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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)

PROPOSED ISSUE OF US\$ SENIOR NOTES

The Company proposes to conduct an international offering of guaranteed senior notes.

Completion of the Proposed Notes Issue is subject to market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C., HSBC, J.P. Morgan and VTB Capital are the joint bookrunners and joint lead managers of the Proposed Notes Issue. Upon finalizing the terms of the Notes, it is expected that Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C., HSBC, J.P. Morgan, VTB Capital, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement. The Company intends to use the proceeds of the Notes for refinancing its existing indebtedness and for other general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

The Company will seek a listing of the Notes on the Stock Exchange. Application has been made to the Stock Exchange for the eligibility letter. The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States in offshore transactions in reliance on 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.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of guaranteed US\$ senior notes.

Completion of the Proposed Notes Issue is subject to market conditions and investors' interests. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C., HSBC, J.P. Morgan and VTB Capital are the joint bookrunners and joint lead managers of the Proposed Notes Issue. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalising the terms of the Notes, Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C., HSBC, J.P. Morgan, VTB Capital, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement. The Company will make a further announcement in respect of the Proposed Notes Issue upon the signing of the Purchase Agreement.

The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States in offshore transactions in reliance on 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.

Reasons for the Proposed Notes Issue

The Company is a property developer 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 its business profile. In March 2014, the Company was ranked as the 40th-largest property developer in the PRC by comprehensive strength¹. The Company has developed residential property projects in 13 cities, which are primarily in Guangdong and Guangxi Provinces, as well as in the Chengdu-Chongqing economic region and Hainan Province.

¹ *The ranking is based on a joint evaluation by Enterprise Institute of the Development Research Center of the State Council of China, Institute of Real Estate Studies of Tsinghua University and China Index Academy of the largest property developers in the PRC by comprehensive strength in 2014.*

The Company intends to use the proceeds for refinancing its existing indebtedness and for other general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of proceeds.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. Application has been made to the Stock Exchange for the eligibility letter.

General

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

Further announcement

Certain terms and conditions of the Notes, including the aggregate principal amount, the offer price and the interest rates, are still being determined and subject to change. Once the terms and conditions of the Notes have been finalised, a further announcement in respect of the Proposed Notes Issue will be made by the Company.

UPDATED INFORMATION ABOUT THE GROUP

As of 30 June 2014, the Company had completed a total of 63 projects with a total GFA of over 9.0 million sq.m. It has a land bank comprising land it acquired at competitive prices, and it strives to build its land bank by establishing and expanding its presence in economic regions which it believes hold high growth potential. As of 30 June 2014, it had 79 projects at various stages of development in 13 cities and a land bank with an aggregate GFA of 12.8 million sq.m., primarily comprising residential property projects with ancillary retail shops, as well as an office property project where its headquarters is located. It believes its current land bank will be sufficient to meet its development needs for the next five to six years, based on its current projections and its historical sales and land development records.

It has established a replicable property development process, which is supported by its in-house departments and subsidiaries specializing in design and planning, construction, decoration, procurement, sales, customer services and each other major step in the property development process. It leverages its ability to build projects through Logan Construction Co., Ltd., its own construction subsidiary, and its centralized and strategic procurement, quick development operation model and cost control over the whole property development process to optimize its costs, shorten development cycles, improve cash flow and maintain profitability. Through the Company's strategic planning and disciplined property development process, it aims to achieve high asset turnover for its projects. It generally targets commencing pre-sales of properties within six to 10 months of acquiring a parcel of land for a substantial majority

of its projects. In 2012, 2013 and the first half of 2014, the Group's asset turnover rate was approximately 34.1%, 44.6% and 30.7%, respectively, as calculated by (i) its turnover for the period divided by (ii) the average of the beginning and ending balances of total assets for such period.

It has experienced steady growth in recent years. In 2011, 2012 and 2013 and the first half of 2014, its turnover was RMB3,447.5 million, RMB6,587.7 million, RMB11,119.4 million (US\$1,792.4 million) and RMB4,779.8 million (US\$770.5 million), respectively, and its net profit was RMB1,263.2 million, RMB1,817.0 million, RMB2,056.3 million (US\$331.5 million) and RMB1,317.2 million (US\$212.3 million), respectively, for the same periods. During the same periods, the Group's net profit margin (excluding changes in fair value of investment properties and the relevant deferred taxes)² was 17.7%, 17.9%, 18.4% and 14.2%, respectively.

It has developed a diversified product portfolio which includes high-rise residential apartment buildings and low-rise garden apartments, among others, catering to the residential property markets. It has developed two distinctive product styles, namely neoclassical and art deco, each of which comprises standardized designs for facades, interior designs and landscaping, as well as standardized parts and materials. It leverages its quick development operation model and its standardized control over each step of its property development process to ensure product and service quality, maintain and improve its future development and profitability.

DEFINITIONS

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

“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
“Credit Suisse”	Credit Suisse Securities (Europe) Limited, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“GFA”	gross floor area

² *The calculation of net profit margin (excluding changes in fair value of investment properties and the relevant deferred taxes) is based on profit for the year (excluding changes in fair value of investment properties and the relevant deferred taxes) divided by turnover for such year and multiplied by 100%.*

“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C., one of the joint book runners and joint lead managers in respect of the offer and sale of the Notes
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the guaranteed US\$ senior notes to be issued by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into by and among the Company, Credit Suisse, Deutsche Bank, Goldman Sachs (Asia) L.L.C. and HSBC and the Subsidiary Guarantors in relation to the Proposed Notes Issue
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	The guarantees to be provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company which guarantee the Notes

“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“VTB Capital”	VTB Capital plc, one of the joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“%”	per cent.

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

Hong Kong, 1 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.