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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)

**PROPOSED NOTES ISSUE
TO BE GUARANTEED BY THE COMPANY**

Shui On Development, a wholly-owned subsidiary of the Company, proposes to conduct an international offering of the Notes to institutional investors in Asia and Europe. The Notes are expected to be issued by Shui On Development and guaranteed by the Company. In connection with the Proposed Notes Issue, the Company will provide certain qualified institutional investors with recent corporate and financial information regarding the Group, which information may not previously have been made public, including, but not limited to, risk factors, management's discussion and analysis of financial condition and results of operations, related party transactions and indebtedness information. The completion of the Proposed Notes Issue is subject to market conditions and investors' interest. Standard Chartered Bank, BofA Merrill Lynch, BNP Paribas, Credit Suisse and Deutsche Bank as the initial purchasers and joint bookrunners are managing the Proposed Notes Issue.

If the Notes are issued, the Group intends to use the net proceeds from the Notes to repay existing indebtedness with near term maturities and fund the capital expenditures related to the Group's real estate or equipment. The Group may adjust the plans in response to changing market conditions and thus reallocate the use of the proceeds.

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.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. The completion of the Proposed Notes Issue is subject to market conditions and investors' interest. Investors, Shareholders and holders of securities of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the purchase agreement in respect of the Proposed Notes Issue be signed.

PROPOSED NOTES ISSUE

Introduction

Shui On Development, a wholly-owned subsidiary of the Company, proposes to conduct an international offering of the Notes to institutional investors in Asia and Europe. The Notes are expected to be issued by Shui On Development and guaranteed by the Company. In connection with the Proposed Notes Issue, the Company will provide certain qualified institutional investors with recent corporate and financial information regarding the Group, which information may not previously have been made public, including, but not limited to, risk factors, management's discussion and analysis of financial condition and results of operations, related party transactions and indebtedness information. The completion of the Proposed Notes Issue is subject to market conditions and investors' interest. Standard Chartered Bank, BofA Merrill Lynch, BNP Paribas, Credit Suisse and Deutsche Bank as the initial purchasers and joint bookrunners are managing the Proposed Notes Issue.

The Notes and the related guarantee by the Company have not been, and will not be, registered under the U.S. Securities Act. The Notes will be offered 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 be initially placed to any connected persons of the Company.

Reason for the Proposed 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 long-term 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 government authorities. The Proposed 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 net proceeds

If the Notes are issued, the Group intends to use the net proceeds from the Notes to repay existing indebtedness with near term maturities and fund the capital expenditures related to the Group's real estate or equipment. The Group may adjust the plans in response to changing market conditions and thus reallocate the use of the proceeds.

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.

Recent Developments

Completion of JV Agreement and Swap Agreement

On 30 September 2013, the Group entered into a Swap Agreement (as defined in the circular of the Company dated 28 October 2013) with Trophy Property GP Limited, as general partner of and on behalf of Trophy Property Development L.P. and its subsidiaries and a JV Agreement (as defined in the circular of the Company dated 28 October 2013) with Taipingqiao 116 Development Company Limited and Portspin Limited. After the completion of the Swap Agreement and the JV Agreement on 5 September 2014, the Group beneficially owns 100% equity interest in the offshore parent companies with respect to Wuhan Tiandi project, Shanghai Rui Hong Xin Cheng project and Chongqing Tiandi project and the Group's interest in Portspin Limited was reduced to 19.3419%. Under the terms of the JV Agreement, the Group's interest in Portspin Limited may be increased subject to the exercise of the options held by Taipingqiao 116 Development Company Limited and the Group respectively, as more specifically described in the Company's circular.

Acquisition of SOCM and PD (China)

On 21 August 2014, the Group entered into sale and purchase agreements with SOCAM Group to acquire from SOCAM Group the entire equity interest and certain outstanding debt of Famous Scene, SO Granpex and PD (China). After the transactions were completed on 31 October 2014, the Group beneficially owns (i) through Famous Scene and SO Granpex, 85% shareholding interests in SOCM, which principally engages in building construction and maintenance in the PRC; and (ii) 100% shareholding interests in PD (China), which directly or indirectly holds the shareholding interests in various operating companies established in the PRC that principally engage in providing construction management consultancy services, fitting out works and trading of fitting out materials in the PRC. The Group paid an aggregate consideration of approximately HK\$340 million for these acquisitions.

Transactions relating to certain joint venture projects with Mitsui

On 26 August 2014, Shui On Development and Mitsui entered into a sale and purchase agreement in relation to Lot 18 of the Foshan Lingnan Tiandi project, pursuant to which Shui On Development conditionally agreed to acquire Mitsui's 49% equity interests in Value Land Investment Limited together with the related shareholders' loan, for a total consideration of approximately RMB373 million. After the transaction was completed on 11 September 2014, the Group holds 100% equity interest in Lot 18 of the Foshan Lingnan Tiandi project.

In relation to Lot D06 of the Dalian Tiandi project, Richcoast Group Limited (a joint venture company owned by the Group, the SOCAM Group and the Yida Group) and Mitsui, amongst others, entered into a deed of assignment on 26 August 2014 to assign Mitsui's rights and economic interests, together with the risk and return generated from Lot D06 in Dalian Tiandi project, to two subsidiaries of Richcoast Group Limited. After the assignment was completed on 26 August 2014, the Group holds 48% effective equity interest in Lot D06 of the Dalian Tiandi project.

Disposals of The HUB Hotel and shares in Magic Garden

On 27 August 2014, the Group entered into a framework deed with a subsidiary of Great Eagle Group pursuant to which the Group conditionally agreed to sell The HUB Hotel to a new PRC wholly-owned subsidiary of Great Eagle Group for the aggregate consideration of RMB965 million. On the same date, the Group entered into a sale and purchase agreement with a subsidiary of Great Eagle Group pursuant to which Great Eagle Group conditionally agreed to acquire the Group's shares representing 66.7% shareholding interest in Magic Garden and assume the Group's rights in shareholder loans that the Group provided to Magic Garden and its subsidiaries. Magic Garden indirectly and beneficially owns the land use rights and building ownership rights for Langham Xintiandi Hotel. The aggregate consideration for this transaction is not expected to exceed RMB600 million. These transactions were approved by the Company's shareholders on 24 October 2014, but remain subject to other conditions.

Other

During the four months ended 31 October 2014, the Group repaid a total of RMB1,169 million of our bank and other borrowings and incurred a total of RMB3,842 million of additional bank borrowings.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. The completion of the Proposed Notes Issue is subject to market conditions and investors' interest. Investors, Shareholders and holders of securities of the Company are urged to exercise caution when dealing in the securities of the Company.

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DEFINITIONS

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

“BNP Paribas”	BNP Paribas, acting through its Hong Kong branch, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the Notes
“Board”	the board of Directors
“BofA Merrill Lynch”	Merrill Lynch International, one of the initial purchasers and joint bookrunners 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)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse Securities (Europe) Limited, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the Notes
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the initial purchasers and joint bookrunners in respect of the offer and sale of the Notes

“Director(s)”	director(s) of the Company
“Famous Scene”	Famous Scene Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and is wholly and beneficially owned by the Company at the date of this announcement
“Great Eagle Group”	Great Eagle Holdings Limited and its subsidiaries
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magic Garden”	Magic Garden Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Mitsui”	Mitsui Fudosan Residential Co., Ltd., a company incorporated under the laws of Japan with limited liability
“Notes”	the senior notes expected to be issued by Shui On Development
“PD (China)”	Pat Davie (China) Limited, a company incorporated in Hong Kong with limited liability, and is wholly and beneficially owned by the Company at the date of this announcement
“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
“Proposed Notes Issue”	the proposed issue of the Notes
“RMB”	Renminbi, the lawful currency of the PRC

“SGX-ST”	the 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
“SOCAM”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (Stock Code: 983)
“SOCAM Group”	SOCAM and its subsidiaries
“SOCM”	瑞安建築有限公司 (Shui On Construction Co., Ltd.*), a company established in the PRC with limited liability, and of which the Company is the beneficial owner of 85% shareholding interests at the date of this announcement
“SO Granpex”	Shui On Granpex Limited, a company incorporated in Hong Kong with limited liability, and is wholly and beneficially owned by the Company at the date of this announcement
“Standard Chartered Bank”	Standard Chartered Bank, one of the initial purchasers and joint bookrunners 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 dollars, the lawful currency of the United States

“Yida Group”

Yida Group Company Limited and its subsidiaries

“%”

per cent.

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

Hong Kong, 17 November 2014

** For identification purpose only*