

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**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 other 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 Construction and Materials Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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 TO DIRECTORS  
REFRESHMENT OF SHARE OPTION SCHEME LIMIT  
AND  
PROPOSED CHANGE OF COMPANY NAME**

---

A notice convening the special general meeting of Shui On Construction and Materials Limited to be held at Harbour View Ballroom I (Level 4), Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Wednesday, 7 September 2011 at 2:30 p.m. is set out on pages 15 to 17 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong as soon as possible and, in any event, not less 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 form of proxy will not preclude you from attending and voting in person at the meeting and any adjourned meeting (as the case may be) should you so wish.

\* For identification purpose only



---

## DEFINITIONS

---

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the Bye-laws of the Company, as amended, modified or otherwise supplemented from time to time;
“Company”	Shui On Construction and Materials Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange (stock code: 983);
“Directors”	the directors of the Company;
“Directors’ Grant”	the grant of share options to the Participating Directors entitling them to subscribe for a total of 23,800,000 Shares under the Share Option Scheme, subject to their respective acceptance and the approval of the Shareholders;
“Executives’ Grant”	the grant of share options to certain key management of the Group entitling them to subscribe for a total of 27,500,000 Shares under the Share Option Scheme, subject to their respective acceptance;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	10 August 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Participating Directors”	Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond, the executive directors of the Company;
“Remuneration Committee”	the remuneration committee of the Company which is responsible for reviewing, approving and making recommendations to the Board on the guiding principles applicable to the determination of the remuneration and benefits of Directors and senior management;

---

## DEFINITIONS

---

“SGM”	the special general meeting of the Company convened to be held on Wednesday, 7 September 2011 at 2:30 p.m., the notice of which is set out on pages 15 to 17 of this circular;
“Share(s)”	the ordinary share(s) of nominal value of HK\$1.00 each in the capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 27 August 2002;
“Share Option Scheme Limit”	the maximum number of Shares which may be issued upon the exercise of all share options granted or to be granted under the Share Option Scheme and any other share option scheme(s) as may from time to time be adopted by the Company as permitted under the Listing Rules, being 10% of the issued share capital of the Company at the date of passing the relevant resolution approving such limit;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

---

## LETTER FROM THE BOARD

---



瑞安建業有限公司\*

SHUI ON CONSTRUCTION AND MATERIALS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

*Executive Directors:*

Mr. Lo Hong Sui, Vincent  
Mr. Choi Yuk Keung, Lawrence  
Mr. Wong Yuet Leung, Frankie  
Mr. Wong Kun To, Philip  
Mr. Wong Fook Lam, Raymond

*Independent Non-executive Directors:*

Mr. Gerrit Jan de Nys  
Ms. Li Hoi Lun, Helen  
Mr. David Gordon Eldon  
Mr. Chan Kay Cheung  
Mr. Tsang Kwok Tai, Moses

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head Office and Principal Place  
of Business in Hong Kong:*

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

12 August 2011

*To the Shareholders*

Dear Sir or Madam,

**GRANT OF SHARE OPTIONS TO DIRECTORS  
REFRESHMENT OF SHARE OPTION SCHEME LIMIT  
AND  
PROPOSED CHANGE OF COMPANY NAME**

**INTRODUCTION**

As set out in the Company's announcement dated 29 July 2011, the Board resolved on 28 July 2011 to make the Executives' Grant and the Directors' Grant entitling certain key management and executive Directors to subscribe for a total of 51,300,000 Shares under the Share Option Scheme as long-term incentives for them to achieve a pre-determined strategic plan for future growth of the Group. The Directors' Grant is subject to the approval of the Shareholders at the SGM. For the purpose of future grant of share options to the eligible participants under the Share Option Scheme, the Board also proposes to refresh the Share Option Scheme Limit at the SGM.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

In order to align the brand positioning of the Company with its long-term strategy, the Board also proposes to change the name of the Company from “Shui On Construction and Materials Limited” to “SOCAM Development Limited” while continuing to adopt “瑞安建業有限公司” as its Chinese name for identification purpose.

The purpose of this circular is to provide you with the information relating to (i) the Directors’ Grant; (ii) the refreshment of Share Option Scheme Limit; and (iii) the proposed change of company name; and to give you a notice of the SGM at which resolutions of the above matters will be proposed for approval.

### **LONG-TERM INCENTIVE PLAN**

The Company currently operates the Share Option Scheme for the purpose of attracting and retaining high quality personnel and motivating selected employees through share ownership and performance-based incentives. It grants share options to certain executive Directors and employees annually in recognition of their contribution based on the financial performance of the Group and individual performance on annual basis. To foster and promote the long-term growth of the Group, the Company also grants long-term incentives to certain executive Directors by offering share options with the vesting based on the achievement of long-term strategic goals and performance targets over a 3-year performance period.

In March 2011, the Remuneration Committee reviewed and discussed the Company’s overall long-term incentive scheme for award of share options and recommended the Board to adopt a new long-term incentive plan which aims at aligning management interests with the overall achievement of a 3-year strategic plan of the Group to promote significant and integrated growth in the coming years. Share options are offered under the Share Option Scheme to target participants under such plan, including certain executive Directors and selected key management who will have important contribution to the growth and transformation of the Group in the next 3 years. Accordingly, the Board resolved to make the Executives’ Grant and the Directors’ Grant on 28 July 2011 with the vesting of such share options based on the achievement of pre-determined performance targets over a performance period of 3.5 years from 1 July 2011 to 31 December 2014.

Key features of the long-term incentive plan are as follows:

#### **(a) Target participants**

Executive Directors and selected key management of the Group who will have important contribution to the transformation and future growth of the Group will be offered share options under this plan.

#### **(b) Award cycle**

Grant of share options under the long-term incentive plan will be made every 3 years pursuant to the Share Option Scheme or any other share option scheme as adopted by the Company from time to time. Participants selected to join the plan are required to achieve pre-determined performance targets over a period of 3 years before the share option granted to them may vest and will not be eligible for the abovementioned annual grant of share options over the 3-year performance period.

---

## LETTER FROM THE BOARD

---

### (c) Performance measures

Selected executives joining the plan are expected to achieve a 3-year strategic plan as approved by the Board covering 3 major performance areas of financial performance, project specific achievements and future growth potential.

Vesting of share options is based on the assessment of corporate performance of the Group and individual performance. Vesting of share options granted to executive Directors will be based wholly on the appraisal of corporate performance of the Group while those granted to key management will be based on both corporate performance of the Group and individual performance.

The initial grant of share options under this plan will be made with vesting based on the achievement of a number of corporate performance targets over a period of 3.5 years ending 31 December 2014, including but not limited to doubling the profit of the Group and developing a land bank of 5.6 million square metres gross floor area which is 2.3 times of the existing land bank of the Group. Some of the major key measures are highlighted below:

Performance area (weighting)	Key measures under 3-year strategic plan	2014 targets
<b>Financial</b> (50%)	Net profit after tax (excluding gains from disposal of cement joint venture)	HK\$1.8 billion
	Net assets	HK\$13 billion
	Return on equity ratio	13.5%
<b>Project-specific</b> (25%)	Project delivery (gross floor area) (including share of joint venture partners)	1.25 million square metres
	Number of real estate funds under management with a minimum size of US\$200 million each	3
<b>Strategic growth</b> (25%)	Land bank attributable to the Group (gross floor area)	5.6 million square metres

The above targets are set as a basis for performance measurement under the long-term incentive plan and do not represent the Board's projection or forecast of the Group's performance in the coming 3 years. The Board makes no representation on whether any of these targets can or may be achieved by the Group.

---

## LETTER FROM THE BOARD

---

### (d) Vesting of share options

The Company adopts a leveraged performance-payout model to promote pay-for-performance and encourage performance above target. The grant size has been topped up to allow for additional Shares to be issued to reward excellent performance of the option holders. An option holder with excellent performance rating (i.e. achieving over 150% of performance targets) will be rewarded with up to 250% of the target vesting, i.e. the number of Shares targeted to be awarded upon 100% achievement of the performance targets.

### (e) Independent assessment panel

The vesting of the share options under the plan will be determined by the Remuneration Committee based on the annual appraisal of the corporate performance of the Group and individual performance (as appropriate) during and at the end of the performance period. An independent assessment panel will be set up under the Remuneration Committee comprising the Chairman of the Board, the Chairman of the Remuneration Committee and an independent non-executive Director to conduct ongoing assessment and make recommendation on the final vesting of the share options. An independent external consultant might be engaged, if considered necessary, to assist in conducting the review and assessment.

## DIRECTORS' GRANT

As initial grant under the new long-term incentive plan, the Board resolved on 28 July 2011 to make the Executives' Grant to certain key management and the Directors' Grant to the Participating Directors. The number of Shares subject to the options granted under the Directors' Grant are as follows:

<b>Name of Directors</b>	<b>Number of Shares subject to the options granted</b>
Mr. Choi Yuk Keung, Lawrence	6,500,000
Mr. Wong Kun To, Philip	10,800,000
Mr. Wong Fook Lam, Raymond	6,500,000

The Directors' Grant is made conditional upon the approval of the Shareholders (excluding the Participating Directors and their respective associates) and the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any such options granted. Further details of the Directors' Grant are set out in the appendix to this circular.

---

## LETTER FROM THE BOARD

---

At the annual general meeting of the Company held on 28 May 2010, the Shareholders approved the refreshment of the Share Option Scheme Limit as permitted under rule 17.03(3) of the Listing Rules. The number of Shares subject to the Share Option Scheme Limit as refreshed on 28 May 2010 is 48,863,178 Shares. Since then, the Company has granted share options to subscribe for a total of 7,310,000 Shares under the Share Option Scheme and out of such share options, options entitling the holders thereof to subscribe for a total of 50,000 Shares have lapsed. The balance of the Share Option Scheme Limit at 28 July 2011 was 41,603,178 Shares and was only sufficient for the Company to make the Executives' Grant to certain key management entitling them to subscribe for a total of 27,500,000 Shares. Since the Share Option Scheme Limit is insufficient to cover the Directors' Grant, the Directors' Grant cannot be made unless a separate approval of the grant is obtained from the Shareholders pursuant to rule 17.03(3) of Listing Rules.

On 23 June 2011, share options to subscribe for up to 250,000 Shares, 400,000 Shares and 250,000 Shares (representing approximately 0.05%, 0.08% and 0.05% of the Shares in issue) have been granted to Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond respectively. The Directors' Grant, when made, will bring the total number of Shares issued or to be issued upon exercise of the share options granted to each of them (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of the Directors' Grant to exceed 1% of the Shares in issue.

Under rule 17.03(4) of the Listing Rules, the total number of Shares issued and to be issued upon the exercise of the share options granted to each participant under the Share Option Scheme (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of further grant must not exceed 1% of the Shares in issue, unless approval of Shareholders is obtained. Accordingly, the Directors' Grant in this respect is also subject to the approval of the Shareholders (excluding the Participating Directors and their respective associates).

Through its remuneration policy, the Company aims to attract, motivate and retain competent, high caliber executives while ensuring that the remuneration is aligned with the Company's goals, objectives and performance. The Directors' Grant aims at aligning interests of the Participating Directors with the overall achievement of the 3-year strategic plan in order to promote the long-term growth of the Group under the abovementioned long-term incentive plan. The vesting of the share options granted to the Participating Directors is based on the measurement criteria comprising a range of specific performance criteria/targets that they are required to achieve during the performance period for creating shareholder value.

The Board (including the independent non-executive Directors) believes that it is in the interest of the Company and the Shareholders as a whole to make the Directors' Grant to provide incentives to the relevant Directors and motivate them to promote long-term growth of the Group.

---

## LETTER FROM THE BOARD

---

At the Latest Practicable Date, Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond beneficially owned or were deemed to have interest in 540,000 Shares, 192,533 Shares and 32,000 Shares respectively, representing approximately 0.11%, 0.04% and 0.01% of the issued share capital of the Company respectively. At the SGM, the Participating Directors and their respective associates will abstain from voting in respect of their shareholdings (if any) in the Company on the respective resolutions approving the grant of share options to them.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, 23,800,000 Shares that may fall to be issued upon the exercise of any options granted to the Participating Directors under the Directors' Grant.

### REFRESHMENT OF SHARE OPTION SCHEME LIMIT

Further to the Executives' Grant and the Directors' Grant, the Company also proposes to refresh the Share Option Scheme Limit for the purpose of future grant of share options to the eligible participants under the Share Option Scheme. The Board believes that it is in the interest of the Company and the Shareholders as a whole to refresh the Share Option Scheme Limit immediately following the approval of the Directors' Grant to allow further share options to be granted under the Share Option Scheme so as to provide incentives to and recognise the contribution of the eligible participants under the Share Option Scheme.

The Board proposes to refresh the Share Option Scheme Limit at the SGM so that the Company can grant further share options up to 10% of the total number of Shares in issue at the date of the SGM. Based on the total number of Shares in issue at the Latest Practicable Date and assuming the number of the Shares in issue remains unchanged at the date of the SGM, the new Share Option Scheme Limit, if refreshed, will be 48,951,237 Shares.

Subject to the approval of the Shareholders at the SGM and such other requirements prescribed under the Listing Rules, the Share Option Scheme Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all options to be granted pursuant to the Share Option Scheme and all other share option scheme(s) as may from time to time be adopted by the Company under the Share Option Scheme Limit as refreshed shall not exceed 10% of the Shares in issue at the date of approval of such refreshed limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised) and options underlying the Directors' Grant, if approved at the SGM, will not be counted for the purpose of calculating the Share Option Scheme Limit as refreshed. However, the aggregate number of Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time must not exceed 30% of the Shares in issue from time to time.

At the Latest Practicable Date, the total number of Shares which might be issued upon exercise of all outstanding share options granted (including the share options under the Executives' Grant and the Directors' Grant) was 87,223,707 Shares, representing approximately 17.82% of the issued share capital of the Company.

---

## LETTER FROM THE BOARD

---

If the Share Option Scheme Limit is refreshed at the SGM, on the basis of 489,512,372 Shares in issue at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the SGM, the Company will be allowed to grant further share options to subscribe for up to 48,951,237 Shares. Share options previously granted under the Share Option Scheme, which include the share options granted under the Executives' Grant and the Directors' Grant, (including those outstanding, cancelled or lapsed in accordance with the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the 10% refreshed limit.

The refreshment of the Share Option Scheme Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Share Option Scheme Limit at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit which shall not exceed 10% of the issued share capital of the Company at the date of approval of such refreshment.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue at the date of the SGM) that may fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme and any other share option scheme(s) of the Company.

### PROPOSED CHANGE OF COMPANY NAME

The Company has made significant progress in its transformation from a construction and building materials company into a predominantly Mainland property-focused company over the past few years. At 31 December 2010, assets in the property division accounted for approximately 60% of the Group's consolidated total assets.

The Board considers that this is an appropriate time to look into the brand positioning of the Company in order to align it with its development strategies and proposes to change the name of the Company from "Shui On Construction and Materials Limited" to "SOCAM Development Limited" while continuing to adopt "瑞安建業有限公司" as its Chinese name for identification purpose.

The proposed new name, SOCAM Development Limited, should convey a clear message to the investment public on the Company's continuous effort to expand the property portfolio and develop into a leading company in the niche markets of high-end special situation properties and knowledge communities in the People's Republic of China.

The proposed change of company name is conditional upon (i) the passing of a special resolution by the Shareholders at the SGM; and (ii) the approval of the Registrar of Companies in Bermuda. The relevant filing with the Registrar of Companies in Bermuda will be made after the passing of the special resolution at the SGM.

---

## LETTER FROM THE BOARD

---

Subject to the satisfaction of such conditions, the change of company name will take effect from the date on which the new name of the Company is entered on the register of companies maintained by the Registrar of Companies in Bermuda in place of its existing name. The Registrar of Companies in Bermuda shall issue a certificate of incorporation on change of name thereafter. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

The change of company name will not affect any of the rights of the Shareholders. All existing share certificates of the Company in issue bearing the existing name of the Company will, after the change of company name becomes effective, continue to be evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new share certificates bearing the new name of the Company.

Upon the change of company name becoming effective, share certificates of the Company will be issued under the new name of the Company.

Further announcement will be made by the Company to inform the Shareholders as to the effective date of the change of company name and the change of the stock short name of the Company under which Shares will be traded on the Stock Exchange.

### **SPECIAL GENERAL MEETING**

A notice convening the SGM to be held at Harbour View Ballroom I (Level 4), Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Wednesday, 7 September 2011 at 2:30 p.m. is set out on pages 15 to 17 of this circular. At the SGM, ordinary resolutions will be proposed to approve the Directors' Grant, the refreshment of Share Option Scheme Limit and the proposed change of company name.

A proxy form for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong as soon as possible and, in any event, not less 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 form of proxy will not preclude you from attending and voting in person at the SGM and any adjourned meeting (as the case may be) should you so wish.

In accordance with rule 13.39(4) of the Listing Rules, the chairman of the SGM will demand a poll for all the resolutions to be proposed at the SGM. The results of the voting will be announced after the SGM.

### **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.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

The Board believes that the Directors' Grant will give long-term incentives to the Participating Directors in achieving the 3-year strategic plan and promoting significant growth and sustainable development of the Group in the coming years.

The Board considers that the proposed resolutions in respect of (i) the Directors' Grant; (ii) the refreshment of Share Option Scheme Limit; and (iii) the proposed change of company name are in the best interests of the Company and the Shareholders, and accordingly recommend you to vote in favour of such resolutions at the SGM.

### GENERAL

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
On behalf of the Board  
**Lo Hong Sui, Vincent**  
*Chairman*

---

**APPENDIX****PARTICULARS OF GRANT OF SHARE OPTIONS  
TO THE PARTICIPATING DIRECTORS**

---

The particulars of the Directors' Grant and the share options granted to the Participating Directors in the 12 months preceding 28 July 2011 are as follows:

**(a) Identity of the eligible participants**

- (1) Mr. Choi Yuk Keung, Lawrence, an executive Director and Vice Chairman of the Company;
- (2) Mr. Wong Kun To, Philip, the Managing Director and the Chief Executive Officer of the Company; and
- (3) Mr. Wong Fook Lam, Raymond, an executive Director and the Chief Financial Officer of the Company.

**(b) Terms of share options previously granted in the 12-month period immediately prior to 28 July 2011 and the Directors' Grant**

The details of the share options granted to the Participating Directors (including both exercised and outstanding share options) in the 12-month period immediately prior to 28 July 2011 under the Share Option Scheme are as follows:

Name of Directors	Date of grant	Number of Shares subject to options	Approximate		Option period
			% of the Shares in issue on 28 July 2011	Exercise price per Share HK\$	
Mr. Choi Yuk Keung, Lawrence	23 June 2011	250,000	0.05%	10.90	23 June 2011 to 22 June 2016
Mr. Wong Kun To, Philip	23 June 2011	400,000	0.08%	10.90	23 June 2011 to 22 June 2016
Mr. Wong Fook Lam, Raymond	23 June 2011	250,000	0.05%	10.90	23 June 2011 to 22 June 2016

*Note:* These share options are subject to vesting in accordance with the following schedule:

- 20%: 6 months after the date of grant
- 20%: 1st anniversary of the date of grant
- 20%: 2nd anniversary of the date of grant
- 20%: 3rd anniversary of the date of grant
- 20%: 4th anniversary of the date of grant

**APPENDIX****PARTICULARS OF GRANT OF SHARE OPTIONS  
TO THE PARTICIPATING DIRECTORS**

The details of the share options granted to the Participating Directors under the Directors' Grant are as follows:

<b>Name of Directors</b>	<b>Date of grant</b>	<b>Number of Shares subject to options</b>	<b>Approximate % of the Shares in issue on 28 July 2011</b>	<b>Exercise price per Share HK\$</b>	<b>Option period</b>
Mr. Choi Yuk Keung, Lawrence	28 July 2011	6,500,000	1.33%	10.00	28 July 2011 to 27 July 2021
Mr. Wong Kun To, Philip	28 July 2011	10,800,000	2.21%	10.00	28 July 2011 to 27 July 2021
Mr. Wong Fook Lam, Raymond	28 July 2011	6,500,000	1.33%	10.00	28 July 2011 to 27 July 2021

*Notes:*

- (1) Vesting of these share options is conditional upon the achievement of corporate performance targets covering three major performance areas of financial performance, project specific achievements and future growth potential over the period of 3.5 years from 1 July 2011 to 31 December 2014 as set out in their respective offer letters.
- (2) Vesting of these share options will be determined by the Remuneration Committee based on the assessment of the corporate performance of the Group and the vesting schedule as follows:

<b>Performance level</b>	<b>Portion of the share options granted to be vested</b>
Excellent (achieving over 150% of performance targets)	Up to 100%
Superior (achieving 125% to 150% of performance targets)	Up to 80%
Good (achieving 100% of performance targets)	Up to 40%
Fair (achieving 75% of performance targets)	Up to 20%
Poor (achieving less than 75% of performance targets)	0%

- (3) Subject to the satisfaction of the performance conditions and the decision of the Board on the final vesting based on the recommendation of the Remuneration Committee, the share options may vest on 1 May 2015 and will be exercisable until the end of the option period in accordance with the following schedule:

50%: from 1 May 2015  
 25%: from 1 January 2016  
 25%: from 1 January 2017

The aggregate number of Shares issued and to be issued upon exercise of all the share options (including both exercised and outstanding share options) granted to Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond in the 12-month period up to and including 28 July 2011 is 6,750,000 Shares, 11,200,000 Shares and 6,750,000 Shares respectively. Such Shares represent approximately 1.38%, 2.29% and 1.38% of the Shares in issue at 28 July 2011 and are in excess of the 1% maximum entitlement of Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond respectively under rule 17.03(4) of the Listing Rules.

**(c) Amount payable upon acceptance of the share options**

HK\$1.00 is payable by each of the Participating Directors to the Company on acceptance of the offer of each of the share options granted under the Directors' Grant.

**(d) Ranking of Shares**

The Shares to be allotted upon the exercise of the share options granted to the Participating Directors will be subject to all the provisions of the Bye-laws and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue. Shares allotted and issued upon the exercise of a share option shall not carry voting rights until the name of the grantee has been duly entered onto the register of members of the Company as the holder thereof.

---

## NOTICE OF SPECIAL GENERAL MEETING

---



瑞安建業有限公司\*

SHUI ON CONSTRUCTION AND MATERIALS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

**NOTICE IS HEREBY GIVEN** that a special general meeting of Shui On Construction and Materials Limited (the “Company”) will be held at Harbour View Ballroom I (Level 4), Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Wednesday, 7 September 2011 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

### AS ORDINARY RESOLUTIONS

- (1) “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares with a nominal value of HK\$1.00 each in the capital of the Company to be issued pursuant to the exercise of such option, the grant of an option to Mr. Choi Yuk Keung, Lawrence to subscribe for 6,500,000 shares of the Company under the share option scheme adopted by the Company on 27 August 2002 on the terms set out in the circular issued by the Company on 12 August 2011 be and is hereby approved, ratified and confirmed and that the directors of the Company be authorised to take all such steps as may be necessary or desirable to give effect to the grant.”
- (2) “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares with a nominal value of HK\$1.00 each in the capital of the Company to be issued pursuant to the exercise of such option, the grant of an option to Mr. Wong Kun To, Philip to subscribe for 10,800,000 shares of the Company under the share option scheme adopted by the Company on 27 August 2002 on the terms set out in the circular issued by the Company on 12 August 2011 be and is hereby approved, ratified and confirmed and that the directors of the Company be authorised to take all such steps as may be necessary or desirable to give effect to the grant.”
- (3) “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares with a nominal value of HK\$1.00 each in the capital of the Company to be issued pursuant to the exercise of such option, the grant of an option to Mr. Wong Fook Lam, Raymond to subscribe for 6,500,000 shares of the Company under the share option scheme adopted by the Company on 27 August 2002 on the terms set out in the circular issued by the Company on 12 August 2011 be and is hereby approved, ratified and confirmed and that the directors of the Company be authorised to take all such steps as may be necessary or desirable to give effect to the grant.”

\* For identification purpose only

---

## NOTICE OF SPECIAL GENERAL MEETING

---

- (4) “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares with a nominal value of HK\$1.00 each in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 27 August 2002 (the “Share Option Scheme”) and any other share option scheme(s) as may from time to time be adopted by the Company:
- (a) approval be granted for the refreshment of the general limit in respect of the grant of options to subscribe for shares of the Company under the Share Option Scheme and any other share option scheme(s) of the Company provided that (i) the total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this resolution; and (ii) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or exercised options and those options referred to in resolutions (1) to (3) as set out in the notice convening this meeting provided that such resolutions have been passed) will not be counted for the purpose of calculating the 10% refreshed limit; and
  - (b) the directors of the Company be authorised to offer or grant options pursuant to the Share Option Scheme and any other share option scheme(s) of the Company within the 10% refreshed limit and to exercise all powers of the Company to allot and issue shares upon the exercise of such options.”

### AS A SPECIAL RESOLUTION

- (5) “**THAT** subject to and conditional upon the approval by the Registrar of Companies in Bermuda being obtained:
- (a) the name of the Company be changed from “Shui On Construction and Materials Limited” to “SOCAM Development Limited”;
  - (b) “瑞安建業有限公司” be adopted as the Chinese name of the Company for identification purpose; and
  - (c) the directors of the Company be authorised to take all such steps and execute all such documents as may be necessary or desirable to give effect to the change of name of the Company.”

By Order of the Board  
**Tsang Yuet Kwai, Anita**  
*Company Secretary*

Hong Kong, 12 August 2011

---

## NOTICE OF SPECIAL GENERAL MEETING

---

*Notes:*

- (1) Any member entitled to attend and vote at the above meeting 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 form of proxy, 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 head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong not less than 48 hours before the time fixed for holding the meeting.