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GLORY 国瑞

GUORUI PROPERTIES LIMITED

國瑞置業有限公司

*(Incorporated in the Cayman Islands with limited liability
under the name of “Glory Land Company Limited”(國瑞置業有限公司)
and carrying on business in Hong Kong as “Guorui Properties Limited”)
(Stock code: 2329)*

ISSUE OF US\$250,000,000 10.2% SENIOR NOTES DUE 2019

Reference is made to the announcement of the Company dated February 2, 2018 in relation to the Notes Issue.

On February 27, 2018, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in relation to the issue of US\$250,000,000 10.2% senior notes due 2019.

The estimated net proceeds of the Notes Issue, after deduction of underwriting discounts and commissions and other estimated expenses in connection with the Notes Issue, will amount to approximately US\$246 million, which the Company intends to use for refinancing certain of the existing indebtedness of the Company and for general working capital purposes of the Company.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the Notes has been received from the Stock Exchange. Listing the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

Reference is made to the announcement of the Company dated February 2, 2018 in respect of the Notes Issue.

The Board is pleased to announce that on February 27, 2018, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the issue of US\$250,000,000 10.2% senior notes due 2019.

THE PURCHASE AGREEMENT

Parties to the Purchase Agreement

- (a) the Company, as the issuer;
- (b) the Subsidiary Guarantors;
- (c) Credit Suisse;
- (d) Morgan Stanley;
- (e) Haitong International;
- (f) Standard Chartered Bank;
- (g) Guotai Junan International;
- (h) Bank of America Merrill Lynch;
- (i) BOC International;
- (j) China Merchants Securities (HK);
- (k) China Securities International;
- (l) VTB Capital;
- (m) ABC International; and
- (n) Mizuho Securities

Credit Suisse, Morgan Stanley, Haitong International, Standard Chartered Bank and Guotai Junan International have been appointed as the joint global coordinators and Credit Suisse, Morgan Stanley, Haitong International, Standard Chartered Bank, Guotai Junan International, Bank of America Merrill Lynch, BOC International, China Merchants Securities (HK), China Securities International, VTB Capital, ABC International and Mizuho Securities have been appointed as the joint lead managers and joint bookrunners of the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Credit Suisse, Morgan Stanley, Haitong International, Standard Chartered Bank, Guotai Junan International, Bank of America Merrill Lynch, BOC International, China Merchants Securities (HK), China Securities International, VTB Capital, ABC International and Mizuho Securities is an independent third party and not a connected person of the Company and its connected persons.

The Notes and the Subsidiary Guarantees have not been, and will not be registered, under the Securities Act or any state securities law and, unless so registered, may not be offered or sold within the United States and may only be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

Issuer:	the Company
Aggregated principal amount:	US\$250,000,000
Offer price:	100% of the principal amount of the Notes
Settlement date:	March 2, 2018
Interest rate:	10.2% per annum, payable in arrears on September 2, 2018 and March 1, 2019
Maturity:	March 1, 2019
Subsidiary Guarantees:	guarantees will be provided by the Subsidiary Guarantors

Ranking of the Notes

The Notes will be general obligations of the Company, and will be (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (2) at least *pari passu* in right of payment with the US\$300,000,000 7.00% senior notes due 2020 issued by the

Company and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (3) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (4) effectively subordinated to the existing and future secured obligations (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the collateral serving as security therefor; and (5) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

Covenants

The Notes, the Indenture governing the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

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

Events of default

The events of defaults under the Notes include, among other things:

- (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 or additional amounts 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 the provisions of the covenants or the failure by the Company to make or consummate an offer to purchase under the Indenture or the Notes;
- (4) the Company 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 clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or holders of 25% or more in aggregate principal amount of the Notes;
- (5) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$10 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company 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 against all such persons to exceed US\$10 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or any restricted subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking

the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for any substantial part of the property and assets of the Company or any restricted subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any restricted subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

- (8) the Company or any restricted subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for all or substantially all of the property and assets of the Company or any restricted subsidiary or (c) effects any general assignment for the benefit of creditors (other than, in each case under (b), any of the foregoing that arises from any solvent liquidation or restructuring of a restricted subsidiary in the ordinary course of business that shall result in the net assets of such restricted subsidiary being transferred to or otherwise vested in the Company or any restricted subsidiary on a pro rata basis or on a basis more favorable to the Company); or
- (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms in writing its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the trustee, the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the request of such holders shall (subject to being indemnified and/or secured by the holders to its satisfaction) 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 clause (7) or (8) above occurs with respect to the Company 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 or any holder.

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) At any time prior to March 1, 2019, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the redeemed Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.
- (2) At any time and from time to time prior to March 1, 2019, the Company 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 110.2% of the principal amount of the Notes redeemed, 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 originally 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.

Proposed use of proceeds

The estimated net proceeds of the Notes Issue, after deduction of underwriting discounts and commissions and other estimated expenses in connection with the Notes Issue, will amount to approximately US\$246 million, which the Company intends to use for refinancing certain of the existing indebtedness of the Company and for general working capital purposes of the Company.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Listing of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any), the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“ABC International”	ABCI Capital Limited;
“Bank of America Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited;
“Board”	the board of Directors;
“BOC International”	BOCI Asia Limited;
“China Merchants Securities (HK)”	China Merchants Securities (HK) Co., Limited;
“China Securities International”	China Securities (International) Corporate Finance Company Limited;
“Company”	Guorui Properties Limited, a limited liability company incorporated in the Cayman Islands under the name of “Glory Land Company Limited”(國瑞置業有限公司) and carrying on business in Hong Kong as “Guorui Properties Limited” and the issued shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited;
“Haitong International”	Haitong International Securities Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Indenture”	the indenture to govern the Notes;

“Initial Purchasers”	Credit Suisse, Morgan Stanley, Haitong International, Standard Chartered Bank, Guotai Junan International, Bank of America Merrill Lynch, BOC International, China Merchants Securities (HK), China Securities International, VTB Capital, ABC International and Mizuho Securities;
“JV Subsidiary Guarantees”	limited-recourse guarantees given by the JV Subsidiary Guarantors;
“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the Notes;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mizuho Securities”	Mizuho Securities Asia Limited;
“Morgan Stanley”	Morgan Stanley & Co. International plc;
“Notes”	the US\$250,000,000 10.2% senior notes due 2019 to be issued by the Company;
“Notes Issue”	the issue of the Notes by the Company;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement;
“Purchase Agreement”	the agreement dated February 27, 2018 entered into between, among others, the Company, the Subsidiary Guarantors and the Initial Purchasers in relation to the Notes Issue;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Standard Chartered Bank”	Standard Chartered Bank;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantees”	guarantees for the Notes to be provided by the Subsidiary Guarantors;
“Subsidiary Guarantors”	certain existing non-PRC subsidiaries of the Group providing guarantees for the Notes;

“United States”	the United States of America;
“US\$”	United States dollar, the lawful currency of the United States of America;
“VTB Capital”	VTB Capital plc; and
“%”	per cent.

By order of the Board
Guorui Properties Limited
Zhang Zhangsun
Chairman

PRC, February 27, 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. ZHANG Zhangsun, Mr. GE Weiguang, Ms. RUAN Wenjuan and Ms. ZHANG Jin as executive Directors and Mr. LUO Zhenbang, Mr. LAI Siming and Ms. CHEN Jingru as independent non-executive Directors.