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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)**

**US\$400,000,000 9.75% SENIOR NOTES DUE 2015 OF  
SHUI ON DEVELOPMENT  
TO BE GUARANTEED BY THE COMPANY**

Reference is made to the announcement of the Company dated 6 February 2012 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 9 February 2012, Hong Kong Time, the Company and Shui On Development entered into a Purchase Agreement with BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS in connection with the issue by Shui On Development of an aggregate principal amount of US\$400,000,000 9.75% senior notes due 2015.

The estimated net proceeds of the Notes Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US\$388,940,000. The Group intends to use the net proceeds from the Notes to fund capital expenditures related to the Group's real estate operations and/or acquire, develop, construct or improve assets, real or personal property or equipment or repay existing indebtedness, in each case only to the extent permitted under the terms of the 6.875% Senior Notes, 7.625% Senior Notes and 8% Senior Notes. The Group may adjust the foregoing acquisition and development plans in response to changing market conditions and thus, reallocate the use of the proceeds to the extent permitted under the terms of the 6.875% Senior Notes, 7.625% Senior Notes and 8% Senior Notes. Pending application of the net proceeds of the Notes Issue, the Group intends to invest such net proceeds in temporary cash investments.

Approval-in-principle has been received for the listing of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the 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 Notes. No listing of the Notes has been, or will be, sought in Hong Kong.

## **INTRODUCTION**

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The Board is pleased to announce that on 9 February 2012, Hong Kong Time, the Company and Shui On Development entered into a Purchase Agreement with BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS in connection with the issue by Shui On Development of an aggregate principal amount of US\$400,000,000 9.75% senior notes due 2015.

## **THE PURCHASE AGREEMENT**

### **Date**

9 February 2012

### **Parties to the Purchase Agreement**

- (a) Shui On Development as the issuer of the Notes;
- (b) Company as the guarantor of Shui On Development's obligations under the Notes and the Indenture; and
- (c) BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS as the initial purchasers of the Notes.

BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS, as the joint lead managers and joint bookrunners, are managing the offer and sale of the Notes.

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

The Notes and the Parent Guarantee have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered by BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS outside the United States, in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong nor will the Notes be placed to any connected persons of the Company.

### **Principal terms of the Notes**

#### ***Notes Offered***

Subject to certain conditions to completion, Shui On Development will issue the Notes in an aggregate principal amount of US\$400,000,000 and the Notes will mature on 16 February 2015, unless earlier redeemed pursuant to the terms of the Notes.

#### ***Offer Price***

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

### ***Interest***

The Notes will bear interest at a rate of 9.75% per annum, payable semi-annually in arrears on 16 February and 16 August of each year, commencing 16 August 2012.

### ***Ranking of the Notes***

The Notes are general obligations of Shui On Development and are guaranteed by the Company on a senior basis. The Notes are: (1) senior in right of payment to any existing and future obligations of Shui On Development expressly subordinated in right of payment to the Notes; (2) 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); (3) guaranteed by the Company on a senior basis, subject to certain limitations; (4) 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 (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company other than 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 Notes. Since the Company is a holding company, the 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 of the Company 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 Notes include, among others: (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (2) default in the payment of interest on any 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 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 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 has been given by the trustee of the Notes or holders of 25% or more in aggregate principal amount of the 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 Notes may, and shall upon the request of the holders of at least 25% in aggregate principal amount of the Notes outstanding at the time of the event of default, by written notice to Shui On Development, declare the principal of, premium, if any, and accrued and unpaid interest on the 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 Notes then outstanding shall automatically become and be immediately be due and payable without any declaration or other act on the part of the trustee of the Notes or any holder of the Notes or any other person.

### ***Covenants***

The Notes, the Indenture and the Parent Guarantee will limit the ability of Shui On Development and the Company 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.

### ***Redemption***

At any time prior to 16 February 2015, being the maturity date of the Notes, Shui On Development may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth in the Indenture.

### ***Reason for the Notes Issue***

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

The Notes Issue is being undertaken to supplement the Group's funding of its expansion and growth plan.

### ***Proposed use of proceeds***

The estimated net proceeds of the Notes Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US\$388,940,000. The Group intends to use the net proceeds from the Notes to fund capital expenditures related to the Group's real estate operations and/or acquire, develop, construct or improve assets, real or personal property or equipment or repay existing indebtedness, in each case only to the extent permitted under the terms of the 6.875% Senior Notes, 7.625% Senior Notes and 8% Senior Notes. The Group may adjust the foregoing acquisition and development plans in response to changing market conditions and thus, reallocate the use of the proceeds to the extent permitted under the terms of the 6.875% Senior Notes, 7.625% Senior Notes and 8% Senior Notes. Pending application of the net proceeds of the Notes Issue, the Group intends to invest such net proceeds in temporary cash investments.

## ***Listing***

Approval-in-principle has been received for the listing of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the 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 Notes. No listing of the 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:

“6.875% Senior Notes”	the RMB denominated US\$ settled 6.875% Senior Notes due 2013 in an aggregate principal amount of RMB3,000 million issued by Shui On Development on 23 December 2010, guaranteed by the Company
“7.625% Senior Notes”	the RMB denominated US\$ settled 7.625% Senior Notes due 2015 in an aggregate principal amount of RMB3,500 million issued by Shui On Development on 26 January 2011, guaranteed by the Company
“8% Senior Notes”	8% Senior Notes due 2015 in an aggregate amount of S\$250 million issued by Shui On Development (Singapore) Pte. Ltd. on 26 January 2012, guaranteed by the Company and Shui On Development
“BNP Paribas”	BNP Paribas, Hong Kong Branch, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the Notes
“Board”	the board of Directors
“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 Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the Notes



“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement between the Company as guarantor, Shui On Development as issuer of the Notes and DB Trustees (Hong Kong) Limited as trustee of the Notes, pursuant to which the Notes will be issued
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the US\$400,000,000 9.75% senior notes due 2015 to be issued by Shui On Development
“Notes Issue”	the issue of Notes by Shui On Development and guaranteed by the Company
“Parent Guarantee”	the guarantee given by the Company on Shui On Development’s obligations under the 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 area
“Purchase Agreement”	the agreement dated 9 February 2012 entered into between, among others, the Company, Shui On Development, BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS in relation to the Notes Issue
“RMB”	Renminbi, the lawful currency of the PRC
“S\$”	Singapore dollar, the lawful currency of Singapore
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	the 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 Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UBS”	UBS AG, Hong Kong Branch, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the 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 dollar, 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, 9 February 2012

*As at the date of this announcement, the executive Directors are Mr. Vincent H. S. LO (Chairman), Mr. Freddy C. K. LEE (Chief Executive Officer) and Mr. Daniel Y. K. WAN; the non-executive Director is Mr. Frankie Y. L. WONG; and the independent non-executive Directors are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.*

*\* For identification purpose only*