

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

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities referred to herein. This announcement is not, and is not intended to be, an offer of securities of the Company for sale, or the solicitation of an offer to buy securities of the Company, in the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act, or any state securities laws of the United States, and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption under, or in a transaction not subject to, the U.S. Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States.



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)

US\$400,000,000 5.50% SENIOR NOTES DUE 2025
OF SHUI ON DEVELOPMENT

TO BE GUARANTEED BY THE COMPANY

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

Reference is made to the announcement of the Company dated February 20, 2020 in relation to the proposed offering of the New Notes by Shui On Development to be guaranteed by the Company.

The Board is pleased to announce that on February 20, 2020, New York time, the Company and Shui On Development entered into a Purchase Agreement with UBS AG Hong Kong Branch and Standard Chartered Bank in connection with the issue by Shui On Development of an aggregate principal amount of US\$400,000,000 5.50% senior notes due 2025.

The estimated net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately US\$395.25 million. The Group intends to use the net proceeds from the issuance of the New Notes to (i) pay the cash portion of the consideration payable under the Exchange and Tender Offer (including without limitation, any premium, accrued interests or fractional amounts); (ii) pay any other consideration or expenses in connection with the Exchange and Tender Offer; and (iii) if there is any remainder, for the repayment of existing indebtedness and general corporate purposes.

Approval-in-principle has been received for the listing of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission of the New Notes to the official list of the SGX-ST is not to be taken as an indication of the merits of the Company, Shui On Development or the New Notes. No listing of the New Notes has been, or will be, sought in Hong Kong.

INTRODUCTION

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

Reference is made to the announcement of the Company dated February 20, 2020 in relation to the proposed offering of senior notes by Shui On Development to be guaranteed by the Company.

The Board is pleased to announce that on February 20, 2020, New York time, the Company and Shui On Development entered into a Purchase Agreement with UBS AG Hong Kong Branch and Standard Chartered Bank in connection with the issue by Shui On Development of an aggregate principal amount of US\$400,000,000 5.50% senior notes due 2025.

THE PURCHASE AGREEMENT

Date

February 20, 2020

Parties to the Purchase Agreement

- (a) Shui On Development as the issuer of the New Notes;
- (b) the Company as the guarantor of Shui On Development's obligations under the New Notes and the Indenture; and
- (c) UBS AG Hong Kong Branch and Standard Chartered Bank as the initial purchasers of the New Notes.

UBS AG Hong Kong Branch as the sole global coordinator and joint bookrunner and Standard Chartered Bank as the joint bookrunner are managing the offer and sale of the New Notes.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, UBS AG Hong Kong Branch and Standard Chartered Bank are independent third parties and are not connected persons of the Company.

The New Notes and the Parent Guarantee have not been, and will not be, registered under the U.S. Securities Act. The New Notes will only be offered by UBS AG Hong Kong Branch and Standard Chartered Bank outside the United States in compliance with Regulation S under the U.S. Securities Act and will not be offered to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act). None of the New Notes will be offered to the public in Hong Kong nor will the New Notes be initially placed to any connected persons of the Company.

Principal terms of the New Notes

New Notes Offered

Subject to certain conditions to completion, Shui On Development will issue the New Notes in an aggregate principal amount of US\$400,000,000 and the New Notes will mature on March 3, 2025, unless earlier redeemed pursuant to the terms of the New Notes.

Offer Price

The offer price of the New Notes will be 100% of the principal amount of the New Notes.

Interest

The New Notes will bear interest at a rate of 5.50% per annum, payable semi-annually in arrear on March 3 and September 3 of each year, commencing September 3, 2020.

Ranking of the New Notes

The New Notes are: (1) general obligations of Shui On Development; (2) senior in right of payment to any existing and future obligations of Shui On Development expressly subordinated in right of payment to the New Notes; (3) ranked at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of Shui On Development (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Company on a senior

basis, subject to certain limitations; (5) effectively subordinated to the secured obligations (if any) of Shui On Development and the Company, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of Shui On Development.

Ranking of the Parent Guarantee

The Company will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes. Since the Company is a holding company, the New Notes will be effectively subordinated to all indebtedness and other liabilities of the subsidiaries of the Company other than Shui On Development.

The Parent Guarantee is: (1) a general obligation of the Company; (2) effectively subordinated to secured obligations of the Company, to the extent of the value of the assets serving as security therefor; (3) senior in right of payment to all future obligations of the Company expressly subordinated in right of payment to the Parent Guarantee; and (4) ranked at least *pari passu* with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law).

Events of Default

The events of default under the New Notes include, among others: (1) default in the payment of principal of (or premium, if any, on) the New Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (2) default in the payment of interest on any New Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (3) default in the performance or breach of certain covenants under the New Notes; (4) the Company, Shui On Development or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the New Notes (other than a default specified in (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee of the New Notes or holders of 25% or more in aggregate principal amount of the New Notes; (5) default by the Company, Shui On Development or any restricted subsidiary in the repayment of indebtedness having, in the aggregate, an outstanding principal amount of US\$10.0 million or more; (6) one or more final judgments or orders for the payment of money are rendered against the Company, Shui On Development or any restricted subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged to exceed US\$10.0 million; (7) an involuntary bankruptcy or insolvency proceeding is commenced against the Company, Shui On Development or any restricted subsidiary and such involuntary bankruptcy or

insolvency proceeding remains undismissed and unstayed for a period of 60 consecutive days; (8) a voluntary bankruptcy or insolvency proceeding is commenced by or consented to by the Company, Shui On Development or any restricted subsidiary; and (9) the Company denies or disaffirms its obligations under its Parent Guarantee or, except as permitted by the Indenture, the Parent Guarantee is determined to be unenforceable or invalid or for any reason ceases to be in full force and effect.

If an event of default (other than an event of default specified in (7) and (8) above) occurs and is continuing under the Indenture, the trustee of the New Notes may, and shall upon the request of the holders of at least 25% in aggregate principal amount of the New Notes then outstanding, by written notice to Shui On Development, declare the principal of, premium, if any, and accrued and unpaid interest on the New Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in (7) and (8) above occurs with respect to the Company, Shui On Development or any restricted subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the New Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee of the New Notes or any holder of the New Notes or any other person.

Covenants

The New Notes, the Indenture and the Parent Guarantee will limit Shui On Development's and the Company's ability and the ability of their respective restricted subsidiaries (as the case may be) to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of their restricted subsidiaries;
- (e) guarantee indebtedness;
- (f) enter into transactions with shareholders or affiliates;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) sell assets;

- (j) enter into agreements that restrict their restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (k) effect a consolidation or merger; and
- (l) engage in different business activities.

Optional Redemption for New Notes

At any time and from time to time on or after March 3, 2023, Shui On Development may redeem the New Notes, in whole or in part, at the redemption prices set forth in “Description of the Notes — Optional Redemption” plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to March 3, 2023, Shui On Development may at its option redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus the applicable premium (as set forth in the Indenture) as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth in “Description of the Notes — Optional Redemption”.

At any time and from time to time prior to March 3, 2023, Shui On Development may redeem up to 35% of the aggregate principal amount of the New Notes with the net cash proceeds of one or more sales of common stock of the Company in an Equity Offering at a redemption price of 105.50% of the principal amount of the New Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided* that at least 65% of the aggregate principal amount of the New Notes issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

Reasons for the Notes Issue

The Group is one of the leading property developers in the PRC. The Group engages principally in the development and redevelopment, sale, leasing, management and ownership of high-quality residential and mixed-use properties in the PRC. Specifically, the Group focuses on master planning and development of large-scale, mixed use city-core integrated property projects, typically in cooperation with the relevant local governmental authorities.

Proposed use of proceeds

The estimated net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately US\$395.25 million. The Group intends to use the net proceeds from the issuance of the New Notes to (i) pay the cash portion of the consideration payable under the Exchange and Tender Offer (including without limitation, any premium, accrued interests or fractional amounts); (ii) pay any other consideration or expenses in connection with the Exchange and Tender Offer; and (iii) if there is any remainder, for the repayment of existing indebtedness and general corporate purposes.

Listing

Approval-in-principle has been received for the listing of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission of the New Notes to the official list of the SGX-ST is not to be taken as an indication of the merits of the Company, Shui On Development or the New Notes. No listing of the New Notes has been, or will be, sought in Hong Kong.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 272)
“connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Equity Offering”	any private placement or public offering of common stock of the Company; provided that the aggregate gross cash proceeds received by the Company from such offering shall be no less than US\$20 million

“Exchange and Tender Offer”	the exchange and tender offer for Shui On Development’s outstanding US\$500,000,000 5.70% senior notes due 2021 and US\$500,000,000 6.25% senior notes due 2021
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Indenture”	the written agreement to be entered into between the Company as guarantor, Shui On Development as issuer of the New Notes and DB Trustees (Hong Kong) Limited as trustee of the New Notes, pursuant to which the New Notes will be issued
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“New Notes”	the US\$400,000,000 5.50% senior notes due 2025 to be issued by Shui On Development
“Notes Issue”	the issue of New Notes guaranteed by the Company
“Original Issue Date”	the date on which the New Notes are originally issued under the Indenture
“Parent Guarantee”	the guarantee to be given by the Company on Shui On Development’s obligations under the New Notes
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchase Agreement”	the agreement dated February 20, 2020 entered into between the Company, Shui On Development and UBS AG Hong Kong Branch and Standard Chartered Bank in relation to the Notes Issue
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited

“Share(s)”	Ordinary share(s) with par value of US\$0.0025 each in the share capital of the Company
“Shui On Development”	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability, and a wholly-owned subsidiary of the Company
“Standard Chartered Bank”	Standard Chartered Bank, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the New Notes
“UBS AG Hong Kong Branch”	UBS AG Hong Kong Branch, the sole global coordinator, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the New Notes
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, February 21, 2020

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

** For identification purposes only*