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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 and the enclosed form of proxy to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

### **CONTINUING CONNECTED TRANSACTIONS NEW FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



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A letter from the Board is set out on pages 4 to 8 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 9 and 10 of this circular. A letter from Platinum Securities Company Limited, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 19 of this circular.

A notice convening the extraordinary general meeting to be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong, on Wednesday, 18 January 2012 at 11:00 a.m. is set out on pages 25 to 26 of this circular. A proxy form for the meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the enclosed 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 holding 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 extraordinary general meeting or any adjournment thereof (as the case may be), should you so wish.

\* For identification purpose only

Hong Kong, 3 January 2012

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## DEFINITIONS

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*In this circular, the following expressions shall respectively have the meanings set out below unless the context requires otherwise:*

“associate(s)”, “connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Board”	the board of directors of the Company;
“Caps”	has the meaning ascribed to it under the section headed “Annual Caps”;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability and listed on the main board of the Stock Exchange (stock code: 272);
“Construction Services”	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 of the Group in the PRC;
“Construction Services Framework Agreement”	the construction services framework agreement dated 4 June 2006 entered into between the Company and SSOC in respect of the provision of the Construction Services as supplemented by the supplemental agreement dated 15 December 2008;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong on Wednesday, 18 January 2012 at 11:00 a.m., or any adjournment thereof, the notice of which is set out on pages 25 to 26 of this circular;
“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 Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW, each being an independent non-executive director of the Company, formed to advise the Independent Shareholders on whether the terms and conditions of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable;

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## DEFINITIONS

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“Independent Financial Adviser” or “Platinum”	Platinum Securities Company Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement and the transactions contemplated thereunder (together with the Caps), and a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“Independent Shareholders”	Shareholders other than Mr. Lo and his associates;
“Latest Practicable Date”	28 December 2011, being the latest practicable date for ascertaining certain information for inclusion into this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lo”	Mr. Vincent H. S. LO;
“New Framework Agreement”	the construction services framework agreement dated 9 December 2011 entered into between the Company and SOC in respect of the provision of the Construction Services;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macao Special Administrative Region of the PRC;
“Resolution”	the ordinary resolution to be proposed at the EGM as set out in the notice of EGM on page 25 of this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	holders of the Shares;
“Shares”	ordinary shares of nominal value US\$0.0025 each in the capital of the Company;
“SOCAM”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability and listed on the main board of the Stock Exchange (stock code: 983);
“SOCAM Group”	SOCAM and its subsidiaries;

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## DEFINITIONS

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“SOC”	Shui On Contractors Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SOCAM;
“SOC Group”	SOC and its subsidiaries;
“SSOC”	瑞安建築有限公司 (Shui On Construction Co., Ltd.), a company organised under the laws of the PRC and an indirect non-wholly owned subsidiary of SOC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

*For the purpose of this circular and for illustration purpose only, conversion of RMB to HK\$ is based on the exchange rate of HK\$1.00 = RMB0.82. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.*

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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*)  
Mr. Freddy C. K. LEE (*Chief Executive Officer*)  
Mr. Daniel Y. K. WAN

*Non-executive Director:*

Mr. Frankie Y. L. WONG

*Independent non-executive Directors:*

Sir John R. H. BOND  
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 KY1-9005  
Cayman Islands

*Place of Business in Hong Kong:*

34th Floor, Shui On Centre  
6-8 Harbour Road  
Wan Chai  
Hong Kong

3 January 2012

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS**  
**NEW FRAMEWORK AGREEMENT AND**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

References are made to (a) the announcement dated 15 February 2007 and the circular dated 8 March 2007 issued by SOCAM; and (b) the joint announcement of the Company and SOCAM dated 15 December 2008 and the circular dated 5 January 2009 of each of the Company and SOCAM relating to the Construction Services Framework Agreement entered into between the Company and SSOC on the provision of Construction Services by SSOC to the Group.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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The term of the Construction Services Framework Agreement will end on 31 December 2011. On 9 December 2011, the Company and SOC, a wholly-owned subsidiary of SOCAM, entered into the New Framework Agreement to provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group, including SSOC as one of its members, to the Group for a further term of three financial years to 31 December 2014.

The purpose of this circular is to provide you, amongst other things, with (i) details in connection with the New Framework Agreement and the transactions contemplated thereunder (together with the Caps); (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM.

### NEW FRAMEWORK AGREEMENT

Date: 9 December 2011

Parties: (1) the Company; and  
(2) SOC

Term: Three financial years to 31 December 2014

Subject: To provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group to the Group.

For the Construction Services with a contract sum of less than RMB5 million (equivalent to approximately HK\$6 million):

- (a) SOC Group may provide to the Group the Construction Services on such normal commercial terms as they may agree with each other from time to time in accordance with the prevailing market rates or, if there is no prevailing market rate available, fair and reasonable prices based on arm's length negotiations with reference to the prevailing rates for materials and labour as published in the relevant provincial or city guidelines; and
- (b) both the Group and SOC Group are not bound to contract with each other for the Construction Services and both have the right to obtain or provide the Construction Services from and to independent third parties at their discretion.

For the Construction Services with a contract sum of RMB5 million (equivalent to approximately HK\$6 million) or more:

- (a) SOC Group (or its agent) may bid for contracts for the Construction Services put out to tender by the Group in accordance with its tendering procedures from time to time in place on the same terms as offered to the other independent third parties; and
- (b) if any contract for the Construction Services is granted to SOC Group as a result of a successful bid, SOC Group will provide the Construction Services to the Group based on the terms of the successful bid.

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## LETTER FROM THE BOARD

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The Group has a reassurance mechanism in place of awarding contracts for the Construction Services. The Independent Financial Adviser has reviewed such reassurance mechanism in assessing the fairness and reasonableness of awarding contracts to the SOC Group. Please refer to the letter of advice from the Independent Financial Adviser set out on pages 11 to 19 of this circular for more information.

### ANNUAL CAPS

The maximum aggregate annual sum for all the Construction Services provided and to be provided during the relevant financial year by SOC Group to the Group which would be recognised as revenue of SOC Group for each of the three financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 shall not exceed RMB970 million (equivalent to approximately HK\$1,183 million), RMB1,060 million (equivalent to approximately HK\$1,293 million) and RMB1,250 million (equivalent to approximately HK\$1,524 million) respectively (the “Caps”).

The total amount of revenue recognised by SSOC for all the Construction Services provided to the Group for the two financial years ended 31 December 2010 amounted to approximately RMB196 million (equivalent to approximately HK\$239 million) and RMB527 million (equivalent to approximately HK\$643 million) respectively. The total amount of revenue recognised by SSOC for the Construction Services provided to the Group for the nine months ended 30 September 2011 amounted to approximately RMB622 million (equivalent to approximately HK\$759 million).

The Caps are determined based on the estimated amount of work done to be certified, which will be recognised as revenue upon progressive completion of the outstanding construction services, under the contracts previously awarded to SSOC, and with reference to the expected increase in the Construction Services for the three financial years ending 31 December 2014 which will be performed for new contracts that may be awarded by the Group to SOC Group, in light of the volume of new contracts under negotiation, and the existing and possible growth in the property development project portfolio of the Group in the coming financial years.

### THE REASON FOR AND BENEFIT OF THE CONTINUING CONNECTED TRANSACTIONS

With the Group’s active participation in the property development market in the PRC and considering the track record, experience and expertise of SOC Group who understands well the construction requirements and standards of the Company, the New Framework Agreement allows both the Company and SOCAM to fully capitalise on their respective strength and expertise for the development of their businesses.

The Directors (including the independent non-executive directors) are of the view that the transactions contemplated under the New Framework Agreement are in the ordinary and usual course of business of the Group, the New Framework Agreement (together with the Caps) has been agreed on normal commercial terms after arm’s length negotiations between the parties, and the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable and in the interests of the Shareholders as a whole.



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## LETTER FROM THE BOARD

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The Shareholders should note that the Caps represent reasonable estimates made by the Company and SOCAM of the aggregate annual amount of the relevant transactions based on the information currently available. The Caps bear no direct relationship to, nor should they be taken to have any direct bearing on, the financial or potential financial performance of the Group and SOCAM Group as the Group may or may not engage SOC Group for the Construction Services up to the level of the Caps, if at all, and both have the right to obtain or provide the Construction Services from and to independent third parties at their discretion.

### LISTING RULES' IMPLICATIONS

Mr. Lo, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Mr. Lo, who is also the Chairman of SOCAM, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOCAM. Therefore, SOCAM and SOC are associates of a connected person of the Company. Accordingly, the transactions contemplated under the New Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules calculated for the Company with reference to the Caps exceed 5%, the Company is required to comply with the announcement, Independent Shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

In view of Mr. Lo's interest in SOCAM, Mr. Lo and his associates shall abstain from voting at the EGM.

### GENERAL

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

SOC Group, a construction arm of SOCAM, is principally engaged in building construction and maintenance, interior fitting-out and management contracting services.

### EXTRAORDINARY GENERAL MEETING

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, 18 January 2012 at 11:00 a.m. is set out on pages 25 and 26 of this circular. At the EGM, the Resolution will be proposed to, amongst other things, approve the New Framework Agreement and the transactions contemplated thereunder (together with the Caps).

A proxy form for 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

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## LETTER FROM THE BOARD

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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 EGM and any adjourned meeting (as the case may be) if you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the EGM will demand a poll for the Resolution. The results of the voting will be announced after the EGM.

In view of Mr. Lo's interest in SOCAM as set out above, Mr. Lo has a material interest in the transactions contemplated under the New Framework Agreement. He was therefore required to abstain from voting on the board resolutions approving the New Framework Agreement and the transactions contemplated thereunder (together with the Caps). Other than Mr. Lo, none of the Directors has a material interest in the transactions contemplated under the New Framework Agreement and thus no other Director was required to abstain from voting on the board resolutions approving the New Framework Agreement and the transactions contemplated thereunder (together with the Caps).

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the New Framework Agreement are in the ordinary and usual course of business of the Group, the New Framework Agreement (together with the Caps) has been agreed on normal commercial terms after arm's length negotiations between the parties, and the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable and in the interests of the Shareholders as a whole. The Directors recommend the Independent Shareholders to vote in favour of the Resolution.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 9 and 10 of this circular which contains its recommendation to the Independent Shareholders on the New Framework Agreement and the transactions contemplated thereunder (together with the Caps); (ii) the letter of advice from the Independent Financial Adviser set out on pages 11 to 19 of this circular which contains the Independent Financial Adviser's advice to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) and some information on the current arrangements as set out on pages 13 to 17 of this circular; and (iii) the general information set out in Appendix 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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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)**

3 January 2012

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS**  
**NEW FRAMEWORK AGREEMENT**

**INTRODUCTION**

We refer to the circular of the Company dated 3 January 2012 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) and to advise the Independent Shareholders whether, in our opinion, the transactions contemplated under the New Framework Agreement are in the ordinary and usual course of business of the Group, and whether the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) have been agreed on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Platinum has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same respect.

We wish to draw your attention to the letter from the Board set out on pages 4 to 8 of the Circular which contains information about the New Framework Agreement and the letter of advice from the Independent Financial Adviser set out on pages 11 to 19 of the Circular which contains advice in respect of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps).

\* *For identification purpose only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the advice of Platinum, we consider that the transactions contemplated under the New Framework Agreement are in the ordinary and usual course of business of the Group, the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) have been agreed on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and we recommend the Independent Shareholders to vote in favour of the Resolution.

Yours faithfully,  
**Independent Board Committee**  
**Shui On Land Limited**

**Sir John R. H. BOND**  
*Independent non-executive*  
*Director*

**Dr. William K. L. FUNG**  
*Independent non-executive*  
*Director*

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

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

**Mr. David J. SHAW**  
*Independent non-executive*  
*Director*

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser prepared for incorporation in this circular.*



**PLATINUM** Securities Company Limited

22/F Standard Chartered Bank Building  
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**Telephone** (852) 2841 7000

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**Website** [www.platinum-asia.com](http://www.platinum-asia.com)

3 January 2012

*To the Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

### CONTINUING CONNECTED TRANSACTIONS NEW FRAMEWORK AGREEMENT

#### INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) (the “Proposed Transactions”). Details of the New Framework Agreement and the Proposed Transactions are contained in the letter from the Board as set out in the circular of the Company dated 3 January 2012 (the “Circular”). Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the Proposed Transactions are in the ordinary and usual course of business of the Group, and the terms of the New Framework Agreement and the Proposed Transactions were agreed on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and to advise the Independent Board Committee and the Independent Shareholders on whether the Independent Shareholders should vote in favour of the Resolution at the EGM.

In formulating our opinion, we have relied on the information and facts supplied to us by the Directors and/or management of the Company. We have reviewed, among other things: i) the announcement dated 15 February 2007 and the circular dated 8 March 2007 issued by SOCAM; ii) the joint announcement of the Company and SOCAM dated 15 December 2008; iii) the circular dated 5 January 2009 of each of the Company and SOCAM relating to the Construction Services Framework Agreement entered into between the Company and SSOC on the provision of Construction Services by SSOC to the Group (the “2009 Circular”); iv) the New Framework Agreement; v) samples of

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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tendering notes which analysed and compared tenders submitted by various parties (including SSOC) for certain projects of which construction contracts were eventually awarded to SSOC under the Construction Services Framework Agreement (the “Tendering Notes”); vi) the interim financial report of the Group for the six months ended 30 June 2011; vii) samples of non-tender contracts with value less than RMB1 million and quotation notes which broke down items of Construction Services provided by SSOC under the Construction Services Framework Agreement and viii) calculation of the Caps for the three financial years ending 31 December 2012, 2013, and 2014 respectively.

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Directors and/or management of the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Directors and/or management of the Company which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Company. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Proposed Transactions.

We are independent from, and are not associated with the Company or any other party to the Proposed Transactions, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the Proposed Transactions. We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transactions. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Proposed Transactions or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

As set out in the 2009 Circular, on 15 December 2008, SSOC and the Company agreed to enter into the Construction Services Framework Agreement in order to extend the term of provision of Construction Services by SSOC to the Company for three financial years to 31 December 2011. Since the term of the Construction Services Framework Agreement will end on 31 December 2011, the Company and SOC, a wholly-owned subsidiary of SOCAM, entered into the New Framework Agreement to provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group, including SSOC as one of its members, to the Group for a term of three financial years to 31 December 2014.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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Mr. Lo, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Mr. Lo, who is also the Chairman of SOCAM, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOCAM. Therefore, SOCAM and SOC are associates of a connected person of the Company. Accordingly, the Proposed Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules calculated for the Company with reference to the Caps exceed 5%, the Company is required to comply with the announcement, Independent Shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules. In view of Mr. Lo's interest in SOCAM, Mr. Lo and his associates shall abstain from voting at the EGM.

The Independent Board Committee, comprising Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW, has been established to advise the Independent Shareholders as to whether the Proposed Transactions are in the ordinary and usual course of business of the Group, the terms of the New Framework Agreement and the Proposed Transactions have been agreed on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

#### 1 Background and reasons for the New Framework Agreement

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

SOC Group, a construction arm of SOCAM, is principally engaged in building construction and maintenance, interior fitting-out and management contracting services.

In its ordinary course of business, as one of the leading property developers in the PRC, the Group will engage contractors to carry out construction of property development projects including but not limited to civil engineering, electrical work and fitting-out work for building construction and decoration and renovation work. As set out in the 2009 Circular, qualified contractors, material suppliers and consultants (including SSOC) would be invited to submit tenders for the construction work for each construction contract with value of RMB1 million or more. For those contracts with value less than RMB1 million, the Group might enter into contracts with the contractors at its discretion without going through the tendering procedures.

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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the joint announcement of SOCAM and the Company dated 15 December 2008, SSOC and the Company agreed to enter into the Construction Services Framework Agreement in order to extend the term of provision of Construction Services by SSOC to the Company for three financial years to 31 December 2011. The proposed maximum annual total payment for all the Construction Services provided by SSOC to the Group for each of the three financial years ending 31 December 2011 were RMB410 million, RMB561 million and RMB845 million respectively.

Under the New Framework Agreement as set out in the Circular, for construction contracts with value of RMB5 million or more (“Tender Contracts”), SOC Group (or its agent) may bid for contracts for the Construction Services put out to tender by the Group in accordance with its tendering procedures from time to time in place on the same terms as offered to the other independent third parties (the “Tendering Procedures”). For those construction contracts with value less than RMB5 million (“Non-tender Contracts”), the Group may enter into the contracts with SOC Group at the discretion of the Group based on normal commercial terms without the Tendering Procedures.

As stated in the letter from the Board in the Circular, with the Group’s active participation in the property development market in the PRC and considering the track record, experience and expertise of SOC Group who understands well the construction requirements and standards of the Company, the New Framework Agreement allows both the Company and SOCAM to fully capitalise on their respective strength and expertise for the development of their businesses. Since the term of the Construction Services Framework Agreement will end on 31 December 2011, the Company and SOC entered into the New Framework Agreement to provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group, including SSOC as one of its members, to the Group for a further term of three financial years to 31 December 2014.

In light of the above, we are of the view that entering into the New Framework Agreement and engaging qualified contractors such as SOC Group to provide Construction Services to the Group are in the ordinary and usual course of business of the Group.

### **2 Principal Terms of the New Framework Agreement**

Pursuant to the New Framework Agreement, the Group may engage SOC Group to provide Construction Services in accordance with the terms and conditions as set out in the New Framework Agreement.

As set out in the letter from the Board in the Circular, for the Construction Services with a contract sum of RMB5 million (equivalent to approximately HK\$6 million) or more, SOC Group (or its agent) may bid for contracts for the Construction Services put out to tender by the Group in accordance with its tendering procedures from time to time in place on the same terms as offered to the other independent third parties; and if any contract for the Construction Services is granted to SOC Group as a result of a successful bid, SOC Group will provide the Construction Services to the Group based on the terms of the successful bid.



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## LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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In order to assess the fairness and reasonableness of the mechanism of awarding Tender Contracts, we have reviewed samples of Tendering Notes which analysed and compared tenders submitted by various parties (including SSOC) for certain projects of which construction contracts were eventually awarded to SSOC under the Construction Services Framework Agreement. We noted that when contemplating awarding the contracts, the Group considered a number of factors including but not limited to tender price, track record of the bidders, the expertise of the bidders on particular types of construction work required, the expected working days to complete the construction, and experience of bidders in similar projects. Based on the Tendering Notes, we found that the prices charged by SSOC were competitive and reasonable, and the major terms and conditions of the proposed contracts were reasonable as compared to those by other bidders. As such, we are of the view that the prices charged by SOCAM were fair and reasonable, and the mechanism of awarding Tender Contracts is fair and reasonable.

As set out in the letter from the Board in the Circular, for the Construction Services with a contract sum of less than RMB5 million (equivalent to approximately HK\$6 million), SOC Group may provide to the Group the Construction Services on such normal commercial terms as they may agree with each other from time to time in accordance with the prevailing market rates or, if there is no prevailing market rate available, fair and reasonable prices based on arm's length negotiations with reference to the prevailing rates for materials and labour as published in the relevant provincial or city guidelines; and both the Group and SOC Group are not bound to contract with each other for the Construction Services and both have the right to obtain or provide the Construction Services from and to independent third parties at their discretion.

As set out in the New Framework Agreement, for Construction Services with a contract sum of less than RMB5 million, SOC Group shall provide to the Group such services on such normal commercial terms as the Group may agree with SOC Group from time to time in accordance with the following:

- (i) the Group and SOC Group 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 (a) no less favourable to the Group overall than those customarily offered if provided by an independent third party contractor for comparable Construction Services and (b) no less favourable to SOC Group overall than those customarily offered if provided to an independent third party owner 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 the prevailing rates for materials and labour as published in the relevant provincial or city guidelines; and
- (iii) the Group 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.

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In addition, we understand from the management of the Company that for awarding contracts (including but not limited to non-tender contracts with value less than RMB1 million), the Group would assess the experience and expertise of the contractors in similar projects, availability of the Construction Services, and quotations of the proposed construction contracts as per internal control assurance mechanism. Such mechanism is observed by project teams headed by project directors to award contracts with value less than RMB3 million. The project teams would seek consultation with quantity surveyors and external consultants if necessary in relation to the assessment. Written reports of such assessment would be stored for external audits and regular internal audits. The project teams would observe the same internal control assurance mechanism for awarding contracts with value of RMB3 million or more, except that corporate office would be involved in the awarding decisions. We have also reviewed certain samples of non-tender contracts with value less than RMB1 million and quotation notes which broke down items of Construction Services provided by SSOC under the Construction Services Framework Agreement. We noted that for items included in the contracts, the Group referred to prevailing market rates or, if such rates were not available, referred to prevailing rates as published in the relevant provincial or city guidelines to determine the prices. As such, we are of the view that the awarding mechanism of contracts is on normal commercial terms, fair and reasonable, and that terms and prices of non-tender contracts are not less favorable than other independent parties.

We noted that under the New Framework Agreement, the Group can award Non-tender Contracts for contracts with value less than RMB5 million as opposed to RMB1 million previously as set out in the 2009 Circular. We have been advised by the management of the Company that they, having taken into account the Caps and inflation in the PRC, proposed the increase in the threshold contract value at and over which contracts are awarded through the Tendering Procedures in order to improve operation efficiency of the Company. In this respect, we compared the Caps as set out in the letter from the Board in the Circular and the general inflation in the PRC as represented by the growth in Consumer Price Index (the "CPI") on a year-on-year basis since January 2009. We observed that the Company expects more value of contracts would be awarded to SOC Group for the three financial years ending 31 December 2012, 2013, and 2014 respectively as represented by the Caps which are higher than the caps under the Construction Services Framework Agreement by taking into account (a) the probability of SOC Group taking up more projects with its increasing capability; (b) higher success rate of SOC Group's tenders; (c) more property development projects of the Group coming on stream that may be suitable for SOC Group to tender. In addition, according to Bloomberg, the average monthly CPI growth since January 2009 is approximately 2.65%, which pointed to continuously increasing costs of labour and materials in general in the PRC. Given the above, we are of the view that by raising the threshold contract value, relatively more Non-tender Contracts can be awarded than should the threshold contract value remained unchanged. Based on the understanding that awarding Non-tender Contracts is generally more efficient in terms of time than awarding Tender Contracts through the Tendering Procedures, we are of the view that increasing the threshold contract value would enable the Company to procure more timely delivery of construction services and thus improve the operation efficiency of the Company.

With regard to improving the operation efficiency of the Company by setting the threshold contract value at RMB5 million as opposed to any other amounts, we are advised by the management of the Company that the decision was based upon a review done at the end of 2010. According to the review which examined the total number of contracts awarded, the number of contracts with value less

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than RMB5 million was about 68% (as compared with that of contracts with value less than RMB1 million about 48%) of the total number of contracts awarded during the year 2010. Taking into account the increased value of contracts to be awarded to SOC Group and the recent CPI growth level, the management of the Company is of the view that by raising the threshold contract value to RMB5 million under the New Framework Agreement through Non-tender Contracts would improve operation efficiency of the Company. We concur with the view of the management of the Company that operation efficiency can be improved by raising the threshold of contract value awarded through Non-tender Contracts. The management of the Company also indicated that as stipulated in the Company's tendering process, the project offices will perform the tendering according to the pre-agreed tender/contract packages and time schedules to suit the project need. The project offices will submit monthly reports including the tendering status and contract awards to the head office for monitoring purposes. They believe such procedures will prevent the sub-division of a contract into a few contracts to avoid exceeding the RMB5 million threshold.

In light of the above, we are of the view that the Group would award construction contracts in relation to its property development projects pursuant to a reassurance mechanism which helps to ensure the terms and prices of the contracts awarded to SOC Group under the New Framework Agreement are agreed on normal commercial terms, and are fair and reasonable.

### 3 The Caps

#### Historical figures

Set out below are the total amount of revenue recognised by SSOC for all the Construction Services provided to the Group (the "Amount") for the financial year ended 31 December 2009 ("FY2009"), the financial year ended 31 December 2010 ("FY2010"), and for the nine months ended 30 September 2011:

**Table 1: The Amount**

	<b>For the year ended 31 December 2009</b>	<b>For the year ended 31 December 2010</b>	<b>For the 9 months ended 30 September 2011</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
<b>Construction Services provided by SSOC to the Group</b>	196	527	622

*Source: Circular*

As shown in the Table 1 above, the Amount has been increasing over the past two years. For FY2010, the Amount was approximately RMB527 million, representing an increase of approximately 168.9% as compared with the Amount for FY2009. For the nine months ended 30 September 2011, the Amount was approximately RMB622 million, representing an increase of

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approximately 18.0% as compared with the Amount for FY2010. We noted that the upward trend in the Amount is in line with the caps as set out in the 2009 Circular where the caps were proposed to be RMB410 million for FY2009, RMB561 million for FY2010, and RMB845 million for the financial year ending 31 December 2011 (“FY2011”) respectively.

### Annual Cap

**Table 2: The Caps**

	For the year ended		
	31 December		
	2012	2013	2014
	(RMB million)	(RMB million)	(RMB million)
<b>Construction Services provided by SOC to the Group</b>	970	1,060	1,250

*Source: Circular*

As shown in the Table 2 above, it is proposed that the Caps for each of the three financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 shall not exceed RMB970 million (equivalent to approximately HK\$1,183 million), RMB1,060 million (equivalent to approximately HK\$1,293 million) and RMB1,250 million (equivalent to approximately HK\$1,524 million) respectively. As set out in the letter from the Board in the Circular, the Caps are determined based on the estimated amount of work done to be certified, which will be recognised as revenue upon progressive completion of the outstanding construction services under the contracts previously awarded to SSOC, and with reference to the expected increase in the Construction Services for the three financial years ending 31 December 2014 which will be performed for new contracts that may be awarded by the Group to SOC Group, in light of the volume of new contracts under negotiation, and the existing and possible growth in the property development project portfolio of the Group in the coming financial years. We noted that the Caps represent an upward trend and are higher than the caps as set out in the 2009 Circular. In this regard, we were advised by the management of the Company that the Caps are proposed to be higher mainly due to climbing inflation in the PRC and due to the fact that the development pace of the Group has accelerated.

We understand from the management of the Company that the estimated amount of work done to be certified, which will be recognised as revenue upon progressive completion of the outstanding construction services under the contracts previously awarded to SSOC are approximately RMB368.4 million, RMB28.5 million and RMB14.2 million for the financial years ending 31 December 2012, 2013, and 2014 respectively. In addition, we have reviewed the Group’s development projects mainly in Shanghai, Wuhan, Chongqing, Foshan and Dalian and we have considered the total size of land bank that the Group currently held and its plans on development on these lands, including the nature of the properties to be developed on the lands and the estimated construction costs to be incurred for the projects. According to the Company’s interim report for the six months ended 30 June 2011, the Group is making good progress toward

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the target of delivering one million square metres of property by 2012, and the Group expected to deliver 708,000 square metres by the end of FY2011. As of 30 June 2011, the Group's land bank stood at 13.1 million square metres (11.4 million square metres of leasable and saleable gross floor area ("GFA"), and 1.7 million square metres of clubhouses, car parking spaces and other facilities). As of 30 June 2011, the Group (including Dalian associates) had a GFA of 4.4 million square metres of properties under development and a GFA of 6.5 million square metres of properties held for future development.

In light of the above, we are of the view that the Caps are fair and reasonable, and are in line with the business development of the Group.

### RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, have taken into account the following in arriving at our opinion:

- (i) the New Framework Agreement and engaging qualified contractors such as SOC Group to provide Construction Services to the Group are in the ordinary and usual course of business of the Group;
- (ii) the Group would award construction contracts in relation to its property development projects pursuant to a reassurance mechanism which helps to ensure the terms and prices of the contracts awarded to SOC Group under the New Framework Agreement are agreed on normal commercial terms, and are fair and reasonable;
- (iii) the Caps are fair and reasonable, and are in line with the business development of the Group.

Having considered the above, we are of the view that the Proposed Transactions are in the ordinary and usual course of business of the Group, and the terms of the New Framework Agreement and the Proposed Transactions have been agreed on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and we recommend the Independent Shareholders to vote in favour of the Resolution to approve the New Framework Agreement and the Proposed Transactions at the EGM.

Yours faithfully,  
For and on behalf of  
**Platinum Securities Company Limited**

**Ian Ramsay**  
*Director and Head of Corporate Finance*

**Lenny Li**  
*Director*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular 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 the 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) Long position in the Shares and the underlying Shares

Name of Directors	Number of Ordinary Shares			Interests in the underlying Shares		Total	Approximate percentage of interests to the issued share capital of the Company at the Latest Practicable Date
	Personal interests	Family interests	Other interests	Share Options	Other Equity Derivatives		
Mr. Lo	—	1,333,430 <i>(Note 1)</i>	3,266,796,897 <i>(Note 2)</i>	—	276,182,711 <i>(Note 5)</i>	3,544,313,038	68.00%
Mr. Freddy C. K. LEE	286,000	208,500 <i>(Note 3)</i>	—	5,077,338 <i>(Note 3)</i>	—	5,571,838	0.10%
Dr. William K. L. FUNG	4,133,593	—	—	—	—	4,133,593	0.08%
The Honourable LEUNG Chun Ying	—	—	—	500,000	—	500,000	0.01%
Sir John R. H. BOND	—	—	—	500,000	—	500,000	0.01%

Name of Directors	Number of Ordinary Shares			Interests in the underlying Shares		Total	Approximate percentage of interests to the issued share capital of the Company at the Latest Practicable Date
	Personal interests	Family interests	Other interests	Share Options (Note 4)	Other Equity Derivatives		Date (Note 6)
Professor Gary C. BIDDLE	220,000	—	—	500,000	—	720,000	0.01%
Dr. Roger L. McCARTHY	—	—	—	500,000	—	500,000	0.01%
Mr. David J. SHAW	—	—	—	500,000	—	500,000	0.01%

## Notes:

- (1) These Shares were beneficially owned by Ms. Loletta CHU (“**Mrs. Lo**”), the spouse of Mr. Lo. Mr. Lo was deemed to be interested in such Shares under Part XV of the SFO.
- (2) These Shares were beneficially owned by Shui On Company Limited (“**SOCL**”) through its controlled corporations, comprising 1,411,712,352 Shares, 1,717,614,889 Shares and 137,469,656 Shares held by Shui On Properties Limited (“**SOP**”), Shui On Investment Company Limited (“**SOI**”) and New Rainbow Investments Limited (“**NRI**”) respectively. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings (PTC) Inc. (“**Bosrich**”). 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 (“**HSBC Trustee**”) is the trustee. Accordingly, Mr. Lo, Mrs. Lo, Bosrich and HSBC Trustee were deemed to be interested in such Shares under Part XV of the SFO. The 1,717,614,889 Shares held by SOI include SOI’s interests in 613,529,412 Shares which will be issued by the Company as initial consideration upon completion of the transactions (including the sale and purchase of the entire issued share capital of Rimmer Investments Limited and 66.7% of the entire issued share capital of Magic Garden Investments Limited) under the agreement dated 9 September 2011 amongst Rich Bright Holdings Limited (an indirect wholly-owned subsidiary of the Company), Cassidy Enterprises Corp. (an indirect wholly-owned subsidiary of SOI) and SOI (the “**Transactions**”). Details of the Transactions are set out in the circular of the Company dated 6 October 2011.
- (3) Mr. Freddy C. K. LEE was deemed to be interested in 208,500 Shares and 946,218 share options held by his spouse under Part XV of the SFO.
- (4) These represent the interests of share options granted to the Directors and/or their respective associate(s) under the share option scheme adopted by the Company on 8 June 2007 to subscribe for Shares.
- (5) Chester International Cayman Limited (“**Chester International**”) was taken to be interested in 276,182,711 Shares as a result of the equity swap transactions entered into between Chester International as equity swap receiver and Standard Chartered Bank, Singapore Branch as equity swap payer on 7 September 2010 and 8 September 2010 respectively. Chester International is a direct wholly-owned subsidiary of SOI. Accordingly, Mr. Lo was deemed to be interested in such Shares under Part XV of the SFO.

(6) These percentages have been compiled based on the total number of issued Shares (i.e. 5,211,587,981 Shares) at the Latest Practicable Date.

*(b) Interests in the debentures of the Company*

<b>Name of Director</b>	<b>Nature of Interests</b>	<b>Amount of Debentures</b>
Dr. William K. L. FUNG	Interest of controlled corporation	RMB12,700,000

*(c) Interests in the debentures of the associated corporation of the Company*

<b>Name of Director</b>	<b>Name of Associated Corporation</b>	<b>Nature of Interests</b>	<b>Amount of Debentures</b>
Sir John R. H. BOND	Shui On Development (Holding) Limited	Personal	RMB5,000,000

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.

At the Latest Practicable Date, save for the Transactions as disclosed in the circular of the Company dated 6 October 2011, none of the Directors or the proposed Directors had any direct or indirect interests in any assets which had since 31 December 2010 (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 were proposed to be acquired or disposed of by or leased to any member of the Group.

At the Latest Practicable Date, saved as disclosed in this circular and in the Company's circular dated 6 October 2011, 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.



At the Latest Practicable Date, save as disclosed below, none of the Directors or the proposed Directors was a director or employee of a company which had an interest or short position in the Shares and 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:

<b>Name of Directors</b>	<b>Name of companies which had such discloseable interest or short position</b>	<b>Position within such companies</b>
Mr. Lo	SOCL, SOP, SOI and NRI	director
Mr. Frankie Y. L. WONG	SOCL, SOP and SOI	director

### 3. SERVICE CONTRACTS

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

### 4. COMPETING INTERESTS

Mr. Lo is the Chairman of the Company, and the ultimate controlling shareholder, chairman and chief executive officer of the Shui On Group (i.e. SOCL and its subsidiaries, but excluding SOCAM and its subsidiaries). 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 interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

### 5. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion and advice, which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Platinum	a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Platinum 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.

#### **6. EXPERT'S INTEREST**

At the Latest Practicable Date, Platinum:

- (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) did not have any direct or indirect interest in any assets which had since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

#### **7. MATERIAL ADVERSE CHANGE**

Save as the decrease in turnover and profit for the period as disclosed in the 30 June 2011 interim financial statements, at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, the date to which the latest published audited consolidated financial statements of the Company were made up.

#### **8. 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 18 January 2012:

- (i) the Construction Services Framework Agreement;
- (ii) the supplemental agreement to the Construction Services Framework Agreement dated 15 December 2008;
- (iii) the New Framework Agreement;
- (iv) the "Letter from the Independent Board Committee" as set out in this circular;
- (v) the "Letter of Advice from the Independent Financial Adviser" as set out in this circular; and
- (vi) the letter of consent from Platinum referred to in item 5 of this Appendix.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

### 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, 18 January 2012 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT:**

- (a) the New Framework Agreement (as defined in the circular of the Company dated 3 January 2012), (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the Caps (as defined in the abovementioned circular) for the three financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 be and are hereby approved; and
- (c) the directors of the Company 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 New Framework Agreement and all other transactions contemplated thereunder with any changes as such they may consider necessary, desirable or expedient.”

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

Hong Kong, 3 January 2012

\* *For identification purpose only*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

- (1) Any member entitled to attend and vote at the EGM 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 appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a member from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be), should he so wish.
- (3) The ordinary resolution as set out above will be taken by way of poll.