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**恒盛地產**  
GLORIOUS PROPERTY

**Glorious Property Holdings Limited**

**恒盛地產控股有限公司**

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

**(Stock Code: 845)**

**US\$300 MILLION 13.0% SENIOR NOTES  
DUE 2015**

On 18 October 2010, the Company and the Subsidiary Guarantors entered into a Purchase Agreement with Standard Chartered Bank in connection with the issue of an aggregate principal amount of US\$300 million 13.0% senior notes due 2015.

The estimated net proceeds of the Notes Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US\$292.8 million and the Company intends to use the net proceeds to finance new and existing projects (including construction costs and land costs) and for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and circumstances and thus may reallocate the use of proceeds from the Notes Issue.

Application has been made for the listing and quotation of the Notes on the Official List of 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 Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated 18 October 2010 in respect of the proposed issuance of the Notes. The Board is pleased to announce that on 18 October 2010, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Standard Chartered Bank in connection with the issue of the Notes in the aggregate principal amount of US\$300 million.

## **THE PURCHASE AGREEMENT**

**Date:** 18 October 2010

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

- (a) the Company as the issuer;
- (b) the offshore subsidiaries of the Company as Subsidiary Guarantors of the Company's obligations under the Notes; and
- (c) Standard Chartered Bank as initial purchaser.

Standard Chartered Bank is the sole bookrunner and sole lead manager in respect of the offer and sale of the Notes. It is also the initial purchaser of the Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Standard Chartered Bank is an independent third party and not a connected person of the Company.

The Notes will only be offered by Standard Chartered Bank outside the United States, in compliance with Regulations S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed with any connected persons of the Company.

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

#### ***Notes Offered***

The Company will issue Notes in an aggregate principal amount of US\$300 million and they will mature on 25 October 2015, unless earlier redeemed pursuant to the terms of the Notes.

#### ***Offer Price***

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

### ***Interest***

The Notes will bear interest at a rate of 13.0% per annum, payable semi-annually in arrears on 25 April and 25 October of each year, commencing 25 April 2011.

### ***Ranking of the Notes***

The Notes are general obligations of the Company and, subject to certain limitations, are guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis. The Notes are (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 all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), (3) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries, and (4) effectively subordinated to any other secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) (other than certain *pari passu* secured indebtedness permitted under the Indenture), to the extent of the assets serving as security thereunder.

In addition, on the issue date, the Notes will be secured by a pledge of the Shared Collateral and will: (1) be entitled to a first priority lien on the Shared Collateral (subject to any liens permitted under the Indenture) shared on a *pari passu* basis with (i) the Term Loan Lenders (if any), and (ii) any holders of certain *pari passu* secured indebtedness permitted under the Indenture; and (2) rank effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Shared Collateral pledged by the Company securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

### ***Events of Default***

The events of default under the Notes include, among others: (a) default in the payment of principal (or premium, if any, on the Notes); (b) default in the payment of interest on any Note and such default continues for a period of 30 days; (c) default in the performance or breach of certain covenants under the Indenture or the Notes or failure by the Company to create, or cause its restricted subsidiaries to create, a first priority lien on the Shared Collateral (subject to any permitted liens); (d) 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 (a) to (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee of the Notes or holders of the Notes of 25% or more in aggregate principal amount of the Notes; (e) default by the Company or any restricted subsidiary in the repayment of indebtedness having, in the

aggregate, an outstanding principal amount in excess of US\$7.5 million; (f) 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 to exceed US\$7.5 million; (g) an involuntary bankruptcy or insolvency proceeding is against the Company or any restricted subsidiary and such involuntary bankruptcy or insolvency proceeding remains undismissed and unstayed for a period of 60 consecutive days; (h) a voluntary bankruptcy or insolvency proceeding is commenced by or consented to by the Company or any restricted subsidiary; (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its respective guarantees securing the obligations of the Notes or, except as permitted by the Indenture, any such guarantee is determined to be unenforceable or invalid or for any reason ceases to be in full force and effect; (j) default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its respective obligations under the security it provided, respectively, under the Notes, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the Shared Collateral or which adversely affects the condition or value of such collateral, taken as a whole, in any material respect; or (k) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms any of its respective obligations under the security it provided, respectively, under the Notes, other than in accordance with the Indenture and the relevant security documents provided under the Notes, any such relevant security document ceases to be or is not in full force and effect, or the trustee of the Notes ceases to have a first priority lien on the Shared Collateral (subject to any permitted lieus).

If an event of default occurs and is continuing (other than an event of default specified in (g) and (h) above), the trustee of the Notes or the holders of at least 25% in aggregate principal amount of the Notes outstanding at the time of the event of default may declare the principal of, premium (if any), and accrued and unpaid interest on the Notes to be immediately due and payable or foreclose the security. If an event of default specified in (g) and (h) above occurs with respect to the Company or any of its restricted subsidiaries, the principal of, premium (if any), and accrued and unpaid interest on the Notes then outstanding shall automatically and immediately become due and payable.

## ***Covenants***

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

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

## ***Redemption***

At any time and from time to time on or after 25 October 2013, the Company may at its option redeem the Notes, in whole or in part, at the redemption prices set forth in the Indenture plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 25 October 2013, 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 Notes plus an applicable 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 25 October 2013, the Company may at its option redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of shares of the Company in an equity offering at a redemption price of 113% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

### ***Reason for the Notes Issue***

The Group is one of the leading property developers focused on the development and sale of high quality properties in key economic cities in the PRC. As at 30 June 2010, the Group had developed or was developing projects in eleven cities across the PRC, comprising three municipalities (Shanghai, Tianjin and Beijing), five provincial capitals (Hefei, Shenyang, Harbin, Nanjing and Changchun) and three key regional economic cities in the Yangtze River Delta (Wuxi, Suzhou and Nantong). The Group offers a wide range of products, including apartments, townhouses, retail properties, offices and hotels. The Group develops and sells premium residential properties while also seeking to selectively retain long-term ownership of certain commercial properties to benefit from potential capital appreciation as well as to diversify the Group's future income stream.

The Notes Issue is being undertaken to enable the Company to raise funds for the purposes set out below.

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

The estimated net proceeds of the Notes Issue, after deduction of underwriting commissions and other estimated expenses, will amount to approximately US\$292.8 million and the Company intends to use the net proceeds to finance new and existing projects and for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and circumstances and thus may reallocate the use of proceeds from the Notes Issue.

### ***Listing***

Application has been made for the listing and quotation of the Notes on the Official List of 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 Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

## DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Glorious Property Holdings Limited (恒盛地產控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement between the Company, the Subsidiary Guarantors and the trustee of the Notes, that specified the terms of the Notes including the interest rate of the Notes and maturity date
“JV Subsidiary Guarantees”	limited-recourse guarantees required to be provided by subsidiaries of the Company to replace a Subsidiary Guarantee under certain circumstances and subject to certain conditions
“JV Subsidiary Guarantors”	subsidiaries of the Company that execute a JV Subsidiary Guarantee
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Guarantor Subsidiaries”	subsidiaries of the Company who are not executing a Subsidiary Guarantee or a JV Subsidiary Guarantee
“Notes”	the 13.0% senior notes due 2015 in the aggregate principal amount of US\$300 million to be issued by the Company

“Notes Issue”	the issue of the Notes by the Company
“Offer Price”	100% of the principal amount of the Notes, the price at which the Notes will be sold
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement dated 18 October 2010 entered into between, among others, the Company, the Subsidiary Guarantors and Standard Chartered Bank in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shared Collateral”	all collateral securing or purported to be securing, directly or indirectly, the Notes, the Subsidiary Guarantees and JV Subsidiary Guarantees (if any) and certain <i>pari passu</i> secured indebtedness permitted under the Indenture
“Standard Chartered Bank”	Standard Chartered Bank, the sole bookrunner and sole lead manager in respect of the Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors
“Subsidiary Guarantor Pledgors”	certain Subsidiary Guarantors which on the issue date of the Notes will provide pledges over their shares in the Subsidiary Guarantors held by it to secure the obligations of the Company under the Indenture and the Notes and of such Subsidiary Guarantor under its guarantee provided to secure the Company’s obligations under the Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the Notes will provide guarantees to secure the Company’s obligations under the Notes
“Term Loans”	one or more separate credit facilities that the Company intends to enter into with the Term Loan Lenders in an aggregate principal amount of US\$95 million



“Term Loan Lenders” the lenders under the Term Loans

“US\$” United States dollars

By order of the Board  
**Glorious Property Holdings Limited**  
**Zhang Zhi Rong**  
*Chairman*

Hong Kong, 19 October 2010

*As at the date of this announcement, the executive Directors are Messrs. Zhang Zhi Rong, Ding Xiang Yang, Cheng Li Xiong, Liu Ning, Xia Jing Hua, Li Xiao Bin and Yan Zhi Rong; the independent non-executive Directors are Messrs. Yim Ping Kuen, Liu Shun Fai, Wo Rui Fang and Han Ping.*