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The Company does not intend to make any public offering of securities in the United States. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.



LONGFOR GROUP HOLDINGS LIMITED

龍湖集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 960)

ISSUANCE OF US\$250,000,000 3.375% SENIOR NOTES DUE 2027 ISSUANCE OF US\$400,000,000 3.85% SENIOR NOTES DUE 2032

Reference is made to the announcement of the Company dated January 6, 2020 in respect of the Notes Issue.

On January 6, 2020, the Company entered into the Purchase Agreement with Citigroup, Goldman Sachs (Asia) L.L.C., Haitong International, HSBC, Morgan Stanley, China International Capital Corporation and Credit Suisse in connection with the issue of US\$250,000,000 3.375% senior notes due 2027 and US\$400,000,000 3.85% senior notes due 2032.

The estimated gross proceeds of the Notes Issue will amount to approximately US\$649.3 million. The Company expects that the proceeds from the Notes Issue will be used for refinancing and corporate purposes, in accordance with the terms of registration that the Company obtained from the PRC National Development and Reform Commission on January 17, 2019.

Approval in-principle has been obtained for listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries or the Notes.

Reference is made to the announcement of the Company dated January 6, 2020 in respect of the Notes Issue. The Board is pleased to announce that on January 6, 2020, the Company entered into the Purchase Agreement with Citigroup, Goldman Sachs (Asia) L.L.C., Haitong International, HSBC, Morgan Stanley, China International Capital Corporation and Credit Suisse in connection with the issue of US\$250,000,000 3.375% senior notes due 2027 and US\$400,000,000 3.85% senior notes due 2032.

THE PURCHASE AGREEMENT

Date: January 6, 2020

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) Citigroup;
- (c) Goldman Sachs (Asia) L.L.C.;
- (d) Haitong International;
- (e) HSBC;
- (f) Morgan Stanley;
- (g) China International Capital Corporation; and
- (h) Credit Suisse.

Citigroup, Goldman Sachs (Asia) L.L.C., Haitong International, HSBC and Morgan Stanley are the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue. China International Capital Corporation and Credit Suisse are the joint bookrunners and joint lead managers in respect of the Notes Issue. They are also the initial purchasers of the Notes.

The Notes Issue will only be offered or sold in offshore transactions to non-U.S. persons in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States or to, or for the account or 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 and none of the Notes will be placed to any Connected Persons of the Company.

Principal terms of the Notes

The 2027 Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the 2027 Notes in the aggregate principal amount of US\$250,000,000 which will mature on April 13, 2027, unless earlier redeemed pursuant to the terms thereof.

Offer Price

The offering price of the 2027 Notes will be 99.940% of the principal amount of the 2027 Notes.

Interest

The 2027 Notes will bear interest from and including January 13, 2020 at the rate of 3.375% per annum, payable semi-annually in arrears, except that the first interest payment date will fall on April 13, 2020.

The 2032 Notes

Notes Offered

Subject to certain conditions to completion, the Company will issue the 2032 Notes in the aggregate principal amount of US\$400,000,000 which will mature on January 13, 2032, unless earlier redeemed pursuant to the terms thereof.

Offer Price

The offering price of the 2032 Notes will be 99.857% of the principal amount of the 2032 Notes.

Interest

The 2032 Notes will bear interest from and including January 13, 2020 at the rate of 3.85% per annum, payable semi-annually in arrears.

Other terms of the Notes

Ranking of the Notes

The Notes:

- are direct, unconditional and unsubordinated obligations of the Company;
- rank *pari passu* with all other unsecured, unsubordinated obligations of the Company (other than obligations preferred by applicable law); and
- are senior in right of payment to all other indebtedness of the Company that is designated as subordinate or junior in right of payment to the Notes.

Events of Default

The events of default under the Notes include, among other things:

- (1) default in any payment of interest on any Note when due and payable, and such default continues for 30 consecutive days;
- (2) default in the payment of principal of, or premium, if any, on any Note when due and payable at its stated maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Company to comply, for 30 consecutive days after written notice by the holders of 25% or more of the aggregate principal amount of the outstanding Notes, with any of its covenants and obligations under the Indenture and the Notes (other than a default specified in paragraph (1) or (2) above);
- (4) default under any indebtedness of the Company or any of its subsidiaries (or the payment of which is guaranteed by the Company or any of its subsidiaries), whether such indebtedness or guarantee now exists, or is created after the date of the Indenture, which default: (a) is caused by a failure to pay principal of such indebtedness prior to the expiration of the grace period provided in such indebtedness (“**payment default**”); (b) or results in the acceleration of such indebtedness prior to its maturity; and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been so accelerated, in the aggregate exceeds the greater of (x) US\$20.0 million (or the dollar equivalent thereof) and (y) 1.0% of the Company’s tangible net worth;
- (5) an involuntary case or other proceeding is commenced against the Company or any significant subsidiary 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 any significant subsidiary or for any substantial part of the property and assets of the Company or any significant subsidiary 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 any significant subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (6) the Company or any significant subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any significant subsidiary or for all or substantially all of the property and assets of the Company or any significant subsidiary or (b) effects any general assignment for the benefit of creditors; except (in each instance in sub-paragraphs (a) and (b)) in the case of a significant subsidiary, if all the undertaking and assets of such significant subsidiary are as a result transferred to or otherwise vested in the Company or another significant subsidiary; or

- (7) failure by the Company or any subsidiary to pay one or more final judgments from a court of competent jurisdiction aggregating in excess of the greater of (x) US\$20.0 million (or the dollar equivalent thereof) and (y) 1.0% of the Company's tangible net worth (net of any amounts that are covered by insurance policies issued by solvent carriers), which judgments are not paid, discharged or stayed for a period of 60 consecutive days.

Covenants

The Notes and the Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- create liens; and
- enter into mergers or consolidations.

Redemption

The 2027 Notes

The 2027 Notes may be redeemed in the following circumstances:

At any time, the Company may at its option redeem the 2027 Notes, in whole or in part, at a redemption price equal to the greater of (x) 100% of the principal amount of the 2027 Notes to be redeemed plus accrued and unpaid interest on the 2027 Notes to be redeemed, if any, to the date of redemption and (y) the make whole price.

At any time on or after the date when 2027 Notes of no more than 10% of the aggregate principal amount (x) originally issued on the Issue Date and (y) issued on the issue date of any additional notes permitted by the 2027 Notes remain outstanding, the Company may at its option redeem the remaining outstanding 2027 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of such 2027 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.

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

The 2032 Notes

The 2032 Notes may be redeemed in the following circumstances:

At any time, the Company may at its option redeem the 2032 Notes, in whole or in part, at a redemption price equal to the greater of (x) 100% of the principal amount of the 2032 Notes to be redeemed plus accrued and unpaid interest on the 2032 Notes to be redeemed, if any, to the date of redemption and (y) the make whole price.

At any time on or after the date when 2032 Notes of no more than 10% of the aggregate principal amount (x) originally issued on the Issue Date and (y) issued on the issue date of any additional notes permitted by the 2032 Notes remain outstanding, the Company may at its option redeem the remaining outstanding 2032 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of such 2032 Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date.

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

Use of Proceeds

The estimated gross proceeds of the Notes Issue will amount to approximately US\$649.3 million. The Company expects that the proceeds from the Notes Issue will be used for refinancing and corporate purposes, in accordance with the terms of registration that the Company obtained from the PRC National Development and Reform Commission on January 17, 2019.

Listing and Rating

Approval in-principle has been obtained for the listing of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been sought in Hong Kong.

The Notes are expected to be rated “BBB-” by Standard & Poor’s Ratings Services, “Baa3” by Moody’s Investors Service and “BBB” by Fitch Ratings Ltd.

DEFINITIONS

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

“2027 Notes”	the 3.375% senior notes due 2027 in the principal amount of US\$250,000,000 to be issued by the Company
“2032 Notes”	the 3.85% senior notes due 2032 in the principal amount of US\$400,000,000 to be issued by the Company
“Board”	the board of directors of the Company
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited, one of the joint bookrunners and joint lead managers in respect of the Notes Issue
“China” or “PRC”	the People’s Republic of China excluding except where the context otherwise requires, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of China and Taiwan
“Citigroup”	Citigroup Global Markets Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue
“Company”	Longfor Group Holdings Limited (龍湖集團控股有限公司), 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 (Hong Kong) Limited, one of the joint bookrunners and joint lead managers in respect of the Notes Issue
“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue
“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue
“Indenture”	the written agreement between the Company and the trustee that specify the terms of the Notes including the interest rate and the maturity date
“Issue Date”	January 13, 2020
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the Notes Issue
“Notes”	the 2027 Notes and the 2032 Notes
“Notes Issue”	the issue of the Notes by the Company
“Purchase Agreement”	the agreement dated January 6, 2020 entered into among the Company, Citigroup, Goldman Sachs (Asia) L.L.C., Haitong International, HSBC, Morgan Stanley, China International Capital Corporation and Credit Suisse 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
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

By order of the Board
Longfor Group Holdings Limited
Wu Yajun
Chairperson

Hong Kong, January 7, 2020

As at the date of this announcement, the Board comprises eight members: Madam Wu Yajun, Mr. Shao Mingxiao, Mr. Zhao Yi and Mr. Li Chaojiang who are executive Directors; and Mr. Frederick Peter Churchouse, Mr. Chan Chi On, Derek, Mr. Xiang Bing and Mr. Zeng Ming who are independent non-executive Directors.