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## **GREENTOWN CHINA HOLDINGS LIMITED**

**綠城中國控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03900)**

### **ISSUE OF USD400 MILLION 8.50% SENIOR NOTES DUE 2018**

Further to the announcement dated 23 January 2013 in respect of the 2013 Notes Issue. On 28 January 2013, the Company, Deutsche Bank, BOC International, Goldman Sachs (Asia) L.L.C., HSBC, Industrial and Commercial Bank of China (Asia) Limited, Standard Chartered Bank and UBS entered into the Purchase Agreement, in connection with the 2013 Notes Issue by the Company in the aggregate principal amount of USD400,000,000.

The Company estimates that the net proceeds from the 2013 Notes Issue, after deducting the subscription discounts and commissions and other estimated expenses payable in connection with the 2013 Notes Issue, will be approximately USD394,000,000. The Company intends to use the net proceeds of the 2013 Notes to refinance certain existing short term debts and the remainder for general corporate purposes. The Company may adjust the forgoing plans in response to changing market conditions and therefore reallocate the use of proceeds.

The Company will seek a listing of the 2013 Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the 2013 Notes has been received from the Stock Exchange. Quotation of the 2013 Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2013 Notes.

\* For identification purposes only

Reference is made to the announcement of the Company dated 23 January 2013 in respect to the 2013 Notes Issue. The Board is pleased to announce that on 28 January 2013, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Deutsche Bank, BOC International, Goldman Sachs (Asia) L.L.C., HSBC, Industrial and Commercial Bank of China (Asia) Limited, Standard Chartered Bank and UBS in connection with the 2013 Notes Issue in the aggregate principal amount of USD400,000,000.

## **PURCHASE AGREEMENT**

Date: 28 January 2013

### **Parties to the Purchase Agreement**

- (a) The Company as the issuer;
- (b) The Subsidiary Guarantors; and
- (c) Deutsche Bank, BOC International, Goldman Sachs (Asia) L.L.C., HSBC, Industrial and Commercial Bank of China (Asia) Limited, Standard Chartered Bank and UBS as the initial purchasers.

Deutsche Bank, BOC International, Goldman Sachs (Asia) L.L.C., HSBC, Industrial and Commercial Bank of China (Asia) Limited, Standard Chartered Bank and UBS are the joint lead managers and the joint bookrunners in respect of the offer and sale of the 2013 Notes. Each of the above mentioned parties is also an initial purchaser of the 2013 Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the above mentioned parties is an independent third party and not a connected person of the Company.

The 2013 Notes have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered within the United States. Accordingly, the 2013 Notes are being offered and sold only outside of the United States in compliance with Regulation S under the Securities Act. None of the 2013 Notes will be offered to the public in Hong Kong. The Wharf (Holdings) Limited, a substantial shareholder of the Company, has agreed to purchase, through one of its affiliates, a portion of the 2013 Notes in the principal amount of USD50,000,000.

### **Principal terms of the 2013 Notes**

#### *Notes Offered*

Subject to certain conditions to completion, the Company will issue the 2013 Notes in the aggregate principal amount of USD400,000,000 which will mature on 4 February 2018, unless earlier redeemed pursuant to the terms hereof.

### *Offering Price*

The offering price of the 2013 Notes will be 100% of the principal amount of the 2013 Notes.

### *Interest*

The 2013 Notes will bear interest from and including 4 February 2013 at a rate of 8.50% per annum, payable semi-annually in arrears on 4 February and 4 August of each year, beginning on 4 August 2013.

### *Ranking of the 2013 Notes*

The 2013 Notes are unsecured 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 2013 Notes; (2) at least *pari passu* in right of payment with 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 secured obligations, if any, of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which do not provide guarantees under the 2013 Notes.

### *Events of Default*

The events of default under the 2013 Notes include, among others:

(1) default in the payment of principal of (or premium, if any, on) the 2013 Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (2) default in the payment of interest on any 2013 Note when the same becomes due and payable, and such default continues for a period of 30 days; (3) default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase, or the failure by the Company to create, or cause certain of its subsidiaries to create, a lien on the collaterals in accordance with the covenants described in the indenture governing the 2013 Notes; (4) the Company or certain of its subsidiaries defaults in the performance of or breaches any other covenant or agreement in the indenture governing the 2013 Notes or under the 2013 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 the holders of 25% or more in aggregate principal amount of the 2013 Notes; (5) occurrence with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding principal amount of USD15.0 million 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 payment of principal when due and payable; (6) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries 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 USD15.0 million (in excess of amounts that 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 bankruptcy or insolvency or similar case or proceeding is commenced against the Company or certain of its subsidiaries and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days (subject to certain conditions); or an order for relief is entered against the Company or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law; (8) the Company or certain of its subsidiaries (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law, 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 certain of its subsidiaries or for all or substantially all of the property and assets of the Company or certain of its subsidiaries or (c) effects any general assignment for the benefit of creditors; or (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denying or disaffirming its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the indenture governing the 2013 Notes, 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 governing the 2013 Notes, the Trustee or the holders of at least 25% in aggregate principal amount of the 2013 Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the holders of the 2013 Notes), may, and the Trustee at the request of such holders of the 2013 Notes shall, declare the principal of, premium, if any, and accrued and unpaid interest on the 2013 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 certain of its Subsidiaries, the principal of, premium, if any, and accrued and unpaid interest on the 2013 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 of the 2013 Notes.

### *Covenants*

The 2013 Notes, the indenture governing the 2013 Notes and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- incur additional indebtedness and issue disqualified or preferred stock;
- declare dividends on its capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of certain of its subsidiaries;

- guarantee indebtedness of certain of its subsidiaries;
- sell assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;
- enter into agreements that restrict certain of its subsidiaries’ ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with stakeholders or affiliates; and
- effect a consolidation or merger.

*Optional Redemption*

At any time and from time to time on or after 4 February 2016, the Company may at its option redeem the 2013 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on of each of the years indicated below.

<b>Period</b>	<b>Redemption Price</b>
2016	104.250%
2017	102.125%

At any time prior to 4 February 2016, the Company may at its option redeem the 2013 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2013 Notes plus certain premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 4 February 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 108.5% of the principal amount of the 2013 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65.0% of the aggregate principal amount of the 2013 Notes issued on the original issue date remain outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

## **GENERAL**

### **Information of the Company and Reasons for the 2013 Notes Issue**

The Company is one of the leading residential property developers in the PRC with strong presence in the Zhejiang province. The 2013 Notes Issue will provide financial support for the Company's business growth and future development.

### **Listing**

The Company will seek a listing of the 2013 Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the 2013 Notes has been received from the Stock Exchange. Quotation of the 2013 Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2013 Notes.

### **Ratings**

The 2013 Notes have been provisionally rated "B-" by Standard & Poor's Rating Services and "Caa1" by Moody's Investors Service.

## **DEFINITIONS**

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

"2013 Notes"	the 8.50% senior notes due 2018 in the aggregate principal amount of USD400,000,000 to be issued by the Company
"2013 Notes Issue"	the issue of the 2013 Notes by the Company
"Board"	the board of Directors
"BOC International"	BOCI Asia Limited, one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue
"Company"	Greentown China Holdings Limited
"connected person"	has the meaning ascribed to it under the Listing Rules
"Deutsche Bank"	Deutsche Bank AG, Singapore Branch, one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue
"Directors"	the directors of the Company

“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C., one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue
“Industrial and Commercial Bank of China (Asia) Limited”	Industrial and Commercial Bank of China (Asia) Limited, one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors in respect of the 2013 Notes
“JV Subsidiary Guarantors”	Subsidiary Guarantors that in the future provide JV Subsidiary Guarantees
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 28 January 2013 entered into among Deutsche Bank, BOC International, Goldman Sachs (Asia) L.L.C., HSBC, Industrial and Commercial Bank of China (Asia) Limited, Standard Chartered Bank, UBS, the Company and certain subsidiary guarantors set forth therein, in relation to the 2013 Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the 2013 Notes
“Subsidiary Guarantors”	the subsidiaries of the Company that guarantee the 2013 Notes
“Trustee”	DB Trustee (Hong Kong) Limited

“UBS” UBS AG, Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the 2013 Notes Issue

“USD” United States dollars

By order of the Board  
**Greentown China Holdings Limited**  
**Song Weiping**  
*Chairman*

Hangzhou, the PRC, 29 January 2013

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr Song Weiping, Mr Shou Bainian, Mr Luo Zhaoming, Mr Guo Jiafeng and Mr Cao Zhounan, two non-executive Directors, namely, Mr Ng, Tin Hoi Stephen and Mr Tsui, Yiu Cheung and six independent non-executive Directors, namely Mr Jia Shenghua, Mr Jiang Wei, Mr Ke Huanzhang, Mr Sze Tsai Ping, Michael, Mr Tang Shiding and Mr Hui Wan Fai.*