



## Press Release

### **Shui On Land Prices US\$400 Million Inaugural Sustainability-Linked Bonds**

**24 June 2021** – Shui On Land Limited (“Shui On Land” or the “Company”, Stock Code: 272) announced today that the Company, through its wholly-owned subsidiary, Shui On Development (Holding) Limited, has priced its inaugural US\$400 million Sustainability-Linked Bonds (“SLBs”) under the Sustainability-Linked Bond Framework (the “SLB Framework”). The SLBs have a coupon of 5.50% and a tenor of five years with a call feature in the fourth year.

Sustainable development is an important cornerstone of Shui On Land’s real estate business and is reflected in the Company’s corporate vision to become a pioneer of sustainable premium urban communities. Faced with increasing global and stakeholder concerns and scrutiny about critical issues including climate change and resource scarcity; and as China has pledged to become carbon neutral by 2060, Shui On Land recognizes its role as a property developer to help support these commitments. In March 2021, Shui On Land further became the first China-based company in the real estate sector to commit to the Science Based Targets initiative (“SBTi”), and will set targets in line with meeting the goals of the Paris Agreement to limit global warming to well-below 2°C. Further, the Company will use its best endeavours to set targets that limit warming to 1.5°C.

Shui On Land’s SLB Framework is also established based on similar ambitions. Established in accordance with the ICMA Sustainability-linked Bond Principles published in June 2020 (“2020 SLB Principles”), Shui On Land has selected the reduction of Scope 1 and 2 Greenhouse Gases emissions intensity relating to assets that are wholly or partially owned and operated by the Company for at least a year as the Key Performance Indicator for its SLBs. In particular, the Company has set the Sustainability Performance Target (“SPT”) to reduce Scope 1 and 2 Greenhouse Gases emissions intensity (per square meter) by 25% by 2024 from a 2019 baseline, which aligns with United Nations Sustainable Development Goals and was set referencing resources from SBTi. To achieve such SPTs, the Company intends to set a roughly 3% annual energy intensity reduction target rate for its operations, use more renewable energy to power its operations, and adopt diverse energy and resource efficiency measures to reduce energy consumption and corresponding carbon emissions.

The Company will report performance and progress it has made with regards to the SPT within its Annual Report or a separate report specific to its green bonds and SLBs. Should the Company fail to achieve its SPT, the Company has also pledged to purchase green electricity certificates or carbon credit / offset certificates in an aggregate amount equal to 0.25% of the outstanding aggregate principal amount of the SLBs. Sustainalytics has reviewed the SLB Framework and provided a second-party opinion on the alignment of the SLB Framework with the 2020 SLB Principles.

The transaction was well-received by the investment community, with peak book in excess of US\$1.5bn, representing a 3.75x oversubscription rate. ESG demand was robust from quality real money investors

which accounted for 34% of the final allocation. The transaction is also the second US\$ SLB offering from a Greater China corporate, and Shui On Land is the first Greater China corporate with operations solely in Mainland China to issue SLBs.

The transaction will further solidify the Company's commitment towards sustainable development. Throughout Shui On Land's history, the Company has always been committed to caring for the environment, preserving cultural heritage, and building and sustaining vibrant communities. In 2017, Shui On Land established a set of environmentally focused sustainable development goals which the Company aimed to achieve by 2021. In 2019, the Company announced its intention to enlarge its vision for sustainable development and to expand on existing internal goals by developing and implementing a 2030 5C Sustainable Development Strategy, which comprises five key elements, namely, Clean, Culture, Community, Care and Corporate Governance. To continue to advance its work in this area, the Company further carefully and thoughtfully crafted a ten-year strategy to guide its sustainable development journey towards 2030 and beyond.

The transaction also marks another milestone in the Company's journey in green and sustainable finance. In November 2019, Shui On Land issued its first green bond under its Green Finance Framework, with an issuance size of US\$300 million and maturing in 2023. All of the proceeds were used to finance acquisition of Corporate Avenue 5 in Taipingqiao, Shanghai, the renovation of Shui On Plaza in Shanghai and the renovation of Shui On Land headquarters. Subsequently, the Company re-opened its green bonds in November 2020 for an additional size of US\$200 million, taking its outstanding green bond size to a total of US\$500 million.

UBS AG Hong Kong Branch acted as the Sole Structuring Advisor in the transaction, while Standard Chartered Bank and UBS AG Hong Kong Branch acted as the Joint Global Coordinators and Joint Bookrunners in the transaction.

### **About Shui On Land**

Headquartered in Shanghai, Shui On Land (Stock Code: 272) is a pioneer of sustainable premium urban communities. As a leading commercial focused real estate developer, owner and asset manager in China, it has a proven track record in developing large scale, mixed-use, sustainable communities, and is the flagship property development company 4 of the Shui On Group. As of 31 December 2020, the Company has 11 projects in various stages of development and 2 projects under management in prime locations of major cities, with a landbank of 8.6 million sq.m. (6.4 million sq.m. of leasable and saleable GFA, and 2.2 million sq.m. of clubhouses, car parking spaces and other facilities). It is also one of the largest private commercial property owners and managers in Shanghai, with a total portfolio of 1.72 million sq.m. of office and retail premises, including its flagship Shanghai Xintiandi, which is currently under its management.

The Company was listed on the Hong Kong Stock Exchange on October 4, 2006, being the largest Chinese real estate enterprise listed that year. Shui On Land is a constituent stock of the Hang Seng Composite Index, HSCI Composite Industry Index - Properties & Construction, Hang Seng Composite MidCap Indices as well as the Hang Seng Stock Connect HK Index.

For further information please visit website [www.shuionland.com](http://www.shuionland.com)

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