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Unless defined herein, terms in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 20 September 2006 (the "Prospectus").

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)

OPTIONS OVER SHUI ON PLAZA AND THE CENTREPOINT

The Company announces that at the first meeting of the Board of Directors of the Company after the Company's listing on the Hong Kong Stock Exchange, held on 3 November 2006, the independent non-executive directors of the Company considered, in accordance with the arrangements disclosed in the Prospectus, whether or not to exercise the options granted to the Company over the retained interests of its ultimate holding company, Shui On Company Limited, in Shui On Plaza, Shanghai and The Centrepoint, Guangzhou.

The INEDs present at the meeting, without any of the executive directors in attendance, and after considering an advisory report prepared by an independent financial advisor, concluded that it would not be in the best interests of the Company and its shareholders to exercise the options to acquire the Shui On Plaza Interest or the Centrepoint Interest at this point of time.

In accordance with the arrangements disclosed in the Prospectus, at the first meeting of the Board of Directors of the Company after the Company's listing on the Hong Kong Stock Exchange, held on 3 November 2006, the independent non-executive directors ("INEDs") of the Company present at the meeting considered whether or not to exercise the options granted to the Company over the retained interests of its ultimate holding company, Shui On Company Limited, in Shui On Plaza, Shanghai (the "Shui On Plaza Interest") and The Centrepoint, Guangzhou (the "Centrepoint Interest"). BNP Paribas Peregrine Capital Limited ("BNP Paribas") was appointed as the independent financial adviser to provide advice to the INEDs as to whether it would be in the best interests of the Company and its shareholders to exercise these options.

On the bases, and in reliance on the reasons, assumptions and qualifications, presented and communicated across to the INEDs, the highlights of BNP Paribas' opinions were:

In respect of Shui On Plaza Interest

Although it was in the interest of the Company from the competition perspective to exercise the option for the Shui On Plaza Interest, it might not be in the best interests of the Company and its shareholders to exercise the option for the Shui On Plaza Interest at this point of time. Attention had been drawn to several factors, including the need to raise external financing due to limited existing internal resources of the Group and restriction to issue further shares or securities convertible into equity securities of the Company under the Listing Rules. On the bases and assumptions used for external borrowings as set out in the presentation earnings per share would only increase marginally while gearing ratio of the Group would increase and there would be no change to the net assets value of the Group. It was noted that borrowing at less favourable terms than assumed to be available could result in a negative impact on the Group's earnings per share.

In respect of the Centerpoint Interest

Taking into consideration (i) and (ii) below, it was not in the best interests of the Company and its shareholders to exercise the option to acquire the Centrepoint Interest, as:

(i) The Centrepoint is not part of a large city-core or integrated residential development. It is not consistent with the Company's strategy to acquire this type of project; and

(ii) The Group currently does not have property project in Guangzhou that is in vicinity to The Centrepoint.

The INEDs present at the meeting, without any of the executive directors in attendance, concluded after taking into account the advice provided by BNP Paribas that:

(a) the Shui On Plaza Interest would only improve the Company's earnings per share marginally as advised by BNP Paribas based on the borrowing assumptions set out in the presentation. The returns from such an acquisition would be less favourable than the potential returns from various other prospective projects which the Company may decide to undertake. Therefore, it would not be in the best interests of the Company and its shareholders to exercise the option to acquire the Shui On Plaza Interest at this point of time; and

(b) The Centrepoint is a stand-alone project in Guangzhou and is not compatible with the current business model of the Company. Therefore, the exercise of the option to acquire the Centrepoint Interest would not be in the best interests of the Company and its shareholders at this point of time.

By order of the Board of Directors
Lo Hong Sui, Vincent
Chairman

Hong Kong, 21 November 2006

*As at the date of this announcement, the directors of the Company are Mr. Lo Hong Sui, Vincent, Mr. Wong Ying Wai, Wilfred, Mr. Addison, William Timothy, Sir John R. H. Bond**, The Honourable Leung Chun Ying**, Dr. Cheng Wai Kin, Edgar**, Dr. Fung Kwok Lun, William**, Professor Biddle, Gary Clark**, Dr. McCarthy, Roger Lee** and Mr. Shaw, David John**.*

** for identification purposes only*

*** Independent non-executive director*

Please also refer to the published version of this announcement in South China Morning Post.