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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Shui On Construction and Materials Limited (the “**Company**”) announces that on 5 June 2009, the Company offered to grant new share options to subscribe for new ordinary shares of HK\$1.00 each in the capital of the Company (the “**Shares**”) to certain employees of the Company and its subsidiaries (the “**Group**”) in exchange for the share options previously granted to them (subject to their respective acceptance).

Due to the significant drop in the price of Shares resulting from global market downturn, certain share options previously granted to certain employees of the Group no longer serve as effective incentives for them as the exercise prices of these share options are much higher than the current market price of the Shares. To preserve the effectiveness of these share options as an incentive and reward, the Board, upon recommendation of the Remuneration Committee of the Company, has resolved on 5 June 2009 to offer the grant of new share options to subscribe for Shares to certain employees of the Group under the share option scheme of the Company adopted on 27 August 2002 (the “**Scheme**”) in exchange for the share options previously granted to them. The grant of new share options in exchange for previous share options granted is based on a value-for-value exchange such that the fair value of new share options granted will be substantially the same as the fair value of the previous share options to be surrendered for exchange.

Details of the new share options granted to employees of the Group are set out as follows:

Grant 1

<i>Date of grant</i>	:	5 June 2009
<i>Exercise price of share options granted</i>	:	HK\$11.90 per Share
<i>Total number of Shares subject to the options granted</i>	:	1,236,000 Shares
<i>Closing price of Shares on the date of grant</i>	:	HK\$11.78 per Share
<i>Validity period of the share options</i>	:	From 5 June 2009 to 6 May 2013
<i>Vesting/Performance conditions</i>	:	Vesting is conditional on the team and individual performance assessed for the three years ending 31 December 2010
<i>Consideration for the grant</i>	:	(i) HK\$1.00 payable to the Company upon acceptance of the offer; and (ii) Surrender of the respective share options previously granted pursuant to the offer letters dated 7 May 2008 in exchange for the respective new share options, the aggregate outstanding number of such previous share options being 2,000,000 Shares at an exercise price of HK\$19.76 per Share with validity period of 5 years ending 6 May 2013

Grant 2

<i>Date of grant</i>	:	5 June 2009
<i>Exercise price of share options granted</i>	:	HK\$11.90 per Share
<i>Total number of Shares subject to the options granted</i>	:	2,182,000 Shares

<i>Closing price of Shares on the date of grant</i>	:	HK\$11.78 per Share
<i>Validity period of the share options</i>	:	From 5 June 2009 to 13 June 2012
<i>Vesting/Performance conditions</i>	:	Vesting is conditional on the team and individual performance assessed for the three years from 1 July 2007 to 30 June 2010
<i>Consideration for the grant</i>	:	(i) HK\$1.00 payable to the Company upon acceptance of the offer; and (ii) Surrender of the respective share options previously granted pursuant to the offer letters dated 14 June 2007 in exchange for the respective new share options, the aggregate outstanding number of such previous share options being 4,200,000 Shares at an exercise price of HK\$20.96 per Share with validity period of 5 years ending 13 June 2012

Grant 3

<i>Date of grant</i>	:	5 June 2009
<i>Exercise price of share options granted</i>	:	HK\$11.90 per Share
<i>Total number of Shares subject to the options granted</i>	:	5,752,000 Shares
<i>Closing price of Shares on the date of grant</i>	:	HK\$11.78 per Share
<i>Validity period of the share options</i>	:	From 5 June 2009 to 2 January 2012
<i>Vesting/Performance conditions</i>	:	Vesting is conditional on the team and individual performance assessed for the three years ending 31 December 2009

Consideration for the grant

- (i) HK\$1.00 payable to the Company upon acceptance of the offer; and
- (ii) Surrender of the respective share options previously granted pursuant to the offer letters dated 3 January 2007 in exchange for the respective new share options, the aggregate outstanding number of such previous share options being 8,800,000 Shares at an exercise price of HK\$16.78 per Share with validity period of 5 years ending 2 January 2012

Subject to the acceptance by the relevant employees and the terms set out above, share options to subscribe for a total of 9,170,000 Shares will be granted under the Scheme in exchange for the cancellation of share options previously granted to these employees to subscribe for a total of 15,000,000 Shares. Such new share options will be granted pursuant to the refreshed mandate approved by the shareholders of the Company at the annual general meeting held on 3 June 2009.

By Order of the Board
Lo Hong Sui, Vincent
Chairman

Hong Kong, 8 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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