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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)**

## **ANNOUNCEMENT**

### **PROPOSED FURTHER ISSUE OF US\$ 9.75% SENIOR NOTES DUE 2015 TO BE GUARANTEED BY THE COMPANY**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

Shui On Development, a wholly-owned subsidiary of the Company, proposes to conduct the Proposed Further Issue to offer and issue the Additional Notes to institutional investors in Asia and Europe. The Notes are expected to be issued by Shui On Development and guaranteed by the Company. The Additional Notes, when issued, will be consolidated and form a single series with the Original Notes issued on 16 February 2012, and will rank pari passu with the Original Notes.

The completion of the Proposed Further Issue is subject to market conditions and investor interest. BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS as the initial purchasers and joint bookrunners, are managing the Proposed Further Issue.

If the Additional Notes are issued, the Group intends to use the net proceeds from the Additional 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, the 7.625% Senior Notes, the 8% Senior Notes and the Original 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. Pending application of the net proceeds of the Proposed Further Issue, the Group intends to invest such net proceeds in temporary cash investments.

Approval-in-principle has been received for the listing of the Additional 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 Additional 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 Additional Notes. No listing of the Additional Notes has been, or will be, sought in Hong Kong.

**As no binding agreement in relation to the Proposed Further Issue has been entered into as at the date of this announcement, the Proposed Further Issue may or may not materialise. The completion of the Proposed Further Issue is subject to market conditions and investors' interest. Investors and Shareholders are urged to exercise caution when dealing in the securities of the Company.**

Further announcement in respect of the Proposed Further Issue will be made by the Company should the purchase agreement in respect of the Proposed Further Issue be signed.

## **PROPOSED FURTHER ISSUE OF ADDITIONAL NOTES**

### **Proposed Further Issue of Additional Notes**

Reference is made to the Previous Announcements issued by Shui On Development in respect of the offering and issue of the Original Notes.

Shui On Development, a wholly-owned subsidiary of the Company, proposes to carry out the Proposed Further Issue to offer and issue the Additional Notes to institutional investors in Asia and Europe. The Additional Notes are expected to be issued by Shui On Development and guaranteed by the Company. Same as the Original Notes, the Additional Notes will be denominated in U.S. dollars, due 2015 and will bear interest at the rate of 9.75% per annum payable on the outstanding principal amount of the Additional Notes semi-annually in arrears. The terms and conditions for the offering and issue of the Additional Notes are intended to be substantially the same as those for the offering and issue of the Original Notes, except for the issue price, which is intended to be determined by reference to market demand and the recent trading prices of the Original Notes. The completion of the Proposed Further Issue is subject to market conditions and investor interest. BNP Paribas, Deutsche Bank, Standard Chartered Bank and UBS as the initial purchasers and joint bookrunners, are managing the Proposed Further Issue.

The Additional Notes and the related guarantee by the Company have not been, and will not be, registered under the U.S. Securities Act. The Additional Notes will be offered outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Additional Notes will be offered to the public in Hong Kong nor will be placed to any connected persons of the Company.

### ***Reason for the Proposed Further 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 government authorities.

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

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

If the Additional Notes are issued, the Group intends to use the net proceeds from the Additional 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, the 7.625% Senior Notes, the 8% Senior Notes and the Original 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. Pending application of the net proceeds of the Proposed Further 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 Additional 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 Additional 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 Additional Notes. No listing of the Additional Notes has been, or will be, sought in Hong Kong.

### **GENERAL**

**As no binding agreement in relation to the Proposed Further Issue has been entered into as at the date of this announcement, the Proposed Further Issue may or may not materialise. The completion of the Proposed Further Issue is subject to market conditions and investors' interest. Investors and Shareholders are urged to exercise caution when dealing in the securities of the Company.**

Further announcement in respect of the Proposed Further Issue will be made by the Company should the purchase agreement in respect of the Proposed Further Issue be signed.

## 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”	S\$250 million in an aggregate principal amount of 8% Senior Notes due 2015 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
“Additional Notes”	the US\$ 9.75% senior notes due 2015 proposed to be issued which will be consolidated and form a single series with the Original 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Notes”	the US\$400,000,000 9.75% senior notes due 2015 issued by Shui On Development on 16 February 2012 and guaranteed by the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Previous Announcements”	the announcements dated 6 February 2012, 9 February 2012 and 17 February 2012 issued by Company in respect of the offering and issue of the Original Notes
“Proposed Further Issue”	the proposed issue of the Additional Notes
“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
“Shareholder(s)”	holder(s) of the Shares
“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
“S\$”	Singapore dollars, the lawful currency of the Republic of Singapore

“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 dollars, the lawful currency of the United States

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

Hong Kong, 22 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.*