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瑞安房地產
SHUI ON LAND

Shui On Land Limited
瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 272)

RMB1,600,000,000 6.875% SENIOR NOTES DUE 2021
OF SHUI ON DEVELOPMENT
TO BE GUARANTEED BY THE COMPANY

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

Reference is made to the announcement of the Company dated 26 February 2018 in relation to the proposed offering of senior notes by Shui On Development to be guaranteed by the Company.

The Board is pleased to announce that on 26 February 2018, New York City time, the Company and Shui On Development entered into a Purchase Agreement with Standard Chartered Bank and China CITIC Bank International in connection with the issue by Shui On Development of an aggregate principal amount of RMB1,600,000,000 6.875% senior notes due 2021.

The estimated net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately RMB1,579 million. The Group intends to use the net proceeds from the Notes to repay existing indebtedness with near term maturities and the remainder to fund capital expenditures.

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

INTRODUCTION

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THE PURCHASE AGREEMENT

Date

26 February 2018

Parties to the Purchase Agreement

- (a) Shui On Development as the issuer of the Notes;
- (b) Company as the guarantor of Shui On Development's obligations under the Notes and the Indenture; and
- (c) Standard Chartered Bank and China CITIC Bank International as the initial purchasers of the Notes.

Standard Chartered Bank and China CITIC Bank International as the joint global coordinators, joint bookrunners and joint lead managers are managing the offer and sale of the Notes.

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

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

Principal terms of the Notes

Notes Offered

Subject to certain conditions to completion, Shui On Development will issue the Notes in an aggregate principal amount of RMB1,600,000,000 and the Notes will mature on 2 March 2021, unless earlier redeemed pursuant to the terms of the Notes.

Offer Price

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

Interest

The Notes will bear interest at a rate of 6.875% per annum, payable semi-annually in arrears on 2 March and 2 September of each year, commencing 2 September 2018.

Ranking of the Notes

The Notes are: (1) general obligations of Shui On Development; (2) senior in right of payment to any existing and future obligations of Shui On Development expressly subordinated in right of payment to the Notes; (3) ranked at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of Shui On Development (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Company on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations (if any) of Shui On Development and the Company, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of Shui On Development.

Ranking of the Parent Guarantee

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

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

Events of Default

The events of default under the Notes include, among others: (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (3) default in the performance or breach of certain covenants under the Notes; (4) the Company, Shui On Development or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee of the Notes or holders of 25% or more in aggregate principal amount of the Notes; (5) default by the Company, Shui On Development or any restricted subsidiary in the repayment of indebtedness having, in the aggregate, an outstanding principal amount of US\$10.0 million or more; (6) one or more final judgments or orders for the payment of money are rendered against the Company, Shui On Development or any restricted subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged to exceed US\$10.0 million; (7) an involuntary bankruptcy or insolvency proceeding is commenced against the Company, Shui On Development or any restricted subsidiary and such involuntary bankruptcy or insolvency proceeding remains undismissed and unstayed for a period of 60 consecutive days; (8) a voluntary bankruptcy or insolvency proceeding is commenced by or consented to by the Company, Shui On Development or any restricted subsidiary; and (9) the Company denies or disaffirms its obligations under its Parent Guarantee or, except as permitted by the Indenture, the Parent Guarantee is determined to be unenforceable or invalid or for any reason ceases to be in full force and effect.

If an event of default (other than an event of default specified in (7) and (8) above) occurs and is continuing under the Indenture, the trustee of the Notes may, and shall upon the request of the holders of at least 25% in aggregate principal amount of the Notes outstanding, by written notice to Shui On Development, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if

any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in (7) and (8) above occurs with respect to the Company, Shui On Development or any restricted subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee of the Notes or any holder of the Notes or any other person.

Covenants

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

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of their restricted subsidiaries;
- (e) guarantee indebtedness;
- (f) enter into transactions with shareholders or affiliates;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) sell assets;
- (j) enter into agreements that restrict their restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (k) effect a consolidation or merger; and
- (l) engage in different business activities.

Optional Redemption

At any time prior to 2 March 2020, Shui On Development may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth in "Description of the Notes — Optional Redemption".

At any time and from time to time prior to 2 March 2020, Shui On Development may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an Equity Offering at a redemption price of 106.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

Reasons for the Notes Issue

The Group is one of the leading property developers in the PRC. The Group engages principally in the development, sale, leasing, management and ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC. Specifically, the Group focuses on master planning and development of large-scale, mixed use city-core integrated property projects, typically in cooperation with the relevant local governmental authorities. The Notes Issue is being undertaken to repay the Group's existing indebtedness and supplement the Group's funding of its expansion and growth plan.

Proposed use of proceeds

The estimated net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately RMB1,579 million. The Group intends to use the net proceeds from the Notes to repay existing indebtedness with near term maturities and the remainder to fund capital expenditures.

Listing

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

DEFINITIONS

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

“Board”	the board of Directors
“China CITIC Bank International”	China CITIC Bank International Limited, one of the joint global coordinators, initial purchasers, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“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
“Director(s)”	director(s) of the Company
“Equity Offering”	any private placement or public offering of common stock of the Company; provided that the aggregate gross cash proceeds received by the Company from such offering shall be no less than US\$20 million
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement to be entered into between the Company as guarantor, Shui On Development as issuer of the Notes and DB Trustees (Hong Kong) Limited as trustee of the Notes, pursuant to which the Notes will be issued
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the RMB1,600,000,000 6.875% senior notes due 2021 to be issued by Shui On Development
“Notes Issue”	the issue of Notes by Shui On Development and guaranteed by the Company

“Original Issue Date”	the date on which the Notes are originally issued under the Indenture
“Parent Guarantee”	the guarantee to be given by the Company on Shui On Development’s obligations under the Notes
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan area
“Purchase Agreement”	the agreement dated 26 February 2018 entered into between the Company, Shui On Development, Standard Chartered Bank and China CITIC Bank International in relation to the Notes Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	the ordinary share(s) with par value of US\$0.0025 each in the share capital of the Company
“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 joint global coordinators, initial purchasers, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended

“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 27 February 2018

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman) and Mr. Douglas H. H. SUNG (Chief Financial Officer); 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, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

** For identification purposes only*