

A close-up photograph of a hand using a white cloth to polish a wooden surface. The wood is a warm, golden-brown color and features several large, stylized Chinese characters carved into it. The characters are arranged in a grid-like pattern, with some appearing to be part of a larger inscription. The lighting is soft and focused on the hand and the characters, creating a sense of care and attention to detail. The background is slightly blurred, emphasizing the foreground action.

Reinforcing

Our Commitment



Upholding the Shui On Land philosophy, our motto is: Shui On Spirit – *Integrity • Dedication • Innovation • Excellence*. Reflecting this spirit throughout our activities, we see these values leading us to a bright and successful future.



Corporate Governance Report



The Board of Directors (the “Board”) of the Company is pleased to present the Corporate Governance Report for the year ended 31 December 2012.

The Company is committed to enhancing its corporate governance practices appropriately to the conduct and growth of its business, and to pursue a right balance between conformance and performance in its corporate governance. From time to time, the Company reviews its corporate governance practices to ensure they comply with Appendix 14 (the “CG Code”) of the Main Board Listing Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and align with its latest developments. The Board believes that good corporate governance is essential to the success of the Company, the enhancement of shareholders’ value, and stakeholders’ confidence in the Company.

The fruitful results of good corporate governance practices have enabled the Company to leverage its competitive advantages from many perspectives. The trust and support from the Company’s stakeholders have become drivers and enablers of our continuing success and growth. The Company has experienced these benefits during its on-shore and off-shore fund raisings as well as when entering into long term strategic partnership with renowned companies. From an ethical perspective, our integrity has won the trust of the PRC Government which has in consequence granted us more new opportunities on large scale metropolitan development projects.

In reflection of this, the Company was proud to receive a number of awards from various organisations

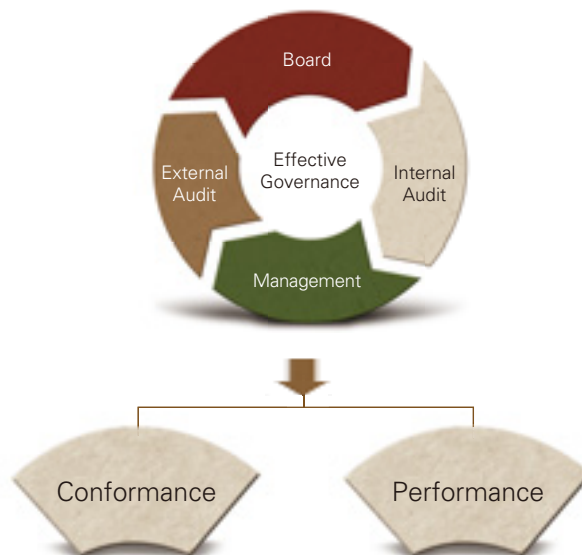
for high standards of corporate governance and investor relations during 2012. These awards are listed in the “Awards Received” section of this report.

Corporate Governance Practices of the Company

The Board has reviewed the corporate governance practices of the Company along with the adoption

and improvement of the various procedures and documentation, which are detailed in this report. The Company has applied the principles of and complied with all the applicable code provisions of the CG Code during the year ended 31 December 2012.

Shui On Land Corporate Governance Framework



The Company pursues a right balance between conformance and performance in its corporate governance.



SOL Board members visit THE HUB to keep abreast of the project development

Board of Directors

The Board is responsible for the leadership and control of the Company and oversees the Company's businesses, strategic decisions and performance. The Board has reserved for its decision or consideration matters concerning principally the Company's overall strategy, annual operating budget, annual and interim results, recommendations on Directors' appointments or re-appointments, material contracts and transactions as well as other significant policies and financial matters. The Board has delegated the daily operations and administration of the Company to the management. The respective functions of the Board and management of the Company have been posted on the Company's website (Please visit www.shuionland.com). The Board will review this document once a year. In addition, the Board has established respective Board committees and has delegated to these Board committees various responsibilities set out in their terms of reference.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary (who reports to the Chairman of the Board and the Chief Executive Officer ("CEO") of the Company), with a view to ensuring that the Board procedures and all applicable rules and regulations are followed. In addition, a written procedure has been established to enable the Directors, in the discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

The Board has the full support of the CEO, Managing Directors and the senior management in discharging its responsibilities.

Board Composition

As a commitment to good corporate governance, Article No. 97(1) of the Company's Articles of Association stipulates that subject to the conditions under Article No. 135, the Board shall include a majority of Independent Non-executive Directors ("INEDs").

During the year ended 31 December 2012, there was no change to the composition of the Board and the majority of the members of the Board were INEDs. The Board is currently made up of nine members in total, with three Executive Directors, one Non-executive Director and five INEDs. The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision-making.

The current Board of the Company comprises the following Directors:

Executive Directors

Mr. Vincent H. S. LO
(Chairman of the Board, member of Remuneration Committee, and chairman of Nomination and Finance Committees)

Mr. Freddy C. K. LEE
(Managing Director and Chief Executive Officer, and member of Finance Committee)

Mr. Daniel Y. K. WAN
(Managing Director and Chief Financial Officer, and member of Finance Committee)

Non-executive Director

Mr. Frankie Y. L. WONG
(Member of Audit and Finance Committees)

INEDs

Sir John R. H. BOND
(Member of Nomination and Finance Committees)

Dr. William K. L. FUNG
(Chairman of Remuneration Committee, and member of Finance Committee)

Professor Gary C. BIDDLE
(Chairman of Audit Committee, and member of Remuneration, Nomination and Finance Committees)

Dr. Roger L. McCARTHY
(Member of Audit Committee)

Mr. David J. SHAW

The above list of Directors and a description of their roles and functions were posted on the websites of the Company and the Stock Exchange (Please visit www.hkexnews.hk).

The brief biographical details of the Directors are set out in the "Biographies of Directors and Senior Management" section on pages 108 to 113.

Currently, the Company has five INEDs representing more than half of the Board. The number of INEDs who have the appropriate professional qualifications or accounting or related financial management expertise exceeds the requirement as stipulated under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules. None of the Directors has any relationship with any other Directors.

All Directors, including the Non-executive Director and INEDs, bring a wide spectrum of valuable business experience, knowledge and professionalism to the Board to ensure its efficient and effective functioning. INEDs are invited to serve on the Board committees of the Company. Their active participation in Board and Board committee meetings brings independent judgment on issues relating to the Company's strategies, performance and management processes, taking into account the interests of shareholders of the Company. Site visits to the Company's projects are arranged from time to time to allow members of the Board keep abreast of the project developments.

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are governed by the Company's Articles of Association, a copy of which has been posted on the Company's website for public inspection. The Board with the recommendation of the Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and assessing the independence of INEDs.

The appointment of the Non-executive Director of the Company is subject to retirement by rotation and re-election of Directors pursuant to the Company's Articles of Association, the Listing Rules and any other applicable laws.

All Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first annual general meeting after their appointment and every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Board reviews its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Article No. 103 of the Company's Articles of Association also allows a qualified shareholder to propose a person, other than a retiring director of the Company or a person recommended by the Directors, for election as a director of the Company. The detailed requirements and procedure for such action have been posted on the Company's website.

Training, Induction and Continuing Development for Directors

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities.

During the year ended 31 December 2012, the Company had organized two training sessions for the Directors. A briefing session on the new CG Code was conducted internally during a Board meeting in January 2012 of which Mr. Vincent H. S. LO, Mr. Freddy C. K. LEE, Mr. Daniel Y. K. WAN, Mr. Frankie Y. L. WONG, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW had attended this training session. Relevant reading materials were also circulated to all Directors for perusal. On 22 August 2012, the Company had invited an external professional advisor to provide training to the Directors on the new statutory price sensitive information disclosure regime under the Securities and Futures (Amendment) Ordinance 2012 which became effective on 1 January 2013. The seminar facilitated interaction between the Directors and the advisor on the new developments which are of relevance to the Directors' duties and responsibilities. Mr. Vincent H. S. LO, Mr. Freddy C. K. LEE, Mr. Daniel Y. K. WAN, Mr. Frankie Y. L. WONG, Professor Gary C. BIDDLE and Dr. Roger L. McCARTHY attended this training session and briefing materials were sent to all Directors for perusal. Mr. David J. SHAW, in his role as Adviser to the Board of HSBC Holdings plc, also attended Board and committee meetings within HSBC at which briefings or presentations were given on changes to the CG Code and on certain other Hong Kong regulatory or listing changes. In addition, individual Directors had also participated in the forums and workshops organized by external professional consultants for continuous professional development. All Directors had provided the Company with their training records in respect of the year ended 31 December 2012.

Board and Board Committees Meetings and Shareholders' Meetings

Number of Meetings and Directors' Attendance

The Company held an annual general meeting, an extraordinary general meeting and five full Board meetings in the year 2012. The Company has already set a schedule for its regular Board meetings and Board committee meetings in the year 2013 in observance of the CG Code.

The attendance records of each Director at the Board meetings and shareholders' meetings are set out as below:

Name of Directors	Attendance/Number of Board Meetings held during tenure	Attendance of the Annual General Meeting held on 7 June 2012	Attendance of the Extraordinary General Meeting held on 18 January 2012
Executive Directors			
Mr. Vincent H. S. LO (Chairman)	5/5	√	
Mr. Freddy C. K. LEE	5/5	√	√
Mr. Daniel Y. K. WAN	5/5	√	√
Non-executive Director			
Mr. Frankie Y. L. WONG	5/5	√	
INEDs			
Sir John R. H. BOND	4/5	√	
Dr. William K. L. FUNG	5/5	√	
Professor Gary C. BIDDLE	5/5		
Dr. Roger L. McCARTHY	5/5	√	√
Mr. David J. SHAW	5/5		√

Practice and Conduct of Meetings

All Directors are given an opportunity to include matters in the agenda for regular Board meetings. Annual meeting schedules and the draft agenda of each meeting are made available to Directors in advance. Board and Board committee meetings are scheduled at least one year in advance to facilitate the maximum attendance of Directors.

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given. Board papers together with appropriate, complete and reliable information are sent to all Directors at least three days or such other period as specified in the terms of reference of the relevant Board committee before each Board or committee meeting to keep the Directors

abreast of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.

The senior management attends all regular Board meetings and when necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible for taking and keeping minutes of all Board and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

According to current Board practice, any material transaction that involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The interested Directors shall abstain from voting and shall not be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Chairman and Chief Executive Officer

During the year ended 31 December 2012, the Company has complied with the code provision A.2.1 of the CG Code in respect of the separation of roles of Chairman and CEO.

The division of responsibilities between the Chairman and the CEO is defined and posted on the Company's website.



Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code regarding securities transactions by the Directors and relevant employees.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2012.

To comply with the code provision A.6.4 of the CG Code, the Company established and adopted a Code for Securities Transactions by Relevant Employees, on terms no less exacting than the Model Code, to regulate dealings in the shares of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its shares because of their offices or employments.

No incident of non-compliance with these written guidelines by the relevant employees was noted by the Company.

Board Committees

During the year ended 31 December 2012, the Board has four Board committees, namely, the Remuneration Committee, the Audit Committee, the Nomination Committee and the Finance Committee, for overseeing particular aspects of the Company's affairs.

The four Board committees of the Company are established with defined written terms of reference and approved by the Board which set out the committees' respective duties. The terms of reference of the Board committees have been reviewed from time to time to cope with the latest amendments of the Stock Exchange's Listing Rules. These are now posted on the Company's and the Stock Exchange's websites and are available to shareholders.

Except for the Finance Committee, the majority of the members of each Board committee are INEDs. The list of the chairman and members of each Board committee is set out in "Corporate Information" section on page 207.

The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Remuneration Committee

During the year ended 31 December 2012, the Remuneration Committee consisted of three members, namely Dr. William K. L. FUNG, Mr. Vincent H. S. LO and Professor Gary C. BIDDLE. Dr. William K. L. FUNG and Professor Gary C. BIDDLE are INEDs. The chairman of the Remuneration Committee is Dr. William K. L. FUNG.

The primary functions of the Remuneration Committee are to evaluate the performance and make recommendations on the remuneration packages of the Directors and senior management, and to evaluate and make recommendations on employee benefit arrangements.

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the CEO of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee normally meets to review the remuneration policy and structure and to determine the annual remuneration packages of the Executive Directors and the senior management and other related matters.

The Remuneration Committee had not held meeting during the year ended 31 December 2012.

Details of the remuneration of the Directors for the year ended 31 December 2012 are set out in note 10 to the financial statements.

Audit Committee

During the year ended 31 December 2012, the Audit Committee consisted of three members. The members of the Audit Committee during the year were:

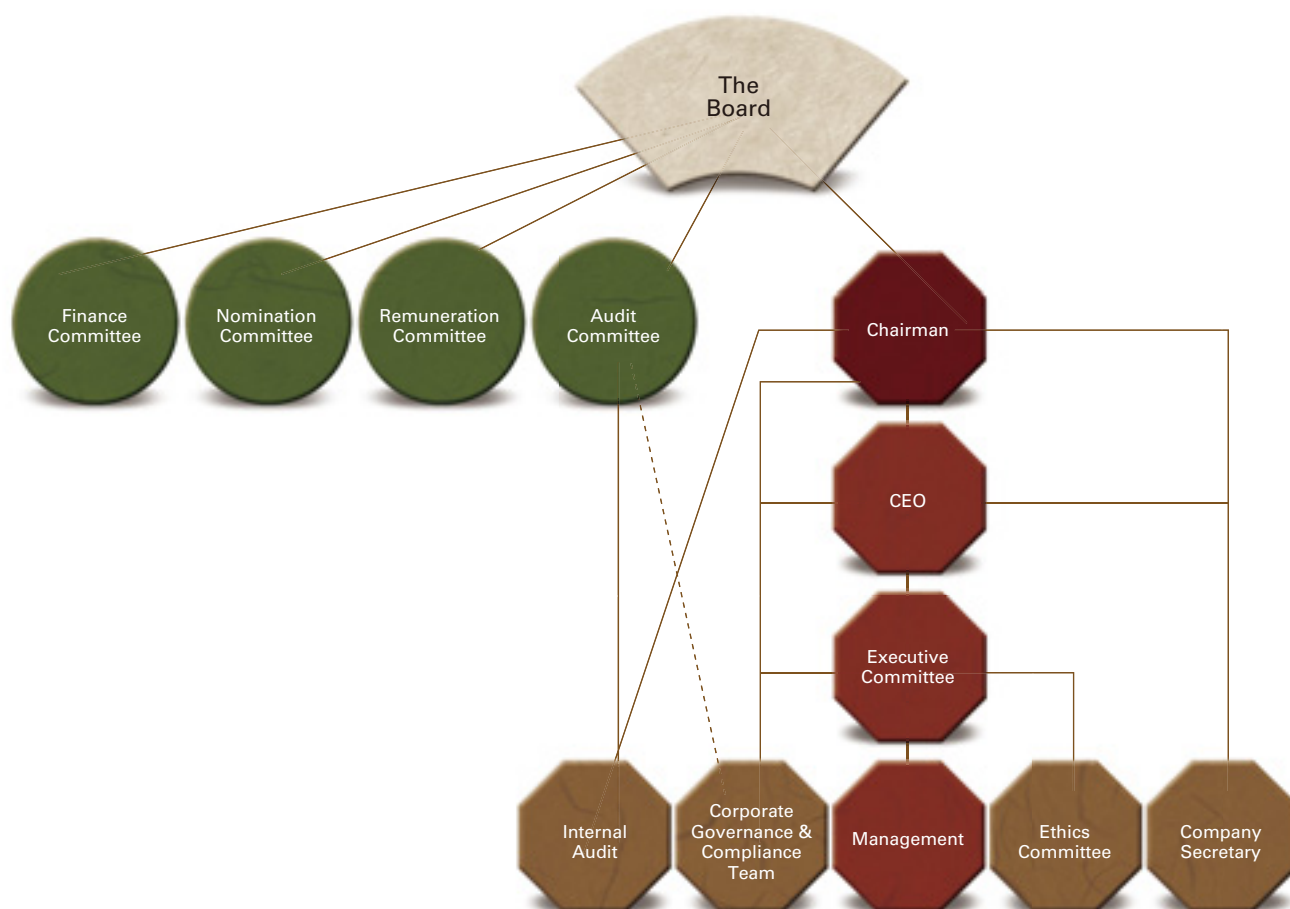
Professor Gary C. BIDDLE

Dr. Roger L. McCARTHY

Mr. Frankie Y. L. WONG

Professor Gary C. BIDDLE and Dr. Roger L. McCARTHY are INEDs. The chairman of the Audit Committee is Professor Gary C. BIDDLE. All members of the Audit Committee have no previous relationships to the Company's existing external auditors.

Shui On Land Corporate Governance Organisation



In January 2012, the Audit Committee was assigned with the duties to assist the Board and its Chairman in performing the corporate governance duties as required under the CG Code. The terms of reference of the Audit Committee have been revised accordingly and the updated terms of reference posted on the Company's website.

The main duties of the Audit Committee include the followings:

- To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer, internal auditor or external auditors before submission to the Board.

- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, reappointment and removal of external auditors.
- To review the adequacy and effectiveness of the Company's financial controls, internal control and risk management systems and associated procedures.
- To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board.

The Audit Committee has reviewed the Group's interim and annual results for the year ended 31 December 2012, including the accounting principles and practices adopted by the Company, in conjunction with the Company's external auditors.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Audit Committee has the same view as the Board regarding the selection, appointment, resignation or dismissal of external auditors.





Finance Committee (From left to right): Mr. Frankie Y. L. WONG, Professor Gary C. BIDDLE, Dr. William K. L. FUNG, Mr. Vincent H. S. LO (Chairman), Sir John R. H. BOND, Mr. Freddy C. K. LEE, Mr. Daniel Y. K. WAN

Two meetings were held by the Audit Committee during the year ended 31 December 2012 and these meetings were attended by all three members.

The Audit Committee also held separate meetings with the external auditors, the internal auditor and the finance executives once during the year to discuss on pertinent issues of the Company without the Executive Directors being present.

The Audit Committee reviewed the risk assessment conducted by the internal auditors on the Audit Committee meetings and made summary reports to the Board. The Committee reviewed and commented on all draft announcements and circulars required under the Stock Exchange's rules before their formal issuance. It also uses a self assessment checklist to review and enhance the performance of the Audit Committee

on a semi-annual basis. Periodically, the members of the Audit Committee visit the Company's projects to keep abreast of their development.

Nomination Committee

The Nomination Committee currently comprises three members, Mr. Vincent H. S. LO, Sir John R. H. BOND and Professor Gary C. BIDDLE. Sir John R. H. BOND and Professor Gary C. BIDDLE are INEDs. The chairman of the Nomination Committee is Mr. Vincent H. S. LO.

The primary functions of the Nomination Committee are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, and assess the independence of INEDs.

Meetings are held on need basis. No meeting was held by the Nomination Committee during the year ended

31 December 2012. During a Board meeting held on 18 January 2013, the terms of reference of the Nomination Committee were revised to include the latest change in the CG Code which will take effect from 1 September 2013 concerning diversity of board members. The revised terms of reference have been posted on the Company's website.

Finance Committee

During the year ended 31 December 2012, the Directors who were members of the Finance Committee were Mr. Vincent H. S. LO, Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Mr. Freddy C. K. LEE, Mr. Daniel Y. K. WAN and Mr. Frankie Y. L. WONG. Sir John R. H. BOND, Dr. William K. L. FUNG and Professor Gary C. BIDDLE are INEDs. The chairman of the Finance Committee is Mr. Vincent H. S. LO.

Four meetings were held by the Finance Committee during the year ended 31 December 2012, and the attendance records are set out as below:

Name of Committee Members	Attendance/Number of Meetings held during tenure
Mr. Vincent H. S. LO (Chairman)	4/4
Mr. Freddy C. K. LEE	4/4
Mr. Daniel Y. K. WAN	4/4
Mr. Frankie Y. L. WONG	4/4
Sir John R. H. BOND	3/4
Dr. William K. L. FUNG	4/4
Professor Gary C. BIDDLE	4/4

The primary functions of the Finance Committee are to stipulate and monitor the financial strategies, policies and guidelines of the Company.

During the year ended 31 December 2012, major tasks of the Finance Committee included the setting and formulation of high-level financial policies and guidelines; reviews and approval of annual budgets, profit forecasts, financial plans and results, and treasury updates; evaluations of proposals on fund raising, acquisition and disposal of material assets, reduction of gearing ratios, acquisitions/mergers, spin-off plans, and making recommendations to the Board on such matters.

Risk Assessment/Management

Strategic Planning

A Three-Year Strategic Plan (the "Three-Year Plan") was formulated in the third quarter of 2009, covering the period from 2010 to 2012. The Three-Year Plan expedited the development of the Company especially in turning the Company into a more project-driven and decentralised organisation.

During the year ended 31 December 2012, strategic action plans were developed, executed, implemented and monitored by relevant

executives and management to achieve its medium-term goals and objectives. The Company has also developed balanced scorecards for the Company, projects and departments to strengthen and measure the alignment of individual performance in attaining these goals and objectives. The formulation of the second Three-Year Strategic Plan covering the period from 2013 to 2015 (the "Second Three-Year Plan") has also been started in the last quarter of 2012.

Resources Planning and Cost Control

During the year ended 31 December 2012, the Company's main focus on resources planning was still the raising of funds through various means to expedite completion of the maturing projects as well as further strengthening its capabilities in managing its retail resources to meet the future challenges. This has been done successfully and enabling the Company to focus more on its deliveries targeted in the Company's Second Three-Year Plan.

The Company continues to focus on managing costs in the short and long run, enhancing of the cost consciousness culture and behaviour of the Company, and reviewing and monitoring the Company's expenditure.

Enterprise Risk Management

Risk assessments are conducted semi-annually by the Internal Audit Department and presented to the Company's Executive Committee ("EXCOM") and the Audit Committee for review. The Company is implementing its continuous and integrated risk assessment and management framework. This enterprise risk management framework includes the introduction of Control and Risk Self-Assessment Process to the Company as an important step. This process enables the Company to change its risk assessment and management process from a punctuated one to a continuous one; to take both a "top down" and "bottom up" approach; and to promote management's participation in, ownership of and accountability towards their relevant risk assessment and management processes.

The Audit Committee has required management to present a report on risk assessment/management at every Audit Committee meeting.

Internal Control

Internal audit and management conduct reviews of the effectiveness of the Company's system of internal controls, including those of its subsidiaries and major associates. The Audit Committee reviews the summary report of the internal auditors on the effectiveness of the Company's system of internal controls and reports to the Board on such summary results.

The Company is also in the course of updating its detailed internal control documentation and evaluation system in order to cope with the ongoing organisational changes. This comprises an Internal Control System (INCOS) documentation of the Company's financial and operational processes together with





Construction site of Wuhan Tiandi

their key controls and weaknesses, and a Grid Rating System that scores the effectiveness of the key controls implemented.

Internal Audit

During the year ended 31 December 2012, the Chief Internal Auditor of the Internal Audit Department reports functionally to the Chairman, and has full and free access to the Audit Committee. The internal audit charter allows the internal auditors to have unrestricted access to all functions, records, property and personnel while maintaining appropriate confidentiality in performing their work.

The Internal Audit Department helps the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Internal Audit Department operates in a partnership relationship with management, preparing semi-annual audit plans based on a risk assessment methodology and upon agreement with the Company's EXCOM and the Audit Committee.

The Internal Audit Department issues reports to the Chairman, CEO and relevant management covering various operational and financial processes and projects of the Company. It provides summary reports to the Audit Committee together with the status of implementation of their recommendations in each Audit Committee meeting.

Ethical Corporate Culture

The Company has in place various policies, including its Code of Conduct and Business Ethics, governing business ethics and best practices. The Company emphasises integrity as an important foundation of its corporate culture and a strategic choice, and leverages it as one of its competitive advantages. New staff have to go through an introduction to ethics in their orientation, and have to join an ethics training session conducted by a member of the Ethics Committee or from senior management upon completion of their probation. Certain staff are carefully selected and designated with the duties of ethics experts. Their mission is to further enhance

the ethical awareness and standard of the Company through providing coaching and training to other staff. Training is developed with the assistance from the ICAC of Hong Kong and various training sessions were delivered to staff during the year 2012.

Before the end of each year, all managers and above, together with some selected staff, must complete an ethical e-course. Upon completion they have to make an on-line declaration of their commitment to abide by the Company's Code of Conduct and Business Ethics in all their business dealings on an annual basis.

Anti-fraud Measures

An Irregularities Reporting System (a whistle-blowing system) was installed for reporting on violations of the Company's Code of Conduct and Business Ethics as well as complaints about integrity related matters from staff, vendors, customers and business partners. Telephone hotlines and special e-mail and mail boxes were set up to enable any such complaints to

reach the chairman of the Audit Committee or the secretary of the Ethics Committee. At each Audit Committee meeting, a summary report of the complaints received and their follow up results are to be tabled for review.

The Ethics Committee also issued an Irregularity Report Policy. This policy clarifies the Company's treatments and procedures on handling potential violations reported, but at the same time tries to avoid abuse by disgruntled employees or ex-employees.

An Incident Reporting Procedure was formulated to enable the systematic, timely and uniform reporting of incidents such as potential fraud to the Chief Financial Officer by personnel involved in internal control activities related to financial and/or automated information systems.

An Anti-fraud Assessment Framework was used to facilitate the annual assessment of risks on potential frauds by individual projects and departments. The results were examined and appropriate control measures were established to mitigate those risks. The annual results are to be summarised and presented to the Audit Committee for review.

Responsibilities in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2012.

The Board is responsible for overseeing the preparation of financial statements of the Company and reviewing the same to ensure that such financial statements give a true and fair view of the state of affairs of the Company and that relevant statutory requirements and applicable accounting standards are complied with.

The management provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position of the Company that is put to the Board for approval.

The statement of the external auditors of the Company about their reporting responsibilities in regard to the financial statements is set out in the "Independent Auditor's Report" on page 129.

External Auditors and Auditors' Remuneration

The remuneration paid/payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2012 is set out as follows:

Services rendered for the Company	Fee paid/payable (HK\$ 'M)
Audit services:	6.0
Non-audit services:	12.5
<ul style="list-style-type: none"> • Review of interim report for the six months ended 30 June 2012 • Assurance services on spin-off and internal control review of China Xintiandi Ltd. • Comfort letters on senior notes/perpetual capital securities issued by the Company • Tax compliance review • Others 	<p style="text-align: right;">1.3</p> <p style="text-align: right;">7.5</p> <p style="text-align: right;">3.2</p> <p style="text-align: right;">0.2</p> <p style="text-align: right;">0.3</p>
Total:	18.5

Communications with Shareholders and Investors/ Investor Relations

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Company's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make the most informed investment decisions. The goal of our communication activities is to provide a true and fair view of the Company. A Shareholders' Communication Policy has been posted on the Company's website.

The Company has taken its own initiative to disclose price-sensitive information in a timely manner, and

to comply with the latest statutory requirements of the Securities and Futures (Amendment) Ordinance 2012 and its accompanied Guidelines on Disclosure of Inside Information which took effect on 1 January 2013. Connected and major transactions have to be reviewed and assessed by either the Audit Committee or an independent board of the Board for such purposes before these are submitted to shareholders' meeting for approval and/or public disclosure.

The Company leverages various channels and platforms including its annual and interim results announcements, press conferences and analyst briefings, and various industry conferences to ensure the timely release of important messages. An electronic investors' newsletter is published quarterly to provide more timely and relevant information pertaining to the Company's business development including all its projects.



In 2012, a number of “Investors and Analysts Day” were held in Shanghai, Chongqing and Foshan to further enhance investors’ understanding of the development progress of the Company’s projects, as well as the market sentiment in these cities. In addition, investors and analysts are also frequently invited to the Company’s marketing and promotional events to gain updated information. These initiatives are all well accepted by the investment community.

Information released by the Company to the Stock Exchange are also posted on the Company’s website, which is regularly being updated with corporate developments. Key events regarding financial results, business developments and operations are also announced on a timely basis to investors through our corporate website. Upon free subscription, alert emails on the Company’s public announcements, press releases and investors’ newsletters will be sent automatically to registered shareholders and investors. Application forms for requests for site visits and management meetings, and contact persons in the investor relations team can also be found on the Company’s website.

To maintain and improve the visibility of the Company in the financial community, the Company held numerous road shows and participated in investor conferences during the year ended 31 December 2012. The management and the investor relations team met hundreds of investors personally, discussing the Company as well as its development and strategies in conference calls and video meetings.

Major Investor Relations Events in 2012/2013

2012	Event
January	BNP Paribas Property Day, Hong Kong Nomura China Property Corporate Day, Hong Kong
March	2011 Annual Results Global Roadshow, Hong Kong, Singapore
April	2011 Annual Results Global Roadshow, Europe, USA, Beijing, Shanghai, Tokyo and Taipei HSBC 3rd Annual Asian Property Conference, Hong Kong
May	Macquarie Greater China Conference, Hong Kong The 10th BOCI Investors Conference, Beijing Barclays Capital Asia Property Conference, Hong Kong Morgan Stanley 3rd Annual Hong Kong Investor Summit, Hong Kong Investor and Analyst Day, Shanghai, Chongqing and Foshan
June	JP Morgan China Conference, Beijing HSBC London and Paris Conference, London and Paris
July	DBSV Pulse of Asia Conference, Singapore Citi China/HK Property Conference, Hong Kong BAML Greater China Property Day, Hong Kong
August	2012 Interim Results Global Roadshow, Hong Kong, Singapore Europe and USA
September	UBS Hong Kong/China Property Conference 2012, Hong Kong BAML Global Real Estate Conference, New York Daiva Property Conference, Singapore
October	Jefferies Corporate Day, Hong Kong
November	BAML China Conference, Beijing Morgan Stanley 11th Annual Asia Pacific Summit, Singapore
December	KGI Investor Conference, Taiwan
2013	Event
January	Nomura China Property Corporate Day, Hong Kong DBS Vickers Pulse of Asia Conference, Singapore DB Access China Conference 2013, Beijing UBS Great China Conference, Shanghai Investor and Analyst Day for Corporate Avenue II No.3 Groundbreaking Ceremony, Shanghai

The general meetings of the Company provide the best opportunity for the exchange of views between the Board and the shareholders. The Chairman of the Board as well as chairmen of the Audit, Remuneration, Nomination and Finance Committees or, in their absence, other members of the respective committees and, where applicable, the independent board committee, are available to answer questions at the shareholders’ meetings. The chairman of the independent board committee is also available to answer questions at any general meeting about approval of a connected transaction or any other transaction that is subject to independent shareholders’ approval.

To enhance communications with shareholders in the Company’s annual general meetings, the conducting language has been changed to Cantonese with simultaneous interpretation in English. Most of the Directors were present at the Annual General Meeting held on 7 June 2012 and the meeting provided a useful forum to exchange views with the Board.

To further enhance and provide more direct communications with the Company’s shareholders, a “Networking with Shareholders” session was conducted immediately after the Annual General Meeting. During the session, shareholders were provided with a chance

to discuss matters face to face with senior management of the Company. Previous sessions were well attended by shareholders. The meetings included discussion of the latest business initiatives and long-term development strategy of the Company as well as answering shareholders' questions.

The Company continues to enhance communications and relationships with its investors. Designated members of the senior management maintain regular dialogue with institutional investors and analysts to keep them abreast of the Company's development. Enquiries from investors are dealt with in an informative and timely manner.

Shareholders' Rights

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of an individual Director.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association.

Poll results are made available by way of an announcement, which is published in accordance with the Listing Rules as soon as possible.

Pursuant to Article No. 66 of the Company's Articles of Association, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right to require an extraordinary general meeting of the Company ("EGM") to be called by the Board by written requisition to the Board or the Company Secretary of the Company. Shareholders should specify the business they wish to discuss at the EGM in the written

requisition. Shareholders may put forward proposals at general meetings of the Company in the same manner as set out above.

The Board shall arrange to hold such EGM within two months after deposit of such requisition. If within 21 days of deposit of the written requisition the Board fails to proceed to convene such EGM, the shareholders themselves may do so in the same manner, and all reasonable expenses incurred by the shareholders shall be reimbursed to the shareholders by the Company.

Shareholders may at any time direct their enquiries about the Company

to the Board by writing to the Company's place of business in Hong Kong, 34/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong or by email to sol.ir@shuion.com.cn.

Shareholders may also put forward their enquiries to the Board at the general meetings of the Company.

Awards Received

With respect to the financial year ended 31 December 2012, the Company received several awards relating to corporate governance, communications with shareholders and investors, and investor relations. These are shown in the table on this page.

List of Awards to Shui On Land

Time of Award	Name of Award	Presented/Organised by
Corporate Governance Related		
2012	The Outstanding China Property Developers Awards 2012	Hong Kong Economic Digest
	Corporate Governance Asia Recognition Awards 2012 – The Best of Asia 2012	Corporate Governance Asia
	2012 Top 50 China Real Estate Listed Companies with Strongest Comprehensive Strengths	China Real Estate Appraisal
Communications with Shareholders and Investors/Investor Relations Related		
2012	Bronze Award (Interior Design - Real Estate Development Service; Various & Multi-Use Honours (Chairman's Statement – Property Category) Honours (Interior Design – Property Category)	ARC Awards 2012
2013	Silver in Design (2012 Interim Report) Honor in Annual Reports (Overall Presentation: Property Development 2011 Annual Report)	Mercury Awards 2012/13

Corporate Governance Enhancement

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but also about promoting and developing an ethical and healthy corporate culture. We are committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, integrity, accountability, sustainable development and independence. We will continue

to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. We have also experienced the trust of our shareholders, especially our minority shareholders, noting that they and the investment analyst community have lent the Company full support based on their recognition of our efforts to enhance corporate governance. All views and suggestions from our shareholders to promote our transparency are welcome.

