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)

FURTHER ISSUE OF US$200,000,000 5.75% SENIOR NOTES DUE 2023 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 November 12, 2019 in relation to the issue by Shui On Development of the Original Notes guaranteed by the Company and the announcement of the Company dated November 24, 2020 in relation to the proposed offering of the New Notes as "Green Bonds" under the Green Finance Framework by Shui On Development to be guaranteed by the Company.

The Board is pleased to announce that on November 24, 2020, Hong Kong time, the Company and Shui On Development entered into a Purchase Agreement with UBS AG Hong Kong Branch in connection with the issue of the New Notes by Shui On Development of an aggregate principal amount of US$200,000,000 5.75% senior notes due 2023 which will be issued as “Green Bonds” under the Green Finance Framework. The New Notes will be consolidated and form a single series with the Original Notes and will vote together as one series on all matters with respect to the Notes.

The estimated net proceeds of the Further Issue, after deduction of fees, commissions and expenses, will amount to approximately US$199.0 million. The Group intends to use the net proceeds from the issuance of the New Notes for funding or refinancing, in full or in part, of the Eligible Projects undertaken by the Group in accordance with its Green Finance Framework.

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

INTRODUCTION

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THE PURCHASE AGREEMENT

Date

November 24, 2020

Parties to the Purchase Agreement

(a) Shui On Development as the issuer of the New Notes;

(b) Company as the guarantor of Shui On Development's obligations under the New Notes and the Indenture; and

(c) UBS AG Hong Kong Branch as the initial purchaser of the New Notes.

UBS AG Hong Kong Branch as the sole global coordinator, sole bookrunner and sole lead manager is managing the offer and sale of the New Notes.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, UBS AG Hong Kong Branch is an independent third party and is not a connected person of the Company.

The New Notes and the Parent Guarantee have not been, and will not be, registered under the U.S. Securities Act. The New Notes will only be offered by UBS AG Hong Kong Branch 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 New Notes will be offered to the public in Hong Kong nor will the New Notes be initially placed to any connected persons of the Company.

Principal terms of the New Notes

New Notes Offered

Subject to certain conditions to completion, Shui On Development will issue the New Notes in an aggregate principal amount of US$200,000,000 and the New Notes will mature on November 12, 2023, unless earlier redeemed pursuant to the terms of the New Notes.

The New Notes, when issued, will be consolidated and form a single class with the Original Notes issued on the Original Issue Date, provided that the New Notes will be represented by interests in a temporary global note with a temporary ISIN and Common Code for 40 days after the issue date of the New Notes, at which time the interests in the temporary global note will be exchanged for interests in a permanent global note, which will become fully consolidated and form a single series with the Original Notes.

Offer Price

The offer price will be 100% of the principal amount of the New Notes plus accrued interest from and including November 12, 2020 to but excluding December 2, 2020.

Interest

The New Notes will bear interest from November 12, 2020 at a rate of 5.75% per annum, payable semi-annually in arrear on May 12 and November 12 of each year, commencing May 12, 2021.

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 November 12, 2021, 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 November 12, 2021, 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 105.75% 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 Further Issue and Proposed Use of Net Proceeds

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 estimated net proceeds of the Further Issue, after deduction of fees, commissions and expenses, will amount to approximately US$199.0 million. The Group intends to use the net proceeds from the issuance of the New Notes for funding or refinancing, in full or in part, of the Eligible Projects undertaken by the Group in accordance with its Green Finance Framework.

Listing

Approval-in-principle has been received for the listing of the New 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 New 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 New Notes. No listing of the New 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
"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)", "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Eligible Projects"	projects funded with reference to the Green Finance Framework, in whole or in part, by the Group that promote sustainable development in the real estate industry
"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
"Further Issue"	the issue of New Notes by Shui On Development and guaranteed by the Company
"Green Bonds"	the Notes expected to be issued under the Green Finance Framework
"Green Finance Framework"	the Green Finance Framework developed by the Group as a basis for entering into future green financing, including by way of issuing Green Bonds, and by reference to the International Capital Markets Association (ICMA) Green Bond Principles 2018
"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 dated November 12, 2019 by and 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 New Notes will be issued
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Notes"	the US$200,000,000 5.75% senior notes due 2023 proposed to be issued which will be consolidated and form a single series with the Original Notes
"Notes"	the Original Notes and New Notes
"Notes Issue"	the issue of Notes by Shui On Development and guaranteed by the Company
"Original Issue Date"	November 12, 2019, being the date on which the Original Notes were issued under the Indenture
"Original Notes"	the US$300,000,000 5.75% senior notes due 2023 issued by Shui On Development
"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 November 24, 2020 entered into between the Company, Shui On Development and UBS AG Hong Kong Branch in relation to the Further Issue
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share(s)"	ordinary share(s) with par value of US$0.0025 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares

"Shui On Development"	Shui On Development (Holding) Limited, a company incorporated in the Cayman Islands with limited liability, and a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"UBS AG Hong Kong Branch "	UBS AG Hong Kong Branch, the sole green adviser, the sole global coordinator, initial purchaser, sole bookrunner and sole lead manager in respect of the offer and sale of the New Notes
"U.S." or "United States"	the United States of America, its territories and possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent.

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

Hong Kong, November 25, 2020

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Douglas H. H. SUNG (Chief Financial Officer and Chief Investment Officer) and Ms. Stephanie B. Y. LO; and the independent non-executive directors of the Company are Sir John R. H. BOND, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY, Mr. David J. SHAW and Mr. Anthony J. L. NIGHTINGALE.

* *For identification purposes only*