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POWERLONG REAL ESTATE HOLDINGS LIMITED

寶龍地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1238)

(Stock Code: 4598 (the Notes))

REDEMPTION OF US\$250,000,000 11.25% SENIOR NOTES DUE 2018

Reference is made to the announcement of Powerlong Real Estate Holdings Limited (the “**Company**”) dated 21 January 2013 (the “**2013 Announcement**”) in relation to the issuance of the 11.25% senior notes due 2018 (the “**Notes**”) and the announcement of the Company dated 19 November 2015 (the “**2015 Announcement**”, together with the 2013 Announcement, the “**Announcements**”) in relation to the issuance of the 7.625% senior notes due 2018 (the “**New Notes**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

Pursuant to the terms of the indenture dated 25 January 2013 (as amended or supplemented from time to time, the “**Indenture**”), among the Company, the entities listed in Schedule I thereto as Subsidiary Guarantors and JV Subsidiary Guarantors and Citicorp International Limited, as trustee (the “**Trustee**”) entered into in connection with the issuance of the Notes, the Company announces today that it has, on 24 December 2015, informed the Trustee and the holders of the Notes that all the outstanding Notes will be redeemed in full on 25 January 2016 (the “**Redemption Date**”) at a redemption price equal to 105.6250% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the Redemption Date (the “**Redemption**”).

As of the date of this announcement, the outstanding principal amount of the Notes is US\$250,000,000. The Company will use proceeds from the offering of the New Notes and its internal resources to satisfy the payment of the Redemption. The Redemption is expected to reduce the Company's financing costs and interest expenses, as such, the Company considers that the Redemption is in the interests of the Company and its shareholders as a whole.

Upon Redemption on the Redemption Date, the redeemed Notes will be cancelled.

By Order of the Board
Powerlong Real Estate Holdings Limited
Hoi Kin Hong
Chairman

Hong Kong, 24 December 2015

As at the date of this announcement, the executive Directors are Mr. Hoi Kin Hong, Mr. Hoi Wa Fong, Mr. Xiao Qing Ping, Ms. Shih Sze Ni and Mr. Zhang Hong Feng; the non-executive Director is Ms. Hoi Wa Fan; and the independent non-executive Directors are Dr. Ngai Wai Fung, Dr. Mei Jian Ping and Dr. Ding Zu Yu.