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L A I F U N G H O L D I N G S

Lai Fung Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

### **ISSUE OF CNY1,800,000,000 6.875% SENIOR NOTES DUE 2018**

The Company has, on 18 April 2013, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Notes.

The Notes will be denominated in Renminbi, will have a maturity of five years due in 2018 and will bear a fixed interest rate of 6.875% per annum during its term with interest payable semi-annually in arrear. The issue price of the Notes will be 100% of the principal amount of the Notes.

The net proceeds from the Offering are estimated to be approximately CNY1,768,000,000 after deducting underwriting fees and expenses. The net proceeds will be used by the Company and/or its subsidiaries for the refinancing of existing debt and for general corporate purposes.

**Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the paragraph headed “Subscription Agreement” below for further information. As the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.**

The Board is pleased to announce that the Company has, on 18 April 2013, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Notes. Subject to completion of the Subscription Agreement on the Closing Date, the Company will issue the Notes in the aggregate principal amount of CNY1,800,000,000. The Notes will be denominated in Renminbi, will have a maturity of five years due in 2018 and will bear a fixed interest rate of 6.875% per annum during its term with interest payable semi-annually in arrear. The issue price of the Notes will be 100% of the principal amount of the Notes.

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Notes by way of debt issues to professional investors only, and such permission is expected to become effective on or about 26 April 2013.

## **SUBSCRIPTION AGREEMENT**

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, the Joint Lead Managers have severally (and not jointly) agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Notes in an aggregate principal amount of CNY1,800,000,000.

The Notes have not been and will not be registered 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.

### **Conditions to completion of the Subscription Agreement**

The obligations of the Joint Lead Managers to subscribe and pay for the Notes (or to procure subscribers to subscribe and pay for the Notes) are conditional upon, among other things:

- (a) the Company procuring certain legal opinions, auditors' comfort letters and other relevant documents to be delivered to the Joint Lead Managers;
- (b) the execution and delivery (on or before the Closing Date) of the Issue Documents by the respective parties; and
- (c) the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Notes.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive satisfaction of any of the conditions precedent as stated in the Subscription Agreement.

### **Termination of the Subscription Agreement**

The Joint Lead Managers may, by notice to the Company given at any time prior to the Closing Date, terminate the Subscription Agreement upon the occurrence of, among other things, certain circumstances summarised as follows:

- (a) any of the representations and warranties by the Company contained in the Subscription Agreement is breached or rendered untrue or incorrect in any respect;

- (b) the Company fails to perform any of their respective obligations in the Subscription Agreement;
- (c) any of the conditions precedent contained in the Subscription Agreement is not satisfied or waived by the Joint Lead Managers on the Closing Date; or
- (d) the occurrence of any event or series of events (including, but not limited to, the occurrence of any outbreak or escalation of hostilities, or any change in financial markets, currency exchange rates or controls or any calamity or crisis) which would, in the view of the Joint Lead Managers, make it impracticable or inadvisable to proceed with the Offering or distribution of the Notes as described in the Offering Circular.

The Subscription Agreement may also be terminated if any of the Joint Lead Managers fails to subscribe and make payment for a specified portion of the Notes agreed to be subscribed and paid for by such Joint Lead Manager (the “**Unsubscribed Notes**”), and if the other Joint Lead Managers do not subscribe and pay for all of the Unsubscribed Notes.

### **Use of proceeds**

The net proceeds from the Offering are estimated to be approximately CNY1,768,000,000 after deducting underwriting fees and expenses. The net proceeds will be used by the Company and/or its subsidiaries for the refinancing of existing debt and for general corporate purposes.

### **DEFINITIONS**

In this announcement, the following expressions shall have the following respective meanings unless the context requires otherwise:

“Board”	the board of directors of the Company
“Closing Date”	25 April 2013, or such later date, as the Company and the Joint Lead Managers may agree in writing
“CNY”	Chinese yuan, Renminbi, the lawful currency of the PRC
“Company”	Lai Fung Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“DBS”	DBS Bank Ltd.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited

“Indenture”	the indenture to be entered into among the Company, the subsidiary guarantors named therein and DB Trustees (Hong Kong) Limited as trustee relating to the Notes on or around 25 April 2013
“Intercreditor Agreement”	the intercreditor agreement dated 28 March 2013 and entered into among the Company, the subsidiary guarantor pledgors named therein, DB Trustees (Hong Kong) Limited, as collateral agent, Deutsche Bank AG, Hong Kong Branch, as club facility agent under the HK\$2.5 billion offshore facility agreement dated 28 March 2013 among the Company, certain subsidiaries of the Company, Deutsche Bank AG, Hong Kong Branch and the financial institutions named therein
“Issue Documents”	the Subscription Agreement, the Indenture, the Intercreditor Agreement, a letter of support from each of Lai Sun Development Company Limited and eSun Holdings Limited, and related security documents
“Joint Lead Managers”	DBS, HSBC and J.P. Morgan
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited
“Notes”	the 6.875% senior notes due 2018 in the principal amount of CNY1,800,000,000 to be issued by the Company
“Offering”	the offering of the Notes
“Offering Circular”	the preliminary offering circular dated 15 April 2013 and the final offering circular dated 18 April 2013 issued by the Company in connection with the Offering
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 18 April 2013 and entered into among the Company, the subsidiary guarantors named therein, DBS, HSBC and J.P. Morgan in relation to the subscription of the Notes and the Offering

“United States”

United States of America

“%”

per cent. or percentage

By Order of the Board  
**Lai Fung Holdings Limited**  
**Chew Fook Aun**  
Chairman

Hong Kong, 18 April 2013

*As at the date of this announcement, the Board comprises seven Executive Directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu, Mr. Lau Shu Yan, Julius and Mr. Cheng Shin How; two Non-executive Directors, namely Mr. Leow Juan Thong, Jason and Mr. Lucas Ignatius Loh Jen Yuh (also alternate to Mr. Leow Juan Thong, Jason); and five Independent Non-executive Directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.*