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**Shui On Land Limited**  
**瑞安房地產有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 272)**

**CONTINUING CONNECTED TRANSACTIONS**

**THE THIRD SUPPLEMENTAL AGREEMENT RELATING TO  
THE USE OF AIRCRAFT**

Reference is made to the announcements of the Company dated 4 September 2009, 2 November 2010 and 18 September 2013 respectively relating to the continuing connected transactions under the Aircraft Agreement pursuant to which the Group will use the Aircraft owned by Top Dynasty for the purpose of transporting passengers for the business of the Group.

On 23 November 2016, the Company and Top Dynasty entered into the Third Supplemental Agreement to further extend the term of the Aircraft Agreement for three financial years so that it shall end on 31 December 2019.

At the date of this announcement, Mr. LO, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Mr. LO is therefore a connected person of the Company. Pursuant to the Listing Rules, Top Dynasty is an associate of Mr. LO, and is therefore an associate of a connected person of the Company. Accordingly, the transactions contemplated under the Aircraft Agreement as supplemented by the Third Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the Annual Caps exceed 0.1% but are less than 5%, the entering into of the Third Supplemental Agreement and the Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

*\* For identification purposes only*

## THE THIRD SUPPLEMENTAL AGREEMENT

### *Date*

23 November 2016

### *Parties*

- (1) Top Dynasty; and
- (2) The Company

### *Major Terms*

The Third Supplemental Agreement further extends the term of the Aircraft Agreement for three financial years so that the term shall end on 31 December 2019.

### ANNUAL CAPS

It is expected that the maximum annual Fees payable by the Group to the Top Dynasty Group under the Aircraft Agreement as supplemented by the Third Supplemental Agreement for each of the three financial years ending 31 December 2019 will be as follows:

	<b>During the financial year ending 31 December</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual Caps	RMB18.0 million (approximately HK\$20.3 million)	RMB18.0 million (approximately HK\$20.3 million)	RMB18.0 million (approximately HK\$20.3 million)

The Annual Caps are determined based on (i) the previous travelling schedules of the Chairman and the senior management of the Company; (ii) the internal projection of the Fees to be incurred by reference to the estimated flight hours based on the Group's business growth; (iii) the high inflation and fuel costs environment; (iv) the prevailing market rates of similar services offered by an independent aircraft service provider; and (v) the historical amounts paid under the Aircraft Agreement during the two financial years ended 31 December 2014 and 31 December 2015 which are set out below. The Fees will be funded by the internal resources of the Group.

	<b>Audited amount for the year ended 31 December 2014</b>	<b>Audited amount for the year ended 31 December 2015</b>
Fees paid by the Group to the Top Dynasty Group	RMB10.5 million (approximately HK\$11.8 million)	RMB8.0 million (approximately HK\$9.0 million)

## **REASONS FOR AND BENEFIT OF THE CONTINUING CONNECTED TRANSACTIONS**

The senior management of the Company has extensive and sometimes unexpected travel schedules around different parts of the PRC and occasionally to other parts of the world. The benefits of entering into the Third Supplemental Agreement are the time costs which would have been saved from the rigid adherence to the fixed schedules as well as unexpected waiting time for commercial flights, especially in regions where commercial flights are either scarce or even absent. In addition, travelling on the Aircraft provides a venue for senior management meetings and it will facilitate effective private discussions. In comparison with meeting in any other venue, confidentiality can be better secured.

The Directors (including the independent non-executive Directors but excluding (1) Mr. LO who has a material interest in the Transaction given his interest in Top Dynasty; and (2) Mr. Frankie Y. L. WONG who is a director of the indirect holding companies of Top Dynasty had abstained from voting at the Board meeting regarding the matters relating to the Transaction), are of the view that procuring the use of the Aircraft will increase the efficiency of the Company, and consider that the terms of the Third Supplemental Agreement (together with the Continuing Connected Transactions and the Annual Caps) were agreed on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation between the parties, and that the Continuing Connected Transactions (together with the Annual Caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS OF THE LISTING RULES**

At the date of this announcement, Mr. LO, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Mr. LO is therefore a connected person of the Company. Pursuant to the Listing Rules, Top Dynasty is an associate of Mr. LO, and is therefore an associate of a connected person of the Company. Accordingly, the transactions contemplated under the Aircraft Agreement as supplemented by the Third Supplemental Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the Annual Caps exceed 0.1% but are less than 5%, the entering into of the Third Supplemental Agreement and the Continuing Connected Transactions are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under the Listing Rules.

## **GENERAL INFORMATION**

The Group is one of the leading property developers in the PRC. It engages principally in the development, sale, leasing, management and ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

The principal business activity of Top Dynasty is aircraft holding.

## DEFINITIONS

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

<b>“Aircraft Agreement”</b>	the agreement dated 4 September 2009 entered into between the Company and Top Dynasty in relation to the use of the Aircraft, as supplemented by the supplemental agreements dated 2 November 2010 and 18 September 2013 entered into between the Company and Top Dynasty;
<b>“Aircraft”</b>	the aircraft which is provided by Top Dynasty to the Group from time to time under the Aircraft Agreement as supplemented by the Third Supplemental Agreement;
<b>“Annual Caps”</b>	the maximum annual Fees payable by the Group to the Top Dynasty Group in respect of the Continuing Connected Transactions for the three financial years ending 31 December 2019;
<b>“associate(s)”, “connected person(s)”, “subsidiary(ies)”</b>	each has the meaning ascribed to it in the Listing Rules;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange;
<b>“Continuing Connected Transactions”</b>	the continuing connected transactions to be entered into between the Group and the Top Dynasty Group in relation to the transactions contemplated under the Aircraft Agreement as supplemented by the Third Supplemental Agreement;
<b>“Directors”</b>	the directors of the Company;
<b>“Fees”</b>	the fees relating to the use of the Aircraft under the Aircraft Agreement as supplemented by the Third Supplemental Agreement which include but are not limited to fuel, insurance and maintenance of the Aircraft, air navigation, costs for the flight crew, passenger airport taxes and airport charges;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC;

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Mr. LO”</b>	Mr. Vincent H. S. LO;
<b>“PRC”</b>	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan area;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“Third Supplemental Agreement”</b>	the third supplemental agreement dated 23 November 2016 entered into between the Company and Top Dynasty for the purpose of extending the term of the Aircraft Agreement;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Top Dynasty”</b>	Top Dynasty Investment Limited, a company incorporated under the laws of Hong Kong and also a subsidiary of Shui On Company Limited, a company incorporated under the laws of the British Virgin Islands and owned by the Bosrich Unit Trust. The trustee of Bosrich Unit Trust is Bosrich Holdings (PTC) Inc.. The units of Bosrich Unit Trust are the property of a discretionary trust, of which Mr. LO is a discretionary beneficiary;
<b>“Top Dynasty Group”</b>	Top Dynasty and its direct or indirect holding companies and subsidiaries, and subsidiaries of Top Dynasty’s direct or indirect holding companies;
<b>“Transaction”</b>	the transaction(s) contemplated under the Third Supplemental Agreement; and
<b>“%”</b>	percent.

*Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rate of HK\$1.00 = RMB0.88843. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.*

By Order of the Board  
**Shui On Land Limited**  
**Vincent H. S. LO**  
*Chairman*

Hong Kong, 23 November 2016

*At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Frankie Y. L. WONG and Mr. Douglas H. H. SUNG (Chief Financial Officer); and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.*