

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **DISCLOSEABLE TRANSACTION DEEMED DISPOSAL OF 49% EQUITY INTERESTS IN A WHOLLY-OWNED SUBSIDIARY**

#### **CAPITAL CONTRIBUTION AGREEMENT**

The Board is pleased to announce that, on 17 December 2014, Shenzhen Jinjun, Shenzhen Logan Property and Pingan Dahua entered into the Capital Contribution Agreement pursuant to which Pingan Dahua agreed to make a capital contribution of RMB2 billion to Shenzhen Jinjun.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the registered capital of Shenzhen Jinjun is RMB100 million and is wholly-owned by Shenzhen Logan Property. Upon completion of the capital contribution of RMB98 million by Pingan Dahua pursuant to the Capital Contribution Agreement, Shenzhen Jinjun will have an enlarged registered capital of RMB198 million, and its equity interest will be owned as to 51% and 49% by Shenzhen Logan Property and Pingan Dahua, respectively. Upon completion of the capital contribution by Pingan Dahua into Shenzhen Jinjun pursuant to the Capital Contribution Agreement, Shenzhen Jinjun will become a non wholly-owned subsidiary of the Company. Accordingly, the equity interest of Shenzhen Logan Property in Shenzhen Jinjun would decrease from 100% to 51%, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions as contemplated under the Capital Contribution Agreement exceeds 5% but is below 25%, the entering into the Capital Contribution Agreement constitutes a discloseable transaction for the Company, which is subject to the announcement requirement but exempt from shareholders' approval requirement under the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that, on 17 December 2014, Shenzhen Jinjun, Shenzhen Logan Property and Pingan Dahua entered into the Capital Contribution Agreement pursuant to which Pingan Dahua agreed to make a capital contribution of RMB2 billion to Shenzhen Jinjun.

## **PRINCIPAL TERMS OF THE CAPITAL CONTRIBUTION AGREEMENT**

Date: 17 December 2014

Parties:

- (1) Shenzhen Jinjun
- (2) Shenzhen Logan Property
- (3) Pingan Dahua

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Pingan Dahua and its ultimate beneficial owner are third parties independent of and not connected with the Company or its connected persons.

### **Capital Contribution**

Pursuant to the Capital Contribution Agreement, Pingan Dahua has conditionally agreed to make a capital contribution to Shenzhen Jinjun. The capital contribution will be in the sum of RMB2 billion, among which RMB98 million will be contributed to the registered capital of Shenzhen Jinjun and the remaining RMB1.902 billion will be contributed to the capital reserve of Shenzhen Jinjun. The capital to be injected by Pingan Dahua into Shenzhen Jinjun is intended for the purpose of development of the Land.

As at the date of this announcement, the registered capital of Shenzhen Jinjun is RMB100 million and is wholly-owned by Shenzhen Logan Property. Upon completion of the capital contribution of RMB98 million by Pingan Dahua pursuant to the Capital Contribution Agreement, Shenzhen Jinjun will have an enlarged registered capital of RMB198 million, and its equity interest will be owned as to 51% and 49% by Shenzhen Logan Property and Pingan Dahua, respectively, and will become a non wholly-owned subsidiary of the Company.

### **Conditions Precedent**

Pursuant to the Capital Contribution Agreement, the capital contribution by Pingan Dahua to Shenzhen Jinjun is conditional upon the satisfaction or waiver of the following conditions:

- (i) Shenzhen Jinjun and Shenzhen Logan Property have obtained the relevant authorisation, approvals and consents from the relevant government authorities and that such authorisation, approvals and consents remain fully effective;

- (ii) there not being any administrative order, administrative decisions, third-party agreements, potential litigation, claim of compensation, legal proceedings or decree which prohibit or limit or increase the costs for the performance of the transactions contemplated under the Capital Contribution Agreement; the entering of the Capital Contribution Agreement and the performance of the transactions contemplated thereunder will not violate any laws, regulations, regulatory rules or any legally binding documents;
- (iii) the relevant documents, schedules and attachments incidental to the Capital Contribution Agreement have been duly executed and received by Pingan Dahua, and that the relevant procedures and filings contemplated thereunder have been implemented and completed;
- (iv) the articles of association of Shenzhen Jinjun being amended such that the material matters, including but not limited to, external financing (including financing for property development), external assets mortgage, external guarantee (except for such interim guarantee arrangement to be provided to property purchasers in relation to mortgage loans arrangement), disposal of assets, change of shareholdings, must be approved by more than two-thirds of the shareholders' votes casted at a general meeting;
- (v) Pingan Dahua has nominated and appointed one person to become a member of the board of directors of Shenzhen Jinjun;
- (vi) there being no violation or breach of any of the documents incidental to the Capital Contribution Agreement, the respective covenants, terms and obligations under any of such documents entered into between Shenzhen Jinjun and Shenzhen Logan Property incidental to the Capital Contribution Agreement, and that Shenzhen Jinjun and Shenzhen Logan Property have not refused to perform any of the terms and obligations stipulated under such documents;
- (vii) within 30 business days upon the receipt of all the due diligence materials by Pingan Dahua, that Pingan Dahua is satisfied with the results of the due diligence review on, among others, the legal, financial and other aspects of Shenzhen Jinjun and Shenzhen Logan Property. If there being any material adverse change to Shenzhen Jinjun or Shenzhen Logan Property, Pingan Dahua shall have the right to further extend the time required to perform the due diligence based on the relevant circumstances;
- (viii) upon the entering of the Capital Contribution Agreement, the operation and financial conditions of Shenzhen Jinjun and Shenzhen Logan Property have not had any material adverse change and that there being no actual or reasonably foreseeable events that may lead to insolvency of Shenzhen Jinjun and Shenzhen Logan Property;
- (ix) the documents evidencing that Shenzhen Logan Property had injected the required registered capital to Shenzhen Jinjun as a shareholder have been provided to Pingan Dahua and that the relevant verification and government registration procedures have been duly completed;
- (x) the relevant shareholders' resolutions and/or board resolutions (if required) of Shenzhen Jinjun and Shenzhen Logan Property have been provided in accordance with Pingan Dahua's request;

- (xi) the representations and warranties set out in the Capital Contribution Agreement and any other cooperative documents remain true, accurate and complete in all respects; and
- (xii) there being no amendment, enactment, promulgation of the relevant laws or national macro-regulatory policy changes, or any new regulatory requirements proposed by the regulators of Pingan Dahua which would lead to the inability of Pingan Dahua to contribute the required amount of capital to Shenzhen Jinjun pursuant to the Capital Contribution Agreement.

Within 30 business days upon satisfaction or waiver of the conditions precedent above, Pingan Dahua shall then arrange the relevant amount of capital being contributed to Shenzhen Jinjun pursuant to the Capital Contribution Agreement.

### **The Board of Directors of Shenzhen Jinjun**

Upon completion of the capital contribution of RMB2 billion by Pingan Dahua, the board of directors of Shenzhen Jinjun shall comprise of three directors, of which one director shall be nominated by Pingan Dahua and two directors shall be nominated by Shenzhen Logan Property. Matters in relation to the appointment of the chairman of the board and change of directors of Shenzhen Jinjun shall be resolved by a majority of the board of directors of Shenzhen Jinjun. Other material matters, including but not limited to, external financing (including financing for property development), external guarantee (except for such interim guarantee arrangement to be provided to property purchasers in relation to mortgage loans arrangement), disposal of assets, distribution of dividends shall be resolved by unanimous approval of all the directors of Shenzhen Jinjun.

### **Restrictions prior to the capital contribution by Pingan Dahua**

From the date of the Capital Contribution Agreement and up to the date when the relevant capital contribution is being made by Pingan Dahua in Shenzhen Jinjun pursuant to the Capital Contribution Agreement, Shenzhen Logan Property shall not without the prior written consent of Pingan Dahua:

- (i) engage in another transaction with a transaction amount exceeding RMB50 million;
- (ii) enter into any business activity which is not in the ordinary course of business of Shenzhen Jinjun;
- (iii) merge, sub-divide, change of shareholding, capital reduction or enter into any cooperative arrangement to change the structure of its shareholding;
- (iv) declare or pay any bonus or dividend or any action with the effect of profit distribution;
- (v) accede to any significant assets or debts;
- (vi) enter into any related party transactions with any related parties as defined under the relevant PRC accounting principles;

- (vii) amend or supplement any existing material contracts or enter into any new material contracts;
- (viii) dispose of its interests in any property projects; or
- (xi) enter into any transaction similar to (i) to (viii) above under the constitutional documents (if applicable).

### **Shenzhen Jinjun and the Land**

As at the date of this announcement, Shenzhen Jinjun is an indirectly wholly-owned subsidiary of the Company. It is the project company which owns the land use right to the Land. Shenzhen Jinjun was established in the PRC on 15 April 2014, principally engaged in the property development in the PRC and will be the project company for the development of the Land. As at the date of this announcement, Shenzhen Jinjun has not commenced any other business activity apart from development of the Land.

The Land consists of one parcel of land located in Longhua District, Shenzhen, the PRC. Based on the estimated GFA thereunder, the Land has a total site area of 46,646.77 square metres and an estimated GFA of 186,500 square metres. The book value of the Land is RMB4.68 billion. The Land is currently owned by Shenzhen Jinjun. The usage of the Land has been approved for residential purpose. The term of the grant is 70 years. It is expected that the Land will be developed into residential area.

### **REASONS AND BENEFITS OF ENTERING INTO THE CAPITAL CONTRIBUTION AGREEMENT**

The total amount of capital injection of RMB2 billion to be made by Pingan Dahua under the Capital Contribution Agreement is to fund the development of the Land. The capital injection to be made by Pingan Dahua pursuant to the Capital Contribution Agreement is in line with the regional development strategy in the PRC market. The Company believes that the transactions contemplated under the Capital Contribution Agreement are beneficial to the Company and its shareholders as a whole as it will provide a source of capital for the Group to develop its property in Longhua District, Shenzhen, the PRC and improve debt and asset structure of the Group. Following completion of the capital contribution, Shenzhen Logan Property will still hold 51% equity interest in Shenzhen Jinjun and will continue to benefit from the future growth and success of the property development project in Longhua District, Shenzhen, the PRC.

The terms of the Capital Contribution Agreement including the amount of capital injection of RMB2 billion to be made by Pingan Dahua and the equity interest it will hold in Shenzhen Jinjun was determined based on the arm's length negotiations between the parties with reference to (i) expected capital funds required for the development of the Land; (ii) the expected development schedule of the residential properties on the Land; and (iii) the Group's plans to retain a majority interests in Shenzhen Jinjun.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Contribution Agreement are on normal commercial terms, which are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Capital Contribution Agreement and is required to abstain from voting from the Board resolutions for considering and approving the entering of the Capital Contribution Agreement pursuant to the articles of association of the Company and applicable laws and regulations.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the registered capital of Shenzhen Jinjun is RMB100 million and is wholly-owned by Shenzhen Logan Property. Upon completion of the capital contribution of RMB98 million by Pingan Dahua pursuant to the Capital Contribution Agreement, Shenzhen Jinjun will have an enlarged registered capital of RMB198 million, and its equity interest will be owned as to 51% and 49% by Shenzhen Logan Property and Pingan Dahua, respectively. Upon completion of the capital contribution by Pingan Dahua into Shenzhen Jinjun pursuant to the Capital Contribution Agreement, Shenzhen Jinjun will become a non wholly-owned subsidiary of the Company.

Accordingly, the equity interest of Shenzhen Logan Property in Shenzhen Jinjun would decrease from 100% to 51%, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules. As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions as contemplated under the Capital Contribution Agreement exceeds 5% but is below 25%, the entering into the Capital Contribution Agreement constitutes a discloseable transaction for the Company, which is subject to the announcement requirement but exempt from shareholders' approval requirement under the Listing Rules.

## **INFORMATION OF THE PARTIES TO THE CAPITAL CONTRIBUTION AGREEMENT**

The Group is principally engaged in property development, property investment and property construction in the PRC.

Shenzhen Jinjun is a company established in the PRC and principally engaged in the property development business in the PRC. As at the date of this announcement, Shenzhen Jinjun is an indirect wholly-owned subsidiary of the Company.

Shenzhen Logan Property is a company established in the PRC and principally engaged in property development, property investment and property construction in the PRC. As at the date of this announcement, Shenzhen Logan Property is an indirect wholly-owned subsidiary of the Company.

Pingan Dahua is a company established in the PRC which is principally engaged in asset management business in the PRC.

## DEFINITIONS

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

“Board”	the board of Directors
“Capital Contribution Agreement”	the agreement dated 17 December 2014 entered into among Shenzhen Logan Property, Shenzhen Jinjun and Pingan Dahua
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Land”	one parcel of land situated in Longhua District, Shenzhen, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pingan Dahua”	深圳平安大華匯通財富管理有限公司 (Shenzhen Pingan Dahua Huitong Wealth Management Company Limited*), a company established in the PRC and a third party independent of the Company and its connected persons as at the date of this announcement
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Jinjun”	深圳市金駿房地產有限公司 (Shenzhen Jinjun Real Estate Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Shenzhen Logan Property” 深圳市龍光房地產有限公司 (Shenzhen Logan Property Company Limited\*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

\* *for identification purpose only*

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

Hong Kong, 17 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 Hoi Ting Perenna; and the independent non-executive directors are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca and Mr. Cai Suisheng.*