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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

**If you have sold or transferred** all your shares in Shui On Land Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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  
to the Framework Agreement**

**AND**

**PROPOSED RE-ELECTION OF DIRECTORS**

*Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders*



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A letter from the Independent Board Committee is set out on pages 9 and 10 of this circular.

A letter from Optima Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 11 to 18 of this circular.

A notice convening the EGM to be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong on Wednesday, 21 January 2009 at 3:00 p.m. is set out on pages 29 and 30 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's place of business in Hong Kong at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong as soon as possible and, in any event, not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting and any adjourned meeting (as the case may be) should you so wish.

\* *for identification purposes only*

5 January 2009

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## DEFINITIONS

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

“associate(s)”, “connected person(s)”, “subsidiary(ies)”, “substantial shareholder(s)”	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;
“Construction Services”	the provision by SSOC to the Company and/or its subsidiaries of construction services, including but not limited to civil engineering, electrical work and fitting out work for building construction, and decoration and renovation work, all in respect of property development projects in the PRC;
“Continuing Connected Transactions”	the transactions contemplated under the Framework Agreement as supplemented by the Supplemental Agreement;
“Director(s)”	the directors of the Company;
“EGM”	the extraordinary general meeting to be convened by the Company to consider, among others, the Supplemental Agreement and the Continuing Connected Transactions;
“Framework Agreement”	the framework agreement dated 4 June 2006 entered into between SSOC and the Company in respect of the provision of the Construction Services;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the committee of the board comprising Dr. Edgar W. K. CHENG, Professor Gary C. BIDDLE and Dr. Roger L. McCARTHY, each being independent non-executive Director, formed to advise the Independent Shareholders on whether the terms and conditions of the Supplemental Agreement and the Continuing Connected Transactions are fair and reasonable;
“Independent Shareholders”	the Shareholders, other than Mr. Lo and his associates (including but without limitation to SOCAM);

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## DEFINITIONS

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“Latest Practicable Date”	30 December 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lo”	Mr. Vincent H. S. LO;
“Optima Capital” or “Independent Financial Adviser”	Optima Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Agreement and the Continuing Connected Transactions, and a corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO;
“PRC”	People’s Republic of China, and for the purpose of this circular, excluding Hong Kong and the Macau 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”	the holders of the Shares;
“Shares”	ordinary shares of nominal value US\$0.0025 each in the capital of the Company;
“SOCAM”	Shui On Construction and Materials Limited, a company incorporated in Bermuda whose securities are listed on the Stock Exchange (Stock code: 983);
“SOCAM Shares”	ordinary shares of nominal value HK\$1.00 each in the capital of SOCAM;
“SSOC”	瑞安建築有限公司 (Shui On Construction Co., Ltd.) (formerly known as 上海瑞安建築有限公司 (Shanghai Shui On Construction Co., Ltd.)), a 70% owned subsidiary of SOCAM;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement to the Framework Agreement dated 15 December 2008 entered into between SSOC and the Company; and
“%”	per cent.

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Vincent H. S. LO

(Chairman and Chief Executive Officer)

Mr. Louis H. W. WONG

Mr. Aloysius T. S. LEE

*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 KY1-9002

Cayman Islands

*Place of Business in Hong Kong:*

34/F, Shui On Centre

6-8 Harbour Road

Wan Chai

Hong Kong

5 January 2009

*To the Shareholders,*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS**

**Supplemental Agreement  
to the Framework Agreement**

**AND**

**PROPOSED RE-ELECTION OF DIRECTORS**

\* for identification purposes only

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## LETTER FROM THE BOARD

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### INTRODUCTION

References are made to the joint announcement of SOCAM and the Company dated 15 December 2008 and the prospectus of the Company dated 20 September 2006 relating to the transactions contemplated under the construction services framework agreement dated 4 June 2006 entered into between SSOC and the Company which constitute continuing connected transactions of both the Company and SOCAM under Chapter 14A of the Listing Rules.

The Board has announced that on 15 December 2008, since the term of the Framework Agreement would be expired on 31 December 2008, SSOC and the Company entered into the Supplemental Agreement to extend the term for three financial years to 31 December 2011. The transactions contemplated under the Supplemental Agreement constitute continuing connected transactions of the Company and is subject to the approval by the Independent Shareholders at the EGM.

At the EGM, ordinary resolutions will also be proposed to re-elect Messrs. Louis H. W. WONG and Aloysius T. S. LEE as Directors in accordance with Article 97(3) of the articles of association of the Company.

The purpose of this circular is to provide you with further information about the Supplemental Agreement, the Continuing Connected Transactions and the proposed re-election of Directors to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

### THE SUPPLEMENTAL AGREEMENT

**Date:** 15 December 2008

**Parties:** (1) SSOC; and  
(2) the Company

**Principal Term:** To extend the term of the Framework Agreement so that it shall end on 31 December 2011. Any renewal shall be subject to the agreement of the parties and subject to necessary consent and/or approval being obtained. Each renewal term, if so agreed by the parties and upon obtaining all necessary consent and/or approval, shall be for three financial years.

The Company will comply with the applicable requirements under the Listing Rules upon further renewal of the Framework Agreement.

### ANNUAL CAPS

As set out in the prospectus of the Company dated 20 September 2006, the previous annual caps for the three financial years ending 31 December 2008 were RMB285 million, RMB535 million and RMB750 million, respectively.

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## LETTER FROM THE BOARD

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It is proposed that the maximum annual total payment for all Construction Services provided by SSOC to the Group for each of the three financial years ending 31 December 2011 shall not exceed RMB410 million, RMB561 million and RMB845 million (the “new Caps”) respectively. The new Caps are determined based on the estimated amount of payments to be certified upon completion of the outstanding works under the previously awarded contracts to SSOC and with reference to the estimated maximum amount of construction works which will be carried out for new contracts to be awarded by the Group to SSOC (either by direct engagement for construction contracts of value less than RMB1 million or in accordance with the tendering procedures for construction contracts of value at RMB1 million or more) during the relevant financial years.

The total amount paid by the Group to SSOC for all Construction Services provided by SSOC to the Group for the two financial years ended 31 December 2007 are RMB27 million and RMB117 million respectively. The total amount paid or payable by the Group to SSOC for the Construction Services provided for the nine months ended 30 September 2008 is approximately RMB210 million. In view of the trend of the significant increase in actual amount paid by the Group to SSOC for the Construction Services for the aforesaid financial periods, it is more appropriate to set the annual caps for each of the three financial years ending 31 December 2011 at not exceeding RMB410 million, RMB561 million and RMB845 million respectively taking into account: (a) the probability of SSOC taking up more projects with its increasing capability; (b) higher success rate of SSOC’s tenders; and (c) more property development projects of the Company coming on stream that may be suitable for SSOC to tender.

### REASONS FOR THE TRANSACTIONS

Having considered the track record, experience and expertise of SSOC and its understanding of the construction requirements and standards of the Company, and that it is possible that some of our construction contracts may be awarded to SSOC which participates in tendering for its construction works, the Company believes it is in its best interest to renew the term of the Framework Agreement.

SSOC is the construction arm of SOCAM in the PRC. The Framework Agreement provides business opportunities for SSOC to tender for contracts and engage in construction works in the PRC, providing solid support to the property development activities of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transactions were entered into in the ordinary and usual course of business of the Group, the Supplemental Agreement (together with the new Caps) was agreed on normal commercial terms after arm’s length negotiations between the parties, and the terms of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are fair and reasonable and in the interests of the Shareholders as a whole.

The Shareholders should note that the new Caps represent the reasonable estimates by the Company of the aggregate annual amounts of the relevant transactions based on the information currently available. The new Caps bear no direct relationship to, nor should be taken to have any direct bearing on, the financial or potential financial performance of the Group. SSOC may or may not

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## LETTER FROM THE BOARD

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provide Construction Services to the Group up to the level of the new Caps, if at all, as any engagement by the Group for construction services (other than to execute contracts with less than RMB1 million) is subject to tender procedures which are open to other independent third party contractors.

### IMPLICATIONS OF THE LISTING RULES

Mr. Lo is the Chairman and Chief Executive Officer of the Company in which he has an interest of approximately 54.52% in its issued share capital. He is also the chairman of SOCAM and has an interest in approximately 56.63% of the issued share capital of SOCAM. Therefore, SOCAM and SSOC are associates of a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement as supplemented by the Supplemental Agreement will constitute continuing connected transactions of the Company. Since the applicable percentage ratios set out in Rule 14A.10 of the Listing Rules calculated for the Company with reference to the new Caps exceed 2.5%, the Supplemental Agreement and the Continuing Connected Transactions will be subject to announcement, the Independent Shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

Dr. William K. L. FUNG, an independent non-executive Director, is beneficially interested in 3,700,000 Shares and 682,000 SOCAM Shares, representing approximately 0.08% and 0.21% of issued share capitals of the Company and SOCAM respectively.

At the EGM, the Company will seek Independent Shareholders' approval for the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps). The votes to be taken at the EGM will be taken by poll, the results of which will be announced after the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the Continuing Connected Transactions and Optima Capital has been retained as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Shareholders should consider carefully the recommendations of the Independent Board Committee and the factors, reasons and recommendations in relation to the Supplemental Agreement and the Continuing Connected Transactions.

### GENERAL INFORMATION

The Company is one of the leading property developers in the PRC. The Group 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.

SOCAM and its subsidiaries are principally engaged in property development, asset management, cement production, construction, investment in property development and venture capital investment in Hong Kong and the PRC.

SSOC is the construction arm of SOCAM in the PRC and is principally engaged in building construction.



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## LETTER FROM THE BOARD

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### PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 97(3) of the articles of association of the Company, Messrs. Louis H. W. WONG and Aloysius T. S. LEE, who have been appointed as Directors to fill casual vacancies during 2008, shall hold office only until the first general meeting of the Company after their respective appointment, and shall retire at the EGM and offer themselves for re-election as Directors. Pursuant to Rule 13.74 of the Listing Rules, the biographies of the Directors proposed to be re-elected at the EGM are set out in Appendix II to this circular.

### EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong on Wednesday, 21 January 2009 at 3:00 p.m. is set out on pages 29 and 30 of this circular. At the EGM, the resolutions will be proposed to approve the Supplemental Agreement, the Continuing Connected Transactions (together with the new Caps) and re-election of Directors.

Any connected person with a material interest in the transactions contemplated under the Supplemental Agreement, and any other Shareholders and their respective associates with a material interest in the transactions contemplated under the Supplemental Agreement, shall abstain from voting in respect of the relevant resolution.

Mr. Lo is the Chairman and Chief Executive Officer of the Company and has an interest in 54.52% of the issued share capital of the Company at the Latest Practicable Date. He is also the chairman of SOCAM in which he has an interest in 56.63% of its issued share capital. Accordingly, Mr. Lo is a connected person of the Company, and SOCAM and SSOC are associates of a connected person of the Company. Mr. Lo and his associates will abstain from voting in respect of the proposed resolution to approve the continuing connected transactions contemplated by the Supplemental Agreement.

A proxy form for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's place of business in Hong Kong at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting in person at the EGM and any adjourned meeting (as the case may be) if you so wish.

Pursuant to the amended Rule 13.39(4) of the Listing Rules which will become effective on 1 January 2009, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the Company will procure that the chairman of the EGM shall demand voting on all resolutions set out in the notice of EGM be taken by way of poll.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors (including the independent non-executive Directors) take the view that the terms of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are fair and reasonable, and that the Continuing Connected Transactions are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Directors recommend the Independent Shareholders to vote in favour of all the ordinary resolutions to be proposed at the EGM.

### ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 9 and 10 of this circular, to the letter from Optima Capital, the Independent Financial Adviser, to the Independent Board Committee and Independent Shareholders in respect of the Supplemental Agreement and the Continuing Connected Transactions set out on pages 11 to 18 of this circular, and to the information set out in the appendices to this circular.

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

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)

5 January 2009

*To the Independent Shareholder(s)*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS** **Supplemental Agreement** **to the Framework Agreement**

We refer to the circular (the “Circular”) dated 5 January 2009 issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in its opinion, the terms of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Optima Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Agreement and the Continuing Connected Transactions.

We wish to draw your attention to the letter from the Board, as set out on pages 3 to 8 of the Circular and the text of a letter of advice from Optima Capital, as set out on pages 11 to 18 of the Circular, both of which provide details of the Supplemental Agreement and the Continuing Connected Transactions.

Having considered the terms of the Supplemental Agreement and the Continuing Connected Transactions, the advice of Optima Capital and the relevant information contained in the letter from the Board, we are of the opinion that the terms of the Supplemental Agreement and the Continuing

\* *for identification purposes only*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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Connected Transactions (together with the new Caps) are fair and reasonable so far as the Independent Shareholders are concerned and that the entering into of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution in respect of the Supplemental Agreement and the Continuing Connected Transactions at the EGM.

Yours faithfully,  
**Independent Board Committee**

**Dr. Edgar W. K. CHENG**  
*Independent Non-executive  
Director*

**Professor Gary C. BIDDLE**  
*Independent Non-executive  
Director*

**Dr. Roger L. McCARTHY**  
*Independent Non-executive  
Director*

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



### **OPTIMA CAPITAL LIMITED**

Unit 3618, 36th Floor  
Bank of America Tower  
12 Harcourt Road  
Central  
Hong Kong

5 January 2009

*To: the Independent Board Committee and  
the Independent Shareholders of  
Shui On Land Limited*

Dear Sir or Madam,

## **CONTINUING CONNECTED TRANSACTIONS Supplemental Agreement to the Framework Agreement**

### **INTRODUCTION**

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders on (i) the Supplemental Agreement; and (ii) the Continuing Connected Transactions (together with the new Caps), for which the Independent Shareholders' approval is being sought. Details of the Supplemental Agreement and the new Caps are set out in the letter from the Board (the "Letter") contained in the circular of the Company to the Shareholders dated 5 January 2009 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined.

On 4 June 2006, the Company entered into the Framework Agreement with SSOC in order to facilitate the provision by SSOC of the Constructions Services to the Group. Since the Framework Agreement would be expired on 31 December 2008, SSOC and the Company entered into the Supplemental Agreement on 15 December 2008 to extend the term of the Framework Agreement for three financial years to 31 December 2011. It is proposed that the maximum annual total payment for the Construction Services to be provided by SSOC to the Group for each of the three financial years ending 31 December 2009, 2010 and 2011 shall not exceed RMB410 million, RMB561 million and RMB845 million respectively.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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As at the Latest Practicable Date, Mr. Lo is the Chairman and Chief Executive Officer of the Company in which he has a shareholding interest of approximately 54.52% and thus a connected person of the Company under the Listing Rules. Mr. Lo is also the chairman of SOCAM and has an interest of approximately 56.63% of the issued share capital of SOCAM as at the Latest Practicable Date. Therefore, SOCAM and SSOC, being a subsidiary of SOCAM, are associates of a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement (as supplemented by the Supplemental Agreement) constitute Continuing Connected Transactions for the Group. As the new Caps under the Supplemental Agreement are expected to exceed 2.5% of the applicable percentage ratios set out in Rule 14A.10 of the Listing Rules calculated for the Company, the Supplemental Agreement and the Continuing Connected Transactions are subject to the announcement, Independent Shareholders' approval, annual review and reporting requirements set out in Chapter 14A of the Listing Rules. Mr. Lo and his associates will abstain from voting on the ordinary resolution to be proposed at the EGM in respect of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps).

The Independent Board Committee, comprising three independent non-executive Directors, namely Dr. Edgar W. K. CHENG, Professor Gary C. BIDDLE and Dr. Roger L. McCARTHY, has been established to make recommendation to the Independent Shareholders regarding the Supplemental Agreement and the Continuing Connected Transaction (together with the new Caps). Optima Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether (i) the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group; (ii) the terms of the Supplemental Agreement are on normal commercial terms; (iii) the terms of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are fair and reasonable in so far as the Independent Shareholders are concerned; and (iv) the entering into of the Supplemental Agreement and Continuing Connected Transactions (together with the new Caps) are in the interests of the Company and the Shareholders as a whole.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. We have also sought and received confirmation from the management of the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Continuing Connected Transactions (together with the new Caps) and the Supplemental Agreement are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

#### 1. Background to and reasons for the Supplemental Agreement

The Company is one of the leading property developers in the PRC. The Group 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.

SOCAM and its subsidiaries are principally engaged in property development, asset management, cement production, construction, investment in property development and venture capital investment in Hong Kong and the PRC.

SSOC is the construction arm of SOCAM in the PRC and is principally engaged in building construction.

In its ordinary course of business, the Group will engage contractors to carry out construction of development projects including but not limited to civil engineering, electrical work and fitting out work for building construction, and decorative and renovation work or supply materials to its development projects. Qualified contractors, material suppliers and consultants (including SSOC) will be invited to submit tenders for the construction work for each construction contract with value of RMB1 million or more. For those contracts which value are less than RMB1 million, the Group may enter into contracts with the contractors at its discretion without going through the tendering procedures (the "Tendering Procedure"). As advised by the Directors, the decision to award for the tendering contracts will be made after detailed assessment on the bases of capability to satisfy contract requirements, reputation for quality and the submitted project price. In the past, SSOC has provided Construction Services to the Group in relation to the Group's projects in the PRC. As set out in the prospectus of the Company dated 20 September 2006, the Company entered into the Framework Agreement with SSOC in relation to the Construction Services which covered a term of three years ended 31 December 2008 to regulate the Construction Services to be provided by SSOC to the Group. It was proposed that the maximum annual total payment for the Construction Services provided by SSOC to the Group for each of the three financial years ended 31 December 2008 were RMB285 million, RMB535 million and RMB750 million respectively.

We are advised by the Company that having considered the track record, experience and expertise of SSOC, its understanding of the construction requirements and standards of the Company, it is expected that SSOC may continue to be on the Company's list of qualified contractors and some of the construction contracts may be awarded to SSOC which participates in tendering for its construction works in their usual and ordinary course of business on normal commercial terms. During

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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the past few years, SSOC has been awarded with construction contracts for the provision of construction services including but not limited to civil engineering work, electrical work and interior fitting out work on residential building, clubhouse, and renovation work of the Group's investment properties located at, amongst others, Shanghai, Wuhan and Chongqing. From our discussion with the Company, we are given to understand that SSOC has been able to provide high quality services to the Group which not only met market standards at competitive prices but also the requirements and schedules of the Group. Moreover, as at the Latest Practicable Date, construction work of certain contracts awarded to SSOC for civil engineering work, electrical work and interior fitting out work on residential building, commercial entertainment complex, office renovation and refurbishment projects are still in progress. As such, the Company and SSOC entered into the Supplemental Agreement to renew the Framework Agreement to extend the term of the Framework Agreement so that it shall end on 31 December 2011. In addition, as the existing annual caps only cover the three financial years ended 31 December 2008, the Company proposed to seek Independent Shareholders' approval for the new Caps for the three financial years ending 31 December 2009, 2010 and 2011.

Based on the aforesaid, we are of the view that the entering into of the Supplemental Agreement to renew the Framework Agreement for another three years will enable the Group to cement a continuous business relationship with SSOC and provide the Company with a wider selection of qualified contractors for the construction work of the Group's development project and is in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the Framework Agreement (as supplemented by the Supplemental Agreement)**

Pursuant to the Framework Agreement (as supplemented by the Supplemental Agreement), the Group and SSOC have agreed to enter into construction contracts for the provision by SSOC to the Group of the Construction Services, including but not limited to civil engineering, electrical work and fitting out work for building construction, and decoration and renovation work, all in respect of property development projects in the PRC, in accordance with the terms and conditions of the Framework Agreement (as supplemented by the Supplemental Agreement).

For construction contracts with value of RMB 1 million or more, pursuant to the Framework Agreement (as supplemented by the Supplemental Agreement), SSOC may participate in the bidding put out to tender by the Company in accordance with the Company's Tendering Procedures from time to time in place on the same terms as offered to other independent third parties; and if any construction contract is granted in favour of SSOC as a result of a successful bid, SSOC will provide construction services based on the terms of the successful bid. In this connection, we have reviewed samples of tendering meeting notes (the "Notes") which has summarised and compared tenders submitted by various parties (including SSOC) for certain projects whereas the Company finally entered into the construction contracts with SSOC. We noted that in the selection process, the Company has considered a number of factors including price, the expertise of the bidders on the particular type of construction work required, the expected working days to complete the construction, and familiarity of the management requirements. Based on the Notes compiled and provided by the Company, we found that the prices charged by SSOC and major terms as proposed are reasonable as compared to those quoted by independent third party contractors.



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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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Under the Framework Agreement (as supplemented by the Supplemental Agreement), for construction contracts which value are less than RMB1 million, the contractors are not required to go through the Tendering Procedures and the Group may engage any contractors at its discretion directly. If SSOC is engaged, SSOC shall provide to the Group the Construction Services on such normal commercial terms as the Company may agree with SSOC from time to time in accordance with the following:

- (i) the Company and SSOC shall enter into a non-tender contract which shall set out the project specification, payment and other customary terms for the Construction Services on terms no less favourable to the Company overall than those customarily offered if provided by an independent third party contractor for comparable Construction Services;
- (ii) the contract sum for the Construction Services to be provided under the non-tender Contract shall be in accordance with prevailing market rates or, if there is no prevailing market rate available for any such item included in such Construction Services, fair and reasonable prices based on arm's length negotiations with reference to prevailing rates for material and labour as published in the relevant provincial or city guidelines; and
- (iii) the Company shall procure the compilation of a project report to be submitted to its senior management in respect of the Construction Services to be provided under the proposed non-tender contract including an analysis of the reasonableness of the contract sum.

Based on the above, and on the basis that the formal non-tender contracts are to be entered into based on normal commercial terms along the basis of market price (if any) and Tendering Procedures are required for construction contracts valued at RMB1 million or more, we are of the view that the terms of the Framework Agreement (as supplemented by the Supplemental Agreement) are fair and reasonable so far as the Independent Shareholders are concerned.

### 3. The new Caps

#### *Review of past Construction Services*

Set out below are the total transaction value of the Construction Services for each of the two financial years ended 31 December 2006 and 2007 and for the nine months ended 30 September 2008:

	<b>For the year ended</b>		<b>For the nine</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2006</b>	<b>2007</b>	<b>30 September</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Construction Services provided by SSOC to the Group	27	117	210

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the table above, the amount incurred for the Construction Services provided by SSOC has been increasing consistently over the past two years. The amount incurred for the Construction Services has increased by approximately 333.3% in the financial year ended 31 December 2007 as compared to that for the financial year ended 31 December 2006. The total amount paid by the Group for the Construction Services provided by SSOC for the nine months ended 30 September 2008 of approximately RMB210 million represents approximately 179.5% of the total amount paid by the Group for the Construction Services provided by SSOC for the year ended 31 December 2007 of approximately RMB117 million. The increase in the provision of Construction Services by SSOC was primarily due to the increase in the number of successful tenders by SSOC.

### *Basis of determining the new Caps*

Set out below are the proposed new Caps for each of the three financial years ending 31 December 2009, 2010 and 2011:

	<b>For the year ending 31 December</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Construction Services to be provided by SSOC to the Group	410	561	845

We have discussed with the management of the Company the basis and assumptions underlying the determination of the new Caps and obtained the understanding that the new Caps for each of the three financial years ending 31 December 2009, 2010 and 2011 are determined based on (i) the estimated amount of payments to be certified upon completion of the outstanding works under the previously awarded contracts to SSOC; and (ii) the estimated maximum amount of construction works which will be carried out for new contracts to be awarded by the Group to SSOC (either by direct engagement for construction contracts of value less than RMB1 million or in accordance with the Tendering Procedures for construction contracts of value of RMB1 million or more) during the relevant financial years. In determining the new Caps, as referred to in the Letter, the Company has taken into account (i) the probability of SSOC taking up more projects with its increasing capability; (ii) higher success rate of SSOC's tenders; and (iii) more property development projects of the Company coming on stream that may be suitable for SSOC to tender.

In connection to the above, we have discussed with the management and reviewed the development projects on hand of the Group mainly in Shanghai, Wuhan, Chongqing which constructions are in progress. As advised by the management of the Company, of previous awarded projects to SSOC which constructions are still in progress, approximately RMB268.6 million, RMB134.8 million and RMB57.8 million of the construction cost is expected to realise in each of the financial years ending 31 December 2009, 2010, and 2011 respectively.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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In addition, we have considered the total size of landbank that the Group currently held and its plans on development on these lands, including the nature of the property to be developed on the land and the estimated construction costs to be incurred for the projects. As disclosed in the Company's interim report for the six months ended 30 June 2008, the Company has total landbank attributable to the Shareholders of approximately 1.7 million square meters gross floor area for properties under development in Shanghai, Hangzhou, Chongqing, Wuhan, Dalian and Foshan, and approximately 7.7 million square meters gross floor area for properties held for future development spanning over Shanghai, Chongqing, Wuhan, Dalian and Foshan. Despite the property markets across the PRC has generally experienced a decline in sales transactions in the year of 2008, as advised by the Directors, the Company will continue to undertake its property development projects as planned, particularly in those main cities of the PRC including Shanghai, Wuhan, and Chongqing. Accordingly, the Company has presumed subject to the circumstances at the time, there would not be any material impingement on the demand of the construction works by SSOC in the coming years and we consider that it is reasonable for the Company to reserve certain buffer in the new Caps in case the need for the provision of the Construction Services will be surged as a result of the global recovery of the property market and economic conditions in later years.

In view of the recurring nature of the transactions (the terms of which will be governed by the Framework Agreement (as supplemented by the Supplemental Agreement)) and the entering into of a construction contracts between the Group and SSOC will normally depend on a number of factors such as the price quoted by SOCC, expertise of SSOC on the particular construction projects, and the time required by SSOC to complete the project etc, we concur with the Directors' view that the proposed new Caps should cater for the business needs of the Group and will provide sufficient operating flexibility to the Group. Taking into account that (i) the Group was satisfied with the construction work undertaken by SSOC in the past and will continue to allow SSOC to participate in tendering for projects of the Group; (ii) the construction contracts entered into between the Group and the SSOC are under normal commercial terms; (iii) construction costs of the awarded projects are expected to realise in each of the financial years ending 2009, 2010 and 2011 as set out above; and (iv) the Company will continue to undertake its development project as planned, we consider the new Caps of RMB410 million, RMB561 million and RMB845 million for each of the financial years ending 31 December 2009, 2010, and 2011 respectively to be fair and reasonable.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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### OPINION

Having taken into account the above principal factors, we consider that (i) the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group; (ii) the terms of the Supplemental Agreement are on normal commercial terms; (iii) the terms of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are fair and reasonable so far as the Independent Shareholders are concerned; and (iv) the entering into of the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps) are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Supplemental Agreement and the Continuing Connected Transactions (together with the new Caps).

Yours faithfully,

for and on behalf of

**OPTIMA CAPITAL LIMITED**

**Mei H. Leung**

*Chairman*

**April Chan**

*Director*

## 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

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 the 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 of the Company

Name of Director	Nature of interests	Total number of Shares	Approximate percentage of interests in the Company
Mr. Lo	Other	2,281,250,225	54.50%
		<i>(Note 1)</i>	
	Spouse	1,150,000	0.02%
		<i>(Note 2)</i>	
Mr. Louis H. W. WONG	Personal	1,802,000	0.04%
Mr. Aloysius T. S. LEE	Family	470,000	0.01%
		<i>(Note 3)</i>	
Dr. William K. L. FUNG	Personal	3,700,000	0.08%
Professor Gary C. BIDDLE	Personal	200,000	0.004%

Notes:

- (1) These Shares are directly held by subsidiaries of Shui On Company Limited (“SOCL”), namely Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings (PTC) Inc. (formerly known as 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 (PTC) Inc. and HSBC International Trustee Limited are deemed to be interested in such Shares under the SFO.

- (2) These Shares are held by Ms. Loletta CHU, Mr. Lo's spouse. Mr. Lo is deemed to be interested in such Shares under the SFO.
- (3) These Shares are held jointly with Ms. Kalice L.T. KWONG.

(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 Shares subject to the options
Mr. Louis H. W. WONG	20/06/2007	7.00	20/06/2009 to 19/06/2016	5,714,285
Mr. Aloysius T. S. LEE	1/11/2007	11.78	1/11/2009 to 31/10/2016	2,973,137
The Honourable LEUNG Chun Ying	20/06/2007	7.00	20/06/2007 to 19/06/2012	500,000
Sir John R. H. BOND	20/06/2007	7.00	20/06/2007 to 19/06/2012	500,000
Dr. Edgar W. K. CHENG	20/06/2007	7.00	20/06/2007 to 19/06/2012	500,000
Professor Gary C. BIDDLE	20/06/2007	7.00	20/06/2007 to 19/06/2012	500,000
Dr. Roger L. McARTHUR	20/06/2007	7.00	20/06/2007 to 19/06/2012	500,000
Mr. David J. SHAW	20/06/2007	7.00	20/06/2007 to 19/06/2012	500,000

At the Latest Practicable Date, no short position was recorded in the register of the Company 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 SOCAM Shares	Approximate percentage of interests in SOCAM
Mr. Lo	Other	181,981,000 <i>(Note 1)</i>	56.53%
	Spouse	312,000 <i>(Note 2)</i>	0.10%
Dr. William K. L. FUNG	Personal	682,000	0.21%

*Notes:*

- (1) Among 181,981,000 SOCAM Shares beneficially owned by SOCL, 166,148,000 SOCAM Shares and 15,833,000 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 (PTC) 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 SOCAM Shares under the SFO.
- (2) These SOCAM Shares are held by Ms. Loletta CHU, Mr. Lo's spouse. Mr. Lo is deemed to be interested in such SOCAM Shares under the SFO.

**(ii) Short position in the SOCAM Shares**

Name of Director	Nature of interests	Total number of SOCAM Shares	Approximate percentage of interests in SOCAM
Mr. Lo	Other	1,600,000 <i>(Note 1)</i>	0.49%

*Note:*

- (1) These SOCAM Shares represent the call option granted by SOCL on 27 August 2002 to Mr. Frankie Y. L. WONG as part of the incentive reward to his services to SOCAM. Mr. Lo is deemed to have short position in these SOCAM Shares under the SFO.

Save as disclosed herein, 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 the 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.

Save as disclosed in the announcement of the Company dated 26 February 2008, at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

At the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement, which was subsisting and was significant in relation to the business of the Group.

#### (B) Interests of Substantial Shareholders

Save as disclosed below and under the section “Interests of Directors and chief executive of the Company” above, the Directors are not aware of any other person (other than a Director or chief executive of the Company or his/her respective associate(s)) who, 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 under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of substantial Shareholder	Capacity	Total number of Shares	Approximate percentage of shareholding
Ms. Loletta CHU	Beneficial Owner	1,150,000	0.02%
	Interest of Spouse	2,281,250,225 <i>(Note 1)</i>	54.50%
HSBC International Trustee Limited	Trustee	2,281,250,225 <i>(Note 2)</i>	54.50%
Bosrich Holdings (PTC) Inc.	Trustee	2,281,250,225 <i>(Note 2)</i>	54.50%
SOCL	Interest of Controlled Corporation	2,281,250,225 <i>(Note 2)</i>	54.50%
SOCAM	Interest of Controlled Corporation	396,071,631 <i>(Note 3)</i>	9.46%

Notes:

- (1) These Shares are interest of Mr. Lo deemed under the SFO as mentioned in the note (1) to item (a) under “Interests of Directors and chief executive of the Company”.



- (2) The 2,281,250,225 Shares are beneficially owned by SOCL through its subsidiaries, comprising 940,000,000 Shares, 945,178,594 Shares and 396,071,631 Shares held respectively by Shui On Properties Limited, Shui On Investment Company Limited and New Rainbow Investments Limited. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings (PTC) 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, HSBC International Trustee Limited and Bosrich Holdings (PTC) Inc. are deemed to be interested in such Shares 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.

**(C) Interests in other members of the Group**

Save as disclosed below, 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:

<b>Name of owner of shares or equity interest</b>	<b>Name of non wholly-owned subsidiary of the Company</b>	<b>Approximate percentage of shareholding</b>
Elegant Partners Limited	Foresight Profits Limited and its subsidiaries	25%
Equity Millennium Limited	Bondwise Profits Limited and its subsidiaries	20%
Shun Hing China Investment Limited	Bondwise Profits Limited and its subsidiaries	10%
Shanghai Yangpu Knowledge Innovation Zone Investment and Development Co., Ltd.	Shanghai Yang Pu Centre Development Company Limited	30%
Wuhan Tiandi Development Company Limited	Fieldcity Investments Limited and its subsidiaries	25%
Main Zone Group Limited	Richcoast Group Limited and its subsidiaries	28.20%
Many Gain International Limited	Richcoast Group Limited and its subsidiaries	10.26%

Name of owner of shares or equity interest	Name of non wholly-owned subsidiary of the Company	Approximate percentage of shareholding
Winnington Capital Limited	Score High Limited and its subsidiaries Rightchina Limited and its subsidiaries	19.80% 25%
Taipingqiao 116 Development Company Limited	Portspin Limited and its subsidiaries	49%

### 3. SERVICE CONTRACTS

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

### 4. LITIGATION

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.

### 5. COMPETING INTERESTS

Mr. 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 including 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 SOCL and Mr. Lo pursuant to which SOCL and Mr. 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. In addition, Mr. Lo is also the chairman and controlling shareholder of SOCAM which is engaged in property development in the PRC.

Save as referred to herein, 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. EXPERT AND CONSENT**

The qualifications of the expert who has given opinion and advice, which is contained in this circular, are set out as follows:

<b>Name</b>	<b>Qualification</b>
Optima Capital	A corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO.

Optima Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

**7. EXPERT'S INTEREST IN ASSETS**

At the Latest Practicable Date, Optima Capital:

- (a) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) was not interested, directly or indirectly, in any assets which have been, since 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**8. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, the date to which the latest published audited consolidated financial statements of the Company have been made up.

**9. GENERAL**

- (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. George W. K. CHAN, a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.
- (c) The principal share registrars and transfer office of the Company is Butterfield Fulcrum Group (Cayman) Limited, Butterfield House, 68 Fort Street, P.O. Box 705, Grand Cayman KY1-1107, Cayman Islands.

- (d) The Hong Kong branch share registrars and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (e) The registered office of the Company is Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands.
- (f) The place of business of the Company in Hong Kong is 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong.
- (g) The English version of this circular shall prevail over the Chinese text.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the place of business of the Company in Hong Kong at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong during normal business hours on any business day other than public holidays, from the date of this circular up to and including 21 January 2009:

- (a) the Framework Agreement;
- (b) the Supplemental Agreement;
- (c) the "Letter from the Independent Board Committee" as set out in this circular;
- (d) the "Letter of Advice from the Independent Financial Adviser" as set out in this circular;
- (e) the letter of consent from Optima Capital referred to in paragraph 6 of this Appendix I.

**Louis H. W. WONG (“Mr. Wong”)****Executive Director**

**Mr. Wong**, aged 57, is Managing Director — Project Management and is responsible for all matters related to project management. He joined the Shui On Group in 1981. From November 2002 until May 2004, he was managing director of Shui On Properties Limited, a substantial shareholder of the Company. He was also a non-executive director of SOCAM and a director of Shui On Company Limited, both being substantial shareholders of the Company. Save for his directorship in SOCAM, Mr. Wong did not hold any other directorship in listed public companies in the past three years.

He is currently a member of the Chinese People’s Political Consultative Conference Committee of Luwan District of Shanghai, vice president of the Shanghai Real Estate Trade Association, vice president of the Hong Kong Association for the Advancement of Real Estate and Construction Technology Ltd., a governing council member of the Construction Industry Institute of Hong Kong and a member of the Occupational Safety and Health Council in Hong Kong. He has also served as a member of the Construction Industry Training Authority, the first vice president of the Hong Kong Construction Association, a director of the Real Estate Developers Association of Hong Kong, a member of the Construction Advisory Board in Hong Kong, chairman of the Departmental Advisory Committee for the Department of Building and Construction of the City University of Hong Kong, a member of the Provisional Construction Industry Co-ordination Board, a member of the Corruption Prevention Advisory Committee of the Independent Commission against Corruption and honorary president of the Hong Kong Institution of Construction Engineers.

Mr. Wong holds a Bachelor of Science degree in Civil Engineering from the University of Manchester and is a fellow member of the Institution of Civil Engineers and a member of the Hong Kong Institution of Engineers.

Mr. Wong does not have any position with the Company or its subsidiaries other than being the director of certain subsidiaries of the Group. At the Latest Practicable Date, Mr. Wong has personal interests in 1,802,000 shares and 5,714,285 share options of the Company within the meaning of Part XV of the SFO.

Mr. Wong has not been appointed for a specific term but shall be subject to relevant provisions of retirement and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company (the “Articles”) or any other applicable laws whereby he shall vacate his office. There is an employment contract signed between the member of the Group and Mr. Wong. The term of his appointment will continue until terminated by either party by giving to the other not less than three-month notice. He is entitled to a monthly remuneration of approximately HK\$390,000 and is eligible for a performance-related bonus subject to the approval of the Remuneration Committee of the Company (the “Remuneration Committee”). His emoluments are determined with reference to the remuneration benchmark in the industry and the prevailing market conditions.

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**APPENDIX II      BIOGRAPHIES OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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**Aloysius T. S. LEE (“Mr. Lee”)****Executive Director**

**Mr. Lee**, aged 60, is Managing Director — Commercial. He joined our Company in April 2007 and is responsible for all aspects related to branding and marketing. Mr. Lee has over 26 years experience in the commercial field and has extensive working experience in the USA and Singapore. He has held senior management positions in Lotus International Limited, Pacific Century Cyber Works, Sun Cruises, Star Cruises, Morning Star Travel Services and Singapore Airlines. He is currently a member of the Chartered Management Institute and a fellow member of Chartered Institute of Marketing. Mr. Lee holds an MBA from The University of Hong Kong. Mr. Lee did not hold any other directorship in listed public companies in the past three years.

Mr. Lee does not have any position with the Company or its subsidiaries other than being the director of certain subsidiaries of the Group. At the Latest Practicable Date, Mr. Lee has interests in 470,000 shares and 2,973,137 share options of the Company within the meaning of Part XV of the SFO.

Mr. Lee has not been appointed for a specific term but shall be subject to relevant provisions of retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws whereby he shall vacate his office. There is an employment contract signed between the member of the Group and Mr. Lee. The term of his appointment will continue until terminated by either party by giving to the other not less than three-month notice. Mr. Lee is entitled to a monthly remuneration of approximately HK\$390,000 and is eligible for a performance-related bonus subject to the approval of the Remuneration Committee. His emoluments are determined with reference to the remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, at the Latest Practicable Date, neither Mr. Wong nor Mr. Lee has any relationship with any other Director, senior management, substantial or controlling shareholder of the Company and they have no interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wong and Mr. Lee are also not aware of any matters that are required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules or any other matters that need to be brought to the attention of the Shareholders.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Shui On Land Limited (the “**Company**”) will be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong on Wednesday, 21 January 2009 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the Supplemental Agreement (as defined in the circular to shareholders of the Company dated 5 January 2009 and a copy of which has been produced to this meeting marked “A” and initialled by the chairman of this meeting for the purpose of identification) and the continuing connected transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the new Caps (as defined in the abovementioned circular) for the three financial years ending 31 December 2011 be and are hereby approved; and
- (c) the directors of the Company (“**Director(s)**”) be and are hereby authorised to do all such further acts and things and execute such further documents and take all steps which in his/their opinion may be necessary, desirable or expedient to implement and/or give effect to the Supplemental Agreement and all other transactions contemplated thereunder with any changes as such Director(s) may consider necessary, desirable or expedient.”

2. “**THAT** Mr. Louis H. W. WONG be and is hereby re-elected as Director.”

\* *for identification purposes only*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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3. “**THAT** Mr. Aloysius T. S. LEE be and is hereby re-elected as Director.”

By Order of the Board  
**Shui On Land Limited**  
**UY Kim Lun**  
*Company Secretary*

Hong Kong, 5 January 2009

**Notes:**

- (1) Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s place of business in Hong Kong at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof (as the case may be).
- (3) The ordinary resolutions as set out above will be taken by way of poll.

*At the date of this notice, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman and Chief Executive Officer), 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.*