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If you have sold or transferred all your shares in Shui On Land Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or the 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 the transferee(s).

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瑞安房地產
SHUI ON LAND

Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

**PROPOSALS FOR
DECLARATION OF FINAL DIVIDEND WITH SCRIP OPTION,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF THE RETIRING DIRECTORS,
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Shui On Land Limited to be held at Regal Ballroom, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 24 May 2017 at 3:00 p.m. is set out on pages 31 to 35 of this circular. Whether or not shareholders are able to attend the annual general meeting, shareholders are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's place of business in Hong Kong at 34/F., Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting (i.e. by 3:00 p.m., 22 May 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form shall not preclude shareholders from attending and voting in person at the annual general meeting or any adjourned meeting thereof should shareholders so wish.

* For identification purposes only

21 April 2017

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DEFINITIONS

In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Regal Ballroom, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 24 May 2017 at 3:00 p.m., the notice of which is set out on pages 31 to 35 of this circular;
“Adoption Date”	24 May 2017 (the date on which the New Share Option Scheme was conditionally adopted by resolution of the Company in the AGM);
“Articles of Association”	the articles of association of the Company;
“associates”, “close associates”, “controlling shareholders”, “core connected person”, “substantial shareholders”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Chairman”	the chairman of the Board and at the Latest Practicable Date, Mr. Vincent H. S. Lo;
“Commencement Date”	in respect of any particular Option, the date on which that Option is deemed to have been granted in accordance with the New Share Option Scheme;
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Employee”	any person employed by the Company or a majority owned subsidiary of the Company;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 8 June 2007 (as amended on 7 June 2012);
“Grantee”	any Qualifying Participant who accepts an offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so requires) the legal personal representatives of such Qualifying Participant;

DEFINITIONS

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Initial Mandate Limit”	has the meaning set out in paragraph (r)(ii) under Appendix III of this circular;
“Issue Date”	the date on which Shares are issued to a Grantee pursuant to the exercise of an Option granted hereunder, and shall be deemed to be the date on which the Grantee is registered in the register of members of the Company as holder of such Shares or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members;
“Latest Practicable Date”	10 April 2017, 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;
“Mandate Limit”	the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be);
“New Share Option Scheme”	the new share option scheme proposed to be conditionally adopted by the Company at the AGM, a summary of the principal terms of which is set out in the Appendix III to this circular;
“Option”	an option to subscribe for Shares granted pursuant to the New Share Option Scheme;
“Option Period”	has the meaning set out in paragraph (g) under Appendix III of this circular;
“Qualifying Participant”	any (a) Employee as recommended by the Remuneration Committee or (b) non-executive director, consultant, advisor of the Company or its Subsidiaries, or service providers and business partners who have or may contribute to the Group as recommended by the Chairman, and approved by the Board in accordance with the New Share Option Scheme;
“Refreshed Mandate Limit”	has the meaning set out in paragraph (r)(iii) under Appendix III of this circular;

DEFINITIONS

“Relevant Period”	the period from the passing of the resolution to approve the Repurchase Mandate until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands and other relevant jurisdiction to be held; and (iii) the date of the revocation or variation of the authority given to the Directors by an ordinary resolution of the Shareholders in general meeting;
“Remuneration Committee”	the remuneration committee of the Company as designated by the Board from time to time to decide and approve the implementation of the New Share Option Scheme;
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares of up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the AGM;
“Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme of the Company and must not, in aggregate, exceed 10% of the Shares in issue at the date of approval of the New Share Option Scheme (excluding options which have lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company), unless Shareholders’ approval has been obtained pursuant to the terms as set out in the New Share Option Scheme;
“Scrip Dividend Scheme”	has the meaning as ascribed to it in the section entitled “Declaration of Final Dividend with Scrip Option” under the Letter from the Board;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Share(s);
“Share(s)”	ordinary share(s) of US\$0.0025 each in the share capital of the Company;

DEFINITIONS

“Shares Issue Mandate”	the proposed general mandate to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the AGM;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Share Option Scheme;
“Subscription Price Reference Date”	the Commencement Date, or if the Commencement Date does not fall on a Business Day or is a Business Day on which the trading of the Shares on the Stock Exchange is suspended, the Business Day immediately preceding the Commencement Date on which the trading of the Shares on the Stock Exchange is not suspended;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	percent.

LETTER FROM THE BOARD



瑞安房地產
SHUI ON LAND

Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

Executive Directors:

Mr. Vincent H. S. LO (*Chairman*)
Mr. Douglas H. H. SUNG (*Chief Financial Officer*)

Non-executive Director:

Mr. Frankie Y. L. WONG

Independent Non-executive Directors:

Sir John R. H. BOND
Dr. William K. L. FUNG
Professor Gary C. BIDDLE
Dr. Roger L. McCARTHY
Mr. David J. SHAW
Mr. Anthony J. L. NIGHTINGALE

Registered Office:

190 Elgin Avenue
George Town
Grand Cayman KY1-9005
Cayman Islands

Place of Business in Hong Kong:

34/F, Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

21 April 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
DECLARATION OF FINAL DIVIDEND WITH SCRIP OPTION,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF THE RETIRING DIRECTORS,
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to approve, inter alia, (i) the declaration of final dividend with scrip option; (ii) the grant of the Shares Issue Mandate and the Repurchase Mandate; (iii) the re-election of the retiring Directors and (iv) the adoption of the New Share Option Scheme.

* For identification purposes only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the relevant ordinary resolutions to be proposed at the AGM.

DECLARATION OF FINAL DIVIDEND WITH SCRIP OPTION

The Board has recommended a final dividend of HK\$0.039 per Share for the year ended 31 December 2016. Subject to the passing of ordinary resolution numbered 2 as set out in the notice of the AGM, the final dividend of HK\$0.039 will be payable on or about 18 July 2017 in cash and Shareholders will be given the option to elect to receive their final dividend in new, fully paid Shares in lieu of all or part of cash (the “**Scrip Dividend Scheme**”). The Scrip Dividend Scheme is also conditional upon the Listing Committee of the Stock Exchange granting approval to the listing of and permission to deal in the new Shares to be issued under the Scrip Dividend Scheme.

The listing document containing details of the Scrip Dividend Scheme and the election form will be sent to Shareholders on or about 19 June 2017.

The register of members of the Company will be closed from 10 May 2017 to 24 May 2017 (both days inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 9 May 2017.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 20 May 2016, ordinary resolutions were passed to grant general mandates to the Directors (i) to allot, issue and deal with new Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution; (ii) to repurchase Shares, the aggregate nominal amount of which must not exceed 10% of the total nominal amount of the issued share capital of the Company at the date of passing such resolution; and (iii) to extend the general mandate granted to the Directors to issue Shares as mentioned in item (i) above by the number of Shares repurchased by the Company as mentioned in item (ii) above.

The above general mandates will lapse at the conclusion of the AGM. The Board therefore proposes to seek your approval of the ordinary resolutions to be proposed at the AGM to renew these general mandates.

Subject to the passing of the resolution regarding the Shares Issue Mandate and on the basis of 8,026,630,189 Shares in issue at the Latest Practicable Date and assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company will be allowed to allot and issue a maximum of 802,663,018 Shares (the “**GM Max**”), being 10% of the issued share capital of the Company at the date of passing the relevant resolution at the AGM.

LETTER FROM THE BOARD

Subject to the passing of the resolution to approve the proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company will be allowed to repurchase a maximum of 802,663,018 Shares (“**RM Max**”), being 10% of the issued share capital of the Company at the date of passing the relevant resolution at the AGM, during the Relevant Period.

In the event of any consolidation or subdivision of share capital, the GM Max and RM Max will be automatically adjusted and when represented as a percentage of the total number of shares in issue before and after any consolidation or subdivision of share capital, will remain the same.

An explanatory statement as required by the Listing Rules to provide the requisite information for consideration by the Shareholders of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF THE RETIRING DIRECTORS

The Board currently consists of nine Directors, namely Mr. Vincent H. S. LO, Mr. Douglas H. H. SUNG, Mr. Frankie Y. L. WONG, Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE (“Professor BIDDLE”), Dr. Roger L. McCARTHY, Mr. David J. SHAW (“Mr. SHAW”) and Mr. Anthony J. L. NIGHTINGALE.

In accordance with Article 102 of the Articles of Association, Mr. Vincent H. S. LO, Professor BIDDLE and Mr. SHAW will retire from office by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

Pursuant to the code provision set out in paragraph A.4.3 of Appendix 14 to the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by Shareholders. Notwithstanding that Professor BIDDLE and Mr. SHAW have served as Independent Non-executive Directors of the Company for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Professor BIDDLE and Mr. SHAW remain independent; (ii) the Nomination Committee of the Company has assessed and is satisfied of the independence of Professor BIDDLE and Mr. SHAW; and (iii) the Board considers that Professor BIDDLE and Mr. SHAW remain independent of management and free of any relationship which could materially interfere with the exercise of their independent judgment. In view of the aforesaid factors and the fact that the experience and knowledge of the relevant individual in the business sectors in which the Company operates, the Board would recommend Professor BIDDLE and Mr. SHAW for re-election at the AGM.

Details of the abovementioned retiring Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

1. Reasons for the adoption of the New Share Option Scheme

The Existing Share Option Scheme commenced on 8 June 2007 and will expire on 7 June 2017. Upon expiration of the Existing Share Option Scheme, no further options can be granted thereunder. However, the rules of the Existing Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its expiration or otherwise as may be required in accordance with the rules of the Existing Share Option Scheme.

All outstanding options granted prior to such expiration shall continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme. At the Latest Practicable Date, options to subscribe for an aggregate of 41,370,157 Shares (representing approximately 0.52% of the total issued Shares at the Latest Practicable Date) had been granted and remained outstanding under the Existing Share Option Scheme. The Board confirms that, following the adoption of the New Share Option Scheme, it will not grant any further options under the Existing Share Option Scheme prior to the expiration of the Existing Share Option Scheme.

In view of the expiration of the Existing Share Option Scheme, the Board proposes to the Shareholders to adopt the New Share Option Scheme at the AGM.

The Board considers that it would be advantageous to the Group's development for the Company to continue giving incentives and rewards to the Qualifying Participants by granting Options under the New Share Option Scheme. The Directors believe that attracting and motivating high quality personnel is key to the success and growth of the Company. The Directors believe that the New Share Option Scheme will provide the Qualifying Participants with the opportunity of participating in the growth of the Company by acquiring Shares in the Company, and may, in turn, assist in building the Group into a high performing organisation with loyal staff and contributors. The purpose of the New Share Option Scheme is to provide the Qualifying Participants with strategic driver to enhance shareholder value and to contribute further to the Company. The Board believes that the authority given to the Remuneration Committee, the Board and the Chairman under the New Share Option Scheme to fix a minimum holding period and performance targets as conditions in the Options granted and the requirement for a minimum subscription price as well as the authority to select the appropriate Qualifying Participants as prescribed by the rules of the New Share Option Scheme will serve to protect the value of the Company as well as to achieve the purposes of retaining and motivating the Qualifying Participants to contribute to the Company.

At the Latest Practicable Date, the Company does not have any plan to grant any Share Options under the Scheme Mandate Limit.

LETTER FROM THE BOARD

2. Principal terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix III to this circular. It serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same. The full terms of the New Share Option Scheme are available for inspection during normal business hours at 34th Floor, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong from the date of this circular and up to and including the date of the AGM and at the AGM.

3. Valuation of Options

The Board considers that it is inappropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date prior to the approval of such scheme, given that the variables which are crucial for the calculation of the value of such Options cannot be determined. The variables which are critical for the determination of the value of such Options include the Subscription Price, whether or not Options will be granted under the New Share Option Scheme, the timing of the grant of such Options, the period during which the subscription rights may be exercised and any other condition that the Remuneration Committee may impose on the Options and whether or not such Options if granted will be exercised by the Grantees. With a scheme life of 10 years, it is too premature to assess the number of Options that may be granted under the New Share Option Scheme. It is also difficult to ascertain with accuracy the Subscription Price given the volatility the price of the Shares may be subject to during the 10-year life span of the New Share Option Scheme. On these premises, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

4. Interest of Directors

None of the Directors is a trustee of the New Share Option Scheme nor does any of them have a direct or indirect interest in such a trustee, if any.

5. Conditions

The adoption of the New Share Option Scheme is conditional upon the following:

- (i) the passing of an ordinary resolution approving the adoption of the New Share Option Scheme at the AGM; and
- (ii) the obtaining by the Company of the approval from the Listing Committee (as defined in the Listing Rules) of the Stock Exchange for the listing of, and permission to deal in, the Shares (such Shares representing 10% of the total issued Shares at the date of the AGM) which may be issued by the Company to any Grantee pursuant to the terms and conditions of the New Share Option Scheme.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares (such Shares representing 10% of the total issued Shares at the date of the AGM) which may be issued pursuant to the exercise of subscription rights attaching to the Options to be granted under the New Share Option Scheme.

Assuming that the New Share Option Scheme has been approved at the AGM, the maximum number of Shares which may be allotted and issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme of the Company may represent up to 10% of the total issued Shares at the date of approval of the New Share Option Scheme by the Shareholders at the AGM, which maximum number may however be refreshed as detailed in the Appendix III to this circular. Other than the Existing Share Option Scheme, the Company currently does not maintain any other share option scheme. At the Latest Practicable Date, the issued Share capital of the Company comprised 8,026,630,189 Shares, assuming that prior to the AGM, no Shares are issued or repurchased by the Company, the Scheme Mandate Limit will be 802,663,018 Shares, representing 10% of the total issued Shares at the date of approval of the New Share Option Scheme by the Shareholders at the AGM, and options to subscribe for up to 802,663,018 Shares may be granted under the New Share Option Scheme and any other share option scheme of the Company.

At the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting at the AGM pursuant to the Listing Rules.

AGM

A notice convening the AGM is set out on pages 31 to 35 of this circular.

A proxy form for the AGM is enclosed with this circular. Whether or not Shareholders are able to attend the AGM, Shareholders are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's place of business in Hong Kong at 34/F., Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM (i.e. by 3:00 p.m., 22 May 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form shall not preclude Shareholders from attending and voting in person at the AGM or any adjourned meeting thereof should Shareholders so wish.

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. At the Latest Practicable Date, 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 Directors are of the opinion that the proposals relating to (i) the declaration of final dividend with scrip option for the year ended 31 December 2016; (ii) the grant of the Shares Issue Mandate and the Repurchase Mandate, (iii) the re-election of the retiring Directors and (iv) the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole, and recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
By Order of the Board
Shui On Land Limited
Vincent H. S. LO
Chairman

This appendix serves as an explanatory statement as required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Repurchase Mandate.

1. SHARE CAPITAL

At the Latest Practicable Date, the issued share capital of the Company was US\$20,066,575 comprising 8,026,630,189 fully paid-up Shares.

Subject to the passing of the resolution to approve the proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company will be allowed to repurchase a maximum of 802,663,018 Shares, being 10% of the issued share capital of the Company at the date of passing the relevant resolution at the AGM, during the Relevant Period.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares pursuant to the proposed Repurchase Mandate and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the proposed Repurchase Mandate will be made out of funds which are legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws of the Cayman Islands.

As compared with the financial position of the Company at 31 December 2016 (being the date of its latest audited financial statements), the Directors consider that there will not be a material adverse impact on the working capital or on the gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position of the Company as determined from time to time by the Directors.

4. EFFECTS OF TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

At the Latest Practicable Date, Mr. Vincent H. S. LO and his associates were interested in 4,589,215,005 Shares, representing approximately 57.17% of the existing issued share capital of the Company. Based on such shareholding and assuming that no further Shares will be issued or repurchased after the Latest Practicable Date and up to the date of the AGM and in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding interest of Mr. Vincent H. S. LO together with his associates in the Company would be increased to approximately 63.52% of the issued share capital of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

Save as aforesaid, at the Latest Practicable Date, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase of Shares under the Repurchase Mandate.

5. SHARE PRICES

The highest and the lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:

	Share Prices	
	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2016		
April	2.13	2.01
May	2.06	1.89
June	2.00	1.86
July	2.14	1.94
August	2.21	2.04
September	2.29	2.09
October	2.17	1.89
November	1.95	1.78
December	1.91	1.62
2017		
January	1.72	1.61
February	1.77	1.57
March	1.91	1.69
April (up to the Latest Practicable Date)	1.78	1.73

6. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. GENERAL

To the best knowledge of the Directors having made all reasonable enquiries, none of the Directors or any of their close associates has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by Shareholders at the AGM.

No core connected person of the Company, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the Company is authorized to make purchases of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The following are the particulars of the three Directors proposed to be re-elected at the AGM:

Mr. Vincent H. S. LO, GBS, JP

Executive Director

Mr. Vincent H. S. LO, aged 68, has served as our Chairman since the inception of the Company in February 2004. Mr. Lo leads the Board of Directors in deciding on the Company's direction and to set corporate strategies. Mr. Lo was the Chief Executive Officer of our Company from 2004 to 16 March 2011. He is also the Chairman of the Shui On Group, which he founded in 1971, Chairman of SOCAM Development Limited, a Non-executive Director of Great Eagle Holdings Limited and a Non-executive Director of Hang Seng Bank Limited.

Mr. Lo was awarded the Gold Bauhinia Star (GBS) in 1998 and appointed Justice of the Peace in 1999 by the Government of the Hong Kong Special Administrative Region (HKSAR). He was named Businessman of the Year at the Hong Kong Business Awards in 2001, and won the Director of the Year Award from The Hong Kong Institute of Directors in 2002 and Chevalier des Arts et des Lettres by the French government in 2005. He was honoured with "Ernst & Young China Entrepreneur Of The Year 2009" and also, as "Entrepreneur Of The Year 2009" in the China Real Estate Sector. Mr. Lo was made an Honorary Citizen of Shanghai in 1999 and Foshan in 2011. In 2012, the 4th World Chinese Economic Forum honoured Mr. Lo with the Lifetime Achievement Award for Leadership in Property Sector.

In addition to his business capacity, Mr. Lo has been active in community services. He participated in the preparatory works of the establishment of the Hong Kong Special Administrative Region. He currently serves as a Member of The Twelfth National Committee of Chinese People's Political Consultative Conference, the Chairman of Hong Kong Trade Development Council, the President of Council for the Promotion & Development of Yangtze, an Economic Adviser of the Chongqing Municipal Government, the Honorary Life President of the Business and Professionals Federation of Hong Kong, a Vice Chairman of the Chamber of International Commerce Shanghai and the Honorary Court Chairman of The Hong Kong University of Science and Technology.

Mr. Lo is currently the Chairman of the Finance Committee and the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Lo also holds directorship in various member companies of the Group. Save as disclosed above, Mr. Lo does not hold any other positions with the Company or any of its subsidiaries.

There is no service contract signed between the Company and Mr. Lo. He was not appointed for a specific term and shall be subject to retirement by rotation and re-election of Directors pursuant to the Articles of Association, the Listing Rules and any other applicable law. Mr. Lo did not receive any emoluments (including bonuses) in respect of his capacity as the Chairman and Executive Director of the Company for the year ended 31 December 2016.

At the Latest Practicable Date, Mr. Lo has (i) an interest in 4,589,215,005 Shares; and (ii) a family interest in the principal amount of US\$1,300,000 of US\$637,027,000 8.7% Senior Notes due 2018 issued by Shui On Development (Holding) Limited, a wholly-owned subsidiary of the Company, within the meaning of Part XV of the SFO. Mr. Lo is the father of Ms. Stephanie B. Y. Lo, Vice

Chairman of China Xintiandi Holding Company Limited, a wholly-owned subsidiary of the Company. Mr. Lo is a director of Shui On Company Limited, the controlling shareholder of the Company. Save as disclosed above, at the Latest Practicable Date, Mr. Lo does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Saved as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Professor Gary C. BIDDLE

Independent Non-Executive Director

Professor Gary C. BIDDLE, aged 65, has served as an Independent Non-executive Director of the Company since May 2006. Professor Biddle is PCCW Professor and Chair of Accounting at University of Hong Kong and lecturer at Columbia Business School, London Business School, and Fudan University. Professor Biddle earned his MBA and PhD degrees at University of Chicago. Previously he served as professor at University of Chicago, University of Washington, Hong Kong University of Science and Technology (HKUST), and as visiting professor at China Europe International Business School (China), University of Glasgow (UK), IMD (Switzerland) and Skolkovo Business School (Russia). In academic leadership, Professor Biddle has served as Dean at University of Hong Kong, and as Academic Dean, Department Head, Council member, Court member, Senate member and Synergis-Geoffrey Yeh Chair Professor at HKUST. Professionally, Professor Biddle is Board and Executive Council Member of the American Accounting Association, Advisory Board Member of the American Accounting Association International Accounting Section, Council Member and Financial Reporting Standards Committee Member of the Hong Kong Institute of Certified Public Accountants, Financial Reporting Review Panel Member of the Financial Reporting Council of Hong Kong, Accounting Hall of Fame Selection Committee Member, Book Editor of *The Accounting Review*, Accounting Area Editor for *Journal of International Business Studies*, and editorial boards of other premier academic journals. He is a member of the American Institute of Certified Public Accountants, Hong Kong Business and Professionals Federation, Hong Kong Institute of Directors (Training Committee), Washington Society of Certified Public Accountants, and he is past President and co-founding Council Member of the Hong Kong Academic Accounting Association. Professor Biddle is expert in financial and management accounting (teaching both), value creation, economic forecasting, corporate governance and performance metrics, including EVA[®]. Professor Biddle's research appears in leading academic journals and in the financial press including *CNN*, *The Economist* and *The Wall Street Journal*. He ranks among the top 0.4% in career research citations and recent downloads among all social science researchers (*Social Science Research Network*). Professor Biddle has won 30 teaching honors, including two "Professor of Year" awards from the world's #1-ranked EMBA program (*Financial Times*). Professor Biddle also proudly serves as Independent Non-Executive Director and Audit Committee Chair of Kingdee International Software, and he chaired the remuneration committee of closely held Chinachem Group.

Professor Biddle is currently the Chairman of Audit Committee and a member of the Remuneration Committee, Nomination Committee and Finance Committee of the Company. Save as disclosed above, Professor Biddle does not hold any other positions with the Company or any of its subsidiaries.

There is a service agreement between Professor Biddle and the Company and his current appointment shall end on the date of the AGM, subject to retirement by rotation and re-election of Directors pursuant to the Articles of Association, the Listing Rules and any other applicable law. According to the service agreement, Professor Biddle is entitled to receive a Director's fee of HK\$600,000 per annum which is subject to annual review by the Board and determined with reference to his duties and responsibilities, the remuneration benchmark in the industry and the prevailing market conditions. Details of his emoluments are set out in the Company's 2016 annual report.

At the Latest Practicable Date, Professor Biddle has a personal interest in 305,381 Shares within the meaning of Part XV of the SFO. Professor Biddle does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Professor Biddle met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation and considered him to be independent.

Saved as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. David J. SHAW

Independent Non-Executive Director

Mr. David J. SHAW, aged 70, has served as an Independent Non-executive Director of the Company since May 2006. Mr. Shaw acted as the Group Adviser to the Board of HSBC Holdings plc from June 1998 until 30 September 2013 and retired from the HSBC Group in 2015. Mr. Shaw is a solicitor, admitted in England and Wales and in Hong Kong. He was a partner of Norton Rose from 1973 until 1998 and during that period spent approximately 20 years working in Hong Kong. Mr. Shaw obtained a law degree from Cambridge University. He is also an Independent Non-executive Director of Kowloon Development Company Limited.

Mr. Shaw is currently a member of the Audit Committee of the Company. Save as disclosed above, Mr. Shaw does not hold any other positions with the Company or any of its subsidiaries.

There is a service agreement between Mr. Shaw and the Company and his current appointment shall end on the date of the AGM, subject to retirement by rotation and re-election of Directors pursuant to the Articles of Association, the Listing Rules and any other applicable law. According to the service agreement, Mr. Shaw is entitled to receive a Director's fee of HK\$400,000 per annum which is subject to annual review by the Board and determined with reference to his duties and responsibilities, the remuneration benchmark in the industry and the prevailing market conditions. Details of his emoluments are set out in the Company's 2016 annual report.

At the Latest Practicable Date, Mr. Shaw does not have any interests in the Shares of the Company within the meaning of Part XV of the SFO. Mr. Shaw does not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Shaw met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Company has received his annual written independence confirmation and considered him to be independent.

Saved as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed pursuant to any of the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

This Appendix summarises the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as effecting the interpretation of the rules of the New Share Option Scheme.

(a) Purpose

The purpose of the New Share Option Scheme is to provide a strategic driver to enhance shareholder value of the Company through achieving excellent business results and rapid growth; and to build a high performing organization with loyal staff and other key contributors who are committed to achieving the vision and goals of the Company.

(b) Who may join

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Employees as the Remuneration Committee may recommend and the Board may approve; and any non-executive director, consultant, advisor of the Company or its subsidiaries, or service providers and business partners who have or may contribute to the Group as the Chairman may recommend and the Board may approve.

(c) Administration

The New Share Option Scheme shall be subject to the administration of the Remuneration Committee, the Chairman and the Board.

The Remuneration Committee's administrative powers include the authority, in its discretion:

- (i) to select and recommend to the Board as to the Employees who will be eligible for a grant of Option under the New Share Option Scheme as a Qualifying Participant;
- (ii) to determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (iii) to recommend to the Board the total aggregate amount of the grants to the Qualifying Participants and the number of Shares to be covered by each Option granted under the New Share Option Scheme;
- (iv) to determine the Subscription Price in respect of any particular Option;
- (v) to approve and amend forms of option agreements;

- (vi) to determine the terms and conditions, not inconsistent with the terms of the New Share Option Scheme and provided that such terms and conditions do not relax any limits imposed by the Listing Rules, of any Option based in each case on such factors as the Remuneration Committee, in its sole discretion, shall determine to be stated in the letter controlling the offer of the grant of the Option. Such terms and conditions may include, but are not limited to:
- conditions, restrictions, limitations or the performance targets, if any, that must be achieved before the Option can be exercised;
 - satisfactory performance by the Grantee;
 - the minimum period, if any, for which an Option must be held before it vests or becomes exercisable in whole or in part;
 - the period, if any, during which Shares allotted and issued upon exercise of the Option shall be subject to restrictions on dealings, and the terms of such restrictions;
 - the Option Period, which shall be not greater than the period prescribed by the Listing Rules from time to time (which is, at the date of adoption of the New Share Option Scheme, a period of 10 years from the Commencement Date); and
 - the amount, if any, payable on application or acceptance of the Option and the period within which payments must be made;
- (vii) to construe and interpret the terms of the New Share Option Scheme and Options granted pursuant to the New Share Option Scheme;
- (viii) to prescribe, amend and rescind rules and regulations relating to the New Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Qualifying Participant; and
- (ix) to approve a shorter vesting period for the Option granted to a Grantee as referred to in the New Share Option Scheme.

The Chairman shall have the authority to select and recommend to the Remuneration Committee as to such non-executive director, consultant, advisor or other contributor of the Company or its subsidiaries who will be eligible for a grant of Option under the New Share Option Scheme as a Qualifying Participant.

The Board shall have authority:

- (i) to determine and approve the Qualifying Participants to whom Options may be granted as recommended by the Remuneration Committee or the Chairman;

- (ii) to determine and approve the total aggregate amount of the grants to the Qualifying Participants and the number of Shares to be covered by each Option granted as recommended by the Remuneration Committee; and
- (iii) subject to paragraph (t), vary the terms and conditions of any option agreement as recommended by the Remuneration Committee (provided that such variation is not inconsistent with the terms of the Listing Rules and the New Share Option Scheme).

(d) Grant of Option

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board shall, subject to the recommendation of the Remuneration Committee or the Chairman, be entitled at any time within 10 years commencing on the Adoption Date to make an offer for the grant of an Option to any Qualifying Participant for such number of Shares as the Board may from time to time determine at the recommendation of the Remuneration Committee or the Chairman.

An offer of the grant of an Option shall be made to a Qualifying Participant by letter in such form as the Remuneration Committee may from time to time determine, specifying the number of Shares, the Subscription Price and the Option Period in respect of which the offer is made and such other terms and conditions to which the Option shall be subject, including any further matters referred to in sub-paragraph (c)(vi) and any further requiring the Qualifying Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme. An offer may only be made on a Business Day.

Subject to paragraphs (j) and (k) below, an Option shall vest and become exercisable in such manner and on such date and for such amount as the Remuneration Committee may from time to time determine, provided that the condition(s) precedent (if applicable) to its vesting set out in the option agreement having been satisfied.

The Board may make an offer of Options under the New Share Option Scheme from time to time as it may in its absolute discretion determine provided that:

- (i) the first grant shall be after the New Share Option Scheme has been approved by the Shareholders of the Company; and
- (ii) an offer of the grant of an Option may not be made after inside information has come to the knowledge of the Company until the information has been announced in accordance with the Listing Rules. In particular, but only insofar as and for so long as the Listing Rules require, no offer of the Option may be made during the period commencing one month immediately before the earlier of:
 - the date of the Board meeting (as such date is first notified to the Stock Exchange) for the approval of the Company's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and

- the deadline for the Company to publish its results for any year or half-year under the Listing Rules or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

(e) Payment on acceptance of Option offer

An offer shall remain open for acceptance by the Qualifying Participant concerned for a period of 30 days from the date of the offer (or such longer period as the Remuneration Committee may specify in writing). HK\$1.00 is payable by the Grantee to the Company on acceptance of the offer of the Option. If such remittance is not made upon acceptance, acceptance of an offer shall create a promise by the relevant Grantee to pay to the Company HK\$1.00 on demand.

(f) Subscription Price

The Subscription Price in respect of any particular Option shall at least be the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Subscription Price Reference Date;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Subscription Price Reference Date; and
- (iii) the nominal value of a Share.

(g) Option Period

In respect of any particular Option, such time period as the Remuneration Committee may in its absolute discretion determine and specify in relation to any particular Grantee in his option agreement during which the Option may be exercised (subject to such restriction on exercisability specified therein) but which shall not, in any circumstances, exceed the period prescribed by the Listing Rules from time to time (which is, at the date of adoption of the New Share Option Scheme, a period of ten (10) years from the Commencement Date of the relevant Option).

(h) Rights are personal to Grantee

An Option shall be personal to the Grantee and shall not be assignable or transferable.

(i) Rights attaching to Shares allotted

The Shares to be issued upon the exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company for the time being in force and shall rank *pari passu* in all respects with the fully paid Shares in issue on the Issue Date and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the Issue Date.

However, any Shares issued upon the exercise of an Option shall not be entitled to any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the Issue Date.

(j) Rights on retirement, death or total permanent physical or mental disability or termination for misconduct or cause of an Employee

In the event of:

- (i) the death of a Grantee; or
- (ii) the Grantee (being an Employee) ceasing to be an Employee by reason of his:
 - retirement under normal retirement conditions then prevailing in the Company or the relevant subsidiary; or
 - total permanent physical or mental disablement;

his Option will immediately lapse except that the Remuneration Committee may at its absolute discretion to approve the immediate vesting of all or part of the outstanding Option not already vested in accordance with the option agreement and the Grantee (or his legal personal representatives, as the case may be) shall be entitled to exercise the Option (to the extent so vested under this paragraph) during such period as the Remuneration Committee may approve which in any event shall not be more than six (6) months after the events in paragraphs (j)(i) or (j) (ii) above occur. If the Option is not exercised within the time specified, the Option shall lapse.

If a Grantee being an Employee ceases to be an Employee for misconduct or for cause, the Option shall immediately lapse.

(k) Termination other than for retirement, death, permanent disability or misconduct or cause of an Employee

In the event of the Grantee being an Employee ceasing to be an Employee for any reason other than (i) his death, retirement or disablement; or (ii) as a result of termination for reasons of misconduct or cause of an Employee, the Grantee shall be entitled to exercise the Option for three (3) months after the date of cessation of employment (or such other period as recommended by the Remuneration Committee, following which the Option shall lapse.

If the Option is not exercised within the time specified, the Option shall lapse.

(l) Termination due to separate listing or sale

If the Remuneration Committee considers that a Grantee has ceased to be an Employee due to the sale, or separate listing, of the company he is serving, or if the Company is merged, reorganised or consolidated with another entity (and paragraph (l)(iv) below does not apply), the Remuneration Committee may at its sole discretion:

- (i) arrange for substitute options or share purchase rights of no less than equivalent fair value, in the purchasing, surviving or newly-listed company;
- (ii) provide cash compensation equivalent to their fair value;
- (iii) waive any conditions as to vesting; or
- (iv) permit the continuation of the Option according to its original terms.

If the Board does not make any of the arrangements specified in paragraphs (l)(i) to (iv) above, the Option shall lapse.

(m) Rights on general offer

If a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional in all respects (or, in the case of a scheme of arrangement, or other similar transaction, becomes or is declared effective), the Option will immediately vest and the Grantee shall be entitled to exercise the Option and, subject to payment in full of the Subscription Price, the relevant Shares be allotted and issued to him at any time no later than the close of the offer period and in case of a scheme of arrangement, no later than the record date for determining entitlements under such scheme (or for such longer time as the Remuneration Committee may determine as may be necessary to permit the Grantee to participate in the offer on a similar basis with the holders of Shares), or the expiry of the term of such Option as set forth in the option agreement, whichever is earlier, after the date on which the offer becomes or is declared unconditional.

If the Option is not exercised within the time specified above, the Option shall lapse.

(n) Rights on compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company or companies, the Company shall give notice to the Grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee may no later than the record date for determining entitlements under such compromise or arrangement exercise any of his Options (to the extent already vested but not exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and

upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company shall, subject to payment in full of the Subscription Price, allot and issue the relevant Shares within such period so as to allow the Grantee to participate in the compromise or arrangement or may require the Grantee to transfer or otherwise deal with the Shares issued or to be issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement.

If the Option is not exercised within the time specified, the Option shall lapse.

(o) Rights on voluntary winding-up of the Company

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) and thereupon, each Grantee shall be entitled to exercise all or any of his Options (to the extent vested but not already exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

If the Option is not exercised within the time specified, the Option shall lapse.

(p) Lapse of Option

Subject to the discretion of the Remuneration Committee to approve an early vesting of or otherwise to extend the Option Period up to a maximum of ten (10) years as referred to in paragraphs (c), (j), (k), (l), (m) and (t), and without prejudice to the authority of the Remuneration Committee to provide for additional situations where an Option (or such part thereof) shall lapse in any option agreement, an Option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the condition(s) precedent to the vesting of any part of the Options were not met by the period specified for its satisfaction in the option agreement;
- (iii) the expiry of any of the periods referred to in paragraphs (j), (k), (l), (m), (n), (o); and
- (iv) the date on which the Board certifies or the two directors of the Company duly authorised by the Board certify that, the Option is cancelled under paragraph (h) or (q).

(q) Cancellation of Option

Options granted but not exercised or lapsed in accordance with the terms of the New Share Option Scheme may be cancelled by the Company.

Where the Company cancels Options and offers to issue new ones to the same Qualifying Participant, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraph (r) below.

(r) Maximum number of Shares available under the New Share Option Scheme***(i) Overriding Limit***

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes must not exceed 30% of the Shares in issue from time to time. No options may be granted under any schemes of the Company if this will result in the limit being exceeded.

(ii) Mandate Limit

In addition to the limit set out in paragraph (r)(i) and prior to the approval of a Refreshed Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue at the Adoption Date being 802,663,018 Shares (the “**Initial Mandate Limit**”). Options lapsed in accordance with the terms of the New Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit.

(iii) Refreshing of Mandate Limit

The Company may by ordinary resolution of the Shareholders refresh the Mandate Limit provided the Company shall issue a circular containing such information as required by the Listing Rules to the Shareholders before such approval is sought. However, the total number of Shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as refreshed (the “**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with any of the schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(iv) Grant to specifically identified Qualifying Participant

Specifically identified Qualifying Participant may be granted Options beyond the Mandate Limit. The Company may in addition seek separate approval by its Shareholders in general meeting for granting Options beyond the Mandate Limit provided the Options in excess of the

limit are granted only to Qualifying Participant specifically identified by the Company and a circular containing such information as required by the Listing Rules is issued to the Shareholders before such approval is sought. The date of board resolution for proposing such further grant should be taken as the Commencement Date for such grants.

(v) Limit for each Qualifying Participant

Subject to any contrary provision contained in the New Share Option Scheme, the number of Options that can be granted to any Qualifying Participant during any 12-month period shall be subject to the restriction that the total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) granted in such 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to a Qualifying Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be subject to separate approval by the Shareholders of the Company in general meeting with the relevant Qualifying Participant and his close associates abstaining from voting. The date of board resolution for proposing such further grant should be taken as the Commencement Date for such grants. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the Listing Rules to the Shareholders.

(vi) Grant to substantial shareholder and independent non-executive director

Insofar and for so long as the Listing Rules so require, no Option may be granted to any substantial shareholder or an independent non-executive director of the Company, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive director of the Company, which would result in the Shares issued and to be issued upon exercise of all options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the New Share Option Scheme and any other scheme(s) of the Company in the 12-month period up to and including the date of board resolution for proposing such further grant:

- (a) representing in aggregate over 0.1% of the issued share capital of the Company in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of the board resolution for proposing such further grant, in excess of HK\$5 million,

unless such further grant is approved by the Shareholders in general meeting. Prior to seeking such approval, the Company shall issue a circular containing such information as required by the Listing Rules to the Shareholders. At such general meeting, the grant of Options to the substantial shareholder or independent non-executive director of the Company, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive director of the Company shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders of the Company by way of poll with the

grantee, his associates and all core connected persons of the Company abstaining from voting, except that such person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to Shareholders.

The date of board resolution for proposing such further grant should be taken as the Commencement Date for such grants.

In addition, for so long and insofar as the Listing Rules so require any variation in the terms of Option granted to a Grantee who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting with the Grantee, his associates and all core connected persons of the Company interested in the relevant Option abstaining from voting.

(vii) Adjustment to maximum number

The maximum number of Shares referred to in this paragraph (r) will be adjusted in accordance with paragraph (s), in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision or reduction of the share capital of the Company.

(viii) Share consolidation or subdivision

If the Company conducts a share consolidation or subdivision after the Mandate Limit has been approved, the maximum number of securities that may be issued upon exercise of all options to be granted under all of the schemes of the Company under the Mandate Limit as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

(s) Effects of reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any Option may remain exercisable, whether by way of capitalisation issue (other than pursuant to a scrip dividend scheme), rights issue, consolidation, subdivision, reduction of the share capital of the Company, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the Option; and/or
- (iv) the maximum number of Shares referred to in paragraph (r),

as the Board and the Remuneration Committee either generally or as regards any particular Grantee determines to be in its opinion fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the New Share Option Scheme for the Grantees, provided that:

- (i) any such alterations shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (iii) no such alterations shall be made the effect of which would be to change the proportion of the issued shares of the Company for which any Grantee is entitled to subscribe for pursuant to the Options held by him;
- (iv) any adjustment arising from an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalisation issue, shall be made in compliance with the requirements under Rule 17.03(13) of the Listing Rules and should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the supplementary guidance in the letter issued by the Stock Exchange dated 5 September 2005 and such other relevant guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

For the avoidance of doubt, the issue of securities by the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

(t) Alteration to the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme as to certain definitions, the provisions of the New Share Option Scheme relating to paragraphs (d) to (u) and specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules, which shall not be altered to the advantage of Grantees or proposed Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders of the Company under the Articles of Association of the Company for the time being for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, and any change to the terms of the Options granted, shall be approved by the Shareholders of the Company, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

The amended terms of the New Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules and such other relevant guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

Any change to the authority of the Board to alter the terms of the New Share Option Scheme shall be approved by the Shareholders of the Company.

Subject to the Listing Rules and the terms of the New Share Option Scheme, the Remuneration Committee may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.

(u) Termination of the New Share Option Scheme

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered after the New Share Option Scheme is terminated but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.

(v) Offers made to a director, chief executive or substantial shareholder of the Company or any of their respective associates

In addition to the approval requirements under paragraphs (r)(iv), (r)(v) and (r)(vi), but only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a Qualifying Participant who is a director, chief executive or substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is or whose associate is the Qualifying Participant to whom the Option is proposed to be granted).

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瑞安房地產
SHUI ON LAND

Shui On Land Limited

瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the “Meeting”) of Shui On Land Limited (the “Company”) will be held at Regal Ballroom, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 24 May 2017 at 3:00 p.m. for the following purposes:

1. To receive and adopt the audited financial statements of the Company and the reports of the directors and the independent auditor for the year ended 31 December 2016.
2. To declare a final dividend (with scrip option) for the year ended 31 December 2016.
3.
 - (a) To re-elect Mr. Vincent H. S. LO as director of the Company;
 - (b) To re-elect Professor Gary C. BIDDLE as director of the Company;
 - (c) To re-elect Mr. David J. SHAW as director of the Company;
 - (d) To authorize the Company’s board of directors to fix the directors’ remuneration.
4. To re-appoint the Company’s auditor and to authorize the Company’s board of directors to fix their remuneration.

* *For identification purposes only*

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5. As special business, to consider and, if thought fit, pass the following resolutions, with or without modifications, as ordinary resolutions:

ORDINARY RESOLUTIONS

A. “THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) and to make or grant offers, agreements and share options (including warrants, bonds, debentures and other securities convertible into Shares) which might require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and share options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) an issue of Shares upon the exercise of the rights of subscription or conversion attaching to any warrants which might be issued by the Company or any existing securities of the Company which carry the rights to subscribe for or are convertible into Shares;
 - (iii) an issue of Shares upon the exercise of any share options granted under any share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of option to subscribe for, or rights to acquire Shares; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares or any issue of bonus Shares in accordance with the articles of association of the Company from time to time;

shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval shall be limited accordingly;

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- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands and other relevant jurisdiction to be held; and
- (iii) the date of the revocation or variation of the authority given to the Directors under this Resolution by an ordinary resolution of the Company’s shareholders in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at the date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the approval granted under paragraph (a) of this Resolution shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and

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(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands or other relevant jurisdiction to be held; and
- (iii) the date of the revocation or variation of the authority given to the Directors under this Resolution by an ordinary resolution of the Company’s shareholders in general meeting.”

C. “**THAT** conditional upon the passing of Resolutions A and B above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with securities of the Company pursuant to Resolution A above be and hereby extended by the addition thereto an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution B above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

D. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares (which Shares represent 10% of the total issued Shares at the date of the approval of the New Share Option Scheme (as defined below)) which may fall to be issued upon the exercise of the subscription rights attaching to the options to be granted under the new share option scheme to be adopted by the Company (the “New Share Option Scheme”), a copy of which is marked “A” and produced to the Meeting and for the purpose of identification signed by the chairman of the Meeting, the New Share Option Scheme be and is hereby approved and adopted to be the share option scheme of the Company with effect from the conclusion of the Meeting and the Directors be hereby authorised to do all such acts and enter into all such transactions and arrangements as may be necessary or expedient as they think fit from time to time in order to give effect to the New Share Option Scheme.”

By Order of the Board
Shui On Land Limited
UY Kim Lun
Company Secretary

Hong Kong, 21 April 2017

Notes:

- (1) Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.

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- (2) In order to be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited at the Company's place of business in Hong Kong at 34/F, Shui On Centre, 6-8 Harbour Road, Wan Chai, Hong Kong at least 48 hours before the time appointed for holding the Meeting (i.e. by 3:00 p.m., 22 May 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of a proxy form will not preclude a member from attending and voting in person at the Meeting or any adjourned meeting thereof should he so wish.
- (3) The register of members will be closed from Wednesday, 10 May 2017 to Wednesday, 24 May 2017 (both dates inclusive) during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 9 May 2017 shall be entitled to attend and vote at the Meeting. In order to be eligible to attend and vote at the Meeting to be held on Wednesday, 24 May 2017, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 May 2017.