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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)**

**US\$600,000,000 6.40% SENIOR PERPETUAL CAPITAL SECURITIES  
CALLABLE 2022 OF  
SHUI ON DEVELOPMENT  
TO BE GUARANTEED BY THE COMPANY**

Reference is made to the announcement of the Company dated 12 June 2017 in relation to the proposed offering of senior perpetual capital securities by Shui On Development to be guaranteed by the Company.

The Board is pleased to announce that on 12 June 2017, Hong Kong Time, the Company and Shui On Development entered into a Subscription Agreement with Standard Chartered Bank and UBS in connection with the issue by Shui On Development of an aggregate principal amount of US\$600 million senior perpetual capital securities.

The estimated net proceeds of the Securities Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US\$593 million. The Group intends to use the net proceeds from the Securities 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 Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the Securities 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 Securities. No listing of the Securities has been, or will be, sought in Hong Kong.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 12 June 2017 in relation to the proposed offering of senior perpetual capital securities by Shui On Development to be guaranteed by the Company.

The Board is pleased to announce that on 12 June 2017, Hong Kong Time, the Company and Shui On Development entered into a Subscription Agreement with Standard Chartered Bank and UBS in connection with the issue by Shui On Development of an aggregate principal amount of US\$600 million senior perpetual capital securities.

## **THE SUBSCRIPTION AGREEMENT**

### **Date**

12 June 2017

### **Parties to the Subscription Agreement**

- (a) Shui On Development as the issuer of the Securities;
- (b) Company as the guarantor of Shui On Development's obligations under the Securities and the Trust Deed; and
- (c) Standard Chartered Bank and UBS as the joint global coordinators, joint bookrunners and joint lead managers of the Securities.

Standard Chartered Bank and UBS, as the joint global coordinators, joint bookrunners and joint lead managers, are managing the offer and sale of the Securities.

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

The Securities and the Guarantee have not been, and will not be, registered under the U.S. Securities Act. The Securities will only be offered by Standard Chartered Bank and UBS 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 Securities will be offered to the public in Hong Kong nor will the Securities be placed to any connected persons of the Company.

## **Principal terms of the Securities**

### ***Securities Offered***

Subject to certain conditions to completion, Shui On Development will issue the Securities in an aggregate principal amount of US\$600 million and the Securities will be callable in 2022.

### ***Offer Price***

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

### ***Distributions***

The Securities confer a right to receive distributions at the applicable rate described below for the period from and including, 20 June 2017, payable semi-annually in arrear in U.S. dollars on 20 June and 20 December in each year, commencing on 20 December 2017. The distribution rate applicable to the Securities shall be: (a) 6.40 per cent. per annum until 20 June 2022, and (b) in respect of each five calendar year period after 20 June 2022, the relevant treasury rate (as defined in the terms and conditions of the Securities) plus the initial spread of 4.627 per cent. and a step-up margin of 3.00 per cent.

### ***Step up of Distribution after Breach of Covenant or Change in Control***

If (a) Shui On Development fails to comply with any of the covenants set out in the terms and conditions of the Securities and such breach continues or (b) Shui On Development does not redeem the Securities following the occurrence of a change of control (as defined in the terms and conditions) or fails to make or consummate an

Offer to Purchase, the then-prevailing distribution rate shall be increased by 3.00 per cent. per annum with effect from (and including) the date on which such change of control occurs, provided that the maximum aggregate increase in the distribution rate shall be 3.00 per cent. per annum.

### ***Status of the Securities***

The Securities constitute direct, unsubordinated and (subject to the terms and conditions of the Securities) unsecured obligations of Shui On Development and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of Shui On Development under the Securities shall, save for such exceptions as may be provided by applicable law and subject to the terms and conditions of the Securities, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### ***Status of the Guarantee***

The obligations of the Company under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to the terms and conditions of the Securities, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### ***Covenants***

Subject to certain exceptions, the Securities, the Trust Deed and the Guarantee will limit the ability of Shui On Development and the Company and the ability of their respective restricted subsidiaries (as defined in the terms and conditions of the Securities) (as the case may be) to, among other things:

- (a) incur additional indebtedness and issue preferred stock;
- (b) enter into transactions with shareholders or affiliates;
- (c) create liens;
- (d) enter into sale and leaseback transactions; and
- (e) sell assets.

### ***Redemption***

The Securities are perpetual securities and have no fixed redemption date. On 20 June 2022 and on 20 June and 20 December in each year thereafter, Shui On Development may redeem the Securities, in whole but not in part, upon not less than

30 nor more than 60 days' notice, at a redemption price equal to the principal amount thereof plus any distributions accrued to, but excluding, the date fixed for redemption (including any distributions deferred in accordance with the terms and conditions of the Securities and the interest on such deferred distributions).

The Securities may also be redeemed at the option of Shui On Development in whole, but not in part, at any time, at their principal amount together with all outstanding distributions deferred in accordance with the terms and conditions of the Securities and the interest on such deferred distributions (if any) and any distribution accrued to the date fixed for redemption, upon the occurrence of certain changes in the Cayman Islands or Hong Kong requiring the payment of additional tax amounts (as specified in the terms and conditions of the Securities). In addition, the Securities may be redeemed at the option of Shui On Development in whole, but not in part, at a redemption price equal to (i) the early redemption amount (as defined in the terms and conditions of the Securities) if such redemption occurs prior to 20 June 2022 or (ii) the principal amount thereof together with any distribution accrued to the date fixed for redemption (including any distributions deferred in accordance with the terms and conditions of the Securities and the interest on such deferred distributions) if such redemption occurs on or after 20 June 2022, (A) in the case that prior to the date of the notice of redemption, at least 90 per cent. in principal amount of the Securities originally issued has already been redeemed or purchased and cancelled; or (B) upon the occurrence and continuation of an equity disqualification event (as defined in the terms and conditions of the Securities); or (C) upon the occurrence and continuation of a change of control (as defined in the terms and conditions of the Securities); or (D) upon the occurrence and continuation of a breach of any of the covenants (as defined in the terms and conditions of the Securities).

### ***Reason for the Securities 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 governmental authorities.

The Securities Issue is being undertaken to supplement the Group's funding of its expansion and growth plan as well as to potentially repay existing indebtedness.

### ***Proposed use of proceeds***

The estimated net proceeds of the Securities Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US\$593 million. The Group intends to use the net proceeds from the Securities to repay the Group's existing indebtedness and supplement the Group's funding of its expansion and growth plan.

## *Listing*

Approval-in-principle has been received for the listing of the Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission of the Securities 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 Securities. No listing of the Securities 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    |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules                                                                                                        |
| “Director(s)”         | director(s) of the Company                                                                                                                                    |
| “Group”               | the Company and its subsidiaries from time to time                                                                                                            |
| “Guarantee”           | the guarantee given by the Company on Shui On Development’s obligations under the Securities                                                                  |
| “Hong Kong”           | the Hong Kong Special Administrative Region of the PRC                                                                                                        |
| “Listing Rules”       | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                           |
| “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 |
| “RMB”                 | Renminbi, the lawful currency of the PRC                                                                                                                      |

|                           |                                                                                                                                                                                                                           |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Securities”              | the US\$600 million senior perpetual capital securities to be issued by Shui On Development                                                                                                                               |
| “Securities Issue”        | the issue of Securities by Shui On Development and guaranteed by the Company                                                                                                                                              |
| “SGX-ST”                  | 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                                                                                                                               |
| “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, joint bookrunners and joint lead managers in respect of the offer and sale of the Securities                                                               |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                   |
| “Subscription Agreement”  | the agreement dated 12 June 2017 entered into between, among others, the Company, Shui On Development, Standard Chartered Bank and UBS in relation to the Securities Issue                                                |
| “Trust Deed”              | the written agreement between the Company as guarantor, Shui On Development as issuer of the Securities and DB Trustees (Hong Kong) Limited as trustee of the Securities, pursuant to which the Securities will be issued |
| “UBS”                     | UBS AG Hong Kong Branch, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Securities                                                               |
| “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, 13 June 2017

\* *For identification purpose only*