limited (as to 9.9%) and SOD (as to 80.2%). SHL continues to be a subsidiary of SOD and the Company.
(5) Consideration:	RMB503,381,555
(6) Payment Method:	The consideration is payable in cash in USD over three instalments:
	On Closing RMB196,714,949.48
	On 22 December 2006 RMB155,652,139.52
	On or before 30 June 2007 RMB151,014,466
	Total RMB503,381,555

The Chongqing Transaction was negotiated and entered into on an arm's length basis and on normal commercial terms. As disclosed in the Company's prospectus dated 20 September 2006, the consideration was benchmarked against the valuation of the underlying properties in the amount of RMB5,417 million as at 30 June 2006 held under SHL and the cost recorded on the books of SHL.

The Chongqing Land is a major asset of SHL. SHL owns the Chongqing Land indirectly through its subsidiaries, (i) Grand Hope Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of SHL, and (ii) CSO which is 99% owned by Grand Hope Limited and is the registered owner of the Chongqing Land. Based on the unaudited consolidated financial statements of SHL for the year ended 31 December 2006, SHL had a consolidated net book asset value of RMB2,034 million. Based on the unaudited consolidated financial statements of SHL for the years ended 31 December 2005 and 2006, the consolidated net profit of SHL before taxation and extraordinary items for the year ended 31 December 2005 was RMB1,182,490 and the consolidated net loss before taxation and extraordinary items for the year ended 31 December 2006 was RMB12,552,547, and the consolidated net loss of SHL after taxation and extraordinary items for those years were RMB2,560,478 and RMB6,407,976 respectively.

The Company recorded a gain of approximately RMB292 million from the Chongqing Transaction in the consolidated financial statements for the year ended 31 December 2006. The gain is derived by deducting the fair value adjustment of RMB9 million at the initial recognition in respect of the consideration due on 30 June 2007 and the pro rata consolidated net asset value of SHL of approximately RMB202 million as of 15 November 2006 from the consideration receivable for the Chongqing Transaction.

Upon completion of the Chongqing Transaction, the Group's current assets have been increased by approximately RMB494 million. There is no effect on the liability of the Group as a result of the Chongqing Transaction.

LETTER FROM THE BOARD

(7) Completion/Closing 15 November 2006

For the avoidance of doubt, the Chongqing Transaction had already been completed in November 2006 and had previously been disclosed in the Company's prospectus dated 20 September 2006. It is now disclosed again for the purpose of complying with the relevant Listing Rules.

Information on WCL

WCL is a company incorporated under the laws of Hong Kong. Its principal businesses include the provision of consultancy, financial, investment and project coordinating services.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, WCL and its ultimate beneficial owners are independent third parties.

3. REASONS FOR THE SALE TRANSACTIONS

As disclosed in the Company's prospectus dated 20 September 2006 in connection with the Company's initial public offering on the Stock Exchange, the Group intends to seek out opportunities to enter into strategic partnerships with investors to sell the Group's interests in selected land, and/or to co-develop some lots of the Group's projects with a view to potentially accelerating the development schedules and allowing the Group to undertake more new projects.

The proceeds from the Sale Transactions will be used for the Group's general working capital purposes.

The Directors (including independent non-executive directors) are of the view that the terms of the Sale and Purchase Agreements are fair and reasonable and it is in the best interests of the Company and its shareholders as a whole.

4. SHAREHOLDERS AGREEMENTS

The parties to each of the Chongqing Sale and Purchase Agreement, the Wuhan Sale and Purchase Agreement and the Lot 116 Sale and Purchase Agreement have also entered into separate shareholders agreements to govern their relationships as shareholders of the respective Target Companies following the completion of the Sale Transactions.

A. Wuhan Shareholders Agreement

The Wuhan Shareholders Agreement was entered into on 29 June 2007 between SOD, Trophy and Fieldcity. Under the Wuhan Shareholders Agreement (amongst other things):

- (a) each shareholder of Fieldcity has the right to appoint one director for every whole 25% of the shares in issue of Fieldcity held by such shareholder;

LETTER FROM THE BOARD

- (b) the approval of all shareholders of Fieldcity is required for certain matters including but not limited to the alteration of the memorandum and/or articles or other constitutional documents of any member of Fieldcity or its subsidiaries, or materially changing the nature or scope of the business; and
- (c) SOD and Trophy shall contribute to the funding needs of WSO with respect to the outstanding land grant fees payable with respect to the Wuhan Land in the amount of RMB700 million by providing loans in the amounts of RMB525 million and RMB175 million respectively to WSO. Such loans are in proportion to SOD and Trophy's equity interest in Fieldcity at completion and would be on commercial lending terms customary in Hong Kong.

B. Lot 116 Shareholders Agreement

The Lot 116 Shareholders Agreement was entered into on 29 June 2007 between SOD, Trophy and Portspin. Under the Lot 116 Shareholders Agreement (amongst other things):

- (a) each shareholder of Portspin has the right to appoint one director for every whole 25% of the shares in issue of Portspin held by such shareholder provided for so long as Trophy holds 49% of the share of Portspin, Trophy shall be entitled to appoint 2 directors; and
- (b) the approval of all shareholders of Portspin is required for certain matters including but not limited to the alteration of the memorandum and/or articles or other constitutional documents of any member of Portspin or its subsidiaries, or materially changing the nature or scope of the business.

C. Chongqing Shareholders Agreement

The Chongqing Shareholders Agreement was entered into on 9 September 2006 between SOD, WCL, Ocean Equity Holdings Limited (an existing shareholder of SHL) and SHL. Under the Chongqing Shareholders Agreement (amongst other things):

- (a) each shareholder of SHL has the right to appoint one director for every 8% of the shares in issue of SHL held by such shareholder; and
- (b) the consent of all shareholders of SHL is required for certain specified matters outside the ordinary course of business. These matters include the carrying on of any business outside the scope of the existing business of SHL, any change to the share capital of SHL or its subsidiaries, any alteration of the memorandum and articles of association of SHL or its subsidiaries, etc.

5. GENERAL

The Company, through its subsidiaries and associates, is one of the leading property developers in the PRC. The Group engages principally in the development, sale, leasing, management and the long-term ownership of residential, office, retail, entertainment and cultural properties in the PRC.

LETTER FROM THE BOARD

6. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

7. THE BOARD

As at the date of this circular, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman and Chief Executive Officer) and Mr. William T. ADDISON; 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.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(A) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

(a) The Company

(i) Long position in the Shares

Name of Director	Nature of interests	Total number of Shares	Approximate percentage of interests in the Company
Mr. Vincent H. S. LO (“Mr. Lo”)	Other	2,250,565,225 ^(Note 1)	53.78%
Dr. William K. L. FUNG	Personal	3,200,000	0.07%

Note:

- (1) The Shares are directly held by subsidiaries of Shui On Company Limited (“SOCL”), namely Shui On Properties Limited, Shui On Investment Company Limited, New Rainbow Investments Limited and Shui On Finance Company Limited. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings Inc. The units of the Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo is a discretionary beneficiary and HSBC International Trustee Limited is the trustee. Accordingly, Mr. Lo, Bosrich Holdings Inc. and HSBC International Trustee Limited are deemed to be interested in such Shares under the SFO. Mr. Lo is also deemed to be interested in Shares held by New Rainbow Investments Limited, a wholly owned subsidiary of Shui On Construction and Materials Limited (“SOCAM”).

(ii) Share options of the Company

At the Latest Practicable Date, the following Directors had interests in the share options granted by the Company under the share option scheme adopted by the Company on 8 June 2007:

Name of Director	Date of grant	Subscription price per share HK\$	Exercise period	Number of ordinary shares subject to the options
Mr. William T. ADDISON	20 June 2007	7.00	20/06/2009 to 19/06/2016	5,000,000
The Honourable LEUNG Chun Ying	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000
Sir John R. H. BOND	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000
Dr. Edgar W. K. CHENG	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000
Dr. William K. L. FUNG	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000
Professor Gary C. BIDDLE	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000
Dr. Roger L. McCARTHY	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000
Mr. David J. SHAW	20 June 2007	7.00	20/06/2007 to 19/06/2012	500,000

As at the Latest Practicable Date, no short positions were recorded in the register required to be kept under section 352 of the SFO.

*(b) Associated Corporation — SOCAM**(i) Long position in the SOCAM Shares*

Name of Director	Nature of interests	Total number of shares	Approximate percentage of interests in SOCAM
Mr. Vincent H. S. LO (“Mr. Lo”)	Other	185,915,000 ^(Note 1)	61.27%
Dr. William K. L. FUNG	Personal	682,000	0.22%

Notes:

- (1) These shares comprise 181,871,000 SOCAM Shares beneficially owned by SOCL and 4,044,000 SOCAM Shares and SOCAM underlying shares in which SOCL is deemed to be interested under sections 317 and 318 of the SFO.

The 181,871,000 SOCAM Shares beneficially owned by SOCL comprise 166,148,000 SOCAM Shares and 15,723,000 SOCAM Shares held respectively by SOCL and Shui On Finance Company Limited, which is an indirect wholly owned subsidiary of SOCL. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings Inc. The units of the Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo is a discretionary beneficiary. Accordingly, Mr. Lo is deemed to be interested in such shares under the SFO.

On 27 August 2002, SOCL granted call options over certain existing SOCAM Shares beneficially owned by SOCL to each of Mr. Wilfred Y. W. Wong (“Mr. Wilfred Wong”), Mr. Louis H. W. Wong (“Mr. Louis Wong”) and Mr. Frankie Y. L. Wong as part of the incentive reward for the services to SOCAM. A maximum of 50% of such SOCAM Shares transferred to or to be transferred upon exercise of call options shall be subject to a restriction of disposal within 12 months from the date such shares were transferred. Mr. Wilfred Wong and Mr. Louis Wong have exercised all their call options and accordingly are deemed to be parties to an agreement to acquire SOCAM Shares under section 317 and 318 of the SFO. As such, SOCL is deemed to be interested in the SOCAM Shares, and SOCAM underlying shares owned by Mr. Wilfred Wong and Mr. Louis Wong.

(ii) *Short position in the SOCAM Shares*

Name of Director	Nature of interest	Total number of shares	Approximate percentage of interests in SOCAM
Mr. Vincent H. S. LO	Other	1,600,000 ^(Note 1)	0.52%

Note:

- (1) Those shares represent the outstanding balance of the call options granted by SOCL under the call option arrangement mentioned in note (1) to item (A)(b)(i) above.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(B) Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as the Directors and the chief executive of the Company were aware, the following persons had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the issued share capital carrying rights to vote at general meetings of the Company:

Name of Shareholder	Capacity	Total number of Shares	Approximate percentage of shareholding
HSBC International Trustee Limited	Trustee	2,250,565,225 ^(Note 1)	53.78%
Bosrich Holdings Inc.	Trustee	2,250,565,225 ^(Note 1)	53.78%
Shui On Company Limited	Interest of Controlled Corporation	2,250,565,225 ^(Note 1)	53.78%
Shui On Holdings Limited	Interest of Controlled Corporation	1,503,869,901 ^(Note 2)	35.93%
Shui On Investment Company Limited	Beneficial Owner and Interest of Controlled Corporation	1,503,869,901 ^(Note 2)	35.93%
Shui On Properties Limited	Beneficial Owner	940,000,000 ^(Note 2)	22.46%
SOCAM	Interest of Controlled Corporation	746,695,324 ^(Note 3)	17.84%
New Rainbow Investments Limited	Beneficial Owner	746,695,324 ^(Note 3)	17.84%

Notes:

- (1) The 2,250,565,225 Shares are beneficially owned by SOCL through its subsidiaries comprising 940,000,000 Shares, 563,713,901 Shares, 746,695,324 Shares and 156,000 Shares held respectively by Shui On Properties Limited, Shui On Investment Company Limited, New Rainbow Investments Limited and Shui On Finance Company Limited, which is an indirect wholly owned subsidiary of SOCL. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings Inc. The units of the Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo is a discretionary beneficiary and HSBC International Trustee is the trustee. Accordingly, Mr. Lo, HSBC International Trustee Limited and Bosrich Holdings Inc. are deemed to be interested in such Shares under the SFO.
- (2) The 1,503,869,901 Shares comprise 563,713,901 Shares beneficially owned by Shui On Investment Company Limited ("SOI"), 940,000,000 Shares beneficially owned by Shui On Properties Limited ("SOP") and 156,000 Shares beneficially owned by Shui On Finance Company Limited ("SOF"), which are wholly owned subsidiaries of SOI. SOI is deemed to be interested in the Shares of SOP and SOF under the SFO and has an aggregate interest in 1,503,869,901 Shares. SOI is owned by Shui On Holdings Limited. Accordingly, Shui On Holdings Limited is also deemed to be interested in the 1,503,869,901 Shares held by SOI under the SFO.

- (3) These Shares are beneficially owned by New Rainbow Investments Limited, a wholly owned subsidiary of SOCAM. Accordingly, SOCAM is deemed to be interested in such Shares under the SFO.

Save as disclosed herein, the Directors and the chief executive of the Company were not aware of anyone who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10 % or more of the issued share capital carrying rights to vote at general meetings of the Company.

(C) Interests in other members of the Group

Save as disclosed below, as at the Latest Practicable Date and so far as the Directors and the chief executive of the Company were aware, there were no other persons other than the Directors or chief executive of the Company or his respective associate(s) who were, directly or indirectly, interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of owner of shares or equity interest	Name of non wholly-owned subsidiary of the Company	Approximate percentage of shareholding
Equity Millennium Limited	Bondwise Profits Limited	20%
	Cititop Pacific Limited	20%
	Galore Profits Limited	20%
	Globe State Properties Limited	20%
	Oriental Gain Limited	20%
	Profitstock Holdings Limited	20%
	Shanghai Jing-Fu Property Co., Ltd.	19.8%
	Shanghai Lakeville Properties Co. Ltd.	19.8%
Shun Hing China Investment Limited	Bondwise Profits Limited	10%
	Cititop Pacific Limited	10%
	Galore Profits Limited	10%
	Globe State Properties Limited	10%
	Oriental Gain Limited	10%
	Profitstock Holdings Limited	10%
Shanghai Yangpu Knowledge Innovation Zone Investment and Development Co., Ltd.	Shanghai Yangpu Centre Development Co., Ltd.	30%

3. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any member of the Group other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

Mr Vincent H. S. LO is the Chairman and Chief Executive Officer of the Company, and the ultimate controlling shareholder, Chairman and Chief Executive Officer of the Shui On Group. The core businesses of the Shui On Group include property development and investment projects in Hong Kong, New York and the PRC, as more fully described in the section headed “Relationship with the Shui On Group” of the Company’s prospectus dated 20 September 2006. The Company has entered into a non-competition agreement with Shui On Company Limited (the ultimate holding company of the Shui On Group) and Mr. Vincent H. S. LO pursuant to which Shui On Company Limited and Mr Vincent H. S. LO have severally undertaken not to compete with the business of the Company. For more details, see the section headed “Relationship with the Shui On Group” of the Company’s prospectus dated 20 September 2006.

Save as referred to herein, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group.

6. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. UY Kim Lun, a qualified lawyer in Hong Kong.
- (b) The qualified accountant of the Company is Mr. Derek W. Y. FENG, a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (c) The registered office of the Company is Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands.
- (d) The place of business in Hong Kong is 34/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.