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瑞安建業有限公司*

SHUI ON CONSTRUCTION AND MATERIALS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

HK\$930,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2009

(Stock Code: 2553)

ANNOUNCEMENT

FURTHER ADJUSTMENT OF CONVERSION PRICE OF THE CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 20 July 2006, 31 July 2008 and 28 August 2008 relating to the Convertible Bonds.

Pursuant to the terms and conditions of the Convertible Bonds, the prevailing Conversion Price has been further adjusted downwards from HK\$15.41 to HK\$12.34 with effect from 31 May 2009.

Reference is made to the announcements of the Company dated 20 July 2006, 31 July 2008 and 28 August 2008 relating to the Convertible Bonds.

One of the terms and conditions of the Convertible Bonds provides that if the average of the daily volume weighted average prices of the Shares for the period of 15 consecutive trading days immediately prior to 31 July 2007, 31 July 2008 and 31 May 2009 is less than the then prevailing Conversion Price, the Conversion Price shall be adjusted downwards to this 15-day average volume weighted trading price with effect on such reset date, provided that the adjusted Conversion Price shall in no event be less than HK\$12.34, being 72% of the initial Conversion Price of HK\$17.134.

On 31 July 2008, the Conversion Price was adjusted downwards from HK\$17.134 to HK\$15.41.

The average of the daily volume weighted average prices of the Shares for 15 consecutive trading days immediately prior to 31 May 2009 is HK\$10.10 per Share. Accordingly, pursuant to the terms and conditions of the Convertible Bonds, the prevailing Conversion Price has been further adjusted downwards from HK\$15.41 to HK\$12.34 with effect from 31 May 2009.

Apart from the Adjustment, there is no change to the terms and conditions of the Convertible Bonds.

DEFINITIONS

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

“Adjustment”	the downward adjustment of the Conversion Price from HK\$15.41 to HK\$12.34 with effect from 31 May 2009 in accordance with the terms and conditions of the Convertible Bonds;
“Company”	Shui On Construction and Materials Limited, a company incorporated in Bermuda whose securities are listed on the main board of the Stock Exchange;
“Conversion Price”	the price per Share, as adjusted from time to time, at which the Convertible Bonds may be converted into Shares;
“Convertible Bonds”	the HK\$930,000,000 zero coupon convertible bonds due 2009 issued by the Company, the details of which are set out in the announcement of the Company dated 20 July 2006;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board
Shui On Construction and Materials Limited
Lo Hong Sui, Vincent
Chairman

Hong Kong, 1 June 2009

At the date of this announcement, the executive directors of the Company are Mr. Lo Hong Sui, Vincent, Mr. Choi Yuk Keung, Lawrence, Mr. Wong Yuet Leung, Frankie and Mrs. Lowe Hoh Wai Wan, Vivien; the non-executive director of the Company is Professor Michael Enright; and the independent non-executive directors of the Company are Mr. Anthony Griffiths, Mr. Gerrit de Nys and Ms. Li Hoi Lun, Helen.

** For identification purpose only*

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