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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)

DISCLOSEABLE AND CONNECTED TRANSACTION ENTRUSTED LOAN AGREEMENT

ENTRUSTED LOAN AGREEMENT

The Board is pleased to announce that, on 23 December 2014, Shenzhen Jinjun entered into the Entrusted Loan Agreement with Pingan Dahua and the Lending Bank, pursuant to which Pingan Dahua, as lender, agreed to grant the Entrusted Loan in the principal amount of RMB800 million (equivalent to approximately HK\$1,013 million) to Shenzhen Jinjun as borrower through the Lending Bank as the lending agent.

LISTING RULES IMPLICATIONS

As the applicable Percentage Ratios in respect of the Entrusted Loan exceed 5% but are less than 25%, the entering into the Entrusted Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

Subject to completion of the Capital Contribution Agreement, Shenzhen Jinjun 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, and Pingan Dahua will become a substantial shareholder holding 49% interests in Shenzhen Jinjun. Accordingly, Pingan Dahua is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As a result, the entering into the Entrusted Loan Agreement among Shenzhen Jinjun, Pingan Dahua and the Lending Bank constitutes a connected transaction of the Company. As the Directors (including all the independent non-executive Directors) have confirmed that the Entrusted Loan Agreement is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, such transaction is only subject to the reporting, announcement and annual review requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 17 December 2014, pursuant to which Shenzhen Logan Property and Pingan Dahua entered into the Capital Contribution Agreement dated 17 December 2014 and that Pingan Dahua agreed to make a capital contribution of RMB2 billion to Shenzhen Jinjun. 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 Shenzhen Jinjun will become a non wholly-owned subsidiary of the Company.

The Board is pleased to announce that, on 23 December 2014, Shenzhen Jinjun entered into the Entrusted Loan Agreement with Pingan Dahua and the Lending Bank, pursuant to which Pingan Dahua, as lender, agreed to grant the Entrusted Loan in the principal amount of RMB800 million (equivalent to approximately HK\$1,013 million) to Shenzhen Jinjun as borrower through the Lending Bank as the lending agent.

ENTRUSTED LOAN AGREEMENT

The principal terms of the Entrusted Loan Agreement are as follows:

Date

23 December 2014

Parties

- (1) Shenzhen Jinjun;
- (2) Pingan Dahua; and
- (3) the Lending Bank.

Subject to completion of the capital contribution of RMB98 million by Pingan Dahua pursuant to the Capital Contribution Agreement, Shenzhen Jinjun 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, and Pingan Dahua will be a substantial shareholder holding 49% interests in Shenzhen Jinjun. The Lending Bank is a registered commercial bank in the PRC. To the best knowledge, information and belief of the Directors, after having made all reasonable enquiry, the Lending Bank is independent of and not connected with the Company or any of its connected persons.

Principal Terms

The Entrusted Loan will be in the amount of RMB800 million and will be extended to Shenzhen Jinjun through the Lending Bank on terms and conditions set out in the Entrusted Loan Agreement. The term of the Entrusted Loan will be for a period of two years commencing from the date of drawdown of the Entrusted Loan. The interest rate under the Entrusted Loan will be 9% per annum. The purpose of the Entrusted Loan is to finance the development of the Land.

Share Pledge

Pursuant to the terms of the Entrusted Loan Agreement, Shenzhen Logan Property and the Lending Bank have entered the Share Pledge Agreement, pursuant to which Shenzhen Logan Property will charge to the Lending Bank its entire interests in Shenzhen Jinjun, representing 51% of the registered share capital of Shenzhen Jinjun upon completion of the Capital Contribution Agreement, as security for the Entrusted Loan (including, but not limited to, the principal, interest, penalty, fees and expenses incurred by the Company for any enforcement of the Entrusted Loan Agreement).

Security

In connection with the provision of the Entrusted Loan to Shenzhen Jinjun,

- (a) Shenzhen Jinjun and the Lending Bank have entered into the Charge Agreement, pursuant to which Shenzhen Jinjun will create a charge over the Land in favour of the Lending Bank; and
- (b) the Company and the Lending Bank have entered into the Deed of Guarantee, pursuant to which the Company, as the parent company of Shenzhen Jinjun, will provide a guarantee in favour of the Lending Bank,

as security for the Entrusted Loan.

REASON FOR AND BENEFITS OF ENTERING INTO THE ENTRUSTED LOAN AGREEMENT FOR THE COMPANY

The purpose of the Entrusted Loan is to finance the development of the Land.

The terms of the Entrusted Loan Agreement, including the interest rate and the security involved thereunder, were agreed by Shenzhen Jinjun and Pingan Dahua after arm's length negotiations and having taken into account prevailing market conditions. The Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Loan Agreement are more favorable than those offered by other financial institutions in the PRC to the Company and therefore consider the Entrusted Loan Agreement was entered into on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable Percentage Ratios in respect of the Entrusted Loan exceed 5% but are less than 25%, the entering into the Entrusted Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

Subject to completion of the Capital Contribution Agreement, Shenzhen Jinjun 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, and Pingan Dahua will become a substantial shareholder holding 49% interests in Shenzhen Jinjun. Accordingly, Pingan Dahua is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. As a result, the entering into the Entrusted Loan Agreement among Shenzhen Jinjun, Pingan Dahua and the Lending Bank constitutes a connected transaction of the Company. As the Directors (including all the independent non-executive Directors) have confirmed that the Entrusted Loan Agreement is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, such transaction is only subject to the reporting, announcement and annual review requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors have a material interest in the Entrusted Loan Agreement and the transactions contemplated thereunder and therefore, none of the Directors has abstained from voting on the resolutions of the Board for approval of the Entrusted Loan Agreement.

GENERAL

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. Subject to completion of the Capital Contribution Agreement, Shenzhen Jinjun 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, and Pingan Dahua will be a substantial shareholder holding 49% interests in Shenzhen Jinjun.

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.

The Lending Bank is a registered commercial bank in the PRC. To the best knowledge of the Directors, after enquiry, the Lending Bank is independent of and not connected with the Company or any of its connected persons.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Board”	the board of Directors
“Charge Agreement”	a charge agreement dated 23 December 2014 entered into between Shenzhen Jinjun and the Lending Bank as security for the Entrusted Loan
“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(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Guarantee”	a deed of guarantee dated 23 December 2014 entered into between the Company and the Lending Bank as security for the Entrusted Loan
“Director(s)”	the director(s) of the Company from time to time

“Entrusted Loan”	an entrusted loan with the principal amount of RMB800 million (equivalent to approximately HK\$1,013 million) agreed to be granted by Pingan Dahua as lender to Shenzhen Jinjun as borrower through the Lending Bank as lending agent in accordance with the Entrusted Loan Agreement
“Entrusted Loan Agreement”	an entrusted loan agreement dated 23 December 2014 entered into between Shenzhen Jinjun, Pingan Dahua and the Lending Bank in relation to the Entrusted Loan
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	one parcel of land situated in Longhua District, Shenzhen, PRC with a total site area of 46,646.77 square metres and an estimated GFA of 186,500 square metres
“Lending Bank”	Baoshang Bank, Shenzhen Branch, (包商銀行股份有限公司深圳分行), a bank designated by the parties as lending agent under the Entrusted Loan Agreement and being an independent third party to the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratio(s)”	has the meaning ascribed to it under the Listing Rules
“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
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (Republic of China) for the purposes of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share Pledge Agreement”	a share pledge agreement dated 23 December 2014 entered into between Shenzhen Logan Property and the Lending Bank as security for the Entrusted Loan
“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

“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
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

Unless otherwise specified in this announcement, amounts denominated in renminbi have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$1.00 = RMB0.7894. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

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

Hong Kong, 23 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.

* *For identification purpose only*