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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)**

**SUPPLEMENTAL ANNOUNCEMENT**

**FURTHER INFORMATION REGARDING US\$225,000,000 7.5%  
SENIOR CONVERTIBLE PERPETUAL CAPITAL SECURITIES  
TO BE GUARANTEED BY THE COMPANY**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 22 May 2015. Terms defined in the Announcement shall have the same meaning when used in this announcement unless otherwise stated.

To enhance the understanding of the terms of the Securities by the Shareholders, the Company would like to supplement the Announcement with the following additional information.

## RESETTING OF DISTRIBUTION RATE

It was disclosed in the Announcement that the Distribution Rate applicable to the Securities shall be, in respect of the periods (i) from and including, the First Call Date to, but excluding, the immediately following Reset Date (as defined in the Conditions) and (ii) from, and including each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate (as defined in the Conditions).

The Company would like to further clarify that the “**Reset Date**” means, for the purpose of the Securities, 4 June 2020 and each day falling every five calendar years after 4 June 2020.

The “**Relevant Reset Distribution Rate**” is calculated by the Reference Rate (as defined below) with respect to the relevant Reset Date plus 5.809% plus 3% per annum.

“**Reference Rate**” means:

- (a) the rate for U.S. Dollar swaps with a maturity of five years from the relevant Reset Date, expressed as a percentage, which appears on the Bloomberg page <Bloomberg: USSWAP5 Curncy> as of 11:00 a.m., New York City time on the first business day in New York City preceding the relevant Reset Date; or
- (b) if such rate does not appear on Bloomberg page <Bloomberg: USSWAP5 Curncy>, the rate determined on the basis of the mid-market semi-annual swap rate quotations provided by the three investment banks of recognised standing that is a primary US Government securities dealer in New York City, selected by the Company in good faith, at approximately 11:00 a.m., New York City time, on the day that is one business day in New York City preceding that Reset Date.

## DEFERRAL OF DISTRIBUTION

It was disclosed in the Announcement that the Issuer may, at its sole discretion, elect to defer a Distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date, unless a Compulsory Distribution Payment Event has occurred.

The Company would like to further clarify that a “**Compulsory Distribution Payment Event**” will occur if during the 12 month period ending on the date before the relevant Distribution Payment Date either or both of the following have occurred:

- (a) a discretionary dividend, distribution or other payment has been paid or declared by the Company (or in the case of securities which ranks *pari passu* with the Securities, the issuer of such securities) on or in respect of any securities which ranks junior to the Securities (including the Shares of the Company), preference shares or any securities which ranks *pari passu* with the Securities;
- (b) the Issuer or the Company (or in the case of securities which ranks *pari passu* with the Securities, the issuer of such securities) has at its discretion repurchased, redeemed or otherwise acquired any securities which ranks junior to the Securities (including the Shares of the Company), preference shares or any securities which ranks *pari passu* with the Securities.

#### **FURTHER DETAILS ON ADJUSTMENT OF CONVERSION PRICE**

It was disclosed in the Announcement that the Conversion Price of the Securities is subject to adjustment for various adjustment events. These adjustment events are as follows:

- (a) if there is an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification;
- (b) if the Company issues any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves and which would not have constituted a Capital Distribution;
- (c) in the case of an issue of Shares by way of a scrip dividend where the Current Market Price of such Shares multiplied by the number of Shares issued exceed 105% of the relevant cash dividends declared by the Company and which would not have constituted a Capital Distribution;
- (d) if the Company pays or makes any Capital Distribution to the Shareholders (unless such Capital Distribution also results in an adjustment due to another adjustment event);
- (e) if the Company issues Shares, or grant rights, options, warrants or other rights subscribe for Shares to all or substantially all Shareholders at less than 95% of the Current Market Price;

- (f) if the Company issues any securities (other than Shares or option to subscribe for Shares), or grant right, options, warrants or other rights to subscribe for such securities to all or substantially all Shareholders;
- (g) if the Company issues any Shares or grants options to subscribe for Shares at a price which is less than 95% of the Current Market Price;
- (h) if the Company or any of its subsidiaries or any other person issues any securities (other than the Securities) convertible into Shares at a consideration per Share which is less than the Current Market Price;
- (i) if any of the conversion rights referred to in (h) immediately above is modified so that the consideration per Share (for the number of Shares available on conversion following the modification) is reduced and is less than 95% of the Current Market Price;
- (j) if the Company or any of its subsidiaries or any other person issues, sells or distributes any securities in connection with any offer pursuant to which the Shareholders are generally entitled to acquire such securities (unless such issuance, sale or distribution also results in an adjustment due to another adjustment event);
- (k) if the Company otherwise determines that an adjustment should be made to the Conversion Price.

**“Current Market Price”** means in respect of a Share on a particular date, the average of the daily closing price on each of the 10 consecutive trading days (in Hong Kong) ending on and including the trading day immediately preceding such date.

**“Capital Distribution”** means, on a per Share basis, (i) the distribution of assets in specie by the Company for any financial period by way of capitalisation of reserves; and (ii) any cash dividend or distribution of any kind by the Company for any financial period.

## **EARLY REDEMPTION AMOUNT**

It was disclosed in the Announcement that the Securities may be redeemed at (i) their applicable Early Redemption Amount (as defined below) if such redemption occurs prior to the First Call Date; or (ii) their principal amount together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if such redemption occurs on or after the First Call Date, in the case of:

- (a) Minimal Outstanding Amount;

- (b) the occurrence of an Equity Disqualification Event;
- (c) the occurrence of a Change of Control;
- (d) a Breach of Covenant; and
- (e) the occurrence of a Relevant Event.

The Company would like to further clarify that “**Early Redemption Amount**” means, in relation to the above, the greater of:

- (a) the principal amount of the Securities, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount); and
- (b) the Make Whole Amount (as defined below), together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

“**Make Whole Amount**” means the amount, as determined by the calculation agent of the Securities, equal to the sum of (a) the present value of the principal amount of the Securities to be redeemed discounted from the next Call Date, and (b) the present value of all Distributions payable (or but for any deferral would be payable) on a Distribution Payment Date after such redemption date (exclusive of Distributions accrued to the relevant redemption date) to, and including, the next Call Date, discounted to the relevant redemption date on a semi-annual basis (assuming a 360 day year consisting of twelve 30 day months) at the Treasury Rate (as defined below) plus 1.0% per annum.

“**Treasury Rate**” means the rate in per cent. per annum notified by the calculation agent to the Issuer, the Company and the Holders equal to the yield, under the heading that represents the average for the week immediately prior to the relevant date of calculation, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded US Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the treasury issue comparable to the Securities.

## STOCK LENDING AGREEMENT

It was disclosed in the Announcement that in connection with the issuance of the Securities, Shui On Properties Limited, as lender, will enter into the Stock Lending Agreement with J.P. Morgan to effect the lending of up to 350,000,000 Shares in aggregate. Shui On Properties Limited is one of the Shareholders of the Company and holds 1,198,103,792 Shares as at the date of this Announcement. The entry into the Stock Lending Agreement is a condition to the issuance of the Securities and was a result of arm's length negotiation between the Company and the Sole Global Coordinator.

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

Hong Kong, 27 May 2015

*At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Daniel Y. K. WAN and Mr. Philip K. T. WONG; 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.*

*\* For identification purposes only*