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LOGAN

龙光集团

Logan Group Company Limited

龍光集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3380)

**(Debt Stock Code: 40754, 40642, 40527,
40508, 40411, 40385, 40114, 5732)**

QUARTERLY UPDATE INSIDE INFORMATION

This announcement is made by Logan Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) under Rule 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

LATEST BUSINESS DEVELOPMENT

Since the implementation and promotion of a steady development of the property market, the Chinese property development sector has entered into a period of adjustment. Since the second half of 2021, successive waves of missed offshore debt payments by certain market participants have undermined the confidence of the stakeholders in the sector, which further tightened liquidity. Access to financing dwindled, the sentiment of homebuyers was depressed, and the cash flow in financing and operations gradually declined.

As in the case of other developers in mainland China, the Group experienced a significant year-on-year decline in its contracted sales in recent months. To ease liquidity pressure, the Group will:

- (1) implement measures to accelerate the pre-sales and sales of its projects under development and completed projects, and to speed up the collection of outstanding sales proceeds and other receivables;

- (2) dispose of its assets when needed at reasonable prices to facilitate the return of funds; and
- (3) take active measures to control administrative costs and maintain containment of capital expenditures.

HOLISTIC LIABILITY MANAGEMENT SOLUTIONS FOR OFFSHORE DEBTS

Against these challenges, the Group is committed to the fulfilment of its financial commitments. As a part of its efforts, the Company has come to the view that it has to attain a more stable capital structure, which is critical to the Group’s business and operations, through a holistic management of the Company’s offshore debts (“**Holistic Liability Management Solutions**”).

To this end, the Company has appointed Haitong International Securities Company Limited as its financial adviser to assess its capital structure, and to explore all feasible Holistic Liability Management Solutions. The Company has also appointed Sidley Austin as its legal adviser in support of this effort.

OFFSHORE USD DENOMINATED SENIOR NOTES

To facilitate the Holistic Liability Management Solution and treat all the creditors fairly, the Company will suspend the payment of interest due for the following offshore USD denominated senior notes.

	Notes	ISIN	Common Code	Debt Stock Code
(1)	the 4.7% senior notes due 2026	XS2342970402	234297040	40754 (listed on the Stock Exchange)
(2)	the 4.25% senior notes due 2025	XS2309743578	230974357	40642 (listed on the Stock Exchange)
(3)	the 4.5% senior notes due 2028	XS2281303896	228130389	40527 (listed on the Stock Exchange)
(4)	the 5.75% senior notes due 2025	XS2099677747	209967774	40114 (listed on the Stock Exchange)
(5)	the 6.5% senior notes due 2023	XS2027337786	202733778	Listed on the Singapore Exchange Securities Trading Limited

The non-payment of interest for the above-mentioned offshore USD denominated senior notes may lead to the Company's creditors demanding acceleration of repayment. As at the date of this announcement, the Company has not received any notice regarding acceleration of payment by holders of the offshore USD denominated senior notes issued by the Company.

NEXT STEPS

The Company and its financial adviser will strive to adhere to the principle of fairness in treating different types of creditors, safeguard the interests of all stakeholders in accordance with the applicable laws and actively communicate with all its offshore creditors on the Holistic Liability Management Solutions. The Company seeks the support and cooperation of all its offshore creditors to reach the Holistic Liability Management Solutions as soon as practicable. In light of the macroeconomic environment, the current status of the real estate industry and the complexity of the Company's offshore debts, the Company and its advisers are still in the process of conducting an in-depth evaluation and examination on the offshore debt management options, and will formulate the Holistic Liability Management Solution as soon as possible.

The Company and its advisers encourage its offshore creditors to actively engage with the Company's financial adviser and will continue to closely negotiate with the offshore creditors that they have already been in touch. Offshore creditors of the Company may contact its financial adviser:

Haitong International Securities Company Limited

Address: 28/F, One International Finance Centre, No. 1 Harbour View Street,
Central, Hong Kong

E-mail: project.logan@htisec.com

The Company looks forward to having a constructive dialogue with and seeks the support and cooperation from all its creditors to stabilise its operations, unleash the value of its assets, and to attain a more stable capital structure that is crucial to the business and operations of the Group.

Shareholders and other investors of the Company should consider the relevant risks and exercise caution when dealing in the securities of the Company and, if in doubt, seek professional advice from their professional or financial advisers.

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

Hong Kong, 7 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Kei Hoi Pang, Mr. Lai Zhuobin, Mr. Xiao Xu, Mr. Zhong Huihong and Ms. Huang Xiangling; and the independent non-executive directors of the Company are Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca and Mr. Cai Suisheng.