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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\$450,000,000 5.25% SENIOR NOTES DUE 2023

Reference is made to the announcement of the Company dated 16 May 2017 in respect of the proposed Notes Issue.

On 16 May 2017, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Haitong International, Guotai Junan International, AMTD, VTB Capital and China CITIC Bank International in connection with the Notes Issue.

The estimated net proceeds of the Notes Issue, after deducting the underwriting discounts and commissions payable in connection with the Notes Issue, will amount to approximately US\$440 million, and the Company intends to use the net proceeds of the Notes Issue for refinancing its existing indebtedness and for general corporate purposes. The Company may adjust its plans in response to changing market conditions and thus, reallocate the use of the net proceeds.

Approval in-principle has been received for the listing and quotation of the Notes on the official list of the SGX-ST. Admission to the official list of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Notes or the Subsidiary Guarantees. SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement.

Reference is made to the announcement of the Company dated 16 May 2017 in respect of the proposed Notes Issue. The Board is pleased to announce that on 16 May 2017, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Haitong International, Guotai Junan International, AMTD, VTB Capital and China CITIC Bank International in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 16 May 2017

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors;
- (c) Haitong International;
- (d) Guotai Junan International;
- (e) AMTD;
- (f) VTB Capital; and
- (g) China CITIC Bank International.

Haitong International and Guotai Junan International are the joint global coordinators in respect of the offer and sale of the Notes. AMTD, VTB Capital and China CITIC Bank International are the joint bookrunners and the joint lead managers in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Haitong International, Guotai Junan International, AMTD, VTB Capital and China CITIC Bank International is an independent third party and not a connected person of the Company and its connected persons.

The Notes have not been, and will not be, registered under the Securities Act. The Notes will only be offered outside the United States in offshore transactions to non-U.S. persons in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States or to, or for the account on benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the guarantees provided by the Subsidiary Guarantors, and the JV Subsidiary Guarantors, if any.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$450,000,000. The Notes will mature on 23 February 2023, unless earlier redeemed in accordance with the terms thereof.

Offering Price

The offering price of the Notes will be 98.773% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 5.25% per annum, payable semi-annually in arrears on 23 May and 23 November of each year, commencing on 23 November 2017.

Ranking of the Notes

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with the Existing Notes with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors (if any).

Events of default

The events of default under the Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, 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 breaches of any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by Citicorp International Limited as trustee or the holders of 25% or more in aggregate principal amount of the Notes; (e) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding principal amount of US\$15.0 million or more in the aggregate for all such indebtedness (i) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (ii) the failure to make a principal payment when due; (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,

and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$15.0 million during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (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 effect any general assignment for the benefit of creditors; and (i) any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) denying or disaffirming its obligations under its guarantees with respect to the obligations of the 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 an event of default specified in (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 Notes then outstanding, may, by written notice to the Company, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in clauses (g) and (h) above occurs, the principal of, the premium, if any, and accrued and unpaid interest on the Notes then outstanding 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 Notes, the Indenture and the guarantees provided by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) 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.

Optional Redemption

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 23 May 2020, the Company may redeem the 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 23 May of each of the years indicated below:

Period	Redemption Price
2020	102.6250%
2021 and thereafter	101.3125%

At any time prior to 23 May 2020, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest (if any) to (but not including), the redemption date.

- (2) At any time and from time to time prior to 23 May 2020, the Company may redeem up to 35% of the aggregate principal amount of the 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 105.25% of the principal amount of the 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 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

Reasons for the Notes Issue

The Group is principally engaged in property development, property investment and property construction 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 the Group's business profile. In 2017, the Group was ranked as the 29th-largest property developer in the PRC by comprehensive strength.

The estimated net proceeds of the Notes Issue, after deducting the underwriting discounts and commissions payable in connection with the Notes Issue, will amount to approximately US\$440 million, and the Company intends to use the net proceeds of the Notes Issue for refinancing its existing indebtedness and for general corporate purposes. The Company may adjust its plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

Listing and rating

Approval in-principle has been received for the listing and quotation of the Notes on the official list of the SGX-ST. Admission to the official list of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Notes or the Subsidiary Guarantees. SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement.

The Notes have been rated “B1” by Moody’s Investors Service and are expected to be rated “BB-” by Fitch Ratings.

DEFINITIONS

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

“AMTD”	AMTD Asset Management Limited
“Board”	the board of Directors
“China CITIC Bank International”	China CITIC Bank International Limited
“Company”	Logan Property Holdings Company Limited, 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
“December 2014 Notes”	the 9.75% US\$ denominated senior notes due 2017 issued by the Company on 8 December 2014
“Directors”	the directors of the Company
“Existing Notes”	the June 2014 Notes, December 2014 Notes, January 2016 Notes and January 2017 Notes
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Haitong International”	Haitong International Securities Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and Citicorp International Limited as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“January 2016 Notes”	the 7.70% US\$ denominated senior notes due 2020 issued by the Company on 19 January 2016
“January 2017 Notes”	the 5.75% US\$ denominated senior notes due 2023 issued by the Company on 4 January 2017
“June 2014 Notes”	the 11.25% US\$ denominated senior notes due 2019 issued by the Company on 4 June 2014
“JV Subsidiary Guarantee”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantor”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the US\$450,000,000 5.25% senior notes due 2023 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 16 May 2017 entered into by and among Haitong International, Guotai Junan International, AMTD, VTB Capital, China CITIC Bank International, the Company and the Subsidiary Guarantors in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary Guarantee”	guarantees for the Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantor”	certain existing non-PRC subsidiaries of the Company that on the issue date of the Notes will provide guarantees for the Notes
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States
“United States”	the United States of America
“VTB Capital”	VTB Capital plc
“%”	per cent

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

Hong Kong, 16 May 2017

As at the date of this announcement, the executive Directors are Mr. Kei Hoi Pang, 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.