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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)

CONNECTED TRANSACTION

FRAMEWORK AGREEMENT IN RELATION TO THE ENTRUSTED LOAN ARRANGEMENT

FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 26 October 2015, Shenzhen Logan Junjing, Shenzhen Logan, Shenzhen Youkaisi, the Company and Pingan Dahua entered into the Framework Agreement, pursuant to which Pingan Dahua, as lender, principally agreed to grant the Entrusted Loan in the principal amount of up to RMB1,900 million (equivalent to approximately HK\$2,317 million) to Shenzhen Logan Junjing, as borrower, through the Lending Bank as the lending agent.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shenzhen Logan Junjing, a non wholly-owned subsidiary of the Company, is owned as to 51% and 49% by Shenzhen Logan and Pingan Dahua, respectively, and accordingly Pingan Dahua is a substantial shareholder of Shenzhen Logan Junjing as at the date of the Framework Agreement. 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 Entrusted Loan Arrangement contemplated under the Framework Agreement constitutes a connected transaction of the Company. As the Directors (including all the independent non-executive Directors) have confirmed that the principal terms of the Entrusted Loan Arrangement are on normal commercial terms and those 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

The Board is pleased to announce that, on 26 October 2015, Shenzhen Logan Junjing, Shenzhen Logan, Shenzhen Youkaisi, the Company and Pingan Dahua entered into the Framework Agreement, pursuant to which Pingan Dahua, as lender, principally agreed to grant the Entrusted Loan in the principal amount of up to RMB1,900 million (equivalent to approximately HK\$2,317 million) to Shenzhen Logan Junjing, as borrower, through the Lending Bank as the lending agent.

FRAMEWORK AGREEMENT

Date

26 October 2015

Parties

- (1) Shenzhen Logan Junjing;
- (2) Shenzhen Logan;
- (3) Shenzhen Youkaisi;
- (4) the Company; and
- (5) Pingan Dahua.

As at the date of this announcement, Shenzhen Logan Junjing, a non wholly-owned subsidiary of the Company, is owned as to 51% and 49% by Shenzhen Logan and Pingan Dahua, respectively, and accordingly Pingan Dahua is a substantial shareholder of Shenzhen Logan Junjing as at the date of the Framework Agreement.

As at the date of this announcement, each of Shenzhen Logan and Shenzhen Youkaisi is a wholly-owned subsidiary of the Company.

Entrusted Loan Arrangement

Pursuant to the Framework Agreement, the parties agreed that Shenzhen Logan Junjing and Pingan Dahua shall enter into the Entrusted Loan Agreement with the Lending Bank, pursuant to which Pingan Dahua, as lender, principally agreed to grant the Entrusted Loan in the principal amount of up to RMB1,900 million (equivalent to approximately HK\$2,317 million) to Shenzhen Logan Junjing, as borrower, through the Lending Bank as the lending agent. Subject to the entering of the Entrusted Loan Agreement, the term of the Entrusted Loan Arrangement shall be in compliance with the principles, terms and conditions in relation to the provision of the Entrusted Loan as contemplated under the Framework Agreement.

The principal terms of the Entrusted Loan Arrangement as contemplated under the Framework Agreement are as follows:

- Amount of the Entrusted Loan** : Up to RMB1, 900 million
- Term of the Entrusted Loan** : A period of 26 months commencing from the date of the drawdown of the Entrusted Loan
- Interest rate** : The interest rate for the Entrusted Loan will be at a rate to be determined upon arm's length negotiation among the parties when the Entrusted Loan Agreement is entered into and will be negotiated with reference to the interest rate then published by the People's Bank of China
- Purpose of the Entrusted Loan** : To finance the development of the Land
- Security to be provided for the Entrusted Loan** : Security will be provided in relation to the provision of the Entrusted Loan, details of which will be determined upon arm's length negotiation among the parties when the Entrusted Loan Agreement is entered into and subject to terms and conditions of the relevant security documents
- Effective date** : The Entrusted Loan Arrangement shall become effective upon the entering of the Entrusted Loan Agreement when it is duly signed by the legal representatives or authorised agents of the relevant parties and upon the approval of the internal authority of each of the parties

It is expected that the Entrusted Loan Agreement will be entered into by the parties in 2016 with the first drawdown to occur in the same year.

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

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

Subject to the entering of the Entrusted Loan Agreement and the relevant security documents, the principal terms of the Entrusted Loan Arrangement, including the interest rate and the security involved thereunder, were principally agreed by Shenzhen Logan Junjing and Pingan Dahua after arm's length negotiations and having taken into account the prevailing market conditions. Further, in view of the cooperation history between the Group and Pingan Dahua, Pingan Dahua has a better understanding of the operations of the Company which will allow more expedient and efficient services than those rendered by other PRC commercial banks, and thus beneficial for the smooth progress for the development of the Land.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the Entrusted Loan Arrangement 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 at the date of this announcement, Shenzhen Logan Junjing, a non wholly-owned subsidiary of the Company, is owned as to 51% and 49% by Shenzhen Logan and Pingan Dahua, respectively, and accordingly Pingan Dahua is a substantial shareholder of Shenzhen Logan Junjing as at the date of the Framework Agreement. 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 Entrusted Loan Arrangement contemplated under the Framework Agreement constitutes a connected transaction of the Company. As the Directors (including all the independent non-executive Directors) have confirmed that the principal terms of the Entrusted Loan Arrangement are on normal commercial terms and those 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 Arrangement and therefore, none of the Directors has abstained from voting on the resolutions of the Board for approval of the Entrusted Loan Arrangement contemplated under the Framework Agreement.

GENERAL

The Group is principally engaged in property development, property investment and property construction in the PRC.

Shenzhen Logan Junjing, a non wholly-owned subsidiary of the Company, and is a company established in the PRC and principally engaged in the property development business in the PRC.

Shenzhen Logan is a company established in the PRC and principally engaged in investment consultancy and corporation management consultancy services in the PRC. As at the date of this announcement, Shenzhen Logan is an indirect wholly-owned subsidiary of the Company.

Shenzhen Youkaisu is a company established in the PRC and principally engaged in investment holding and provision of consultancy services in the PRC. As at the date of this announcement, Shenzhen Youkaisu 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.

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
“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
“Director(s)”	the director(s) of the Company from time to time
“Entrusted Loan”	an entrusted loan with the principal amount of up to RMB1,900 million (equivalent to approximately HK\$2,317 million) agreed to be granted by Pingan Dahua as lender to Shenzhen Logan Junjing as borrower through the Lending Bank as lending agent, subject to the entering of the Entrusted Loan Agreement
“Entrusted Loan Agreement”	the entrusted loan agreement to be entered into between Shenzhen Logan Junjing, Pingan Dahua and the Lending Bank in relation to the Entrusted Loan
“Entrusted Loan Arrangement”	the arrangement in relation to the provision of the Entrusted Loan by Pingan Dahua to Shenzhen Logan Junjing as contemplated under the Framework Agreement
“Framework Agreement”	the framework agreement dated 26 October 2015 entered into between Shenzhen Logan Junjing, Shenzhen Logan, Shenzhen Youkaisi, the Company and Pingan Dahua in relation to, among other things, the provision of 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 87,045 square metres and an estimated GFA of 808,193 square metres. The book value of the Land is RMB11.25 billion. The usage of the Land has been approved for commercial purpose
“Lending Bank”	a bank to be agreed by the parties and to be designated as lending agent under the Entrusted Loan Agreement, whom shall be 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
“Shenzhen Logan”	深圳市龍光投資顧問有限公司 (Shenzhen Logan Investment Co., Ltd. *), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Shenzhen Logan Junjing”	深圳市龍光駿景房地產開發有限公司 (Shenzhen Logan Junjing Real Estate Company Limited*), a company established in the PRC
“Shenzhen Youkai”	深圳市優凱思投資顧問有限公司 (Shenzhen Youkai Investment Co., Ltd. *), 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 = RMB0.82. 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 Hoi Pang
Chairman

Hong Kong, 26 October 2015

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 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