

DATED THE 28TH DAY OF JULY 2009

**CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED**  
as the Issuer

and

**SINOPOWER INVESTMENT LIMITED**  
as the Subscriber

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**SUBSCRIPTION AGREEMENT**

relating to

up to RMB300,000,000 in aggregate principal amount  
of two (2) per cent. Convertible Bonds due 2016  
convertible into ordinary shares of the Issuer

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**THIS SUBSCRIPTION AGREEMENT** is dated 28<sup>th</sup> July 2009

**BETWEEN:**

- (1) **CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED**, a business company limited by shares incorporated under the laws of the British Virgin Islands and having its registered office at 2/F Palm Grove House, P.O. Box 3340, Road Town, Tortola, British Virgin Islands (the "**Issuer**"); and
- (2) **SINOPOWER INVESTMENT LIMITED** (the "**Subscriber**"), a company incorporated in the British Virgin Islands and having its registered office at Pasea Estate, Road Town, Tortola, British Virgin Islands (the "**Subscriber**").

**WHEREAS:**

- (A) The Issuer has proposed to issue to the Subscriber up to RMB300,000,000 in principal amount of the Bonds (as defined below).
- (B) The Bonds will be in registered form in the denomination of RMB1 each or integral multiples thereof. All transfers of Bonds shall be made subject to regulations concerning transfer of Bonds set out in Appendix II hereto.
- (C) The Subscriber will subscribe for the Bonds upon the terms and subject to the conditions set out in this Agreement. The Bonds are governed by the Conditions (as defined below) and are convertible into Shares (as defined below) of the Issuer, in accordance with the Conditions.
- (D) The Issuer confirms that it will make or cause to be made an application for the Conversion Shares (as defined below) to be listed on the SGX-ST (as defined below).

**IT IS AGREED** as follows:

**1 INTERPRETATION**

- 1.1 In this Agreement, unless otherwise expressly stated or the context otherwise requires, terms defined or construed in the Conditions shall have the same meanings when used in this Agreement.

In addition, except to the extent that the context requires otherwise, the following terms in this Agreement shall have the following respective meanings:

**"Bondholders"** means the several persons who are for the time being the holders of the Bonds, and the words "**holder**" and "**holders**" shall (where appropriate) be construed accordingly;

**"Bonds"** means the RMB300,000,000 in aggregate principal amount of two (2) per cent. convertible bonds of the Issuer due 2016 and "**Bond**" shall refer to any one of them as the context may require;

**"Business Day"** means a day (excluding Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in the British Virgin Islands, Singapore and Hong Kong;

**"Closing Date"** means 31 July 2009 (or such later date as the Issuer and the Subscriber may agree);

**"Companies Act"** means the Companies Act (Chapter 50 of Singapore);

**"Completion"** means the completion of the subscription of the Bonds pursuant to Clause 3;

**"Conditions"** means the terms and conditions of the Bonds substantially in the form as set out in Schedule 2 hereto as may from time to time be modified in accordance with the provisions set out herein and therein, and **"Condition"** followed by a number refers to the relative numbered paragraph of the Conditions;

**"Contractual Currency"** has the meaning ascribed to it in Clause 15.1;

**"Conversion Shares"** means the Shares to be issued by the Issuer upon the conversion of the Bonds in accordance with the Conditions;

**"Definitive Bond"** means a definitive Bond in registered form, being substantially in the form set out in Schedule 1;

**"Event of Default"** means any of the events specified in Condition 9;

**"Extraordinary Resolution"** has the meaning ascribed to it in paragraph 20 of Appendix I hereto;

**"Group"** means the Issuer and its subsidiaries;

**"HK\$" or "Hong Kong dollar"** means the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China;

**"Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any Bond purchase facility or the issue of Bonds, bonds, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in Singapore, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the party liable where the advance or deferred payment:
  - (i) is arranged primarily as a method of raising finance or financing the acquisition

of that asset or the construction of that asset; or

- (ii) involves a period of more than six (6) months before or after the date of acquisition or supply; any derivative transaction protecting against or benefiting from fluctuations in any rate or price (and, except for non-payment of an amount, the then mark to market value of the derivative transaction will be used to calculate its amount);
- (i) shares which are expressed to be redeemable;
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (k) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in (a) to (j) above;

**"Indemnified Persons"** means the Subscriber and all directors, officers, employees and agents of the Subscriber;

**"Issue Price"** means in relation to the Bonds, the amount equivalent to 100 per cent. of the principal amount of the Bonds;

**"outstanding"** means, in relation to the Bonds, all the Bonds issued other than (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which have been converted to the Conversion Shares, (c) those which have become void under Condition 8, (d) those which have been purchased by the Issuer or any of its subsidiaries or related corporations and cancelled pursuant to Condition 4.4, (e) those mutilated or defaced Bonds which have been surrendered and cancelled and in respect of which replacement Bonds have been issued pursuant to Condition 11 and (f) (for the purpose only of ascertaining the number of Bonds outstanding at any time but not for the purpose of ascertaining whether any Bonds are outstanding) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 11; provided that for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Bondholders, (ii) the determination of how many and which Bonds are for the time being outstanding and (iii) the exercise of any discretion power or authority which any Bondholder is required, expressly or implied, to exercise in those Bonds (if any) which have been purchased by the Issuer or any of its subsidiaries or related corporations but have not been cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding;

**"per cent."** or **"%"** means percentage;

**"Potential Event of Default"** means any condition which, with the lapse of time and/or giving of any notice, certification, declaration, demand, determination and/or the fulfilment of any other requirement would in each case provided for in Condition 9 constitute an Event of Default;

**"Registration Date"** has the meaning ascribed to it in Condition 5.2;

**"Relevant Currency"** has the meaning ascribed to it in Clause 15.1;

**"RMB"** or **"Renminbi"** means the lawful currency of the People's Republic of China;

**"SFA"** means Securities and Futures Act (Chapter 289 of Singapore);

**"Shares"** means the issued and paid up ordinary shares of the Issuer;

**"SGX-ST"** means the Singapore Exchange Securities Trading Limited;

**"Specified Office"** means, in relation to the Issuer, the office situated at Suite 2503, Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong;

**"S&P Agreements"** means the sale and purchase agreements to be entered into between the Issuer and (a) OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd and OZ Global Special Investments Master Fund, L.P., (b) Forum Asian Realty Income II, L.P. and (c) Highbridge International LLC and Highbridge Asia Opportunities Master Fund, L.P. respectively for the sale and repurchase of part of the outstanding RMB593,300,000 in aggregate principal amount of U.S. dollar settled 17.75% Senior Notes due 2011 issued by the Issuer and **"S&P Agreement"** shall mean any one of them; and

**"S\$" or "Singapore Dollar"** means the lawful currency of Singapore.

1.2 In this Agreement, a reference to:

- (a) an **"Act of Parliament"** or any Section of, Schedule to or other provision of an Act of Parliament shall be construed, at any particular time, as including a reference to any modification, extension or re-enactment thereof then in force and all instruments, orders and regulations then in force and made under or deriving validity from the relevant Act or provision;
- (b) an **"agency"** of a state includes any agency, authority, central bank, department, government, legislature, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, that state;
- (c) the **"assets"** of any person means all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;
- (d) **"consent"** includes an approval, authorisation, exemption, filing, licence, order, permission, recording or registration (and references to obtaining consents shall be construed accordingly);
- (e) a **"directive"** includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any agency of any state or of any self-regulating organisation (but, if not having the force of law, only if compliance with the directive is in accordance with the general practice of persons to whom the directive is intended to apply);
- (f) **"disposal"** includes any sale, assignment, exchange, transfer, concession, loan lease, surrender of lease, licence, reservation, waiver, compromise, release of security, dealing with or the granting of any option or right or interest whatsoever or any agreement for any of the same and **"dispose"** means to make a disposal, and **"acquisition"** and **"acquire"** shall be construed *mutatis mutandis*;
- (g) a **"guarantee"** includes an indemnity, and any other obligation (whatever called) of any person to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment of, indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person (and **"guaranteed"** and **"guarantor"** shall be construed accordingly);
- (h) the words **"hereof"**, **"herein"**, **"hereon"** and **"hereunder"** and words of similar import,

when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

- (i) a "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any jurisdiction whatsoever (and "**lawful**" and "**unlawful**" shall be construed accordingly);
- (j) something having a "**material adverse effect**" on the Issuer is to it having a material adverse effect (i) on its financial condition or business or on the consolidated financial condition or business of it and its subsidiaries (if any) or (ii) on its ability to perform or comply with its obligations under this Agreement or the Bonds;
- (k) a "**month**" means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and "**months**" and "**monthly**" shall be construed accordingly;
- (l) any "**obligation**" of any person under this Agreement, the Conditions or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under this Agreement, the Conditions or that other agreement or document, as the case may be (and "**due**", "**owing**", "**payable**" and "**receivable**" shall be similarly construed);
- (m) a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality);
- (n) "**repay**" shall include "**redeem**" and *vice versa* and "**repaid**", "**repayable**", "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" shall be construed accordingly;
- (o) "**security**" includes any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance and any other agreement or arrangement having substantially the same economic effect (including any "hold-back" or "flawed asset" arrangement) and "**secured**" shall be construed accordingly;
- (r) the expression "**the parties hereto**" with its grammatical variations and cognate expressions shall mean the parties to this Agreement and any successor, estate, assignee or nominee of a Party pursuant to Clause 14;
- (s) the expression "**this Agreement**" or any similar expression shall mean these presents and any supplemental written agreement thereto as may be in force from time to time or any time;
- (t) "**Recitals**", "**Clauses**", "**Appendices**" and "**Schedules**" are to recitals, clauses of, appendices of and schedules to this Agreement (unless the context otherwise requires); and
- (u) "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them in sections 5 and 6 respectively of the Companies Act.

1.3 The headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.

- 1.4 Unless the context otherwise requires, words importing the singular number include the plural and *vice versa* and words importing one gender include the other genders.
- 1.5 Any thing or obligation to be done under this Agreement which is required to be done on a stipulated day, shall be done on the next succeeding Business Day, if the day upon which that thing or obligation is required or falls to be done falls on a day which is not a Business Day. References in this Agreement to a time of day shall be references to Singapore time (unless otherwise expressly provided for).
- 1.6 The Schedules form part of this Agreement and have the same force and effect as if expressly set out in the body of this Agreement.

## **2 ISSUE AND SUBSCRIPTION OF THE BONDS**

### **2.1 Issue and Subscription**

Subject to and in accordance with the provisions of this Agreement, the Issuer hereby agrees to issue, and the Subscriber agrees to, subscribe and pay for, an aggregate principal amount of Bonds to be determined by the Issuer on the Closing Date at the Issue Price. The Issuer shall give to the Subscriber notice of such aggregate principal amount of Bonds in substantially the form set out in Schedule 3 on or before 10:00 am (Hong Kong time) on the Closing Date. The terms and conditions of the Bonds will be set out in this Agreement and will be substantially in the form set out in Schedule 2 to this Agreement.

### **2.2 Listing**

- (a) The Issuer confirms that it will make or cause to be made an application for the Conversion Shares to be listed on the SGX-ST.
- (b) The Issuer agrees to take all reasonable steps as may be required for the purpose of obtaining a listing of the Conversion Shares on the SGX-ST on or prior to the Closing Date.
- (c) The Issuer will use all reasonable endeavours to maintain or procure the maintenance of the listing of the Shares (including the Conversion Shares, assuming approval for the listing of the Conversion Shares on the SGX-ST is obtained) on the SGX-ST for so long as any Bond is outstanding. If, however, it is unable to do so, having used all reasonable endeavours, or if the maintenance of such listing is unduly onerous, the Issuer will instead use all reasonable endeavours as soon as reasonably practicable to obtain and thereafter to maintain a listing of the Shares on such other stock exchange as it may decide after consultation with the Subscriber.

## **3 COMPLETION**

### **3.1 Time and Location**

Subject to the terms and conditions of this Agreement, Completion shall take place on the Closing Date in Hong Kong at the office of the Issuer at Suite 2503, Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong (or at such other place as the parties hereto may agree).

### **3.2 Obligations of the Issuer**



On the Closing Date, the Issuer shall:

- (a) issue and deliver to the Subscriber or its order in such place as the Subscriber may reasonably require the Definitive Bonds duly executed and authenticated; and
- (b) procure the entry of the name of the Subscriber (together with all other relevant particulars) into the Issuer's register of bondholders ("**Register of Bondholders**") as the holder of the Bonds.

### 3.3 Obligations of the Subscriber

Simultaneous with and against compliance by the Issuer with its obligations in Clause 3.2, the Subscriber shall on the Closing Date pay the Issue Price in Hong Kong dollars, converted at the RMB/HK\$ spot exchange rate obtained from a major bank in Hong Kong selected by the Issuer at the close of business (Hong Kong time) of the day prior to the Closing Date, in immediately available and freely transferable funds to the Issuer by depositing the Issue Price into such Hong Kong dollar account in Hong Kong as shall be notified by the Issuer to the Subscriber not later than three (3) Business Days prior to the Closing Date.

### 3.4 Announcement and Use of Information

The Issuer and the Subscriber agree that the Bonds are intended to be distributed on a private placement basis only, and neither party will, make any announcement in respect of the Bonds except for information which is in the public domain or with the consent of the other party or any public announcement required to be made in compliance with the listing rules of the SGX-ST or by law or pursuant to the rules and regulations of any regulatory authority.

## 4 EXPENSES

### 4.1 Costs and Expenses

The Issuer shall bear and pay, or reimburse, to the Subscriber:

- (a) all costs and expenses properly incurred in or in connection with the issue of the Bonds including, but not limited to,
  - (i) the preparation of this Agreement and any other related agreements, and any other document relating to the issue, subscription, offer, sale and delivery of the Bonds; and
  - (ii) the preparation, printing and authentication of the Bonds, making the initial delivery of the Bonds in definitive form; and
- (b) the legal fees and expenses (including without limitation telephone, facsimile, travelling and all other miscellaneous or out-of-pocket expenses) reasonably incurred by the Subscriber in connection with the issue of the Bonds.

The Issuer shall be liable for the costs and expenses of its own legal and other professional advisers (including auditors and independent valuers) incurred in connection with the issue of the Bonds.

### 4.2 Termination of Agreement

Save as provided in this Agreement, all costs and expenses incurred (referred to in this Clause

4) shall be payable by the Issuer notwithstanding that this Agreement is terminated pursuant to the terms of this Agreement or by mutual consent.

#### 4.3 No Deduction or Withholding

All payments of fees or other amounts under this Agreement will be made without deduction or withholding for or on account of any taxes, duties or levies (including, but not limited to, any taxes, duties or levies on the supply of goods and services) and shall be made without set-off or counter-claim of any kind. If the Issuer is obliged to make any deduction or withholding on account of any taxes, duties or levies the amount payable by the Issuer shall be grossed up to the extent necessary to ensure that, after such deduction or withholding, the amount otherwise payable remains unchanged. Where any services or supplies supplied under this Agreement falls within the ambit of the Goods and Services Tax Act (Chapter 117A of Singapore) the party making payments for such services or supplies shall also pay the applicable goods and services tax.

### 5 REPRESENTATIONS AND WARRANTIES

5.1 The Issuer represents and warrants to the Subscriber as follows:

(a) Corporate Existence and Capacity

each of the Issuer and its subsidiaries is a company duly incorporated and validly existing under the laws of Singapore or place of its incorporation, with full power and authority to own its property and conduct its business, is able to pay its debts as they fall due, is not, and will not, following the implementation of the transactions contemplated by this Agreement be insolvent, is not involved in any bankruptcy or insolvency proceedings and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;

(b) Authorisations

the Issuer has taken or will by the Closing Date have taken all necessary action to approve and authorise the creation and issue of the Bonds, the execution of this Agreement and the undertaking and performance of the obligations expressed to be assumed by it pursuant to the Bonds and this Agreement;

(c) Compliance

the creation, offering, issue, authentication and execution of the Bonds and the Conversion Shares, the execution and delivery of this Agreement, and the performance of the obligations of the Issuer, and compliance by the Issuer, with the Bonds and this Agreement:

- (i) do not and will not conflict with, infringe or result in a material breach of any of the terms or provisions of, or constitute a default under, the Memorandum and Articles of Association or constitutive documents of the Issuer or any of its subsidiaries; and
- (ii) do not and will not infringe in any respect or result in any breach of, any of the terms of, or constitute a default under, or cause to be exceeded any limit imposed by, any agreement, trust deed, instrument or other obligation to which the Issuer or any of its subsidiaries is a party or is subject or by which the Issuer or any of its subsidiaries or any part of their respective undertaking,

assets, property or revenues is bound to the extent or in a manner which is material in the context of the issue of the Bonds;

(d) Validity of this Agreement

the Issuer has the corporate power, authority and legal capacity to enter into and perform its obligations under this Agreement and this Agreement has been duly authorised, executed and delivered by the Issuer and constitutes valid and legally binding obligations of the Issuer subject to any general equitable principles and insolvency, moratorium, liquidation and other laws affecting creditors' rights generally;

(e) Validity of the Bonds

the issue of the Bonds, when offered, executed, authenticated will constitute valid and legally binding and enforceable obligations of the Issuer, subject to any general equitable principles and insolvency, moratorium, liquidation and other laws affecting creditors' rights generally;

(f) Consents and Approvals

save for the approval of the SGX-ST for the listing of the Conversion Shares and the approval of the shareholders of the Issuer for the issuance of the Bonds to the Subscriber at a general meeting of shareholders, no action, condition or thing is required to be taken, fulfilled or done, and all consents, filings, approvals, authorisations, registrations or other orders required by the Issuer under any applicable laws or any regulatory authority for or in connection with the execution, delivery, validity, enforceability or admissibility in evidence of this Agreement and the Bonds and the issue of the Bonds have been, or will be by the Closing Date, made and unconditionally obtained and are, or will be on the Closing Date, in full force and effect;

(g) Shares

all of the current outstanding Shares have been duly listed and admitted for trading on the SGX-ST and the Issuer is in compliance, and will comply, with all applicable laws and the applicable requirements of the SGX-ST with respect to the Shares;

(h) Conversion Shares

the Conversion Shares when issued and delivered in the manner contemplated by the Bonds will:

- (i) be duly and validly authorised by the Issuer;
- (ii) be duly and validly issued and fully paid up;
- (iii) be freely transferable;
- (iv) be free and clear of any security interest, charges, liens, pledges, claims, encumbrances, or other third party rights and will not be subject to calls for further funds;
- (v) rank *pari passu* and carry the same rights and privileges in all respects as all other Shares then outstanding, and shall be entitled to all dividends, rights, allotments or other distributions declared or made, the books closure date of entitlement of which is on or after the Registration Date; and

(vi) will not be subject to any pre-emptive or similar right;

(i) Status of the Bonds

the Bonds, when issued and delivered in accordance with this Agreement and the Conditions, will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and will at all times rank *pari passu*, without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations (other than subordinated obligations and priorities created by law) of the Issuer;

(j) Events of Default

no event has occurred or circumstance arisen (which had the Bonds already been issued) would constitute an Event of Default;

(k) Accounts

the audited consolidated financial statements of the Group for the financial years ending 31 December 2006, 31 December 2007 and 31 December 2008 were prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board and present a true and fair view of the financial position of the Group and the results of operations and changes in financial position of the Group for the periods in respect of which they have been prepared, except as disclosed in the notes attached thereto;

(l) Changes

save as may be disclosed to the Subscriber, since 31 December 2008, there has been no adverse change in the business, condition (financial or otherwise), prospects, results of operations, or general affairs of the Issuer which is material in the context of the issue and offering of the Bonds or its ability to perform its obligations under this Agreement, and since the date of its incorporation, there has been no significant change in the trading or financial position, operations or business of the Issuer (save for the avoidance of doubt to the extent that the issue of the Bonds or any other matters contemplated in this Agreement could be regarded as such a change);

(m) Permits and Licences

the Issuer (i) possesses or has obtained all licences, permits, concessions, certificates, consents, orders, approvals and other authorisations from, and has made all declarations and filings with, all national, state, local and other governmental authorities (including foreign regulatory agencies), all self-regulatory organisations and all courts and other tribunals, domestic or foreign, necessary to own or lease, as the case may be, and to operate its properties and to carry on its business as conducted as of the date hereof and (ii) is not in default in any respect of any conditions imposed, and has not received and does not expect to receive any notice of proceedings relating to the revocation or modification, in respect of any such license, permit, certificate, consent, order, approval or other authorisation;

(n) Conduct of Business

the Issuer is in compliance with terms of its constitutive documents and all applicable laws and regulations which are relevant to its business save where such failure to so comply would not have a material adverse effect on it; and

(o) Receivership

no encumbrancer has taken possession of, and no receiver has been appointed over, the whole or any substantial part of its assets or undertaking of Issuer or any of its subsidiaries.

5.2 The representations and warranties in this Clause 5 are given as at the date of this Agreement and shall be deemed to be repeated by the Issuer on the Closing Date.

**6 UNDERTAKINGS BY ISSUER**

6.1 The Issuer undertakes with the Subscriber as follows:

(a) Representations and Warranties

the Issuer will forthwith notify the Subscriber of any breach of any of the agreements or undertakings under this Agreement at any time prior to payment being made to the Issuer on the Closing Date, or if any facts, situation or circumstances occurs which will render untrue, incorrect or misleading in any material respect any of its warranties or representations under Clause 5 of this Agreement and take such steps as may be reasonably requested by the Subscriber to remedy and/or publicise the same;

(b) Compliance with laws

the Issuer will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under the Bonds and this Agreement and, further, so that it may comply with any applicable laws, regulations and guidance from time to time promulgated by any governmental and regulatory authorities relevant in the context of the issue and subscription of the Bonds and the issue of the Conversion Shares;

(c) Taxes

the Issuer will pay any stamp, issue, registration, and other documentary taxes or duties or government charges in Singapore and all relevant jurisdictions payable on or in connection with the creation, issue, transfer (other than in connection with the transfer of the Bonds between holders) or registration, conversion and offering or sale of the Bonds or the execution or delivery of this Agreement, or the enforcement of this Agreement against the Issuer or any transactions carried out pursuant to this Agreement, including interest and penalties in connection thereof and in addition to any amount payable by it under this Agreement, any good and services, value added, turnover or similar tax payable in respect of that amount (and references in this Agreement to such amount shall be deemed to include any such taxes so payable in addition to it);

(d) Financial Information

so long as any of the Bonds remains outstanding, the Issuer will, subject to laws, rules and regulations applicable to and binding on the Issuer, furnish as soon as practicable to the Subscriber:

- (i) the consolidated audited financial statements of the Group for each financial year that any Bond remains outstanding; and
- (ii) copies of all financial statements and other periodic reports that the Issuer furnishes from time to time to its shareholders or to holders of its securities;

(e) Financial and Business Condition

the Issuer shall forthwith notify the Subscriber promptly of any material development in the financial or business condition, or in the earnings, business affairs or business prospects of the Group, taken as a whole, whether or not arising in the ordinary course of business that will have a material adverse effect on the business of the Group, taken as a whole, at any time prior to payment being made to the Issuer on the Closing Date;

(f) No Cessation or Change of Business

the Issuer shall not cease to carry on the whole or a substantial part of its business (including without limitation reorganisations of share capital) or undertake a substantial change to its business;

(g) Further Assurance

the Issuer shall execute all such further documents and do all such further acts and things as may be necessary at any time or times in the reasonable opinion of the Subscriber to give effect to the terms and conditions of these presents;

(h) Conduct of Business

the Issuer will carry on and conduct its affairs and business in a proper and efficient manner;

(i) Notification of Material Adverse Change

the Issuer will promptly notify the Subscriber of any material event or adverse change in the condition (financial or otherwise) of the Issuer and of any litigation or proceedings being threatened or initiated against the Issuer before any court tribunal or administrative agency, which might materially affect the operations or financial condition of the Issuer (as the case may be) all such notifications to be given to the Subscriber not later than seven (7) days after the Issuer has knowledge of the said change or of the said litigation or proceedings or threat thereof and the amount of contingent liability if such amount is ascertainable;

(j) Licences, Regulations and Orders

the Issuer shall obtain all necessary licences and comply with all laws regulations rules and orders relating to the carrying on of the Issuer's business; and

(k) Event of Default

the Issuer shall promptly notify the Subscriber in writing upon becoming aware of:

- (a) the occurrence of any Event of Default; and
- (b) any default on the part of the Issuer under or in respect of any other indebtedness or contractual obligation,

and provide the Subscriber with details of any steps which it is taking, or is considering taking, in order to remedy or mitigate the effect of such Event of Default or default;

(l) Delivery of the Bonds

the Issuer will make such arrangements to ensure that the Definitive Bonds are printed and issued as provided in and to the extent required by the Conditions;

(m) Use of Proceeds

the Issuer will apply the proceeds of the issue of the Bonds for the purposes of redeeming and/or repurchasing part of the outstanding RMB593,300,000 in aggregate principal amount of U.S. dollar settled 17.75% Senior Notes due 2011 issued by the Issuer or such other purposes as may be agreed in writing between the Issuer and the Subscriber;

(n) Conversion Shares

the Issuer will issue, in accordance with the Conditions, the Conversion Shares free and clear of all liens, claims, charges, security, encumbrances or like interest upon the conversion of the Bonds; and

(o) General

the Issuer shall promptly furnish to the Subscriber such opinions, documents, certificates and information relating to the Issuer which the Subscriber may reasonably request from time to time.

6.2 Change in Ownership

The Issuer undertakes and agrees with the Subscriber that, so long as any of the Bonds remain outstanding, except with the written consent of the Subscriber, the Issuer shall not approve, permit or suffer any change in ownership (whether registered or beneficial) of any part of its issued share capital as at the date of this Agreement, or undertake or permit any arrangement, amalgamation or reconstruction of the Issuer's current constitution.

7 CONDITIONS PRECEDENT

7.1 Conditions Precedent

The obligations of the Subscriber to subscribe and pay for the Bonds are subject to the following conditions precedent:

- (a) the representations and warranties of the Issuer contained in Clause 5 being true and accurate in all material respects at, and as if made on, the Closing Date, and the Issuer having performed all of its undertakings, agreements or obligations under this Agreement to be performed on or before the Closing Date (other than any obligations that may have been waived by the Subscriber and which waiver continues in effect);

- (b) the SGX-ST having granted approval in-principle for the listing of the Conversion Shares and such approval not having been withdrawn on or prior to the Closing Date;
- (c) the Issuer has obtained the approval of its shareholders in a general meeting of shareholders of the Issuer for the issuance of the Bonds by the Issuer to the Subscriber;
- (d) the board of directors of the Issuer having resolved (i) to issue the Bonds to the Subscriber, (ii) the execution, delivery and performance of this Agreement and (iii) appropriate persons to execute and deliver this Agreement on behalf of the Issuer and to take any action on behalf of the Issuer in connection with this Agreement;
- (e) none of the events specified in Clause 8.1 or any Event of Default has occurred;
- (f) there being no outstanding breach which is material in the context of the issue and subscription of the Bonds or any of the obligations of the Issuer under this Agreement or the Bonds which has not been expressly waived by the Subscriber on or prior to the Closing Date; and
- (g) the execution of at least one (1) of the S&P Agreements and such S&P Agreement not being terminated on or prior to the Closing Date.

## 7.2 Consequences

- (a) If any of the foregoing conditions in Clause 7.1 is not satisfied on or before the Closing Date, the Subscriber shall thereupon and after consultation with the Issuer be entitled (but not bound), subject as mentioned below, to terminate this Agreement and in that event, this Agreement shall terminate and be of no further effect and the parties shall be released and discharged from their respective obligations under this Agreement, except that the Issuer shall remain liable under Clause 4.1 for the payment of all costs and expenses incurred prior to or in connection with such termination and the Issuer shall remain liable under Clause 9 and the obligations of the Issuer and the Subscriber pursuant to Clause 10, which would have continued had the subscription and issue of the Bonds been completed, shall continue, and such termination shall be without prejudice to any accrued rights or obligations of any party under this Agreement,

Provided that the Subscriber may, at its discretion and upon such reasonable terms as it may think fit, waive compliance with the whole or any part of the conditions above and any such condition or of any part thereof so waived shall be deemed to have been satisfied.

- (b) The non-exercise of any rights pursuant to this Clause 7.2 prior to payment of the Issue Price being made to the Issuer shall not prejudice or nullify the Subscriber's rights to rescind this Agreement upon or following the occurrence of any further or other breach thereof.

## 8 TERMINATION

### 8.1 Ability to Terminate

Notwithstanding anything contained in this Agreement, the Subscriber shall after consultation with the Issuer be entitled (but not bound) to rescind or to terminate this Agreement, by notice in writing to the Issuer given at any time prior to the payment of the Issue Price to the Issuer in any



of the following circumstances:

- (a) if there shall have come to the notice of the Subscriber, any breach of any of the representations and warranties of the Issuer contained in Clause 5 or any failure by the Issuer to perform any of its undertakings or agreements in this Agreement to be performed on or before the Closing Date;
- (b) if any of the conditions specified in Clause 7.1 has not been satisfied or has not been waived by the Subscriber; or
- (c) if there shall have been, in the reasonable opinion of the Subscriber,
  - (i) any change or development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, or in or affecting the properties, of the Issuer and which materially and adversely affects the Issuer; or
  - (ii) an imposition of a new legal or regulatory restriction not in effect on the date hereof, or any change in the interpretation of existing legal or regulatory restrictions, that materially and adversely affects the Issuer, or the issue or delivery of the Bonds or the Conversion Shares; or
  - (iii) an event of default shall have occurred in respect of any Bonds, debentures, bonds or other similar securities of the Issuer issued and outstanding; or
  - (iv) any change or development likely to lead to a change in monetary, political (including, but not limited to, changes by reason of military action), financial (including, but not limited to, stock market condition, currency exchange conditions in any of the financial markets and interest rates) or economic conditions in Singapore or internationally (including changes or developments in stock, bond, money and interest rate markets) or the occurrence of any combination of any such changes or developments which may impede or delay the exercise of the Subscriber's right to sell, transfer or otherwise dispose of any of the Bonds subscribed or to be subscribed by it or materially and adversely affect or be likely to materially and adversely affect the business of financial position of the Issuer.

## 8.2 Consequences of Termination

Upon notice of termination being given pursuant to Clause 8.1, this Agreement shall terminate and be of no further effect and the parties shall be released and discharged from their respective obligations under this Agreement, except that the Issuer shall remain liable under Clause 4.1 for the payment of all costs and expenses incurred prior to or in connection with such termination and the Issuer shall remain liable under Clause 9 and the obligations of the Issuer and the Subscriber pursuant to Clause 10, which would have continued had the subscription and issue of the Bonds been completed, shall continue. The non-exercise of any rights pursuant to this Clause 8 prior to payment of the Issue Price being made to the Issuer shall not prejudice or nullify the Subscriber's rights to rescind this Agreement upon or following the occurrence of any further or other breach thereof. No such termination shall affect any rights or obligations, accrued or incurred as at the effective date of such termination or which accrue thereafter in relation to any act or omission which occurred prior to such termination, under this Agreement.

## 9 INDEMNITY

9.1 Indemnity by the Issuer

The Issuer agrees with the Subscriber that it shall indemnify and hold harmless the Indemnified Persons from and against all claims, actions, proceedings, demands, liabilities, losses, damages, costs and expenses (including those incurred in connection with the investigation of, preparation for or defence of, any pending litigation or claim within the terms of this indemnity or any matter incidental thereto) arising out or in connection with this Agreement or the issue of the Bonds,

Provided that the Issuer shall not be responsible for any liabilities, losses, damages, costs or expenses which are determined by a judgment of a court of competent jurisdiction to have resulted from the wilful default or gross negligence on the part of the Indemnified Person and sums already paid by the Issuer under this indemnity but which fall within this proviso shall be reimbursed in full.

9.2 Notice and conduct of claim, action, proceeding or demand

If any claim, action, proceeding or demand shall be brought or asserted against the Subscriber in respect of which indemnity may be sought from the Issuer, the Subscriber shall promptly notify the Issuer in writing and shall employ such legal advisers as may be agreed between the Subscriber and the Issuer or failing agreement within three (3) Business Days (or such longer period as may be mutually agreed), as the Subscriber may select and shall keep the Issuer informed of the conduct of such claim, action, proceeding or demand. Alternatively, upon the request from the Issuer in writing and subject to the consent and agreement of the Subscriber, the Issuer shall take conduct of such claim, action, proceeding or demand and shall employ such legal advisers as the Issuer may deem fit and all costs arising therefrom shall be duly borne by the Issuer.

9.3 No duty or obligation to recover payment or account for any amount

For the purposes of this Clause 9, the Subscriber shall have no duty or obligation, whether as fiduciary or trustee, for any Indemnified Persons or otherwise, to recover any such payment or account to any person for any amount paid to it under this Clause 9.

9.4 No settlement, compromise or consent

The Issuer shall not without the prior written consent of the Indemnified Persons, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, proceeding or demand in respect of which recovery may be sought hereunder (whether or not any Indemnified Persons is an actual or potential party to such claim, action, proceeding or demand), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Persons from all liability arising out of such claim, action, proceeding or demand and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of an Indemnified Person.

10 SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS

The representations and warranties in Clause 5 and the indemnity in Clause 9 shall continue in full force and effect notwithstanding:

- (a) any investigation by or on behalf of the Subscriber;
- (b) the failure of the Issuer to satisfy any condition precedent in Clause 7;

- (c) the termination of the Agreement pursuant to Clause 8; and
- (d) the completion of the arrangements set out in this Agreement for the subscription and issue of the Bonds.

For the avoidance of doubt, in the event that termination of this Agreement shall occur on or prior to the Closing Date, nothing in this Agreement shall require the Issuer to make any representations or warranties as of any time after the time that this Agreement is so terminated, or to perform any undertakings required to be performed after such time.

**11 TIME**

Time shall be of the essence of this Agreement.

**12 SUCCESSORS**

This Agreement shall be binding upon and shall enure to the benefit of the respective successors in title of the parties hereto.

**13 COMMUNICATIONS**

13.1 Each communication under this Agreement shall be made in writing but, unless otherwise stated, shall be made by facsimile or letter. Each communication or document to be delivered to any party under this Agreement shall be sent to that party at the facsimile number or address, and marked for the attention of the person (if any), from time to time designated by that party to each other party for the purpose of this Agreement. The initial facsimile number, address and person (if any) so designated by each party are set out under its name at the end of this Agreement.

13.2 Any communication to any person shall be deemed to have been received by that person (if sent by facsimile) on the day of despatch by facsimile provided that a due transmission record confirming proper and successful transmission is generated at the fax machine of the sender of such notice or (in any other case) when left at the address required by Clause 13.1 above or two (2) days after being sent by prepaid post addressed to it at that address.

**14 ASSIGNMENT AND TRANSFER**

The Subscriber may not assign or transfer any of its rights or obligations under this Agreement without the prior consent in writing of the Issuer. If the Subscriber assigns its rights or transfers its obligations as provided in this Clause 14, the relevant assignee or transferee shall be treated as if it were a party to this Agreement with effect from the date on which such assignment or transfer takes effect; provided that any transfer shall only become effective when the Issuer has received an undertaking from the transferee to be bound by this Agreement and to perform the obligations transferred to it.

**15 CURRENCY INDEMNITY**

15.1 Any amount received or recovered in respect of any sum payable by the Issuer under or in connection with this Agreement, including damages, in a currency (such currency being

referred to as the "**Relevant Currency**") other than the currency in which such sum is expressed to be due under this Agreement (the "**Contractual Currency**") (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) will only constitute a discharge to the Issuer to the extent of the Contractual Currency amount which the Subscriber is able to purchase with the Relevant Currency so received or recovered on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

- 15.2 If the Contractual Currency amount which the Subscriber is able to purchase with the Relevant Currency is less than the Contractual Currency amount expressed to be due to the Subscriber under this Agreement, the Issuer will indemnify the Subscriber against any loss sustained by it as a result. In any event, the Issuer will indemnify the Subscriber against the cost of making any such purchases. For the purposes of this Clause 15, it will be sufficient for the recipient to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.
- 15.3 These indemnities constitute a separate and independent obligation from the other obligations under this Agreement, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Subscriber and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Agreement or any judgment or order.

**16     COUNTERPARTS**

This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

**17     CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

A person who is not a party to this Agreement shall have no right to enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) but this does not affect any right or remedy of a third party which exists or is available part from the said Act.

**18     GOVERNING LAW**

- 18.1 This Agreement shall be governed by, and construed in accordance with, the laws of Singapore.
- 18.2 The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement shall be brought in such courts.

**SCHEDULE 1**

**FORM OF REGISTERED DEFINITIVE BOND**

On the front:

Amount

Certificate Number

**CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED**

(Incorporated as a business company limited by shares under the laws of the British Virgin Islands)

**Up to RMB300,000,000 Two (2) per cent. Convertible Bonds due 2016  
Registered Definitive Bond**

The bonds in respect of which this Definitive Bond is issued ("**Bonds**") are in registered form and form a series of bonds referred to above of **CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED** (the "**Issuer**") designated as specified in the title hereof. This Definitive Bond is issued subject to, and with the benefit of, the conditions of the Bonds, as the same may have been amended from time to time pursuant to the terms thereof (the "**Conditions**").

The Issuer hereby certifies that [*insert name*] of [*insert address*] is, at the date hereof, entered in the Register of Bondholders ("**Register of Bondholders**") as the holder of the Bonds represented by this Definitive Bond.

The Issuer for value received hereby unconditionally promises to pay to the registered holder of the Bonds represented by this Definitive Bond on the maturity date stated in the Conditions and/or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions without presentation or (when no further payment is due in respect of the Bonds represented by this Definitive Bond) against presentation and surrender of this Definitive Bond the amount payable upon redemption under the Conditions together with such other amounts (if any) as may be payable, all subject to and in accordance with the Conditions.

The Bonds in respect of which this Definitive Bond is issued are convertible into fully-paid ordinary shares of the Issuer subject to and in accordance with the Conditions

This Definitive Bond is evidence of entitlement only. Title to the Bonds passes only on due registration in the Register of Bondholders and only the registered holder is entitled to payments on Bonds in respect of which this Definitive Bond is issued.

The aggregate nominal principal amount of this Definitive Bond shall be RMB1 or in integral multiples thereof and any transfer thereof will require due completion of the transfer form set out in the Annex.

This Definitive Bond shall be governed by, and construed in accordance with, the laws of Singapore.

**IN WITNESS** whereof the Issuer has caused this Definitive Bond to be signed on its behalf by one of its duly authorised signatories.

**CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED**

By: \_\_\_\_\_

**Duly Authorised Signatory**

Issued as of [    ].



**ANNEX**

**TRANSFER FORM**

To: **CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED**, as Issuer

I am/We are\* the holders of RMB \_\_\_\_\_ in aggregate principal amount of the Bonds.

References in this Transfer Form to Conditions are to the terms and conditions on which the Bonds were issued, as the same may have been amended from time to time pursuant to the terms thereof (the "**Conditions**"). Defined terms in the Conditions shall have the same meaning herein, save where the context otherwise requires.

1. I/We\* have transferred all/some of\* the Bonds registered in my/our\* name in the Register of Bondholders to:

\_\_\_\_\_

of/whose registered office address is at\*

\_\_\_\_\_

\_\_\_\_\_

(the "**Transferee**").

2. Total principal amount of the Bonds transferred under this Transfer Form:

\_\_\_\_\_

3. I/We\* hereby request(s) that a Certificate(s) in respect of the Bonds transferred be herein issued to the person whose name and address is set out in paragraph 1 above and that such Certificate be delivered to the person whose name and address is given below in accordance with the Conditions:

Name : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. The details of the Hong Kong dollar bank account of the Transferee for the purposes of receipt of all payments in respect of the transferred Bonds are as follows:

Name of Account : \_\_\_\_\_

Account No. : \_\_\_\_\_

Name of Bank : \_\_\_\_\_

Address of Bank : \_\_\_\_\_  
\_\_\_\_\_  
Name of transferring Bondholder : \_\_\_\_\_  
Signature of transferring Bondholder : \_\_\_\_\_  
Date : \_\_\_\_\_

- (i) A representative of the Bondholder should state the capacity in which he signs.
  - (ii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered Bondholder or be certified by a recognised bank, notary public or in such other manner as the Issuer may reasonably require.
  - (iii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the Transferee or be certified by a recognised bank, notary public or in such other manner as the Issuer may reasonably require.
  - (iv) This Transfer Form should be dated as of the date it is deposited with the Issuer.
- \* delete as appropriate



On the reverse:

**Terms and Conditions of the Bonds**

*[The Terms and Conditions that are set out in Schedule 2 will be set out here]*

## SCHEDULE 2

### TERMS AND CONDITIONS OF THE BONDS

The up to RMB300,000,000 in aggregate principal amount of two (2) per cent. convertible bonds due 2016 (the "**Bonds**") of China New Town Development Company Limited (the "**Issuer**") are issued pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated [insert date] made between (1) the Issuer and (2) Sinopower Investment Limited. The issue of the Bonds was authorised by resolutions of the Board of Directors passed on [insert date] and the resolutions of the shareholders of the Issuer passed at a general meeting of the shareholders on [insert date] and the issue of any Shares upon conversion of the Bonds has been approved by the shareholders of the Issuer at its annual general meeting held on [insert date].

Terms defined in the Subscription Agreement but not specifically defined herein shall, unless the context otherwise requires, have the same meanings when used in these Conditions.

#### **1      FORM, DENOMINATION AND TITLE**

- 1.1      The Bonds are issued in registered form in the denomination of RMB1 each or in integral multiples thereof ("**Authorised Holdings**"). A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register of Bondholders (as defined in Condition 1.3) which will be kept by the Issuer.
- 1.2      Title to the Bonds passes only by transfer and registration in the Register of Bondholders as described in Condition 1.4. The registered holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on or the theft or loss of, the Certificate (if any) issued in respect of it) and no person will be liable for so treating the holder.
- 1.3      The Issuer will cause to be kept at its specified office a register (the "**Register of Bondholders**") on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall be entitled to receive only one (1) Certificate in respect of its entire holding of Bonds.
- 1.4      Subject to Condition 1.8, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Issuer. No transfer of title to a Bond will be valid or effective unless and until entered on the Register of Bondholders *provided, however, that* a Bond may not be transferred unless the principal amount of Bonds transferred and (where not all of the Bonds held by a Bondholder are being transferred) the principal amount of the balance of Bonds not transferred are Authorised Holdings.
- 1.5      Each new Certificate to be issued on transfer of a Bond or Bonds will, within seven (7) Business Days (being, for the purpose of this Condition 1.5, days on which banks are generally open for business in the city in which the specified office of the Issuer with which the Certificate in respect of the Bonds to be transferred was deposited, is situated) of receipt by the Issuer of the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds

transferred (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Issuer.

Where some but not all the Bonds in respect of which a Certificate is issued are to be transferred, exchanged or redeemed, a new Certificate in respect of the Bonds not so transferred, exchanged or redeemed, will, within seven (7) Business Days of deposit or surrender of the original Certificate with or to the Issuer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, exchanged or redeemed, to the address of such holder appearing on the Register of Bondholders.

- 1.6 Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge to the Bondholders by or on behalf of the Issuer, but upon (a) payment (or the giving of such indemnity as the Issuer may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and (b) the Issuer being satisfied that the regulations concerning such transfer of Bonds have been complied with.
- 1.7 No Bondholder may require the transfer of a Bond to be registered (a) during the period of 15 days ending on (and including) the dates for payment of any principal and interest pursuant to the Conditions, (b) after a Conversion Notice (as defined in Condition 5.2) has been delivered in respect of such Bond, (c) after a Relevant Event Redemption Notice (as defined in Condition 4.3) has been deposited in respect of such Bond pursuant to Condition 4.3 or (d) during the period of 15 days ending on (and including) any Interest Payment Date (as defined in Condition 3).
- 1.8 All transfers of Bonds and entries on the Register of Bondholders will be made subject to the detailed regulations concerning transfer of Bonds appended to the Subscription Agreement. The regulations may be changed by the Issuer. A copy of the regulations from time to time in force will be mailed (free of charge to the Bondholder and at the expense of the Issuer) by the Issuer to any Bondholder upon request.

## 2 **STATUS**

The Bonds constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and will at all times rank *pari passu*, without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations (other than subordinated obligations and priorities created by law) of the Issuer.

## 3 **INTEREST**

The Bonds bear interest from [*insert Closing Date*] (the "**Closing Date**") at the rate of two (2) per cent. per annum of the principal amount outstanding of the Bonds. Interest is payable semi-annually in arrear on [*insert date*] and [*insert date*] in each year (each an "**Interest Payment Date**") commencing [*insert date six months from Closing Date*]. Each Bond will cease to bear interest (a) where the Conversion Right attached to it shall have been exercised, from but excluding the Interest Payment Date last preceding its Conversion Date (as defined in Condition 5.2) (or if such Conversion Date falls on or before the first Interest Payment Date, the Closing Date) subject to conversion of the relevant Bond in accordance with the provisions of Condition 5.2, or (b) from the due date for redemption thereof unless, upon surrender in accordance with Condition 4, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at one (1) per cent. per annum above the rate aforesaid (after, as well as before, any judgment) up to but excluding the date on which all sums due in respect of any

Bond are received by or on behalf of the relevant holder. If interest is required to be calculated for a period of less than one (1) year, it will be calculated on the basis of a 365-day year and actual number of days elapsed. Interest payable under this Condition 3 will be paid in accordance with Condition 6.

No payment or adjustment will be made on conversion for any interest accrued on converted Bonds from but excluding the Interest Payment Date last preceding the relevant Conversion Date, or, if the Bonds are converted on or before the first Interest Payment Date, from but excluding the Closing Date.

#### 4 **REDEMPTION AND PURCHASE**

##### 4.1 **Maturity Date**

Unless previously redeemed, converted or purchased and cancelled as provided in this Condition 4, on *[insert date that is the seventh anniversary of the Closing Date]* 2016 (the "**Maturity Date**"), the Issuer shall redeem the Bonds at their principal amount together with unpaid accrued interest to (but excluding) the Maturity Date.

The Bonds may not be redeemed, in whole or in part, prior to that date other than in accordance with this Condition 4 (but without prejudice to Condition 9).

##### 4.2 **Redemption for taxation reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 14 nor more than 30 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable), at their principal amount together with interest accrued to (but excluding) the date fixed for redemption, if (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the issue date of the Bonds (the "**Issue Date**"), and (b) such obligations cannot be avoided by the Issuer taking reasonable measures available to it. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Bondholders a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

##### 4.3 **Redemption for Delisting or Change of Control**

Following the occurrence of a Relevant Event (as defined below) after the Issue Date, each Bondholder will have the right (the "**Relevant Event Put Right**") at such Bondholder's option, to require the Issuer to redeem in whole, but not in part, such Bondholder's Bonds on the Relevant Event Redemption Date (as defined below) at their principal amount together with interest accrued to (but excluding) the date fixed for redemption. To exercise such Relevant Event Put Right, the holder of the relevant Bond must complete, sign and deposit at the specified office of the Issuer a duly completed and signed notice of redemption, in the form for

the time being current, obtainable during normal business hours from the specified office of the Issuer (a "**Relevant Event Redemption Notice**") together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to the Bondholders in accordance with Condition 12 by the Issuer. The "**Relevant Event Redemption Date**" shall be the 14<sup>th</sup> day after the expiry of the 30-day period following a Relevant Event or following the date upon which notice thereof is given to the Bondholders in accordance with Condition 12 by the Issuer, as the case may be.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice delivered as aforesaid on the Relevant Event Redemption Date.

Not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, the Issuer shall procure that notice shall be given to the Bondholders in accordance with Condition 12 stating:

- (a) the date of such Relevant Event;
- (b) the date by which the Relevant Event Redemption Notice must be given;
- (c) the redemption amount;
- (d) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right; and
- (e) brief details of the Relevant Event.

A "**Relevant Event**" occurs:

- (a) when the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 30 days on the SGX-ST or, if applicable, the Alternative Stock Exchange (as defined in Condition 5.4); or
- (b) when there is a Change of Control.

For the purpose of this Condition 4.3:

**"Control"** means the acquisition or control of more than 30 per cent. of the voting rights of the issued share capital of the Issuer or the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

a "**Change of Control**" occurs when:

- (a) any Person (as defined below) or Persons acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Closing Date;
- (b) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the assets of the Issuer to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or

- (c) one (1) or more Persons (other than any Person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Issuer.

For the purpose of this definition of Change of Control:

a "**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include (a) the Issuer's board of directors or any other governing board or (b) the Issuer's wholly-owned direct or indirect subsidiaries.

#### 4.4 Purchases

The Issuer or any of its subsidiaries or related corporations may at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Issuer or any of its subsidiaries or related corporations may, at its option, retain such purchased Bonds for its own account and/or resell or cancel or otherwise deal with them at its discretion. The Bonds so purchased, while held by or on behalf of the Issuer or any of its subsidiaries or related corporations, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 9, 10 and 13 below.

Bonds purchased by the Issuer or any of its subsidiaries or related corporations may be surrendered by such purchaser to the Issuer for cancellation or may at the option of the Issuer or relevant subsidiary or related corporation be held or resold.

#### 4.5 Cancellation

All Bonds which are redeemed shall be cancelled forthwith. All Bonds so cancelled and Bonds purchased and cancelled pursuant to Condition 4.4 may not be resold or reissued.

#### 4.6 Redemption Notices

All notices to the Bondholders given by or on behalf of the Issuer pursuant to Condition 4.1 will specify (a) the date when the relevant redemption will take place, (b) the principal amount of the Bonds to be redeemed and (c) the manner in which redemption will be effected.

If more than one (1) notice of redemption (which shall include any notice given by the Issuer pursuant to Condition 4.2 and any Relevant Event Redemption Notice given by a Bondholder pursuant to Condition 4.3) is given pursuant to this Condition 4, the first of such notices to be given shall prevail.

### 5 CONVERSION

#### 5.1 Conversion Right

- (a) *Conversion Period*: Subject as hereinafter provided, Bondholders have the right to convert all or any of their Bonds into Shares at any time during the Conversion Period (as defined below).

The right of a Bondholder to convert any Bond into Shares is called the "**Conversion Right**". Subject to and upon compliance with, the provisions of this Condition 5, the Conversion Right attaching to any Bond may be exercised, at the option of the holder

thereof, at any time after [*insert Issue Date*] up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on [*insert Maturity Date*] (but, except as provided in Condition 5.1(d), in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer pursuant to Condition 4.2 before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than seven (7) Business Days (in the place aforesaid) prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 4.3 then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the "**Conversion Period**").

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend or other rights attaching to the Shares (a "**Book Closure Period**"), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 5.2) after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and, subject to Condition 5.1(d), shall be deemed to have expired if, as a result of any postponement pursuant to this Condition 5, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore laws.

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Singapore dollars at the fixed exchange rate of S\$1 = RMB4.649 (the "**Fixed Exchange Rate**") by the Conversion Price (as defined below) in effect at the Conversion Date. Following conversion in accordance with these Conditions, the right of the converting Bondholder to repayment of the principal amount of the Bond shall be extinguished and released, and in consideration and in exchange therefor, the Issuer shall allot and issue Shares credited as paid-up in full as provided in this Condition 5. A Conversion Right may only be exercised in respect of one (1) or more Bonds. If more than one (1) Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

- (b) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one (1) Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares.
- (c) *Conversion Price:* The price at which Shares will be issued upon conversion (the "**Conversion Price**") will initially be fixed at S\$0.07872 per Share, but will be subject to adjustment in the manner provided in this Condition 5. The conversion ratio is equal to the principal amount of each Bond (translated into Singapore dollars at the Fixed Exchange Rate) divided by the then applicable Conversion Price.
- (d) *Revival and/or survival after Default:* Notwithstanding the provisions of Condition 5.1(a), if (i) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption pursuant to Condition 4 on the date fixed for redemption thereof, (ii) any Bond has become due and payable prior to the Maturity

Date by reason of the occurrence of any of the events under Condition 9 or (iii) any Bond is not redeemed on the Maturity Date in accordance with Condition 4.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the relevant Bondholders and notwithstanding the provisions of Condition 5.1(a), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the relevant Bondholders before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

- (e) *Meaning of "Shares"*: As used in these Conditions, the expression "**Shares**" means ordinary shares in the capital of the Issuer (which include ordinary shares of the Issuer listed on the SGX-ST (as defined below)) or shares of any class or classes resulting from any subdivision, consolidation or reclassification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

## 5.2 Conversion Procedure

- (a) *Conversion Notice*: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours at the specified office of the Issuer a duly completed notice of conversion (a "**Conversion Notice**") in duplicate in the form (for the time being current) obtainable from the specified office of the Issuer, together with the relevant Certificate and any amounts required to be paid by the Bondholder under Condition 5.2(b). Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Issuer is located.

The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 5.1(d) above) and will be deemed to be the Stock Exchange Business Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. The Issuer may reject any Conversion Notice which is, in its opinion, incorrect or incomplete in any material respect. All costs and expenses incurred or caused by a Conversion Notice which is, in the opinion of the Issuer, incorrect or incomplete in any material respect shall be for the account of the relevant Bondholder. "**Stock Exchange Business Day**" means any day (other than a Saturday or Sunday) on which the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or the Alternative Stock Exchange, as the case may be, is open for the business of dealing in securities.

Upon exercise of a Conversion Right, a Bondholder converting a Bond shall be required to represent and agree, in the Conversion Notice, certain matters with respect to the beneficial ownership of the Bonds and the Shares.

- (b) *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant tax authorities any taxes and capital,



stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in Singapore and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the SGX-ST or the Alternative Stock Exchange on conversion) (the "**Taxes**") and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds.

- (c) **Registration:** As soon as practicable, and in any event not later than 15 Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder deposited as required by Condition 5.2(a) and Condition 5.2(b), procure that the relevant number of Shares are allotted to and registered in the name of the Depository (as defined in the Companies Act (Chapter 50 of Singapore)) for credit to the securities account designated for the purpose in the Conversion Notice for so long as the Shares are listed on the SGX-ST; or if the Shares are not listed on the SGX-ST, register the person or persons designated for the purpose in the Conversion Notice as holder or holders of the relevant number of Shares in the Issuer's register of members and make such certificate or certificates available for collection at the office of the Issuer's share registrar in Singapore (currently, Tricor Barbinder Share Registration Services) notified to Bondholders in accordance with Condition 12 or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members or, as the case may be, the Depository (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will be fully paid and in all respects rank *pari passu* and carry the same rights and privileges in all respects as all other Shares then outstanding, and shall be entitled to all dividends, rights, allotments or other distributions declared or made, the books closure date of entitlement of which is on or after the Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

To the extent and as provided for in this Condition 5.2(c), Shares allotted and issued on conversion will with effect from the relevant Registration Date, rank for any dividends, rights, allotment or other distribution, the record date for which is on or after the relevant Registration Date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing Shares of the Issuer. For the purpose of these Conditions, "**record date**" means in relation to any dividends, rights, allotments or other distributions, the date on which shareholders of the Issuer must be registered in order to participate in such dividends, rights, allotment, or other distributions. If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion

Date in respect of any Bond, but before the Registration Date, the Issuer will pay to the converting Bondholder or his designee an amount in Renminbi (the "**Equivalent Amount**") equal to the Fair Market Value (as defined in Condition 5.4) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven (7) days thereafter. The Equivalent Amount shall be paid by means of a Hong Kong dollar cheque drawn on a bank in Hong Kong and sent to the address specified in the relevant Conversion Notice.

5.3 Adjustment to Conversion Price

(a) *Consolidation*

If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration;  
and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

For the avoidance of doubt, save as provided under this Condition 5.3(a), the Conversion Price shall not be adjusted under any circumstances.

(b) *Provisions applicable to Conversion Adjustment*

- (i) All calculations (including, without limitation, calculations of the Conversion Price and the Fair Market Value) under this Condition 5 shall be made to the fourth decimal place. No adjustment shall be made to the Conversion Price where such adjustment would be less than one (1) per cent. of the Conversion Price then in effect. Any adjustment not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (ii) Any adjustment to the Conversion Price shall be calculated by the Issuer and the Issuer shall send the Bondholders a certificate setting out particulars relating to adjustment of the Conversion Price.
- (iii) For the avoidance of doubt, the Conversion Price may be adjusted upwards pursuant to these Conditions.

(c) *Notice of Change in Conversion Price*

The Issuer shall give notice to the Bondholders in accordance with Condition 12 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior

to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

#### 5.4 Definitions

For the purposes of these Conditions:

**"Alternative Stock Exchange"** means at any time, in the case of the Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

**"Business Day"** means a day (excluding Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in the British Virgin Islands, Singapore and Hong Kong.

**"Fair Market Value"** means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (a) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (b) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.

**"HK\$" or "Hong Kong dollar"** means the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China.

**"Independent Investment Bank"** means an independent investment bank of international repute (acting as an expert) selected by the Issuer.

**"RMB" or "Renminbi"** means the lawful currency of The People's Republic of China.

**"S\$" and "Singapore dollars"** mean the lawful currency of Singapore.

**"Trading Day"** means a day when the SGX-ST or, as the case may be an Alternative Stock Exchange, is open for business of dealing in securities.

## 6 PAYMENTS

### 6.1 Payment

(a) *Principal:* Payment of principal and interest will be made by transfer to the registered account of the Bondholder or by a Hong Kong dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder if it does not have a registered account. Payments of principal will only be made against surrender of the relevant Certificate at the specified office of the Issuer.

(b) *Registered accounts:* For the purposes of this Condition 6, a Bondholder's registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register of Bondholders at the close of business on the second Business Day before the due date for payment, and a

Bondholder's registered address means its address appearing on the Register of Bondholders at that time.

- (c) *Exchange Rate:* For the purposes of this Condition 6, all payments of principal and interest in a currency other than the currency in which the Bonds are denominated in shall be converted at the RMB/HK\$ spot exchange rate obtained from a major bank in Hong Kong selected by the Issuer at the close of business (Hong Kong time) of the day prior to the date of payment.

6.2 Payments subject to fiscal laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

6.3 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

6.4 Delay in payment

If any date for the payment in respect of any Bond is not a Business Day, the Bondholders shall not be entitled to any payment until the next Business Day and Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due. The Bondholders are also not entitled to any interest or other payment for any delay if it is late in surrendering its Bond or Bonds or if a cheque mailed in accordance with this Condition 6 arrives after the due date for payment.

6.5 Default Interest

If on or after the due date for payment of any sum in respect of the Bonds, payment of all or any part of such sum have not been made, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Bondholders (as well after as before judgment) at the rate of three (3) per cent. per annum. The Issuer shall pay any unpaid interest accrued on the amount so unpaid on the last Business Day of the calendar month in which such interest accrued and any interest payable under this paragraph which is not paid on the last Business Day of the calendar month in which it accrued shall be added to the overdue sum and itself bear interest accordingly. Interest at the rate or rates determined in accordance with this paragraph shall be calculated on the basis of a year of 365 days and the actual number of days elapsed.

6.6 Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day for value on the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Bond Certificate is surrendered at the specified office of the Issuer.

6.7 Annotation of Register

If an amount which is due on the Bonds is not paid in full, the Issuer will annotate the Register of Bondholders with a record of the amount (if any) in fact paid.

7 **TAXATION**

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond presented for payment:

- (a) to or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with such jurisdiction otherwise than by reason only of the holding of such Bond or the receipt of any sums due in respect of such Bond or where the withholding or deduction could be avoided by the holder making such a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do; or
- (b) if the Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means the later of (a) the date on which such payment first becomes due or (b) if the full amount of the moneys payable has not been received by the Bondholders on or prior to such due date, the date on which, the full amount of such moneys having been so received.

8 **PRESCRIPTION**

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within a period of five (5) years from the Relevant Date.

9 **EVENTS OF DEFAULT**

The Bondholders, if resolved to do so by way of Extraordinary Resolution, may give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest if any of the following events shall occur and is continuing:

- (a) **Non-Payment**

the Issuer fails to pay the principal of or any interest on any of the Bonds within 14 Business Days of its due date;

- (b) **Breach of Other Obligations**

the Issuer defaults in the performance or observation of or compliance with any of its payment or other material obligations set out in the Bonds or the Subscription Agreement apart from the default described in Condition 9(a), which default is incapable of remedy or, if in the opinion of the Bondholders capable of remedy, is not in opinion of the Bondholders remedied within 30 days after written notice of such default shall have been given to the Issuer by the Bondholders;

(c) Moratorium or Expropriation

a moratorium is agreed or declared in respect of all or a material part of the indebtedness of the Issuer or any governmental authority or agency condemns, seizes, compulsorily acquires, expropriates or rationalises the whole or a material part of the property, assets or revenues of the Issuer which is material to the Issuer and its subsidiaries as a whole;

(d) Authorisation and Consents

any action, condition or thing (including obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Subscription Agreement, (ii) to ensure that those obligations are legally binding and (iii) to make the Bonds and the Subscription Agreement admissible in evidence in the courts of Singapore is not taken, fulfilled or done, unless such consent is no longer required or applicable;

(e) Illegality

it is or will become unlawful for the Issuer to perform or comply with any one (1) or more of its obligations under any of the Bonds or the Subscription Agreement;

(f) Material Adverse Change

if there shall occur a material adverse change in the financial position of the Issuer and its subsidiaries as a whole which would have a material adverse effect on the ability of the Issuer to pay any principal or interest due in respect of any of the Bonds as and when the same ought to be paid in accordance with the terms and conditions of the Bonds;

(g) Transaction Documents

the Bonds or the Subscription Agreement ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(h) Litigation

any litigation, arbitration or administrative proceedings (other than any frivolous or vexatious proceeding contested in good faith by proceedings reasonably taken by the Issuer) is current or pending to restrain the exercise of any of the rights and/or performance or enforcement or compliance with any of the obligations of the Issuer under the Bonds or the Subscription Agreement or which would materially and adversely affect its ability to perform or comply with its payment or other material obligations under the Bonds or the Subscription Agreement;

(i) Representations and Warranties

any representation or warranty by the Issuer in the Subscription Agreement is not complied with in any material respect or is proven to have been incorrect, inaccurate, or misleading in any material respect when made or deemed to have been repeated;

(j) Breach of Material Contracts

the Issuer or any of its subsidiaries defaults in the performance of or compliance with any of its obligations set out in any contract which the Bondholders in their opinion deem to be a material contract;

(k) Insolvency

the Issuer becomes insolvent or is unable to pay its debts as they fall due or takes any proceeding under any law for a readjustment or deferment of all or a material part of its indebtedness or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or a judicial manager, liquidator, receiver, trustee or other similar officer of the Issuer is appointed;

(l) Cessation of Business

the Issuer stops or threatens to cease to carry on the whole or any part of its business, operations and undertakings as carried on at the date hereof or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any part of its property or assets; and

(m) Analogous Events

any event occurs which under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in any of the foregoing paragraphs.]

**10 ENFORCEMENT OF RIGHTS**

At any time after the Bonds shall have become due and payable, the Bondholders may, at their discretion and without further notice, institute such proceedings against the Issuer as they may think fit to enforce repayment of the Bonds, together with accrued interest, and to enforce the provisions of the Bonds.

**11 REPLACEMENT OF BONDS**

Should any Bond be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to all applicable laws and stock exchange requirements, at the specified office of the Issuer upon payment by the claimant of the costs, expenses and duties as may be incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds must be surrendered before replacements will be issued.

**12 NOTICES**

12.1 Each Bondholder shall register with the Issuer an updated address in Singapore and facsimile number to which notices can be sent and if the Bondholder fails to do so, notice may be given to

such Bondholder by sending the same to its/his last known place of business or facsimile number.

- 12.2 All notices to every Bondholder will be valid if sent to him/it by express courier or by facsimile to the respective addresses or facsimile numbers notified to the Issuer pursuant to Condition 12.1 above and such notices shall be deemed to have been given to the Bondholder in the case of express courier, at the time of delivery, and in the case of facsimile, at the time of despatch (provided that the Issuer retains a mechanical or electronically generated confirmation of the successful transmission of such facsimile).

### **13 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER**

#### **13.1 Meetings**

All meetings of the Bondholders to consider any matter affecting their interests, including proposals to modify by Extraordinary Resolution the Conditions, will be subject to the provisions concerning meetings of the Bondholders appended to the Subscription Agreement. The quorum at any such meeting for passing an Extraordinary Resolution shall be one (1) or more persons holding or representing in the aggregate a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one (1) or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, except that, at any meeting, the business of which includes the modification of certain provisions of the Bonds (including *inter alia* (a) modifying the date of maturity or redemption of the Bonds or any day for payment of interest thereon, (b) reducing or cancelling the amount of principal or the rate of interest payable in respect of the Bonds, (c) altering the currency of payment of the Bonds, (d) modifying (except by a unilateral and unconditional reduction in the Conversion Price) or cancelling the Conversion Rights and (e) modifying the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution), the necessary quorum for passing an Extraordinary Resolution shall be one (1) or more persons holding or representing not less than 75 per cent., or at any such adjourned meeting not less than 50 per cent. of the principal amount of the Bonds for the time being outstanding. Any resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. A written resolution signed by or on behalf of the holders of not less than 90 per cent. of the principal amount of the Bonds for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

#### **13.2 Modification and Waiver**

To the extent required by the SGX-ST from time to time, any material modification to the terms of the Bonds which is for the benefit of the Bondholders but is materially prejudicial to the interests of the shareholders of the Issuer shall not be effected without the prior approval of the shareholders of the Issuer at a general meeting of the shareholders, unless such modification is made pursuant to the terms of the Bonds.

### **14 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Bonds.

### **15 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**



No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore).

**16 GOVERNING LAW AND JURISDICTION**

- 16.1 The Bonds and the Subscription Agreement are governed by, and are to be construed in accordance with, the laws of Singapore.
- 16.2 The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought in such courts.

**SCHEDULE 3**

**NOTICE OF ISSUE AND SUBSCRIPTION**

To: Sinopower Investment Limited

Dated: *[insert date]*

Dear Sirs,

**Subscription Agreement (the "Agreement") between China New Town Development Company Limited, as issuer and Sinopower Investment Limited, as subscriber in relation to the issue and subscription of up to RMB300,000,000 in aggregate principal amount of two (2) per cent. Convertible Bonds due 2016**

We refer to the Agreement. Terms defined in the Agreement shall have the same meanings herein.

Pursuant to Clause 2.1 of the Agreement, we hereby give you notice that the aggregate principal amount of the Bonds to be issued by us, and subscribed by you, under the Agreement shall be *[insert amount]*.

Yours faithfully

---

Signed by *[insert name]*  
For and on behalf of

**China New Town Development Company Limited**

## APPENDIX I

### PROVISIONS FOR MEETING OF BONDHOLDERS

1. In this Appendix, unless otherwise expressly stated or the context otherwise requires, terms defined or construed in the subscription agreement ("**Subscription Agreement**") entered or to be entered into between China New Town Development Company Limited (the "**Issuer**") and Sinopower Investment Limited in relation to the issuance of up to RMB300,000,000 in aggregate principal amount of two (2) per cent. convertible bonds due 2016 (the "**Bonds**") shall have the same meanings when used in this Appendix.

In addition, as used in this Appendix, the following expressions shall have the following meanings unless the context otherwise requires:

- (i) "**proxy form**" shall mean an English language form available from the Issuer signed by the Bondholders or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Issuer no later than 48 hours before the time fixed for such a meeting, appointing a named individual or individuals to vote in respect of the Bonds held by such holder;
- (ii) "**block voting instruction**" shall mean an English language document issued by the Issuer and dated in which:
  - (a) it is certified that each holder of certain specified Bonds (the "**Relevant Bonds**") has instructed the Issuer that the vote(s) attributable to the Relevant Bonds should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
  - (b) the total number of the Relevant Bonds are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (c) one or more persons named in such document (each hereinafter called a "**proxy**") is or are authorised and instructed by the Issuer to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in paragraph (b) above as set out in such document.

The holder of the Bonds may require the Issuer to issue a block voting instruction by delivering to the Issuer written instructions not later than 48 hours before the time fixed for the relevant meeting. Any holder of a Bond may obtain an uncompleted and unexecuted proxy form from the Issuer. A block voting instruction and a proxy form cannot be outstanding simultaneously in respect of the same Bond.

- (iii) References herein to the Issuer, and the Bonds are to the Issuer, and the Bonds, respectively, in respect of which the relevant meeting is convened.
2. The Issuer may at any time, and the Issuer upon a requisition in writing of Bondholders holding not less than one-fifth of the principal amount of the Bonds for the time being outstanding shall,

convene a meeting of the Bondholders and if the Issuer makes default for a period of seven (7) days in convening such a meeting the same may be convened by the requisitionists. Whenever the Issuer is about to convene any such meeting it shall forthwith give notice in writing to the Bondholders of the day, time and place thereof and of the nature of the business to be transacted thereat.

3. At least 14 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) specifying the place, day and hour of meeting shall be given to the Bondholders prior to any meeting of the Bondholders in the manner provided by Condition 12. Such notice shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include a statement to the effect that a holder of Bonds may appoint a proxy under either a block voting instruction by delivering written instructions to the Issuer or by executing and delivering a proxy form to the Issuer for the purpose of appointing proxies not less than 48 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution of their directors or other governing body. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).
4. Some person (who may but need not be a Bondholder) nominated in writing by the Bondholder shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the Bondholders present shall choose one of their number to be Chairman.
5. At any such meeting one or more persons present holding Bonds or being proxies and holding or representing in the aggregate not less than one-third of the principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one (1) or more persons present holding Bonds or being proxies and holding or representing in the aggregate a clear majority in principal amount of the Bonds for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the matters specified in the proviso to paragraph 18 below, the quorum shall be one (1) or more persons present holding Bonds or being proxies and holding or representing in the aggregate not less than 75 per cent. of the principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of Bonds will be binding on all holders of Bonds, whether or not they are present at the meeting.
6. If within fifteen minutes after the time appointed for any such meeting a quorum is not present the meeting shall if convened upon the requisition of Bondholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period being not less than 14 days nor more than 42 days, and at such place as may be appointed by the Chairman and approved by the Issuer) and at such adjourned meeting one (1) or more persons present holding Bonds or being proxies (whatever the principal amount of the Bonds so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary Resolution or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the business of which includes any of the matters specified in the proviso to paragraph 5 above the quorum shall be one or more persons present

holding Bonds or being proxies and holding or representing in the aggregate not less than 50 per cent. of the principal amount of the Bonds for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 7 days' notice were substituted for 14 days' notice in paragraph 3 above and such notice shall (except in cases where the proviso to paragraph 6 above shall apply when it shall state the relevant quorum) state that one (1) or more persons present holding Bonds or being proxies at the adjourned meeting whatever the principal amount of the Bonds held or represented by them will form a quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Bondholder or as a proxy.
9. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer or one (1) or more persons present holding Bonds or being proxies (whatever the principal amount of the Bonds so held by them), a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. Any director or officer of the Issuer and its lawyers may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of outstanding in Clause 1.1 of the Subscription Agreement), no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Bondholders or join with others in requisitioning the convening of such a meeting unless he either produces the Bond or Bonds of which he is a proxy. Neither the Issuer nor any of its subsidiaries or related corporations shall be entitled to vote at any meeting in respect of Bonds beneficially held by it and no other person shall be entitled to vote at any meeting in respect of Bonds held by it for the benefit of the Issuer or any of its subsidiaries or related corporations. Nothing herein contained shall prevent any of the proxies named in any block voting instruction or proxy form from being a director, officer or representative of or otherwise connected with the Issuer or any of its subsidiaries or related corporations.
14. Subject as provided in paragraph 13 hereof, at any meeting:

- (i) on a show of hands every person who is present in person and produces a proxy form or is a proxy shall have one (1) vote; and
- (ii) on a poll every person who is so present shall have one (1) vote in respect of RMB1,000,000 in principal amount of the Bonds.

Without prejudice to the obligations of the proxies named in any block voting instruction or proxy form any person entitled to more than one (1) vote need not use all his votes or cast all the votes to which he is entitled in the same way.

- 15. The proxies named in any block voting instruction or proxy form need not be Bondholders.
- 16. Each block voting instruction and proxy form shall be deposited at such place as the Issuer shall approve not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction or proxy form propose to vote and in default the block voting instruction or proxy form shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business.
- 17. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Bondholders' instructions pursuant to which it was executed, provided that no intimation in writing of such revocation or amendment shall have been received from the Issuer by the Issuer at its registered office (or such other place as may have been specified by the Issuer for the purpose) or by the chairman of the meeting, in each case not less than 48 hours before the commencement of the meeting or adjourned meeting at which the block voting instruction is to be used.
- 18. A meeting of the Bondholders shall in addition to the powers hereinbefore given have the following powers exercisable by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) only namely:
  - (a) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or against the property of the Issuer whether such rights shall arise under the Bonds or otherwise;
  - (b) to sanction the exchange or substitution for the Bonds of, or the conversion of the Bonds into, shares, bonds, stock, debentures or other obligations or securities of the Issuer or any other body corporate formed or to be formed;
  - (c) to assent to any modification of the provisions contained in the Bonds appertaining thereto which shall be proposed by the Issuer;
  - (d) to authorise any person to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
  - (e) to give any authority, direction or sanction which under the Bonds is required to be given by Extraordinary Resolution;
  - (f) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution; and

- (g) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds;

Provided that the special quorum provisions contained in the proviso to paragraph 5 above and, in the case of an adjourned meeting, in the proviso to paragraph 6 above shall apply in relation to any Extraordinary Resolution for the purpose of paragraph 18(c) or for the purpose of making any modification to the provisions contained in the Bonds which would have the effect of:

- (i) modifying the dates of maturity or redemption of the Bonds or the dates on which interest is payable in respect of the Bonds;
  - (ii) reducing or cancelling the principal amount of the Bonds or the rate of interest payable on the Bonds;
  - (iii) varying the currency in which any payment in respect of any Bond is to be made;
  - (iv) modifying (except by a unilateral and unconditional reduction in the Conversion Price) or cancelling the Conversion Rights;
  - (v) modifying the provisions contained in this Appendix concerning the quorum required at any meeting of Bondholders or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution or sign a resolution in writing; or
  - (vi) amending this proviso in any manner.
19. Any resolution passed at a meeting of the Bondholders duly convened and held in accordance herewith shall be binding upon all the Bondholders whether present or not present at such meeting and whether or not voting shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Bondholders shall be given in accordance with Condition 12 by the Issuer within 14 days of such result being known PROVIDED THAT the non publication of such notice shall not invalidate such resolution.
20. The expression "**Extraordinary Resolution**" means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.
21. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed or had.
22. A resolution in writing signed by or on behalf of the holder or holders of not less than 90 per cent of the principal amount of the Bonds for the time being outstanding shall be as valid and effectual as an Extraordinary Resolution passed at a meeting of such holders duly convened and held in accordance with the provisions in this Appendix.

23. Notwithstanding anything in this Appendix, to the extent required by the SGX-ST from time to time, any material modification to the terms of the Bonds which is for the benefit of the Bondholders but is materially prejudicial to the interests of the shareholders of the Issuer shall not be effected without the prior approval of the shareholders of the Issuer at a general meeting of the shareholders, unless such modification is made pursuant to the terms of the Bonds.



## APPENDIX II

### REGULATIONS CONCERNING THE TRANSFER AND REGISTRATION OF BONDS

In this Appendix, unless otherwise expressly stated or the context otherwise requires, terms defined or construed in the subscription agreement ("Subscription Agreement") entered or to be entered into between China New Town Development Company Limited (the "Issuer") and Sinopower Investment Limited in relation to the issuance of up to RMB300,000,000 in aggregate principal amount of two (2) per cent. convertible bonds due 2016 (the "Bonds") shall have the same meanings when used in this Appendix.

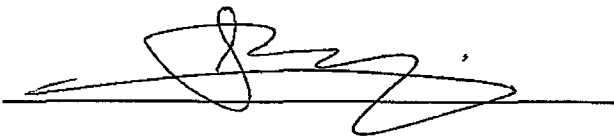
1. Each Bond shall be in the denomination of RMB1 or in integral multiples thereof. Definitive Bonds, each evidencing entitlement to one (1) or more Bonds, shall be issued in accordance with the Conditions.
2. The Bonds are transferable by execution of the form of transfer on each Definitive Bond endorsed under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. In this Appendix, "transferor" shall where the context permits or requires include joint transferors and be construed accordingly.
3. The Definitive Bond issued in respect of the Bond to be transferred must be delivered for registration to the specified office of the Issuer accompanied by such other evidence (including certificates) as the Issuer may reasonably require to prove the title of the transferor or his right to transfer the Bond and his identity and, if the form of transfer is executed by some other person on his behalf or in the case of the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so. The signature of the person effecting a transfer of a Bond shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Issuer may require.
4. The executors or administrators of a deceased holder of Bonds (not being one of several joint holders) and, in the case of the death of one (1) or more of joint holders, the survivor or survivors of such joint holders, shall be the only persons recognised by the Issuer as having any title to such Bonds.
5. Any person becoming entitled to Bonds in consequence of the death or bankruptcy of the holder of such Bonds may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Issuer shall require (including Certificates), be registered himself as the holder of such Bonds or, subject to the preceding paragraphs as to transfer, may transfer such Bonds. The Issuer may retain any amount payable upon the Bonds to which any person is so entitled until such person shall be so registered or shall duly transfer the Bonds.
6. Unless otherwise requested by him and agreed by the Issuer, a holder of Bonds shall be entitled to receive only one (1) Definitive Bond in respect of his holding.
7. The joint holders of a Bond shall be entitled to one (1) Definitive Bond only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder whose name appears first in the Register of Bondholders in respect of the joint holding.
8. The Issuer shall make no charge to the holders for the registration of any holding of Bonds or any transfer of Bonds. Any delivery to a holder of Bonds shall be at his or its risk and (except where sent by uninsured post to the address specified by the holder) at his or its expense.

9. The issuer shall within three (3) Business Days in Singapore of a request to effect a transfer of a Bond deliver at its specified office to the transferee or despatch by mail (at the risk of the transferee) to such address as the transferee may request, a new Definitive Bond in respect of the Bond or Bonds transferred. In the case of a transfer or redemption of fewer than all the Bonds in respect of which a Definitive Bond is issued, a new Definitive Bond in respect of the Bonds not transferred, converted or redeemed will be so delivered to the holder to its address appearing on the Register of Bondholders.
10. Notwithstanding any other provisions of this Appendix, the Issuer shall register the transfer of any Bond only upon presentation of an executed and duly completed form of transfer substantially in the form set forth in the Form of Definitive Bond in Schedule 1 to the Subscription Agreement together with any other documents thereby required.
11. The Issuer may promulgate any other regulations that it may deem necessary for the registration and transfer of the Bonds.

**IN WITNESS WHEREOF** this Agreement has been duly executed by the parties hereto.

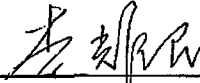
The Issuer

**CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED**

By :   
Name : CHENG WAI HO  
Title : Chief Executive Officer / Director  
Address: Suite 2503 Convention Plaza Office Tower  
1 Harbour Road,  
Wan Chai, Hong Kong  
Facsimile: 852 3965 9111  
Attention: Mr. Cheng Wai Ho, Chief Executive Officer  
Ms. Sandy Tam, Financial Controller / Company Secretary

The Subscriber

**SINOPOWER INVESTMENT LIMITED**

By :  \_\_\_\_\_

Name : Li Yao Min

Title : Director

Address: Suite 2501 Convention Plaza Office Tower  
1 Harbour Road,  
Wan Chai, Hong Kong

Facsimile: 852 2891 2378

Attention: Mr. Benson Lee, Chief Financial Officer