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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 USD250,000,000 9.75% SENIOR NOTES DUE 2017

Reference is made to the announcement of the Company dated 1 December 2014 in respect of the proposed 2014 USD Notes Issue.

THE 2014 USD NOTES ISSUE

On 1 December 2014, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C., HSBC, J.P. Morgan and VTB Capital in connection with the issue of USD250,000,000 9.75% senior notes due 2017.

The estimated net proceeds of the 2014 USD Notes Issue, after deducting the underwriting discount and other estimated fees and expenses in connection with the 2014 USD Notes Issue, will amount to approximately USD246 million. The Company intends to use the proceeds of the 2014 USD Notes for refinancing its existing indebtedness and for other 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 USD Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the 2014 USD Notes has been received from the Stock Exchange. Admission of the 2014 USD Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2014 USD Notes.

Reference is made to the announcement of the Company dated 1 December 2014 in respect of the proposed 2014 USD Notes Issue. The Board is pleased to announce that on 1 December 2014, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C., HSBC, J.P. Morgan and VTB Capital in connection with the 2014 USD Notes Issue in the aggregate principal amount of USD250,000,000.

(I) THE 2014 USD NOTES ISSUE

The Purchase Agreement

Date: 1 December 2014

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) Credit Suisse;
- (d) Deutsche Bank;
- (e) Goldman Sachs (Asia) L.L.C.;
- (f) HSBC;
- (g) J.P. Morgan; and
- (h) VTB Capital.

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

The 2014 USD 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 except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the

Securities Act. Accordingly, the 2014 USD 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 USD Notes will be offered to the public in Hong Kong and none of the 2014 USD Notes will be placed with any connected persons of the Company.

Principal terms of the 2014 USD Notes

2014 USD Notes Offered

Subject to certain conditions to completion, the Company will issue the 2014 USD Notes in an aggregate principal amount of USD250,000,000 which will mature on 8 December 2017, unless earlier redeemed pursuant to the terms thereof. The following is a brief summary of the principal terms of the 2014 USD Notes.

Offering Price

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

Interest

The 2014 USD Notes will bear interest from (and including) 8 December 2014 at a rate of 9.75% per annum, payable semi-annually in arrears on 8 June and 8 December of each year, commencing 8 June 2015.

Ranking of the 2014 USD Notes

The 2014 USD Notes are general obligations of the Company and are guaranteed by the Subsidiary Guarantors on a senior basis. The 2014 USD 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 USD 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 USD Notes.

Events of default

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

- (a) default in the payment of principal of (or premium, if any, on) the 2014 USD Notes;

- (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;
- (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 USD Notes (other than the default specified in clause (a), (b) or (c) above and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the 2014 USD Notes;
- (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 USD10.0 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 USD10.0 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 Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary 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 USD Notes then outstanding may declare the principal of the 2014 USD Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable. If an event of default specified in clauses (g) and (h) above occurs, the principal of the 2014 USD Notes plus any accrued and unpaid interest and premium (if any) shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Covenants

The 2014 USD 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 prior to 8 December 2017, the Company may at its option redeem the 2014 USD Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2014 USD 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.
- 2) At any time and from time to time prior to 8 December 2017, the Company may redeem up to 35% of the aggregate principal amount of the 2014 USD 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 109.75% of the principal amount of the 2014 USD 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 USD Notes originally issued on the issue date of the 2014 USD 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 USD 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 13 cities, which are primarily in Guangdong and Guangxi Provinces, as well as in the Chengdu-Chongqing economic region and Hainan Province.

If the 2014 USD Notes are issued, the Company intends to use the proceeds from the 2014 USD Notes Issue to refinance its existing indebtedness and for other 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 USD Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the 2014 USD Notes has been received from the Stock Exchange. Admission of the 2014 USD Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2014 USD Notes.

(II) DEFINITIONS

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

“2014 USD Notes”	the 9.75% senior notes due 2017 in the aggregate principal amount of USD250,000,000 to be issued by the Company
“2014 USD Notes Issue”	the issue of the 2014 USD Notes by the Company
“Board”	the board of Directors
“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

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.

“Credit Suisse”	Credit Suisse Securities (Europe) Limited, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 USD Notes
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 USD Notes
“Directors”	the directors of the Company
“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C., one of the joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 USD 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 bookrunners and joint lead managers in respect of the offer and sale of the 2014 USD Notes
“Indenture”	the written agreement among the Company, the Subsidiary Guarantors and Citicorp International Limited as trustee, that will specify the terms of the 2014 USD Notes including the interest rate of the 2014 USD Notes and the maturity date
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 USD Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 1 December 2014 entered into by the Company, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, VTB Capital and the Subsidiary Guarantors in relation to the 2014 USD Notes Issue

“Securities Act”	the United States Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantee”	The guarantees to be provided by the Subsidiary Guarantors in respect of the 2014 USD Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the 2014 USD Notes will provide guarantees with respect to the Company’s obligations under the 2014 USD Notes
“USD”	United States dollars, the legal currency of the United States of America
“VTB Capital”	VTB Capital plc, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the 2014 USD Notes
“%”	per cent.

By Order of the Board
Logan Property Holdings Company Limited
Kei Hoipang
Chairman

Hong Kong, 2 December 2014

As at the date of this announcement, the executive directors are Mr. Kei Hoipang (formerly known as 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.