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Logan Property Holdings Company Limited
龍光地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3380)

ISSUANCE OF US\$300,000,000
11.25% SENIOR NOTES DUE 4 June 2019

Reference is made to the announcement of the Company dated 27 May 2014 in respect of the proposed 2014 Notes Issue.

THE 2014 NOTES ISSUE

On 27 May 2014, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Citigroup, Deutsche Bank, HSBC, Goldman Sachs (Asia) L.L.C., J.P. Morgan, CITIC Securities International, VTB Capital, ABC International and ICBC International in connection with the issue of US\$300,000,000 11.25% senior notes due 4 June 2019.

The estimated net proceeds of the 2014 Notes Issue, after deducting the underwriting discount and other estimated fees and expenses in connection with the 2014 Notes Issue, will amount to approximately US\$293 million. The Company intends to use the proceeds of the 2014 Notes for refinancing its existing indebtedness, the acquisition of suitable new land for development and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

The Company will seek a listing of the 2014 Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the 2014 Notes has been received from the Stock Exchange. Admission of the 2014 Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2014 Notes.

Reference is made to the announcement of the Company dated 27 May 2014 in respect of the proposed 2014 Notes Issue. The Board is pleased to announce that on 27 May 2014, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Citigroup, Deutsche Bank, HSBC, Goldman Sachs (Asia) L.L.C., J.P. Morgan, CITIC Securities International, VTB Capital, ABC International and ICBC International in connection with the 2014 Notes Issue in the aggregate principal amount of US\$300,000,000.

(I) THE 2014 NOTES ISSUE

The Purchase Agreement

Date: 27 May 2014

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) Citigroup;
- (d) Deutsche Bank;
- (e) HSBC;
- (f) Goldman Sachs (Asia) L.L.C.;
- (g) J.P. Morgan;
- (h) CITIC Securities International;
- (i) VTB Capital;
- (j) ABC International; and
- (k) ICBC International.

Citigroup, Deutsche Bank, HSBC, Goldman Sachs (Asia) L.L.C., J.P. Morgan, CITIC Securities International, VTB Capital and ABC International have been appointed as the joint global coordinators. Citigroup, HSBC, Deutsche Bank, Goldman Sachs (Asia) L.L.C., J.P. Morgan, CITIC Securities International, VTB Capital, ABC International and ICBC International have been appointed as the joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 Notes. They are also the initial purchasers of the 2014 Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Citigroup, Deutsche Bank, HSBC, Goldman Sachs (Asia) L.L.C., J.P. Morgan, CITIC Securities International, VTB Capital, ABC International and ICBC International is an independent third party and not a connected person of the Company.

The 2014 Notes have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered within the United States. Accordingly, the 2014 Notes are being offered and sold only outside the United States (as defined in Regulation S under the Securities Act) in offshore transactions in reliance on Regulation S under the Securities Act and in accordance with any other applicable laws. None of the 2014 Notes will be offered to the public in Hong Kong and none of the 2014 Notes will be placed with any connected persons of the Company.

Principal terms of the 2014 Notes

2014 Notes Offered

Subject to certain conditions to completion, the Company will issue the 2014 Notes in an aggregate principal amount of US\$300,000,000 which will mature on 4 June 2019, unless earlier redeemed pursuant to the terms thereof. The following is a brief summary of the principal terms of the 2014 Notes.

Offering Price

The offering price of the 2014 Notes will be 100.00% of the principal amount of the 2014 Notes.

Interest

The 2014 Notes will bear interest from (and including) 4 June, 2014 at a rate of 11.25% per annum, payable semi-annually in arrears on 4 June and 4 December of each year, commencing 4 December 2014.

Ranking of the 2014 Notes

The 2014 Notes are general obligations of the Company and are guaranteed by the Subsidiary Guarantors on a senior basis. The 2014 Notes rank (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the 2014 Notes, (2) at least pari passu in right of payment against the Company with respect all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law), (3) effectively subordinated to the secured obligations of the Company and the Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (4) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which will not provide guarantees for the 2014 Notes.

Events of default

The events of default under the 2014 Notes include, among others:

- (a) default in the payment of principal (or premium, if any);
- (b) default in the payment of interest and such default continues for a period of 30 consecutive days;
- (c) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indenture or the failure by the Company to create, or cause certain of its subsidiaries to create, a lien on the collateral, in accordance with the relevant covenants under the Indenture;
- (d) default by the Company or certain of its subsidiaries in the performance of or breach of any other covenant or agreement in the Indenture or under the 2014 Notes (other than the default specified in clause (a), (b) or (c) above);
- (e) default by the Company or certain of its subsidiaries in the repayment of indebtedness having, in the aggregate, an outstanding principal amount in excess of US\$10.0 million;
- (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged against such persons and exceed the aggregate amount of US\$10.0 million;
- (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries;
- (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action or effects any general assignment for the benefit of creditors; and

- (i) any Subsidiary Guarantor denying or disaffirming its obligations under its guarantees guaranteeing the obligations of the 2014 Notes or, except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect.

If an event of default (other than as specified in clauses (g) and (h) above) occurs and is continuing, under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the 2014 Notes then outstanding may declare the principal of the 2014 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Covenants

The 2014 Notes, the Indenture and the guarantees provided by the Subsidiary Guarantors will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

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

Redemption

The Notes may be redeemed in the following circumstances:

- 1) At any time and from time to time on or after 4 June 2017, the Company may redeem the 2014 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the twelve month period beginning on 4 June of each of the years indicated below:

Period	Redemption Price
2017	105.6250%
2018 and thereafter	102.8125%

- 2) At any time prior to 4 June 2017, the Company may at its option redeem the 2014 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2014 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. The Company will give not less than 30 days' nor more than 60 days' notice of redemption.
- 3) At any time and from time to time prior to 4 June 2017, the Company may redeem up to 35% of the aggregate principal amount of the 2014 Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 111.25% of the principal amount of the 2014 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2014 Notes originally issued on the issue date of the 2014 Notes remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Reasons for the 2014 Notes Issue

The Company is a property developer in the PRC focusing on the residential property market, and its products are primarily targeted at first-time homebuyers and upgraders. The Company believes demand from such customers is less susceptible to fluctuations in property prices and thus provides stability to its business profile. In March 2014, the Company was ranked as the 40th-largest property developer in the PRC by comprehensive strength¹. The Company has developed residential property projects in 11 cities, which are primarily in Guangdong and Guangxi Provinces, as well as in the Chengdu-Chongqing economic region and Hainan Province.

¹ The ranking is based on a joint evaluation by Enterprise Institute of the Development Research Center of the State Council of China, Institute of Real Estate Studies of Tsinghua University and China Index Academy of the largest property developers in the PRC by comprehensive strength in 2014.

If the 2014 Notes are issued, the Company intends to use the proceeds from the 2014 Notes Issue to refinance its existing indebtedness, the acquisition of suitable new land for development and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

Listing

The Company will seek a listing of the 2014 Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the 2014 Notes has been received from the Stock Exchange. Admission of the 2014 Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2014 Notes.

(II) DEFINITIONS

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

“2014 Notes”	the 11.25% senior notes due 4 June 2019 in the aggregate principal amount of US\$300,000,000 to be issued by the Company
“2014 Notes Issue”	the issue of the 2014 Notes by the Company
“ABC International”	ABCI Capital Limited (農銀國際融資有限公司), one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Board”	the board of Directors
“CITIC Securities International”	CITIC Securities Corporate Finance (HK) Limited (中信証券融資(香港)有限公司), one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Citigroup”	Citigroup Global Markets Limited, one of the joint global coordinators and joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 Notes
“Company”	Logan Property Holdings Company Limited (龍光地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules

“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 Notes
“Directors”	the directors of the Company
“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint book runners and joint lead managers in respect of the offer and sale of the Notes
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 Notes
“ICBC International”	ICBC International Capital Limited and ICBC International Securities Limited, acting respectively as one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Indenture”	the written agreement among the Company, the Subsidiary Guarantors and Citicorp International Limited as trustee and the paying agent, registrar and transfer agent, that will specify the terms of the 2014 Notes including the interest rate of the 2014 Notes and the maturity date
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement

“Purchase Agreement”	the agreement dated 27 May 2014 entered into by the Company, Citigroup, Deutsche Bank, HSBC, Goldman Sachs (Asia) L.L.C., J.P. Morgan, CITIC Securities International, VTB Capital, ABC International, ICBC International and the Subsidiary Guarantors in relation to the 2014 Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the 2014 Notes will provide guarantees with respect to the Company’s obligations under the 2014 Notes
“US\$”	United States dollars, the legal currency of the United States of America
“VTB Capital”	VTB Capital plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“%”	per cent.

By Order of the Board
Logan Property Holdings Company Limited
Ji Haipeng
Chairman

Hong Kong, 28 May 2014

As at the date of this announcement, the executive directors are Mr. Ji Haipeng, Mr. Ji Jiande, Mr. Xiao Xu and Mr. Lai Zhuobin; the non-executive director is Ms. Kei Perenna Hoi Ting; and the independent non-executive directors are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca and Mr. Cai Suisheng.