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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)

FURTHER ANNOUNCEMENT

DISPOSAL OF PARTIAL INTEREST IN SHUI ON LAND LIMITED

Reference is made to the announcement of the Company dated 1 June 2010 (the “**Announcement**”). The purpose of this announcement is to provide an update on the development of the Disposal. Terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The final Purchase Price as determined on 10 June 2010 was HK\$3.4088 per SOL Share. As the Purchase Price does not exceed the Maximum Purchase Price of HK\$4.00 per SOL Share, SOPL is obliged to purchase approximately Hong Kong dollars one billion and eighty million (HK\$1,080,000,000) worth of SOL Shares, being approximately 316.83 million SOL Shares at HK\$3.4088 per SOL Share, representing approximately 6.31% of the issued share capital of SOL at the date of this announcement.

Shareholders and potential investors should note that the Disposal is still subject to, among other things, the approval of the Independent Shareholders at the SGM for the execution of the Agreement and the Disposal. The release of this further announcement does not in any way indicate that the Disposal will be successfully completed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 1 June 2010 (the “**Announcement**”). The purpose of this announcement is to provide an update on the development of the Disposal. Terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

FINAL PURCHASE PRICE

As the current market price as referred to in the Announcement is lower than the Minimum Purchase Price of HK\$3.4088, the final Purchase Price as determined on 10 June 2010 was HK\$3.4088 per SOL Share, being the Minimum Purchase Price.

As the Purchase Price does not exceed the Maximum Purchase Price of HK\$4.00 per SOL Share, SOPL is obliged to purchase approximately Hong Kong dollars one billion and eighty million (HK\$1,080,000,000) worth of SOL Shares, being approximately 316.83 million SOL Shares at HK\$3.4088 per SOL Share, representing approximately 6.31% of the issued share capital of SOL at the date of this announcement.

IMPACT ON THE GROUP'S OWNERSHIP IN SOL

Based on the final Purchase Price of HK\$3.4088 per SOL Share, the Group's interest in SOL will be reduced from approximately 8.67% to approximately 2.36% upon completion of the Disposal, and the interest of the Shui On Group in SOL will be increased from approximately 41.39% to approximately 47.70%. The collective interest of the Shui On Group and the Group in SOL will remain unchanged at approximately 50.06%.

FINANCIAL IMPACT ON THE GROUP

Based on the final Purchase Price of HK\$3.4088 per SOL Share, the Group will record a gain on the Disposal, being the difference between the final Purchase Price and the carrying investment cost of the Sale Shares of approximately HK\$2.23 per SOL Share, before transaction costs. Such gain is estimated to be approximately HK\$374.34 million (including transfer from the investment revaluation reserve) and is expected to be recognised in the Group's consolidated income statement for the year ending 31 December 2010.

At the date of this announcement, the SFC has granted a waiver on the obligations of the Shui On Group and the persons acting in concert with it to make a general offer pursuant to the Takeovers Code in respect of the Disposal, and the Disposal remains subject to the other conditions set out in the Announcement.

A circular containing information with respect to the Disposal has been despatched to the Shareholders on 10 June 2010.

Shareholders and potential investors should note that the Disposal is still subject to, among other things, the approval of the Independent Shareholders at the SGM for the execution of the Agreement and the Disposal. The release of this further announcement does not in any way indicate that the Disposal will be successfully completed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.

By Order of the Board
Shui On Construction and Materials Limited
Wong Kun To, Philip
Chief Executive Officer

Hong Kong, 10 June 2010

At the date of this announcement, the executive Directors are Mr. Lo Hong Sui, Vincent, Mr. Choi Yuk Keung, Lawrence, Mr. Wong Yuet Leung, Frankie, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond; and the independent non-executive Directors are Mr. Gerrit Jan de Nys, Ms. Li Hoi Lun, Helen, Mr. David Gordon Eldon, Mr. Chan Kay Cheung and Mr. Tsang Kwok Tai, Moses.

** For identification purpose only*

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