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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)

ISSUANCE OF US\$300 MILLION 4.25% SENIOR NOTES DUE 2025

Reference is made to the announcement of the Company dated 31 March 2021.

On 31 March 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Deutsche Bank, UBS, Credit Suisse, Guotai Junan International, Haitong International, China CITIC Bank International, Citigroup, Barclays, Standard Chartered Bank, CMBC Capital and BNP PARIBAS in connection with the Notes Issue.

MiFID II professionals/ECPs-only/No PRIIPs KID — Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA.

UK MiFIR professionals/ECPs-only/No UK PRIIPs KID — Manufacturer target market (MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the UK.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange.

Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated 31 March 2021. On 31 March 2021, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Deutsche Bank, UBS, Credit Suisse, Guotai Junan International, Haitong International, China CITIC Bank International, Citigroup, Barclays, Standard Chartered Bank, CMBC Capital and BNP PARIBAS in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 31 March 2021

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors;
- (c) Deutsche Bank;
- (d) UBS;
- (e) Credit Suisse;
- (f) Guotai Junan International;
- (g) Haitong International;
- (h) China CITIC Bank International;
- (i) Citigroup;
- (j) Barclays;
- (k) Standard Chartered Bank;
- (l) CMBC Capital; and
- (m) BNP PARIBAS.

Deutsche Bank, UBS, Credit Suisse, Guotai Junan International, Haitong International, China CITIC Bank International, Citigroup, Barclays, Standard Chartered Bank, CMBC Capital and BNP PARIBAS are the joint global coordinators, the joint bookrunners and 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 Deutsche Bank, UBS, Credit Suisse, Guotai Junan International, Haitong International, China CITIC Bank International, Citigroup, Barclays, Standard Chartered Bank, CMBC Capital and BNP PARIBAS is an independent third party and not a connected person of the Company and its connected persons.

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The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the Securities Act. The Notes and the Subsidiary Guarantees will only be offered and sold by the initial purchasers of the Notes outside the United States in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States 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 Subsidiary Guarantees, and the JV Subsidiary Guarantees, if any.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300 million. The Notes will mature on 12 July 2025, unless earlier redeemed in accordance with the terms thereof.

Interest

The Notes will bear interest from and including 12 April 2021 at the rate of 4.25% per annum, payable semi-annually in arrears on 12 January and 12 July of each year, commencing 12 January 2022, except that the first payment of interest, to be made on 12 January 2022, will be in respect of the period from and including 12 April 2021 to but excluding 12 January 2022.

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 *Pari Passu* Notes (as defined in the Indenture) and all other unsecured and unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured and 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 Non-Guarantor Subsidiaries (including, without limitation, the Existing Notes (as defined in the Indenture) (other than the Existing *Pari Passu* Notes) and other indebtedness guaranteed by designated Non-Guarantor Subsidiaries).

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) the Company or certain of its subsidiaries default in the performance of or breaches 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\$30.0 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\$30.0 million during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (g) an involuntary case or other proceeding is commenced against the Company or certain of the Company's subsidiaries with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain of its subsidiaries or for any substantial part of the property and assets of the Company or certain of its subsidiaries, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days, or an order for relief is entered against the Company or certain of its subsidiaries under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect; (h) the Company or certain of its subsidiaries commence voluntary bankruptcy, insolvency or other similar proceedings,

consent to such similar action or effects any general assignment for the benefit of creditors; and (i) any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) denies or disaffirms its obligations under its guarantee or, except as permitted by the Indenture, any guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in (g) or (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 (and to the trustee if such notice is given by the holders), may, and the trustee at the written request of such holders shall, subject to receiving indemnity and/or security to its satisfaction, 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 clause (g) or (h) above occurs with respect to the Company or certain of its subsidiaries, the principal of, 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, the Subsidiary Guarantees and the JV Subsidiary Guarantees (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

At any time and from time to time on or after 12 July 2023, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the 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 indicated below.

Twelve-month period beginning on	Redemption Price
12 July 2023	102%
12 July 2024	101%

At any time and from time to time prior to 12 July 2023, 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.

At any time and from time to time prior to 12 July 2023, 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 104.25% of the principal amount of the Notes redeemed, 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 to the holders and the trustee.

Reasons for the Notes Issue

The Group is principally engaged in property development, property investment, construction and decoration and primary land development 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.

The Company intends to use the net proceeds of the Notes Issue for refinancing its existing indebtedness. The Company may adjust its plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

Listing and rating

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes. The Notes are expected to be rated “BB” by Fitch Ratings, “Ba3” by Moody’s Ratings and “BBB-” by Lianhe Ratings Global Limited.

DEFINITIONS

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

“Barclays”	Barclays Bank PLC
“BNP PARIBAS”	BNP Paribas
“Board”	the board of Directors
“China CITIC Bank International”	China CITIC Bank International Limited
“Citigroup”	Citigroup Global Markets Limited
“CMBC Capital”	CMBC Securities Company Limited
“Company”	Logan Group 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
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch
“Directors”	the directors of the Company
“EEA”	European Economic Area
“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
“JV Subsidiary Guarantees”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantors”	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\$300 million 4.25% senior notes due 2025 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 People’s Republic of China and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 31 March 2021 entered into by and among Deutsche Bank, UBS, Credit Suisse, Guotai Junan International, Haitong International, China CITIC Bank International, Citigroup, Barclays, Standard Chartered Bank, CMBC Capital, BNP PARIBAS, the Company and the Subsidiary Guarantors in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Standard Chartered Bank”	Standard Chartered Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes

“Subsidiary Guarantors”	certain existing non-PRC subsidiaries of the Company that on the issue date of the Notes will provide guarantees for the Notes
“US\$”	United States dollar(s), the lawful currency of the United States
“UBS”	UBS AG Hong Kong Branch
“UK”	the United Kingdom
“United States”	the United States of America
“%”	per cent

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

Hong Kong, 1 April 2021

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