
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in Shui On Land Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer 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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Shui On Land Limited

瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 272)

FINAL DIVIDEND WITH SCRIP OPTION

FOR THE YEAR ENDED 31 DECEMBER 2016

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

The latest time for the Shareholders to lodge the enclosed Election Form in respect of the Scrip Dividend Scheme with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong is 4:00 p.m. on 4 July 2017.

* *for identification purpose only*

19 June 2017

TIMETABLE OF EVENTS

Shares quoted ex-dividend 5 June 2017

Latest time for lodging transfers of the Shares in
order to be entitled to the Final Dividend not later than 4:30 p.m. on 6 June 2017

Record date for the Final Dividend 6 June 2017

Latest time for receipt of the Election Forms by the
Company's Branch Share Registrar not later than 4:00 p.m. on 4 July 2017

Expected payment date for dividend warrants and
dispatch of share certificates for the Scrip Shares on or about 18 July 2017

Expected first day of dealings in the Scrip Shares on or about 19 July 2017

Notes:

1. All times quoted above refer to Hong Kong local time.

2. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force at any time prior to 4:00 p.m. on 4 July 2017, the deadline for return of the Election Form will be changed. Further information is set out in the section headed "Action to be taken" of the "Letter from the Board".

DEFINITIONS

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

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|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AGM” | the annual general meeting of the Company 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., a notice of the annual general meeting was set out in the Company’s circular dated 21 April 2017; |
| “Board” | the board of Directors; |
| “Company” | Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange; |
| “Company’s Branch Share Registrar” | Computershare Hong Kong Investor Services Limited; |
| “Director(s)” | the director(s) of the Company; |
| “Election Form” | the form of election for the Shareholders to elect to receive the Final Dividend wholly in the form of Scrip Shares or partly in cash dividend and partly in the form of Scrip Shares; |
| “Final Dividend” | a final dividend of HK\$0.039 per Share for the financial year ended 31 December 2016; |
| “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; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Market Value” | has the meaning ascribed to it in the section headed “Basis of allotment of the Scrip Shares” of this circular; |
| “Overseas Shareholders” | has the meaning ascribed to it in the section headed “Overseas Shareholders” of this circular; |
| “Record Date” | 6 June 2017, being the record date for determining Shareholders’ entitlements to the Final Dividend; |

DEFINITIONS

| | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| “Scrip Dividend Scheme” | the scheme which provides the Shareholders with an option to receive the Final Dividend in the form of Scrip Shares in lieu of cash; |
| “Scrip Share(s)” | new Share(s) to be issued under the Scrip Dividend Scheme and credited as fully paid; |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Share(s)” | ordinary share(s) of US\$0.0025 each in the share capital of the Company; |
| “Shareholder(s)” | holder(s) of the Shares; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “US\$” | United States dollars, the lawful currency of the United States of America; and |
| “%” | per cent. |

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

19 June 2017

To the Shareholders

Dear Sir or Madam,

FINAL DIVIDEND WITH SCRIP OPTION FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

On 24 May 2017, the Shareholders, upon the recommendation of the Board, approved at the AGM the distribution of a final dividend of HK\$0.039 per Share in the capital of the Company for the year ended 31 December 2016. The Final Dividend is payable on or about 18 July 2017 to the Shareholders whose names appeared on the register of members of the Company on the Record Date. Shareholders may elect to receive the Final Dividend wholly or partly in the form of Scrip Shares in lieu of cash.

* *for identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by Shareholders in relation thereto.

DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Shareholder has the choice to receive:

- (i) a cash dividend of HK\$0.039 for each Share held on the Record Date; or
- (ii) Scrip Shares (the number of which is determined by methods set out hereunder), save for the adjustment for fractional entitlements, having a Market Value (as defined below) equal to the total amount of the respective Final Dividend which such Shareholder would otherwise be entitled to receive in cash; or
- (iii) partly in cash dividend and partly in Scrip Shares.

The Scrip Shares to be issued in respect of the Final Dividend will, when they are issued, rank *pari passu* in all respects with the existing issued Shares except that such Scrip Shares themselves will not rank for the Final Dividend. The right to receive Scrip Shares in lieu of cash dividend is non-transferable.

Based on 8,026,630,189 Shares in issue on the Record Date, if no Shareholder elects to receive their entitlement in the form of Scrip Shares, the total cash dividend payable by the Company in respect of the Final Dividend would be approximately HK\$313 million. If all Shareholders elect to receive their entitlement in the form of Scrip Shares, the maximum number of Scrip Shares to be issued would be about 164,930,757 Shares, representing approximately 2.05% of the existing issued share capital of the Company and approximately 2.01% of the then issued share capital of the Company as enlarged by the issuance of the Scrip Shares.

BASIS OF ALLOTMENT OF THE SCRIP SHARES

For the purpose of calculating the number of Scrip Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Scheme, the market value of the Scrip Shares has been determined at HK\$1.898 per Share (the “**Market Value**”), which is the average closing price of the Share as quoted on the Stock Exchange for the five consecutive trading days commencing on 5 June 2017, the first day of the Shares traded *ex-dividend*. Accordingly, the number of Scrip Shares which a Shareholder will receive under the Scrip Dividend Scheme will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of Scrip Shares} & & \text{Number of existing} & & \text{HK\$0.039} \\ \text{to be received (round} & & \text{Shares held on Record} & & \text{(Final Dividend per Share)} \\ \text{down to the nearest} & = & \text{Date for which the} & \times & \hline \text{whole number)} & & \text{election for Scrip} & & \text{HK\$1.898} \\ & & \text{Shares is made} & & \text{(Market Value of each Scrip Share)} \end{array}$$

LETTER FROM THE BOARD

The number of Scrip Shares to be received by each Shareholder pursuant to his or her election will be rounded down to the nearest whole number. No Shareholder will be entitled to be issued any fraction of a Share under the Scrip Dividend Scheme. If you elect to receive the maximum number of Scrip Shares in lieu of your cash dividend, a residual cash dividend entitlement may arise, representing the difference between the total cash equivalent of the Scrip Shares based on the Market Value to be issued to you and the maximum cash dividend available in respect of your shareholding. Fractional entitlements to Scrip Shares and the residual cash dividend will be disregarded and the benefit thereof will accrue to the Company.

Scrip Shares issued to a Shareholder pursuant to an election to receive some or all of his or her Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 500 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

You may elect to receive Scrip Shares in respect of all or part of your holding of Shares. No fraction of a Share will be issued. If you choose to take only part of your dividend as Scrip Shares, you will receive the balance of your Final Dividend in cash.

ACTION TO BE TAKEN

An Election Form is enclosed with this circular. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive the whole of the Final Dividend in cash, you need not complete the Election Form.

If you wish to elect to receive an allotment of Scrip Shares, or partly in cash dividend and partly in Scrip Shares in respect of the Final Dividend, you must COMPLETE, SIGN and RETURN the Election Form to the Company's Branch Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:00 p.m. on Tuesday, 4 July 2017.

No acknowledgement of receipt of the Election Form will be issued.

The latest time for submission of the Election Forms will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 4 July 2017. Instead, the deadline for the submission of the Election Forms will be 5:00 p.m. on the same business day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 4 July 2017. Instead, the deadline for the submission of the Election Forms will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

LETTER FROM THE BOARD

No elections in respect of the Final Dividend may, after the relevant Election Forms are signed and returned to the Company's Branch Share Registrar, be in any way withdrawn, revoked, superseded or altered.

If any Shareholder signs the Election Form but does not specify the number of Shares in respect of which such Shareholder wishes to receive his or her Final Dividend in Scrip Shares, or if such Shareholder elects to receive his or her Final Dividend in Scrip Shares in respect of a greater number of Shares than his or her registered holding, then in either case such Shareholder will be deemed to have exercised his or her election for Scrip Shares in respect of all the Shares registered in his or her name.

OVERSEAS SHAREHOLDERS

All Shareholders residing outside Hong Kong should consult their professional advisers as to whether any government or other consents are required or other formalities need to be observed to permit them to participate in the Scrip Dividend Scheme.

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat it as an invitation to elect for Scrip Shares, unless in the relevant territory such invitation could lawfully be made to such person without the Company being required to comply with any registration or other legal requirements, governmental or regulatory procedures or any similar formalities. It is the responsibility of any Shareholder residing outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction(s), including procedures or any other similar formalities. It is also the responsibility of any person who receives Scrip Shares in lieu of a cash dividend to comply with any restrictions on the resale of the Scrip Shares which may apply outside Hong Kong.

The Company has made legal enquiries in the relevant jurisdiction regarding the feasibility of extending the Scrip Dividend Scheme to the Shareholders with registered address in Canada and Singapore on the Record Date (the "**Overseas Shareholders**"). Given that there is no legal restriction under the applicable legislation of Canada and Singapore respectively with respect to the issuance of Scrip Shares to the Overseas Shareholders and that to include the Overseas Shareholders in the Scrip Dividend Scheme there is no regulatory requirement to carry out local approval and/or registration or filing or other formalities in relation to the Scrip Dividend Scheme so as to comply with the relevant securities legislation in Canada and Singapore respectively, the Election Form will also be sent to the Overseas Shareholders.

Notice to Shareholders with registered address in Singapore based on the relevant legal opinion obtained:

This circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this circular, the Election Form and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Scrip Shares may not be circulated or distributed, nor may the Scrip Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an existing Shareholders on the Record Date pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

LETTER FROM THE BOARD

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon listing approval being granted by the Stock Exchange in respect of the Scrip Shares to be issued pursuant thereto. If this condition is not satisfied, the Scrip Dividend Scheme described in this circular will not become effective, the Election Forms will be void and the Final Dividend will then be paid wholly in cash.

LISTING AND DEALINGS

Application has been made to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in, the Scrip Shares. Subject to the approval being granted by the Stock Exchange, it is expected that the dividend warrants for cash entitlements and/or share certificates for Scrip Shares will be dispatched to Shareholders by ordinary mail at their own risk on or about 18 July 2017.

Dealings in the Scrip Shares on the Stock Exchange are expected to commence on or about 19 July 2017. The Shares are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its Shares on any other stock exchange. Dealings in the Scrip Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give Shareholders the opportunity to increase their investments in the Company at Market Value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that Shareholders elect to receive Scrip Shares in whole or in part in lieu of cash dividend, the cash which would otherwise have been paid to the Shareholders will be retained for use by the Company as general working capital.

RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to elect to receive Scrip Shares in lieu of cash will depend upon your own individual circumstances and the decision in this regard, and all effects resulting therefrom, must be solely the responsibility of each Shareholder. If any Shareholder is in any doubt as to any aspect of this circular, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

LETTER FROM THE BOARD

Shareholders should note that the Scrip Shares to be allotted under the Scrip Dividend Scheme may give rise to disclosure requirements under the provisions of Divisions 2 and 3 of Part XV of the SFO. If Shareholders are in any doubt as to how these provisions may affect them as a result of the allotment of Scrip Shares, they are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.

In accordance with the terms of the share option scheme of the Company, the Scrip Dividend Scheme will not result in any adjustment to the options granted under the share option scheme of the Company.

The English version 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