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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)**

**PROPOSED RIGHTS ISSUE OF RIGHTS SHARES  
AT THE SUBSCRIPTION PRICE OF HK\$1.84 EACH  
ON THE BASIS OF 1 RIGHTS SHARE  
FOR EVERY 3 EXISTING SHARES  
HELD ON THE RECORD DATE**

Joint Underwriters of the Rights Issue



\* For identification purposes only

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$3,676.8 million before expenses, and not more than approximately HK\$4,136.9 million before expenses, by way of a rights issue of not less than 2,000,431,547 Rights Shares and not more than 2,250,778,421 Rights Shares on the basis of 1 Rights Share for every 3 existing Shares held by Qualifying Shareholders on the Record Date at the Subscription Price of HK\$1.84 per Rights Share.

Qualifying Shareholders will be provisionally allotted 1 Nil Paid Right for every 3 existing Shares held on the Record Date pursuant to the terms of the Rights Issue. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company. The Rights Issue is only available to Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

The Directors consider it in the interests of the Company and the Shareholders as a whole to raise capital by way of the Rights Issue, which will enhance the Company's capital base, strengthen its cash and financial positions and provide additional funding for the Group's operations. In making this decision the Directors took into account the current market and economic conditions and uncertainties, and consider it prudent to raise capital by way of the Rights Issue at this time. The Rights Issue will allow all Qualifying Shareholders the opportunity to participate in the future development of the Company on equal terms by subscribing for their pro rata entitlements in the Rights Shares as well as applying for excess Rights Shares.

However, Qualifying Shareholders who do not take up in full the Rights Shares to which they are entitled, as well as Non-Qualifying Shareholders, should note that their shareholding in the Company will be diluted as a result of the Rights Issue.

The net proceeds of the Rights Issue are estimated to be not less than approximately HK\$3,619.4 million and not more than approximately HK\$4,065.7 million, after the deduction of all estimated expenses. The Company intends to use the net proceeds of the Rights Issue to:

- (1) assist in accelerating the relocation process relating to the Shanghai Taipingqiao and Rui Hong Xin Cheng projects; and/or
- (2) acquire assets or businesses which are relevant to the Group's principal business (including shares or equity interests in any entity holding such assets or businesses) if and when suitable opportunities become available; and/or
- (3) repay existing indebtedness of the Group.

The Rights Shares (other than those to be taken up by the Undertaking Shareholder Subsidiaries pursuant to the Undertaking Letter), will be fully underwritten by the Joint Underwriters on the terms and subject to the conditions set out in the Underwriting Agreement.

### **IRREVOCABLE UNDERTAKING OF THE UNDERTAKING SHAREHOLDER**

As at the date of this announcement, the Undertaking Shareholder Subsidiaries had an interest in an aggregate of 3,406,502,286 Shares, representing approximately 56.76% of the total issued share capital of the Company as at the date of this announcement. The Undertaking Shareholder has provided an irrevocable undertaking to the Company and the Joint Underwriters, that, among other things, it will subscribe for, and procure that the Undertaking Shareholder Subsidiaries subscribe for, all the Rights Shares provisionally allotted to them under the Rights Issue pursuant to the terms of the Rights Issue Documents by no later than 9:30 a.m. on the Latest Acceptance Date, subject to the Rights Issue not having been terminated.

### **SHAREHOLDERS' APPROVAL NOT REQUIRED**

There is no requirement under the Listing Rules for the Rights Issue to be approved by the Shareholders in a general meeting.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS**

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. Please refer to the section headed “2(b) Conditions of the Rights Issue and the Underwriting Agreement” below for further details. The Underwriting Agreement contains provisions granting the Joint Underwriters a right to terminate their obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed “2(d) Termination of the Underwriting Agreement” below for further details. If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, then the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**The Shares are expected to be dealt in on an ex-rights basis from Thursday, 18 April 2013. Dealings in the Nil Paid Rights are expected to take place from Tuesday, 30 April 2013 to Wednesday, 8 May 2013 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.**

**Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers. Any Shareholder or other person dealing in the Shares or in the Nil Paid Rights up to the date on which all of the conditions to which the Rights Issue is subject are fulfilled (including the date on which the Joint Underwriters' right to terminate the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not otherwise proceed.**

#### **TRADING ARRANGEMENTS**

The last day of dealings in the Shares on a cum-rights basis is expected to be Wednesday, 17 April 2013. The Shares are expected to be dealt in on an ex-rights basis from Thursday, 18 April 2013. Dealings in the Nil Paid Rights are expected to take place from Tuesday, 30 April 2013 to Wednesday, 8 May 2013 (both days inclusive). To qualify for the Rights Issue, a Shareholder must:

- (1) be registered as a member of the Company as at the Record Date; and
- (2) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company as at the Record Date, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with the Registrar,

**Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong**

by 4:30 p.m. (Hong Kong time) on Friday, 19 April 2013.

Holders of Convertible Bonds who wish to participate in the Rights Issue should exercise the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. on Friday, 19 April 2013.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. on Friday, 19 April 2013.

The latest time for acceptance of, and payment for, the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date, which is expected to be on Monday, 13 May 2013 or such other date as the Company and the Joint Underwriters may agree in writing. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

For details of the trading arrangements, please refer to the section headed “5(a) Expected timetable” below.

## **GENERAL**

The Prospectus containing, among other things, further details of the Rights Issue (including statements as to risk factors) is expected to be despatched by the Company to Qualifying Shareholders on or before Friday, 26 April 2013, together with the PALs and the EAFs. Shareholders and other persons dealing in the Shares or in the Nil Paid Rights should consider carefully the information and risk factors contained in the Prospectus. A copy of the Prospectus will also be made available on the websites of the Company ([www.shuionland.com](http://www.shuionland.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Subject to the advice of the Company’s legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders, as well as to holders of the Convertible Bonds (if required by the terms and conditions of the Convertible Bonds) and holders of the Share Options (if required by the terms of the Share Option Scheme) for their information only, but will not send any PAL or EAF to them.

## 1. PROPOSED RIGHTS ISSUE

### (a) Issue statistics

<i>Basis of the Rights Issue</i>	: 1 Rights Share for every 3 existing Shares held on the Record Date
<i>Subscription Price</i>	: HK\$1.84 per Rights Share
<i>Number of Shares in issue</i>	: 6,001,294,642 Shares as at the date of this announcement
<i>Number of Rights Shares</i>	: 2,000,431,547 Rights Shares (assuming no new Shares are allotted and issued pursuant to any exercise of the Conversion and Subscription Rights on or before the Record Date) or 2,250,778,421 Rights Shares (assuming new Shares are allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights on or before the Record Date)
<i>Joint Underwriters</i>	: BNP Paribas, Standard Chartered and UOB Kay Hian
<i>Minimum enlarged issued share capital upon completion of the Rights Issue</i>	: 8,001,726,189 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)
<i>Maximum enlarged issued share capital upon completion of the Rights Issue</i>	: 9,003,113,685 Shares (assuming new Shares are allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights on or before the Record Date and no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)

As at the date of this announcement:

- (1) there were outstanding Convertible Bonds in the aggregate principal amount of RMB2,720,000,000 convertible into 696,064,429 Shares at the conversion price of HK\$4.47 per Share (subject to adjustment). Assuming the full exercise of all conversion rights attaching to the Convertible Bonds and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 696,064,429 new Shares would fall to be issued, which would result in the issue of 232,021,476 additional Rights Shares; and

- (2) there were outstanding Share Options granted in respect of 171,569,942 Shares under the Share Option Scheme, of which 54,976,193 Shares are Vested Share Options. Assuming the full exercise of all subscription rights attaching to the Vested Share Options and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 54,976,193 new Shares would fall to be issued, which would result in the issue of 18,325,398 additional Rights Shares.

Assuming the full exercise of the Conversion and Subscription Rights and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 751,040,622 new Shares would fall to be allotted and issued, which would result in the issue of 250,346,874 additional Rights Shares.

Save for the outstanding Convertible Bonds and Share Options as mentioned above, the Company had no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the date of this announcement.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of Nil Paid Rights proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 33.3% of the Company's issued share capital as at the Record Date and approximately 25.0% of the Company's issued share capital as enlarged by the Rights Issue.

#### **(b) Subscription Price**

The Subscription Price of HK\$1.84 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of Nil Paid Rights applies for the Rights Shares. The Subscription Price represents:

- (1) a discount of approximately 44.9% to the closing price of HK\$3.34 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 44.7% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$3.33;
- (3) a discount of approximately 44.6% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$3.32; and



(4) a discount of approximately 38.0% to the theoretical ex-rights price of approximately HK\$2.97 per Share based on the closing price of HK\$3.34 per Share as quoted on the Stock Exchange on the Last Trading Day.

Each Rights Share will have a nominal value of US\$0.0025.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date.

The Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values indicated above), to be fair and reasonable to, and in the interests of, the Company and the Shareholders as a whole.

**(c) Basis of provisional allotment**

The basis of the provisional allotment shall be 1 Rights Share for every 3 existing Shares held by Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares with the Registrar on or before the Latest Time for Acceptance.

**(d) Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the then existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

On 28 March 2013, the Company announced that the Directors have proposed a final dividend for the year ended 31 December 2012 of HK\$0.035 per Share, subject to the approval of the Shareholders at the Company's forthcoming annual general meeting. If the Rights Shares (in their fully-paid form) are allotted and issued on or before the record date for such final dividend and the Shareholders approve such final dividend at the forthcoming annual general meeting, then holders of fully-paid Rights Shares whose names appear on the register of members of the Company on the record date for such final dividend will be entitled to receive such final dividend of HK\$0.035 per Share on the same basis as holders of existing Shares in issue.



**(e) Certificates for the Rights Shares and refund cheques**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or around Tuesday, 21 May 2013 to those persons who have paid for and have accepted the Rights Shares, at their own risk. Such applicant will receive one Share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post on or around Tuesday, 21 May 2013 to the applicants at their own risk.

**(f) Fractions of the Rights Shares**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). All Nil Paid Rights arising from such aggregation will be provisionally allotted (in nil-paid form) to Standard Chartered or its nominee, and will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of Nil Paid Rights will be made available for excess applications by Qualifying Shareholders. No odd lot matching services will be provided.

**(g) Application for listing**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil Paid Rights are expected to be traded in board lots of 500 (as the Shares are currently traded on the main board of the Stock Exchange in board lots of 500). No part of the Shares in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

**(h) Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

**(i) Rights Shares will be eligible for admission into CCASS**

Subject to the grant of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

**(j) Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must (1) be registered as a member of the Company as at the Record Date and (2) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company as at the Record Date, all transfer documents of the Shares must be lodged (together with the relevant Share certificates) with the Registrar by 4:30 p.m. (Hong Kong time) on Friday, 19 April 2013. The last day of dealings in the Shares on a cum-rights basis is expected to be Wednesday, 17 April 2013. The Shares are expected to be dealt in on an ex-rights basis from Thursday, 18 April 2013. The particulars of the Registrar are as follows:

**Computershare Hong Kong Investor Services Limited**  
**Shops 1712-1716, 17/F, Hopewell Centre**  
**183 Queen's Road East**  
**Wan Chai, Hong Kong**

The Company will send the Rights Issue Documents to Qualifying Shareholders on the Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders as well as to holders of the Convertible Bonds (if required by the terms and conditions of the Convertible Bonds) and holders of Share Options (if required by the terms of the Share Option Scheme) for their information only, but will not send any PAL or EAF to them.

Holders of Convertible Bonds who wish to participate in the Rights Issue should exercise the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. on Friday, 19 April 2013.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. on Friday, 19 April 2013.

The latest time for acceptance of, and payment for, the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution of their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

**(k) Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply, by way of excess applications, for:

- (1) any unsold Rights Shares which would have been allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders;
- (2) any Rights Shares provisionally allotted but not validly accepted by Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights; and
- (3) any unsold Rights Shares created by aggregating fractions of Nil Paid Rights.

Application for excess Rights Shares may be made only by a Qualifying Shareholder and only by completing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Monday, 13 May 2013 or such later time as may be agreed between the Company and the Joint Underwriters.

Any excess Rights Shares will, at the discretion of the Directors, be allocated and allotted on a fair and reasonable basis and as far as practicable:

- (1) preference will be given to those applications which will top-up odd lots to whole board lots, unless the total number of excess Rights Shares are not sufficient to top-up all odd lots into whole board lots or the Directors consider that such applications are made with the intent to abuse this mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders who have applied for excess Rights Shares on a pro rata basis by reference to the number of excess Rights Shares they have applied for, with flexibility to round up to whole board lots at the discretion of the Directors.

In applying the principles above, reference will only be made to the number of excess Rights Shares being applied for.

Investors whose Shares are held by a nominee (or which are deposited in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder in accordance with the registers of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are deposited in CCASS) should note that the aforesaid odd lots arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the relevant Shares to be registered in their own names on or before the Record Date.

Investors whose Shares are held by nominees (or which are deposited in CCASS) and who would like to have their names registered on the registers of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Friday, 19 April 2013.

#### **(I) Non-Qualifying Shareholders**

Overseas Shareholders on the Record Date may not be eligible to take part in the Rights Issue as explained below.

The Board is making enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the Board is of the

opinion that it would be necessary or expedient, on account of either the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Overseas Shareholders, no provisional allotment of Nil Paid Rights or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders.

The Rights Issue will not be extended to Non-Qualifying Shareholders and no Rights Shares will be provisionally allotted to them. The Company will, to the extent reasonably practicable, send the Prospectus to Non-Qualifying Shareholders for their information only on the Posting Date, but will not send the PALs or the EAFs to them. The Rights Issue Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus.

Arrangements will be made for the Nil Paid Rights which would otherwise have been provisionally allotted to Non-Qualifying Shareholders to be sold in the market after dealings in the Nil Paid Rights commence on the Stock Exchange but before the Latest Time for Acceptance, if a premium (net of expenses and stamp duty) can be obtained. The proceeds of each sale, less expenses, will be paid by the Company to the relevant Non-Qualifying Shareholders pro rata to their shareholdings in the Company on the Record Date in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for the benefit of the Company. Any unsold entitlements of Non-Qualifying Shareholders, as referred to above in this announcement, will be made available for excess applications on EAFs by Qualifying Shareholders.

**Overseas Shareholders and beneficial owners of Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.**

## **2. UNDERWRITING ARRANGEMENT**

### **(a) Underwriting Agreement**

<i>Date</i>	: 28 March 2013
<i>Joint Underwriters</i>	: BNP Paribas, Standard Chartered and UOB Kay Hian
<i>Number of Underwritten Shares</i>	: 1,115,277,659 Rights Shares (other than those to be taken up by the Undertaking Shareholder and the Undertaking Shareholder Subsidiaries pursuant to the Undertaking Letter), will be fully underwritten by the Joint Underwriters
<i>Underwriters' fee</i>	: 2.75% of the aggregate Subscription Price of the Underwritten Shares plus a discretionary fee of 0.25% of the aggregate Subscription Price of the Underwritten Shares to be determined at the absolute sole discretion of the Company

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Joint Underwriters) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Joint Underwriters have agreed to subscribe or procure the subscription for all Underwritten Shares that are not otherwise taken up.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Joint Underwriters and their ultimate holding companies are Independent Third Parties.

### **(b) Conditions of the Rights Issue and the Underwriting Agreement**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (1) publication of this announcement pursuant to the Listing Rules by no later than 8:30 a.m. on the Business Day following the date of the Underwriting Agreement;
- (2) (i) the Nil Paid Rights to all Qualifying Shareholders and (ii) the Nil Paid Rights representing the aggregate of fractional entitlements and the entitlements of Non-Qualifying Shareholders which would otherwise have to be allotted to Standard Chartered or its nominee/agent to be dealt with in accordance with the Underwriting Agreement having been provisionally allotted by a resolution of the Board on the terms set out in the Rights Issue Documents;

- (3) the listing approval from the Listing Committee (“**Listing Approval**”) having been obtained by no later than the Business Day prior to the first day of dealings in the Nil Paid Rights as set out in the Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing), and such permission not being withdrawn prior to the Latest Time for Termination;
- (4) each condition to enable the Nil Paid Rights and the Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than the Business Day prior to the first day of dealings in the Nil Paid Rights as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (5) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under section 342C of the Companies Ordinance not later than a Business Day before the Posting Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (6) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than a Business Day before the Posting Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than a Business Day before the Posting Date;
- (7) posting of the Rights Issue Documents to Qualifying Shareholders not later than the Posting Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (8) delivery of the duly executed counterparts of the Undertaking Letter and the Underwriting Agreement by the Undertaking Shareholder on the date of the Underwriting Agreement to the Company and the Joint Underwriters;
- (9) the representations and warranties of the Company and the Undertaking Shareholder referred to in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company and the Undertaking Shareholder referred to in the Underwriting Agreement having been breached in any material respect;



- (10) compliance by the Undertaking Shareholder with all of its obligations under the Underwriting Agreement in all material respects and its obligations under the Undertaking Letter, and the Undertaking Letter not having been terminated;
- (11) receipt by the Joint Underwriters (in the form and substance to the satisfaction of the Joint Underwriters) of all relevant documents to be provided by the Company and/or the Undertaking Shareholder (as the case may be) by the times specified in the Underwriting Agreement; and
- (12) compliance by the Company with all of its obligations under the Underwriting Agreement in all material respects.

The Company and the Undertaking Shareholder shall use their reasonable best endeavours to procure the fulfilment of the respective conditions to be fulfilled by them set out in the Underwriting Agreement and in particular shall furnish such information, supply such documents, pay (in the case of the Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by the Joint Underwriters and the Stock Exchange in connection with the listing of the Rights Shares.

The Joint Underwriters may at any time in writing waive any of the conditions as set out in the Underwriting Agreement (other than conditions (2), (3), (5) and (6) above) or extend the time or date for fulfilment of any condition (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Joint Underwriters.

If any of the conditions set out in the Underwriting Agreement (which has not previously been waived by the Joint Underwriters if capable of being waived under the Underwriting Agreement) is not fulfilled, or becomes incapable of fulfilment, on or prior to the specified relevant date for fulfilment of the relevant condition or, if no such date is so specified or referred to, are not fulfilled on or prior to the Latest Time for Termination (or, in any such case, such later date or dates as the Joint Underwriters may agree with the Company in writing), the Underwriting Agreement shall terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

**(c) Lock up provisions under the Underwriting Agreement**

The Company has undertaken to the Joint Underwriters, and the Undertaking Shareholder has undertaken to the Joint Underwriters to procure (to the extent within its power and control), that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the date on which the Underwriting Agreement becomes unconditional (which is expected to be Thursday, 16 May 2013), the Company shall not (except for the Rights Shares):

- (1) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (except for the allotment or issue of Shares (i) upon exercise of the outstanding Share Options, or (ii) upon the conversion of the outstanding Convertible Bonds by the holders thereof);
- (2) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (1) above; or
- (3) announce any intention to enter into or effect any such transaction described in (1) or (2) above,

unless with the prior written consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed).

The Undertaking Shareholder has undertaken to the Joint Underwriters that it shall not and shall use its best endeavours to procure that companies controlled by it shall not, without first having obtained the prior written consent of the Joint Underwriters, transfer or otherwise dispose of (including without limitation by the creation of any option) or acquire any Share or any interest therein or any option, right or warrant in respect of any Share between the date of the Underwriting Agreement and the date of the Prospectus (which is expected to be Friday, 26 April 2013).

The Undertaking Shareholder has undertaken to the Joint Underwriters that it shall not and shall use its best endeavours to procure that companies controlled by it shall not, without the prior written consent of the Joint Underwriters, transfer or otherwise dispose of (including without limitation by the creation of any option, right or warrant to purchase) or acquire (except by taking up Rights Shares provisionally allotted in respect of the Undertaking Shareholder's shareholding interest in the Company as beneficial owner pursuant to the Rights Issue or pursuant to the

Underwriting Agreement or acquiring Nil Paid Rights or submitting EAFs) any Share or any interest therein between the date of the Prospectus and the Latest Time for Acceptance.

The Undertaking Shareholder has undertaken to the Joint Underwriters that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the date on which the Underwriting Agreement becomes unconditional (which is expected to be Thursday, 16 May 2013), it shall not and shall procure that none of its nominee companies, its subsidiaries, its holding company, the subsidiaries of its holding company, and their respective nominees and affiliates (whether individually or together and whether directly or indirectly) shall:

- (1) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by the Undertaking Shareholder or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests save for the creation of charges or encumbrances over such Shares for the purpose of financing arrangements provided that it will continue to remain as the owner of its interests in such Shares;
- (2) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (1) above or this (2) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (3) announce any intention to enter into or effect any such transaction described in (1) or (2) above,

unless with the prior written consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed), provided that the above restrictions shall not apply (i) if the Underwriting Agreement does not become unconditional and is terminated, or (ii) if the Underwriting Agreement is terminated by the Joint Underwriters pursuant to the termination events in the Underwriting Agreement.

#### **(d) Termination of the Underwriting Agreement**

The Joint Underwriters may, by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement if:

- (1) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (2) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Joint Underwriters, or there has been a material breach on the part of the Company or the Undertaking Shareholder of any other provisions of the Underwriting Agreement, or the Joint Underwriters have reasonable cause to believe that any such breach has occurred;
- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any time on which the representations, warranties and undertakings are deemed to be given by the Company and the Undertaking Shareholder (as the case may be) would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in any respect, comes to the knowledge of the Joint Underwriters;
- (4) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (5) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
- (6) there is any event or change or any other reason (whether or not permanent) which would result in a supplemental prospectus or any document of a similar nature is or being required to be issued, whether required by the Stock Exchange or not;
- (7) the Company's application to the main board of the Stock Exchange for permission for the listing of the Nil Paid Rights and Rights Shares and permission to deal in the Nil Paid Rights and Rights Shares on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (8) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which is material in the context of the Rights Issue; or

- (9) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
- (i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) the financial, political, economic, military, industrial, legal, fiscal, regulatory, currency or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;
  - (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgements, decrees or rulings of any governmental authority (the “**Laws**”) or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;
  - (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, the United Kingdom or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, outbreak of an infectious disease, calamity, crisis, strike or lock-out (whether or not covered by insurance);
  - (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong, or on commercial banking activities in Hong Kong or the PRC, due to exceptional financial circumstances or otherwise;
  - (v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC; or
  - (vi) any suspension of dealings in the Shares for a period of more than two Business Days (other than pending publication of announcing the Rights Issue),

which, in the sole opinion of the Joint Underwriters after consultation with the Company, where practicable:

- (i) has or will have, or is likely to have, a Material Adverse Effect or is or will be, or is likely to be, materially adverse to any present or prospective Shareholder in its capacity as such;
- (ii) has or will have or is likely to have a material adverse impact on the completion of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in this announcement and the Rights Issue Documents.

If prior to the Latest Time for Termination any notice to rescind or terminate the Underwriting Agreement is given by the Joint Underwriters, the obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach). If the Joint Underwriters exercise such right, the Rights Issue will not proceed.

### **3. IRREVOCABLE UNDERTAKING OF THE UNDERTAKING SHAREHOLDER**

#### **(a) Background of the Undertaking Shareholder**

The Shui On Group is a Hong Kong-based, privately-held group with over 27 years of experience in the PRC real estate market and nearly 40 years of experience in the Hong Kong real estate market. The Undertaking Shareholder, the holding company of the Shui On Group, was incorporated in the British Virgin Islands in 1989.

As at the date of this announcement, the Undertaking Shareholder Subsidiaries had an interest in an aggregate of 3,406,502,286 Shares, representing approximately 56.76% of the total issued share capital of the Company as at the date of this announcement.

**(b) Undertaking by the Undertaking Shareholder**

Pursuant to the Undertaking Letter, the Undertaking Shareholder has provided an irrevocable undertaking to the Company and the Joint Underwriters, that, among other things:

- (1) it will subscribe for, and procure that the Undertaking Shareholder Subsidiaries subscribe for, all the Rights Shares provisionally allotted to them in respect of their interests in the Shares as at the Record Date under the Rights Issue pursuant to the terms of the Rights Issue Documents and to lodge, or procure that the Undertaking Shareholder Subsidiaries lodge, with the Company acceptance in respect of such Rights Shares provisionally allotted to them, with payment in full therefor in cash by no later than 9:30 a.m. on the Latest Acceptance Date;
- (2) it will remain as the sole direct or indirect shareholder of all of the Undertaking Shareholder Subsidiaries and such companies will remain as the registered holders owning the legal and beneficial interests in the number of Shares in which they have an interest and it shall not dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) its beneficial interests in any of such Shares save and except those existing at the date hereof from the date of the Undertaking Letter up to and including the Record Date, save for the creation of charges or encumbrances over such Shares for the purpose of financing arrangements provided that it will continue to remain as the owner of its interests in such Shares; and
- (3) it will procure that the Undertaking Shareholder Subsidiaries remain as its wholly-owned subsidiaries and as the registered holders of the Shares held by them and will procure that the Undertaking Shareholder Subsidiaries shall not dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) their legal interests in any of the Shares owned by them from the date of the Undertaking Letter up to and including the Record Date, save for the creation of charges or encumbrances over such Shares for the purpose of financing arrangements provided that it will continue to remain as the owner of its interests in such Shares,

subject in each case to the Rights Issue not having been terminated.

Save for the undertaking from the Undertaking Shareholder, the Company has not obtained any undertakings from any other Shareholders to subscribe for any or all of the Rights Shares to be provisionally allotted to them.



#### 4. EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

##### Changes in the shareholding structure of the Company arising from the Rights Issue

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

##### Scenario 1:

*Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue:*

	Shareholding immediately after completion of the Rights Issue (Note 1)					
	As at the date of this announcement (Note 1)		Assuming 0% of Rights Issue taken up by Qualifying Shareholders other than the Undertaking Shareholder Subsidiaries		Assuming 100% of Rights Issue taken up by Qualifying Shareholders	
			Approximate % of the total issued		Approximate % of the total issued	
	No. of Shares	Shares	No. of Shares	Shares	No. of Shares	Shares
Undertaking Shareholder Subsidiaries (Note 2)	3,406,502,286	56.76%	4,542,003,048	56.76%	4,542,003,048	56.76%
Other Shareholders	2,594,792,356	43.24%	2,594,792,356	32.43%	3,459,723,141	43.24%
Joint Underwriters (Note 3)	—	0.00%	864,930,785	10.81%	—	0.00%
<b>Total:</b>	<b><u>6,001,294,642</u></b>	<b><u>100.00%</u></b>	<b><u>8,001,726,189</u></b>	<b><u>100.00%</u></b>	<b><u>8,001,726,189</u></b>	<b><u>100.00%</u></b>

Notes:

- (1) Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) Includes derivative interests in 7,627,620 Shares.
- (3) Pursuant to the Joint Underwriters' underwriting obligations under the Underwriting Agreement.

## Scenario 2:

Assuming new Shares have been allotted and issued on or before the Record Date pursuant to the full exercise of the Conversion and Subscription Rights, but otherwise no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue:

	Shareholding immediately after completion of the Rights Issue (Note 1)					
	As at the date of this announcement (Note 1)		Assuming 0% of Rights Issue taken up by Qualifying Shareholders other than the Undertaking Shareholder Subsidiaries		Assuming 100% of Rights Issue taken up by Qualifying Shareholders	
	Approximate % of the total issued		Approximate % of the total issued		Approximate % of the total issued	
	No. of Shares	Shares	No. of Shares	Shares	No. of Shares	Shares
Undertaking Shareholder Subsidiaries (Note 2)	3,406,502,286	56.76%	4,542,003,048	50.45%	4,542,003,048	50.45%
Other Shareholders	2,594,792,356	43.24%	2,594,792,356	28.82%	3,459,723,141	38.43%
Holders of Convertible Bonds (Note 3)	—	0.00%	696,064,429	7.73%	928,085,905	10.31%
Holders of Vested Share Options (Note 4)	—	0.00%	54,976,193	0.61%	73,301,591	0.81%
Joint Underwriters (Note 5)	—	0.00%	1,115,277,659	12.39%	—	0.00%
<b>Total:</b>	<b><u>6,001,294,642</u></b>	<b><u>100.00%</u></b>	<b><u>9,003,113,685</u></b>	<b><u>100.00%</u></b>	<b><u>9,003,113,685</u></b>	<b><u>100.00%</u></b>

### Notes:

- (1) Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) Includes derivative interests in 7,627,620 Shares.
- (3) Pursuant to the full exercise of the conversion rights attaching to the Convertible Bonds.
- (4) Pursuant to the full exercise of the subscription rights attaching to the Vested Share Options.
- (5) Pursuant to the Joint Underwriters' underwriting obligations under the Underwriting Agreement.

## 5. RIGHTS ISSUE TIMETABLE

### (a) Expected timetable

Last day for dealings in the Shares on a cum-rights basis .....	Wednesday, 17 April 2013
Commencement of dealings in the Shares on an ex-rights basis .....	Thursday, 18 April 2013
Latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue .....	4:30 p.m. on Friday, 19 April 2013
Record Date for determining entitlements under the Rights Issue .....	Friday, 19 April 2013
Despatch of the Rights Issue Documents .....	Friday, 26 April 2013
First day for dealings in Nil Paid Rights .....	Tuesday, 30 April 2013
Latest time for splitting of Nil Paid Rights .....	4:00 p.m. on Friday, 3 May 2013
Last day for dealings in Nil Paid Rights .....	Wednesday, 8 May 2013
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares .....	4:00 p.m. on Monday, 13 May 2013
Rights Issue expected to become unconditional .....	5:00 p.m. on Thursday, 16 May 2013
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company on or before .....	Monday, 20 May 2013
Certificates for the Rights Shares expected to be despatched on or around .....	Tuesday, 21 May 2013

Refund cheques in respect of wholly  
or partially unsuccessful applications  
for excess Rights Shares expected  
to be posted on or around .....Tuesday, 21 May 2013

Expected first day of dealings  
in fully-paid Rights Shares .....9:00 a.m. on Wednesday, 22 May 2013

**Note:** All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this announcement, are indicative only and may be varied by agreement between the Company and the Joint Underwriters.

If any special circumstances arise, the Board may extend, or make adjustment to, the expected timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

**(b) Effect of bad weather on the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares**

The latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

- (1) a tropical cyclone warning signal number 8 or above; or
- (2) a “black” rainstorm warning

in force in Hong Kong at any local time:

(A) before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. In such event, the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(B) between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. In such event, the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m..

If the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the section headed “5(a) Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcements of any change to the expected timetable as soon as practicable.

**(c) Warning of the risks of dealing in the Shares and the Nil Paid Rights**

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. Please refer to the section headed “2(b) Conditions of the Rights Issue and the Underwriting Agreement” above for further details. The Underwriting Agreement contains provisions granting the Joint Underwriters a right to terminate their obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed “2(d) Termination of the Underwriting Agreement” above for further details. If the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms, then the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**The Shares are expected to be dealt in on an ex-rights basis from Thursday, 18 April 2013. Dealings in the Nil Paid Rights are expected to take place from Tuesday, 30 April 2013 to Wednesday, 8 May 2013 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.**

**Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers. Any Shareholder or other person dealing in the Shares or in the Nil Paid Rights up to the date on which all of the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not otherwise proceed.**

## **6. REASONS FOR THE RIGHTS ISSUE**

The Directors consider it in the interests of the Company and the Shareholders as a whole to raise capital by way of the Rights Issue, which will enhance the Company's capital base, strengthen its cash and financial positions and provide additional funding for the Group's operations. In making this decision the Directors took into account the current market and economic conditions and uncertainties, and consider it prudent to raise capital by way of the Rights Issue at this time. The Rights Issue will allow all Qualifying Shareholders the opportunity to participate in the future development of the Company on equal terms by subscribing for their pro rata entitlements in the Rights Shares as well as applying for excess Rights Shares.

However, Qualifying Shareholders who do not take up in full the Rights Shares to which they are entitled, as well as Non-Qualifying Shareholders, should note that their shareholding in the Company will be diluted as a result of the Rights Issue.

## **7. USE OF PROCEEDS**

The net proceeds of the Rights Issue are estimated to be not less than approximately HK\$3,619.4 million after the deduction of all estimated expenses (assuming that no new Shares have been allotted and issued pursuant to any exercise of the Conversion and Subscription Rights on or before the Record Date) and not more than approximately HK\$4,065.7 million after the deduction of all estimated expenses (assuming 751,040,622 new Shares have been allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights on or before the Record Date).

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be not less than approximately HK\$57.4 million (assuming that no new Shares have been allotted and issued pursuant to any exercise of the Conversion and Subscription Rights on or before the Record Date) and not more than approximately HK\$71.2 million (assuming 751,040,622 new Shares have been allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights on or before the Record Date), and will be payable by the Company.

The Company intends to use the net proceeds of the Rights Issue to:

- (1) assist in accelerating the relocation process relating to the Shanghai Taipingqiao and Rui Hong Xin Cheng projects; and/or
- (2) acquire assets or businesses which are relevant to the Group's principal business (including shares or equity interests in any entity holding such assets or businesses) if and when suitable opportunities become available; and/or
- (3) repay the existing indebtedness of the Group.

## **8. TAXATION**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Nil Paid Rights or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Nil Paid Rights on their behalf.

## **9. EQUITY FUND RAISING BY THE COMPANY**

The Company has not engaged in or initiated any equity fund raising exercises (including any rights issue exercise) during the 12 months immediately preceding the date of this announcement.

## **10. SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE**

There is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in a general meeting.

## **11. POSSIBLE ADJUSTMENT TO THE CONVERTIBLE BONDS AND THE SHARE OPTIONS**

As a result of the Rights Issue, (1) the conversion price of the outstanding Convertible Bonds and/or (2) the exercise prices of, and/or the number or nominal amount of Shares subject to, the outstanding Share Options may be adjusted in accordance with the terms and conditions of the Convertible Bonds and the Share Option Scheme. The Company will make further announcements on the appropriate adjustments (if any) and the date they are expected to take effect in due course.



## **12. INFORMATION ON THE GROUP**

The Company is an investment holding company and 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.

## **13. GENERAL**

The Prospectus containing, among other things, further details of the Rights Issue (including statements as to risk factors) is expected to be despatched by the Company to Qualifying Shareholders on or before Friday, 26 April 2013, together with the PALs and the EAFs. Shareholders and other persons dealing in the Shares or in the Nil Paid Rights should consider carefully the information and risk factors contained in the Prospectus. A copy of the Prospectus will also be made available on the websites of the Company ([www.shuionland.com](http://www.shuionland.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders as well as to holders of the Convertible Bonds (if required by the terms and conditions of the Convertible Bonds) and holders of the Share Options (if required by the terms of the Share Option Scheme) for their information only, but will not send any PAL or EAF to them.

## **14. DEFINITIONS**

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors;
“BNP Paribas”	BNP Paribas Securities (Asia) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities as defined under the SFO;
“Business Day”	any weekday (other than a Saturday or a day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks generally are open for business in Hong Kong;

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time;
“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 (stock code: 272);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Conversion and Subscription Rights”	the conversion rights attaching to the Convertible Bonds and the subscription rights attaching to the Vested Share Options;
“Convertible Bonds”	the RMB-denominated US\$— settled 4.50% convertible bonds due 2015 of an aggregate principal amount of RMB2,720,000,000, issued by the Company on 29 September 2010, which are listed and traded on the Singapore Exchange Securities Trading Limited;
“Director(s)”	the director(s) of the Company;
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and who are not connected person(s) of the Company;

“Joint Underwriters”	BNP Paribas, Standard Chartered and UOB Kay Hian;
“Last Trading Day”	Thursday, 28 March 2013, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement;
“Latest Acceptance Date”	Monday, 13 May 2013, being the last day for acceptance of, and payment for, the Rights Shares, or such other date as the Company and the Joint Underwriters may agree in writing;
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the Rights Shares, which is expected to be 4:00 p.m. on the Latest Acceptance Date;
“Latest Time for Termination”	5:00 p.m. on the Business Day following the Latest Acceptance Date or such later date as the Company and the Joint Underwriters may agree in writing;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Material Adverse Effect”	a material adverse effect on the financial condition, assets, business, results of operations or liabilities of the Group, taken as a whole, whether or not arising in the ordinary course of business;
“Nil Paid Right(s)”	the right(s) to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid;
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares to on account of either the legal restrictions under the laws of a place outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the registers of members of the Company on the Record Date and whose address(es) as shown on such registers is/are outside Hong Kong;

“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Posting Date”	Friday, 26 April 2013 or such other date as the Company and the Joint Underwriters may agree in writing for the despatch of the Rights Issue Documents;
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the registers of members of the Company on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	Friday, 19 April 2013 (or such other date as the Company and the Joint Underwriters may agree in writing), being the date by reference to which entitlements to the Rights Issue are expected to be determined;
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar in Hong Kong at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong;
“RMB”	renminbi, the lawful currency of the PRC;
“Rights Issue”	the proposed issue by the Company of the Rights Shares at the Subscription Price on the basis of 1 Rights Share for every 3 existing Shares held on the Record Date payable in full on acceptance;
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s);
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time;

“Share(s)”	ordinary shares of nominal value of US\$0.0025 each in the capital of the Company;
“Shareholder(s)”	duly registered holder(s) of the Shares;
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 8 June 2007;
“Shui On Group”	the Undertaking Shareholder and its subsidiaries;
“Standard Chartered”	Standard Chartered Securities (Hong Kong) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities as defined under the SFO;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$1.84 per Rights Share;
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged accompanied by cheques or other remittances for the full amount payable in respect thereof;
“UOB Kay Hian”	UOB Kay Hian (Hong Kong) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO;
“US\$”	United States dollar, the lawful currency of the United States of America;
“US Securities Act”	US Securities Act of 1933, as amended;
“Undertaking Letter”	the irrevocable undertaking dated 28 March 2013 from the Undertaking Shareholder to the Company and the Joint Underwriters, as discussed in the paragraph headed “Irrevocable undertaking of the Undertaking Shareholder” in this announcement;

“Undertaking Shareholder”	Shui On Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability;
“Undertaking Shareholder Subsidiaries”	(i) Shui On Investment Company Limited, a company incorporated under the laws of Hong Kong with limited liability, (ii) Shui On Properties Limited, a company incorporated under the laws of Hong Kong with limited liability, (iii) Boswell Limited, a company incorporated under the laws of Jersey with limited liability, (iv) Chester International Cayman Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and (v) Lanvic Limited, a company incorporated under the laws of the Cayman Islands with limited liability;
“Underwriting Agreement”	the underwriting agreement dated 28 March 2013 and entered into between the Company and the Joint Underwriters in relation to the Rights Issue;
“Underwritten Shares”	the Rights Shares underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement;
“United States” or “US”	the United States of America (including its territories and possessions, any state in the US and the District of Columbia);
“Vested Share Options”	Share Options which have been validly vested to the holders entitling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 54,976,193 Shares as at the date of this announcement); and
“%”	per cent. or percentage.

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

Hong Kong, 28 March 2013

*At the date of this announcement, the executive directors of the Company 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 of the Company is Mr. Frankie Y. L. WONG; and the independent non-executive directors of the Company are Sir John R. H. BOND, Dr. William K. L. FUNG, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY and Mr. David J. SHAW.*