

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Logan Property Holdings Company Limited (the "Company"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN KING KERRY INVESTMENTS COMPANY LIMITED AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders**



PLATINUM
Securities

A letter from the Board is set out on pages 4 to 13 of this circular. A letter of advice containing the recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from Platinum Securities Company Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders is set out on pages 16 to 36 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at Regus Business Centre, 35/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Thursday, 31st, July 2014 at 3:00 p.m. is set out on pages 57 to 58 of this circular. A form of proxy for use at the meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.loganestate.com>).

Whether or not you are able to attend the meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish.

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Share by the Purchaser from the Vendor pursuant to the terms of the Agreement;
“Agreement”	the sale and purchase agreement dated 19 May 2014 between the Purchaser, the Vendor and the Vendor’s Guarantor in relation to the purchase of the Sale Share from the Vendor;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	Logan Property Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	completion of the transactions contemplated under the Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration for the acquisition of the Sale Share in the amount of RMB384 million;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held on Thursday, 31st, July 2014 at 3:00 p.m. for the purpose of considering and, if thought fit, approving the Acquisition as contemplated under the Agreement;
“Group”	the Company and its subsidiaries;
“Guangxi King Kerry”	Guangxi King Kerry Realty Co., Ltd. (廣西金凱利置業有限公司), a company established under the laws of the PRC, which is owned as to 95% by Hong Kong King Kerry and 5% by Mr. Xie Tuo (謝拓), an independent third party;

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong King Kerry”	King Kerry (Hong Kong) Investments Company Limited (金凱利(香港)投資有限公司), a company incorporated in Hong Kong and wholly owned by King Kerry;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent Non-executive Directors, appointed by the Board to advise the Independent Shareholders in relation to the Acquisition;
“Independent Shareholders”	Shareholders other than Mr. Yao, Mr. Ji, Ms. Kei and Mr. Ji Jiande and their respective associates;
“King Kerry”	King Kerry Investments Company Limited (金凱利投資有限公司), a company incorporated in the BVI and wholly owned by the Vendor as at the Latest Practicable Date;
“Latest Practicable Date”	24 June 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Ji”	Mr. Ji Haipeng, an executive Director and a controlling shareholder of the Company;
“Mr. Yao” or “Vendor’s Guarantor”	Mr. Yao Yaojia (姚耀加), a brother-in-law of Mr. Ji, an uncle of Ms. Kei and a brother-in-law of Mr. Ji Jiande, and a connected person of the Company;
“Ms. Kei”	Ms. Kei Perenna Hoi Ting, a non-executive Director and daughter of Mr. Ji;
“Platinum” or “Independent Financial Adviser”	Platinum Securities Company Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition;

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“PRC”	the People’s Republic of China, which, for the purpose of this circular, shall exclude Hong Kong, Macau and Taiwan;
“Property Project”	a property project located at the middle of Beibu Gulf Avenue, Gangkou District (港口區北部灣大道中段), Fangchenggang (防城港), Guangxi Province of the PRC, with a total construction area of approximately 2,404,000 square meters;
“Prospectus”	the prospectus of the Company dated 10 December 2013;
“Purchaser”	Jolly Gain Investments Limited (樂盈投資有限公司), a company incorporated in the BVI and a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Share”	one share of US\$1.00 each in King Kerry, representing the entire issued share capital of King Kerry immediately before Completion;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Group”	King Kerry and its subsidiaries;
“US\$”	United States dollar, the lawful currency of the United States of America;
“Vendor”	Honk Jee Loong Holdings Company Limited (鴻駿隆控股有限公司), a company incorporated in the Cayman Islands and wholly owned by Mr. Yao as at the Latest Practicable Date; and
“%”	per cent.

Unless otherwise specified in this circular, translations of RMB into HK\$ are made in this circular, for illustration only, at the rate of RMB1.00 to HK\$1.25. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate or at all.



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)

Executive Directors:

Mr. Ji Haipeng
Mr. Ji Jiande
Mr. Xiao Xu
Mr. Lai Zhuobin

Non-executive Director:

Ms. Kei Perenna Hoi Ting

Independent Non-executive Directors:

Mr. Zhang Huaqiao
Ms. Liu Ka Ying, Rebecca
Mr. Cai Suisheng

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

*Headquarters and principal place of
business in the PRC:*

Room 2002, Tower B, Logan Century Center
Xinghua Road South
Bao'An District
Shenzhen, China

Principal place of business in Hong Kong:

Suites 4106-08
Two International Finance Centre
8 Finance Street
Central, Hong Kong

27 June 2014

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

**ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
KING KERRY INVESTMENTS COMPANY LIMITED**

INTRODUCTION

Reference is made to the announcement of the Company dated 19 May 2014.

On 19 May 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor and the Vendor's Guarantor pursuant to which the Purchaser has agreed to acquire the Sale Share, representing the entire issued share capital of King Kerry, from the Vendor at a consideration of RMB384 million (equivalent to approximately HK\$480 million). Upon completion of the Acquisition, King Kerry will

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become a wholly owned subsidiary of the Company and its accounts will be consolidated with the accounts of the Company.

The purposes of this circular is to give you, among other things, (a) further details on the Acquisition; (b) a letter of advice containing the recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Acquisition; (c) a valuation report in respect of the Property Project; and (d) a notice convening the EGM.

THE ACQUISITION

The Agreement

Date: 19 May 2014

Parties to the Agreement:

- (1) Purchaser: Jolly Gain Investments Limited (樂盈投資有限公司), a direct wholly-owned subsidiary of the Company
- (2) Vendor: Honk Jee Loong Holdings Company Limited (鴻駿隆控股有限公司), a company wholly-owned by Mr. Yao, a brother-in-law of each of Mr. Ji and Mr. Ji Jiande, and an uncle of Ms. Kei, and thus a connected person of the Company
- (3) Vendor's Guarantor: Mr. Yao

Subject Matter

Pursuant to the Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Share, which represents the entire issued share capital of King Kerry, at the Consideration.

The combined net asset value of King Kerry and its subsidiaries as at 31 December 2013 (unaudited) was approximately RMB130 million. The financial results of King Kerry for the two years immediately preceding the date of the Acquisition are as follows:

	For the year ended	
	31 December	
	2012	2013
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Net profit before tax	91,321	129,837
Net profit after tax	60,259	78,561

LETTER FROM THE BOARD

After completion of the Acquisition, King Kerry and its subsidiaries become subsidiaries of the Company and its accounts will be consolidated with the accounts of the Company.

Consideration

The Consideration is the sum of RMB384 million (equivalent to approximately HK\$480 million).

The Consideration was determined after arm's-length negotiations between the parties with reference to the Vendor's attributable interest in the Target Group in the amount of approximately RMB399 million, which was derived from the sum of (i) the combined net asset value of the Target Group as at 31 December 2013 in the amount of approximately RMB130 million; and (ii) the amount of RMB269 million representing 95% (i.e. interest attributable to King Kerry) of the difference between the assessed value of the properties underlying the Property Project as at 31 March 2014 (i.e. RMB1,620 million) and the net book value of the properties underlying the Property Project as at 31 March 2014 (i.e. RMB1,337 million). The Consideration represents a discount of approximately 3.76% to RMB399 million. The valuation of RMB1,620 million represents the market value of the properties underlying the Property Project as at 31 March 2014, which does not reflect the other assets and total liabilities of King Kerry as at 31 March 2014. The Company has reviewed the net asset value of the Target Group as at 31 March 2014 and noted no significant variance to the net asset value of the Target Group as at 31 December 2013. Having taken into account that the Consideration was determined after arm's-length negotiations between the parties, the Directors (including the independent non-executive Directors but excluding Mr. Ji, Mr. Ji Jiande and Ms. Kei who have abstained from voting at the meeting of the Board approving the Acquisition) are therefore of the view that the Acquisition is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Vendor paid US\$13,500,000 and US\$3,600,000 in 2007 and 2011, respectively, to acquire 95% of the equity interest in Guangxi King Kerry. Although the Consideration represents a premium over the Vendor's purchase cost of approximately RMB136 million, the value of the Property Project has increased significantly over the past few years as the construction work of the Property Project has commenced and the market value of the land underlying the Property Project has also increased as a result.

In light of the above and the factors set out in the section headed "Reasons for the Acquisition" in this circular, the Company is the view that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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The consideration would be payable by the Group through its own internal resources in accordance with the following schedule:

- (a) a sum of RMB4 million (equivalent to approximately HK\$5 million) would be payable by the Purchaser to the Vendor on Completion; and
- (b) the balance of the Consideration, equivalent to RMB380 million (equivalent to approximately HK\$475 million), would be payable by instalments by the Purchaser within the first anniversary from Completion.

The original purchase cost of 95% equity interest in Guangxi King Kerry paid by the Vendor was US\$17.1 million (approximately RMB136 million according to the then exchange rate between US\$ and RMB).

Conditions

Completion of the sale and purchase of the Sale Share is conditional upon:

- (a) the Purchaser being satisfied with the due diligence results of the business, financial and legal affairs of the Target Group;
- (b) the representations and warranties set out in the Agreement being true, accurate and not misleading in all respects;
- (c) the Purchaser not having identified or being aware of any unusual operation, major safety incidents, material adverse change in respect of the business, assets and operation of any member of the Target Group or material risk not having been disclosed;
- (d) the Vendor's Guarantor having fulfilled his obligations under the Agreement on or before Completion;
- (e) there not being any necessary third-party consent, governmental order, law, regulation or decree which prohibit, limit or delay the transactions contemplated under the Agreement; and
- (f) the Company having obtained the approval of the Independent Shareholders in respect of the transactions contemplated under the Agreement.

Guarantee

The Vendor's Guarantor has agreed to guarantee the due and punctual performance of the obligations of the Vendor under the Agreement.

Completion

Completion would take place no later than the third business day (or at such other time as the parties may otherwise agree) after the conditions to the Agreement have been fulfilled or waived, provided that condition (f) above cannot be waived. As at the Latest Practicable Date, all conditions except for condition (f) above had been satisfied.

LETTER FROM THE BOARD

INFORMATION ON KING KERRY, THE PROPERTY PROJECT AND THE VENDOR

Guangxi King Kerry is owned as to 95% by Hong Kong King Kerry, which in turn is wholly owned by King Kerry, which in turn is wholly owned by the Vendor.

King Kerry is a company incorporated in the BVI and is an investment holding company. Hong Kong King Kerry is an investment holding company. The Vendor is an investment holding company. Guangxi King Kerry, the property project company, is principally engaged in the development and operation of the Property Project.

The Property Project is located along 2-kilometer coastline at the middle of Beibu Gulf Avenue, Gangkou District (港口區北部灣大道中段), Fangchenggang (防城港), Guangxi Province of the PRC, with a site area of approximately 784,000 square meters and a total construction area of approximately 2,404,000 square meters. It has a plot ratio of 2.67 and a greening rate of 37.7%. The properties consist of multi-storey townhouses, high-rise residential flats, apartments, and ancillary retail units with a total area of approximately 155,000 sq.m., which is about 6.4% of total construction floor area. The Property Project is residential in nature and the ancillary retail units are developed merely for the purpose of complementing the residential properties. Based on the land use right certificates of the Property Project, the land use was described as township mixed-residential properties (城鎮混合住宅). The business focus of the Company has not changed and remains in line with what was disclosed in the Prospectus. The Property Project is residential in nature and the Company respectfully submits that there is no implication on the business delineation of the Company and its connected persons. The Property Project is intended to be developed into five phases. Construction of the first phase has been completed and the second, third and fourth phases are under development.

Set out below is the development timetable and key milestones on the second, third and fourth phases of the Property Project:

Development Plan

	Commencement	Completion
Phase 2 group 4	July 2014 (expected)	September 2016
Phase 3 group 1 multi-story	April 2012	May 2014
Phase 3 group 1 high-rise	February 2012	May 2014
Phase 3 group 2 high-rise (zone 1)	October 2012	August 2014(expected)
Phase 3 group 2 high-rise (zone 2)	October 2012	May 2015(expected)
Phase 4 multi-story	December 2013	December 2014
Affiliated facilities	July 2014 (expected)	Before March 2015
Phase 4 group 1	Pending	2017 (expected)
Phase 4 group 2	Pending	2017 (expected)
Apartment	Pending	2017 (expected)
Phase 5	Pending	Pending

LETTER FROM THE BOARD

The Company expects that the development costs of the Property Project will amount to RMB4,700 million (excluding land cost).

The Company expects that 30% of the development costs of the Property Project will be financed by borrowing and the rest by operating cashflow generated from property sales.

TYPES AND AMOUNT OF THE ASSETS OR LIABILITIES OF THE TARGET GROUP

	As at 31 December 2013 <i>(in RMB million)</i>
Assets	
– Cash and cash at bank	521
– Inventory	1,139 ^{note (1)}
– Other receivables	1,270 ^{note (2)}
– Others	23
	<hr/>
Total in assets	2,953
	<hr/> <hr/>
Liabilities	
– Loan	1,125
– Received in advance	746
– Trade and other payables	929 ^{note (2)}
– Others	11
	<hr/>
Total in liabilities	2,811
	<hr/> <hr/>
Equity	
– Attributable to King Kerry	142
– Attributable to non-controlling shareholder	130
	12

note (1): The Company is of the view that recognizing the properties held for sale and properties under development as inventories is consistent with the requirements of Hong Kong Accounting Standard 2, Inventory, paragraph 6, which provides that inventory is defined as assets, among others, (a) held for sale in the ordinary course of business; or (b) in the process of production for such sale. As the main business of Guangxi King Kerry is real estate development, hence the Company, after discussion with its auditors which share the same view with the Company, considers that to recognize the properties held for sale and properties under development as inventories is consistent with Hong Kong Accounting Standard 2.

note (2): Other receivables as at 31 December 2013 mainly represented that balance due from the Vendor and Mr. Yao of RMB981 million and the construction prepayments of RMB289 million. The receivables from the Vendor and Mr. Yao have arisen from the short-term borrowing for the purpose of the other businesses of Mr. Yao. The Target Group had a balance due to the Vendor and Mr. Yao of RMB 674 million in the trade and other payables. Hence, the net balance due from the Vendor and Mr. Yao was RMB 307 million.

As at 31 May 2014, approximately 85% of the net balance with the Vendor and Mr. Yao has been settled and the remaining amount is expected to be settled on completion of the Acquisition.

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REASONS FOR THE ACQUISITION

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

The Company considers that it is in the interest of the Company to purchase the entire interest in King Kerry and expand its geographic coverage in Guangxi Province of the PRC as the location and nature of the Property Project is aligned with the Group's business focus and the business of the Target Group is within the scope of the Restricted Business (as defined in the Prospectus). Prior to listing of the Shares on the Stock Exchange and in around January 2013, the Company indicated to Mr. Yao its interest to acquire the Property Project and since then, it has approached Mr. Yao on a few occasions and only until late March 2014 Mr. Yao indicated to the Company of his interest to sell his interest in King Kerry. As such, the Company could only consider the proposal of acquiring the Property Project in late March 2014.

Although Mr. Yao, being a brother-in-law of Mr. Ji, an uncle of Ms. Kei, a brother-in-law of Mr. Ji Jiande, is a connected person of the Company for the purpose of Chapter 14A, he is not an "associate" of the controlling shareholder of the Company for the purpose of the deed of non-competition dated 3 December 2013 entered into by each of the controlling shareholders of the Company in favour of the Company since, under the deed of non-competition, "associate" was defined to bear the meaning ascribed by Rule 1.01 of the Listing Rules, which, in relation to an individual, covers the spouse or children under the age of 18 of that individual but not brother-in-law or uncle of that individual. Accordingly, Mr. Yao and his associate (within the meaning of Rule 1.01 of the Listing Rules) have not been subject to the restrictive covenants as to the Restricted Business under the deed. The deed of non-competition has been fully complied with since the listing of the Company on the Stock Exchange.

The Company has also taken into account the following factors in deciding to proceed with the Acquisition:

- a) The Property Project, which comprises residential properties with ancillary retail units, is located in the Guangxi autonomous region. It is in line with the Group's business focus as disclosed in the Prospectus, that is, the Company would continue to focus its property development business in Guangdong and Guangxi provinces and aim at increasing its investments in major cities in these provinces. The Company believes that the Acquisition would serve to strengthen the presence of the Group in Guangxi province;
- b) The Property Project has recorded considerable sales and profit. It is expected that it would enhance the revenue and profitability of the Group thereby creating value to the Shareholders; and
- c) Fangchenggang is located at the Beibu Gulf economic zone and the development in this zone has been included in national development strategy plan of the PRC. Beibu Gulf is also an important vantage ground towards other member states of the Association of Southeast Asian Nations. The Company believes that it bears strong growth potential and prospects.

Taking into account the above factors and the Company's familiarity with the Property Project through the provision of design, management and construction services to Guangxi King Kerry, the Company is of the view that it is in the interest of the Company and the Shareholders as a whole to proceed with the Acquisition.

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The Group has been providing design, management and construction services for Guangxi King Kerry and is familiar with the project and its operational risks are controllable.

The design, management and construction services income in relation to the Property Project accounted for a small proportion of the revenue of the Group for each of the three financial years ended 31 December 2013. The Company expects that the profit attributable to the Property Project would outweigh the design, management and construction services income in future. Please refer to the revenue attributable to the relevant design, management and construction services rendered below as extracted from the Prospectus and the 2013 annual report of the Company:

	2011	2012	2013
	<i>'000 (RMB)</i>	<i>'000 (RMB)</i>	<i>'000 (RMB)</i>
Revenue from provision of design services	486	7,419	3,650
Revenue from provision of management services	–	2,861	1,739
Revenue from provision of construction services	–	–	310,455
	<hr/>	<hr/>	<hr/>
Total revenue of the provision of design, management and construction services	486	10,280	315,844
Total revenue of the Group	3,447,474	6,587,660	11,119,424
%	0.01%	0.2%	2.8%

The Group would also reduce its related-party transactions and consolidate its control over the development of the Property Project. Upon completion of the Acquisition, King Kerry and its subsidiaries will become subsidiaries of the Company. The Company would therefore be able to exercise operational management and strategy control over King Kerry, its subsidiaries, and the Property Project. The Company currently provides design, management and construction services to the Property Project.

The amount of related-party transactions expected to be reduced will be RMB541,080,000 and RMB560,500,000, being the annual caps for the design, management and construction services to be provided by the Company to King Kerry for the two years ending 31 December 2015.

	2014	2015
	<i>'000 (RMB)</i>	<i>'000 (RMB)</i>
Revenue from provision of design services	5,000	–
Revenue from provision of management services	2,080	2,500
Revenue from provision of construction services	534,000	558,000
	<hr/>	<hr/>
Total	<u>541,080</u>	<u>560,500</u>

Although the revenue of the Company derived from the design, management and construction services to be provided by the Company to King Kerry will be reduced after

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completion of the Acquisition, the total revenue of the Company will be increased and its financial position will be improved as King Kerry and its subsidiaries will become subsidiaries of the Company and their accounts will be consolidated with those of the Company after completion of the Acquisition.

Having taken into account that the Consideration was determined after arm's-length negotiations between the parties, the Directors (including the independent non-executive Directors but excluding Mr. Ji, Mr. Ji Jiande and Ms. Kei who have abstained from voting at the meeting of the Board approving the Acquisition) consider that the Agreement was entered into under normal commercial terms and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Mr. Ji, Mr. Ji Jiande and Ms. Kei, no Director has a material interest in the Agreement and is required to abstain from voting at the meeting of the Board approving the Acquisition and the transactions contemplated thereunder. Mr. Ji, Mr. Ji Jiande and Ms. Kei have abstained from voting in the meeting of the Board approving the Acquisition.

GENERAL

As two of the applicable percentage ratios in respect of the Acquisition are over 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, King Kerry was wholly owned by the Vendor, which was in turn indirectly wholly owned by Mr. Yao. As Mr. Yao is a brother-in-law of Mr. Ji, an executive Director and an uncle of Ms. Kei, a non-executive Director, and a brother-in-law of Mr. Ji Jiande, an executive Director, each of Mr. Yao and the Vendor is a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising the independent non-executive Directors has been appointed to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder. Platinum Securities Company Limited, the Independent Financial Adviser, has also been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereunder.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve, among other matters, the Acquisition as contemplated under the Agreement. As Mr. Ji, Ms. Kei and Mr. Ji Jiande are the associates of Mr. Yao, and Mr. Yao is also the ultimate beneficial owner of the Vendor and a shareholder of the Company, each of Mr. Yao, Mr. Ji, Ms. Kei and Mr. Ji Jiande and their respective associates is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder at the EGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has not been provided with the information on the shareholding of Mr. Yao and his associates (excluding Mr. Ji, Ms. Kei and Mr. Ji Jiande) in the Company. In any event, Mr. Yao and his associates will be required to abstain from voting at the EGM.

Ms. Kei, through her family trust and controlled corporations, is interested in 4,250,000,000 Shares, representing 85% of the issued share capital of the Company and holds 2,050,000 share options of the Company as at the Latest Practicable Date. Mr. Ji Jiande holds 9,840,000 share options of the Company, and does not hold any Shares as at the Latest Practicable Date. Mr. Ji holds 4,950,000 share options of the Company and is deemed to be interested in 4,250,000,000 Shares, representing 85% of the issued share capital of the Company, as at the Latest Practicable Date.

A notice convening the EGM is set out on pages 57 to 58 of this circular. Whether or not you intend to attend the meeting or any adjournment thereof, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment meeting if you so wish.

RECOMMENDATIONS

The Directors (other than Mr. Ji, Mr. Ji Jiande and Ms. Kei, who are interested in the Acquisition and have abstained from voting at the meeting of the Board approving the Agreement and the transactions contemplated thereunder) are of the opinion that the terms of the Agreement are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and are in the best interests of the Company and the Shareholders as a whole, and accordingly recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Acquisition as contemplated under the Agreement.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains the recommendations of the Independent Board Committee to the Independent Shareholders regarding the Agreement; and (ii) the letter from Platinum Securities set out on pages 16 to 36 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Agreement.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Logan Property Holdings Company Limited
Mr. Ji Haipeng
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the Agreement.



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)

27 June 2014

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

ACQUISITION OF THE ENTIRE EQUITY INTEREST IN KING KERRY INVESTMENTS COMPANY LIMITED

We refer to the circular of the Company to the Shareholders dated 27 June 2014 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from Platinum set out on pages 16 to 36 of the Circular and the letter from the Board as set out on pages 4 to 13 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered, among other matters, the terms of the Agreement and the circumstances of the Company, and the factors and reasons considered by Platinum and its opinion as stated in its letter of advice, we consider that (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and (ii) the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in relation to the Acquisition and the transactions contemplated under the Agreement.

Yours faithfully,
For and on behalf of
Independent Board Committee
Mr. Zhang Huaqiao
Ms. Liu Ka Ying, Rebecca
Mr. Cai Suisheng
Independent Non-executive Directors

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

Set out below is the text of a letter received from Platinum, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Agreement for the purpose of inclusion in this circular.



PLATINUM Securities Company Limited

21/F LHT Tower
31 Queen's Road Central
Hong Kong

Telephone (852) 2841 7000
Facsimile (852) 2522 2700
Website www.platinum-asia.com

27 June 2014

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the discloseable and connected transaction (the "**Acquisition**") contemplated under the Agreement. Details of the Acquisition are contained in the Letter from the Board as set out in the circular of the Company dated 27 June 2014 (the "**Circular**"). Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the Acquisition was in the ordinary and usual course of business of the Company, the terms of the Acquisition were agreed on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and to give independent advice to the Independent Board Committee.

In formulating our opinion, we have relied on the information and facts supplied to us by the Directors and/or management of the Company. We have reviewed, among other things: i) the independent valuation report dated 27 June 2014 (the "**Valuation Report**") prepared by Roma Appraisals Limited (the "**Independent Valuer**"); ii) the Agreement; iii) the audited 2013 annual report of the Company ("**2013 Annual Report**").

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Directors and/or management of the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Directors and/or management of the Company, which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Company. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Acquisition.

We are independent from, and are not associated with the Company or any other party to the Acquisition, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice on the Acquisition. We will receive a fee from the Company for our role as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Acquisition or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

The Independent Board Committee, comprising Mr. Zhang Huaqiao, Ms. Liu Ka Ying, Rebecca and Mr. Cai Suisheng, has been established to advise the Independent Shareholders as to whether the Acquisition was entered into in the ordinary and usual course of business of the Company, the terms of the Acquisition were agreed on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that the entering into the Acquisition is in the best interests of the Company and the Shareholders as a whole.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. Background of the Acquisition

On 19 May 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor and the Vendor's Guarantor pursuant to which the Purchaser has agreed to acquire the Sale Share, representing the entire issued share capital of King Kerry, from the Vendor at a consideration of RMB384 million (equivalent to approximately HK\$480 million). Upon completion of the Acquisition, King Kerry will become a wholly owned subsidiary of the Company and its accounts will be consolidated with the accounts of the Company.

2. Reasons for and benefits of the Acquisition

2.1 Business of the Group

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

The Company considers that it is in the interest of the Company to purchase the entire interest in King Kerry. The Group has been providing management, design and construction management services for Guangxi King Kerry and is familiar with the project and the operational risks are controllable. The Group would also reduce its related-party transactions and consolidate its control over the Property Project.

2.2 Information on King Kerry, the Property Project and the Vendor

Guangxi King Kerry is owned as to 95% by Hong Kong King Kerry, which in turn is wholly owned by King Kerry, which in turn is wholly owned by the Vendor.

King Kerry is a company incorporated in the BVI and is an investment holding company. Hong Kong King Kerry is an investment holding company. The Vendor is an investment holding company. Guangxi King Kerry, the property project company, is principally engaged in the development and operation of the Property Project.

The Property Project is located along 2-kilometer coastline at the middle of Beibu Gulf Avenue, Gangkou District (港口區北部灣大道中段), Fangchenggang (防城港), Guangxi Province of the PRC, with a site area of approximately 784,000 square meters and a total construction area of approximately 2,404,000 square meters. It has a plot ratio of 2.67 and a greening rate of 37.7%. The properties consist of multi-storey townhouses, high-rise residential flats, apartments and ancillary retail units with a total area of approximately 155,000 sq.m., which is about 6.4% of total construction floor area. The Property Project is residential in nature and the ancillary retail units are developed merely for the purpose of complementing the residential properties. Based on the land use right certificates of the Property Project, the land use was described as township mixed-residential properties (城鎮混合住宅). The business focus of the Company has not changed and remains in line with what was disclosed in the Prospectus. The Property Project is residential in nature and the Company respectfully submits that there is no implication on the business delineation of the Company and its connected persons. The Property Project is intended to be developed into five phases. Construction of the first phase has been completed and the second, third and fourth phases are under development.

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

The combined net asset value of King Kerry and its subsidiaries as at 31 December 2013 (unaudited) was approximately RMB130 million. The combined financial results of King Kerry and its subsidiaries for the two years immediately preceding the date of the Acquisition are as follows:

	For the year ended	
	31 December	
	2012	2013
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Net profit before tax	91,321	129,837
Net profit after tax	60,259	78,561

After completion of the Acquisition, King Kerry and its subsidiaries will become subsidiaries of the Company and its accounts will be consolidated with the accounts of the Company.

We have reviewed the detailed breakdown of the types and amount of assets and liabilities of the Target Group and consider that its recognition of assets and liabilities is in accordance with the Hong Kong Accounting Standards. Moreover, we noted that a material amount of its assets and liabilities represent receivables and payables due from and due to the Vendor and Mr. Yao. The receivables as at 31 December 2013 mainly represented that balance due from the Vendor and Mr. Yao of RMB981 million and the construction prepayments of RMB289 million. The receivable from the Vendor and Mr. Yao have arisen from the short-term borrowing for the purpose of the other businesses of Mr. Yao. The Target Group had a balance due to the Vendor and Mr. Yao of RMB674 million in the trade and other payables. Hence, the net balance due from the Vendor and Mr. Yao was RMB307 million. We have checked with the management of the Company and noticed that approximately 85% of the net balance with the Vendor and Mr. Yao has been settled as at 31 May 2014 and the remaining amount is expected to be settled on completion of the Acquisition. Therefore, we consider that there is no irregularity on the Target Group's assets and liabilities balances.

2.3 Overview of the location of the Property Project

The Property Project is located at Fangchenggang, Guangxi Zhuang Autonomous Region of the PRC ("**Guangxi**"), 145 kilometers south of Nanning, which is within the radius of the Nanning economic zone.

Fangchenggang is a city located in the south of Guangxi. Covering an area of 6,222 square kilometres, Fangchenggang borders Nanning to the north, Qinzhou to the east and Vietnam to the southwest. It is also a coastal and harbour city next to the Beibu Gulf, with Fangchenggang harbour being the largest harbour in Western China. It is well positioned as the strategic hub connecting China to Southeast Asia.

Nanning is the capital and the largest city of Guangxi. With Nanning Wuxu International Airport and several important railways and high-speed rails, Nanning is widely recognised as the transportation hub of the region. The transportation between Nanning and Fangchenggang is well developed as there is high-speed rail connecting the two places that runs everyday.

Set out below is a summary that shows the population in Fangchenggang and Nanning:

Table 1.1 – Fangchenggang population

	2008	2009	2010	2011	2012
Fangchenggang population (<i>thousands</i>)	843	853	894	878	887
Fangchenggang urbanisation rate	44.5%	45.2%	N/A ⁽³⁾	54.7%	51.9%

Table 1.2 – Nanning population

	2008	2009	2010	2011	2012
Nanning population (<i>million</i>)	6.92	6.98	7.07	7.11	7.14
Nanning urbanisation rate	38.2%	38.3%	38.3%	38.3%	38.5%

Notes:

- (1) Fangchenggang population and Nanning population refer to the number of permanent residents in Fangchenggang and Nanning, respectively.
- (2) The data above has been identified, to the best of our endeavours, in our research through public information, and the data for 2013 was not available publicly as at the Latest Practicable Date.
- (3) The urbanisation rate data is not available as the urban population information is not disclosed on the Guangxi Zhuang Autonomous Region Bureau of Statistics website. We have searched for the information, to the best of our endeavours, through public information, but it is not available in all available public sources.

Source: Guangxi Zhuang Autonomous Region Bureau of Statistics website (<http://www.gxtj.gov.cn>)

As shown in Table 1.1 and Table 1.2 above, both population and urbanisation rate of Fangchenggang and Nanning have shown an increasing trend during the last few years, and this indicates an increasing demand for residential properties and retail shops in the central district area of Fangchenggang and within Guangxi to cater for the expected increase in local consumption. Although the latest data of population and urbanisation rate for Fangchenggang and Nanning was not available publicly as at the Latest

Practicable Date, we have reviewed the population and urbanisation rate data of Guangxi for 2013, as we consider such data as the most representative alternative with Nanning and Fangchenggang being two of the main cities in Guangxi. We notice that the population of Guangxi increased to 47.19 million in 2013 from 46.82 million in 2012 and the overall urbanisation rate of Guangxi increased to 44.8% in 2013 from 43.5% in 2012. Therefore, we consider the general increasing trend of the population and urbanisation rate of Fangchenggang and Nanning would continue in 2013.

In light of the above, we consider that King Kerry is going to benefit from the increasing demand for residential and retail properties due to the growing population in Fangchenggang and in Guangxi in general.

Table 2.1 – Fangchenggang Gross Domestic Product (“GDP”) and GDP growth

	2008	2009	2010	2011	2012	2013
Fangchenggang GDP (RMB billion)	21.33	25.10	32.04	41.38	45.75	52.52
Fangchenggang GDP Growth (%)	20.2%	22.6%	17.8%	15.3%	12.5%	12.4%

Table 2.2 – Nanning Gross Domestic Product (“GDP”) and GDP growth

	2008	2009	2010	2011	2012	2013
Nanning GDP (RMB billion)	132.04	152.47	180.03	221.15	250.36	280.35
Nanning GDP Growth (%)	14.7%	15.1%	14.2%	13.5%	12.3%	10.3%

Source: Guangxi Zhuang Autonomous Region Bureau of Statistics website (<http://www.gxtj.gov.cn>), Nanning Municipal Government website (<http://www.nanning.gov.cn>), and Fangchenggang Municipal Government website (<http://www.fcgs.gov.cn>).

As shown in Table 2.1 and Table 2.2 above, the GDP growth of Fangchenggang and Nanning from 2008–2013 ranged from approximately 12.4% to 22.6% year on year and 10.3% to 15.1% year on year, respectively, which shows the GDP growth in Fangchenggang is in line with the GDP growth in Nanning. Although the global financial crisis had a strong negative effect on the economic development of many countries and regions around the world in the recent few years, Fangchenggang’s GDP continued to grow significantly. According to the information from the Guangxi government, Fangchenggang’s GDP per capita ranked 1st in Guangxi and Nanning has the largest GDP in Guangxi. Given the close economic ties between the two cities and Nanning having the largest economic base in Guangxi, it will benefit directly the property market in Fangchenggang.

In light of the above, we consider that continuing GDP growth in Fangchenggang and Nanning should lead to a strong demand for high quality residential and retail properties, including King Kerry.

Table 3 – Nanning commercial housing and residential property average selling price (“ASP”)

	2008	2009	2010	2011	2012
Nanning overall commercial housing ASP (RMB per sq m)	4,202	4,951	5,144	5,321	6,003
Nanning residential property ASP (RMB per sq m)	3,972	4,862	5,290	5,133	5,619

Note:

- (1) Nanning overall commercial housing ASP refers to the overall commercial housing sales per overall commercial housing sales area and Nanning residential property ASP refers to the residential property sales per residential property sales area.
- (2) Nanning overall commercial housing includes residential housing, office buildings, managing housing for trade and catering, and others.
- (3) The data above has been identified, to the best of our endeavours, in our research through public information, and the data for 2013 was not available publicly as at the Latest Practicable Date.

Source: Nanning Year Book and Nanning Municipal Government website (<http://www.nanning.gov.cn>)

We understand from the management of the Company that both the overall housing ASP and construction area have been increasing in Fangchenggang in the past 3 years. Since the public information regarding the commercial housing and residential property ASP in Fangchenggang is not available, we have made reference to the Nanning commercial housing and residential property ASP given the close proximity and economic ties between the two cities. As shown in Table 3 above, the Nanning residential property ASP showed a general upward trend from RMB3,972 per square metre (“sqm”) in 2008 to RMB5,619 per sqm in 2012, which was in line with the increase in overall commercial housing ASP in the city. The ASP dropped slightly for residential property in 2011, which was due to the residential price control policies issued by the PRC government in recent years. We consider these policies have limited effect on the overall commercial housing prices in Nanning and the overall commercial housing ASP should continue to grow in the long term with the growing number of population and demand in housing in the city.

As discussed with the management of the Company, there is no restriction policy on commercial and residential properties for non-local buyers in Fangchenggang. Given Fangchenggang is conveniently located at the port of Guangxi and its close proximity to Nanning, residents in Nanning may have a tendency to buy properties in Fangchenggang due to its preferable coastal location, and we believe the boom in the property market in Nanning and the ever-growing economic environment in the two cities will directly benefit the whole Guangxi region, in particular, Fangchenggang.

2.4 Reasons for the Acquisition

Location and quality of the Property Project

As mentioned above, Fangchenggang has maintained strong economic growth over the last few years and its GDP per capita is ranked first in Guangxi. Fangchenggang is the largest harbour in Western China. Given its close economic ties with Nanning and the close proximity between the two major cities in Guangxi, Fangchenggang is advantageously located at the coastal area of the Guangxi Province, acting as a strategic hub connecting China to Southeast Asia.

The Property Project is located along the 2-kilometer coastline at the middle of Beibu Gulf Avenue, Gangkou District (港口區北部灣大道中段), Fangchenggang (防城港), Guangxi Province of the PRC, with a site area of approximately 784,000 square meters and a total construction area of approximately 2,404,000 square meters. It has a plot ratio of 2.67 and a greening rate of 37.7%. The Property Project is well positioned at the core commercial area of the Gangkou District of Fangchenggang. The surrounding area has excellent transportation and infrastructure, which is only 10 minutes driving distance from the Fangchenggang Railway Station. High-speed rail connecting Fangchenggang to Nanning and other cities in China has officially been launched earlier this year. There will be two high-speed trains running to Nanning everyday starting from 1 June 2014, and the journey is only a mere one hour ride. Apart from the high-speed rail, there is also a bus depot near the Property Project and transportation to Nanning is expected to further improve after the completion of the ongoing highway expansion. Infrastructure of the area has been well developed, with facilities including a primary school, supermarkets, convenient stores, restaurants and a hospital.

The Property Project offers buyers a range of selection and prices as the properties consist of multi-storey townhouses, high-rise residential flats, apartments and ancillary retail units. The Property Project is intended to be developed into five phases. Construction of the first phase has been completed and the second, third and fourth phases are under development. The Property project is ingeniously designed in

between the ocean and a self-built lake. Eastward of the properties, there is a gigantic lake in front of the villas and townhouses, where residents can enjoy different recreational activities. On the other hand, the properties facing westward can enjoy an unrestricted view of the West Bay. In addition to that, there is a beach within walking distance of the Property Project, which offers residents a perfect getaway during holidays.

In addition to the prime location and quality of the Property Project, the Company also provided the following reasons for the Acquisition:

- (i) it is in the interest of the Company to purchase the entire interest in King Kerry and expand its geographic coverage in Guangxi Province of the PRC as the location and nature of the Property Project is aligned with the Group's business focus and the business of the Target Group is within the scope of the Restricted Business (as defined in the Prospectus);
- (ii) The Property Project, which comprises residential properties with ancillary retail units, is located in the Guangxi autonomous region. It is in line with the Group's business focus as disclosed in the Prospectus, that is, the Company would continue to focus its property development business in Guangdong and Guangxi provinces and aim at increasing its investments in major cities in these provinces. The Company believes that the Acquisition would serve to strengthen the presence of the Group in Guangxi province;
- (iii) The Property Project has recorded considerable sales and profit. It is expected that it would enhance the revenue and profitability of the Group thereby creating value to the Shareholders;
- (iv) Fangchenggang is located at the Beibu Gulf economic zone and the development in this zone has been included in national development strategy plan of the PRC. Beibu Gulf is also an important vantage ground towards other member states of the Association of Southeast Asian Nations. The Company believes that it bears strong growth potential and prospects;
- (v) the Group has been providing design, management and construction services for Guangxi King Kerry and is familiar with the project and its operational risks are controllable; and

- (vi) the Group would also reduce its related-party transactions and consolidate its control over the development of the Property Project. Upon completion of the Acquisition, King Kerry and its subsidiaries will become subsidiaries of the Company. The Company would therefore be able to exercise operation management and strategy control over King Kerry, its subsidiaries, and the Property Project. The Company currently provides design, management and construction services to the Property Project. Although the revenue of the Company derived from the design, management and construction services to be provided by the Company to King Kerry will be reduced after completion of the Acquisition, the total revenue of the Company will be increased and its financial position will be improved as King Kerry and its subsidiaries will become subsidiaries of the Company and their accounts will be consolidated with those of the Company after completion of the Acquisition.

As discussed with the management of the Company, the existing strategy of the Company focuses on property development projects in Southern China, namely Guangdong and Guangxi. The Company already has exposure in property development such as construction and property selling experiences in Guangxi and Guangdong. In order to capture more of the potential business opportunities in Guangxi in light of the region's steady growth in GDP and population, the Group intends to expand its geographic coverage further in Guangxi. We have enquired the management of the Company about the Group's business plan in Guangxi that it aims at increasing its investments in major cities in the province and consider that it is in the interest of the Company to purchase the entire interest in King Kerry, which owns the Property Project in Fangchenggang in Guangxi.

We also concur with the management of the Company that the Property Project would enhance the revenue and profitability of the Group thereby creating value to the Shareholders given the considerable sales and profit that it has recorded since development. In addition, as already elaborated above, the Property Project would benefit from its prime location in Fangchenggang. The Company believes that the development and national development strategy plan of the PRC in the Beibu Gulf economic zone bears strong growth potential and prospects, and we concur with the management of the Company that the Property Project would benefit from the prime location of Fangchenggang not only because of the development around the Beibu Gulf economic zone, but also the excellent infrastructure and surrounding environment of the Property Project.

Furthermore, given Guangxi King Kerry is a related party of the Company, it is disclosed in the Prospectus and we have also confirmed with the management of the Company that the Group has been providing management, design and construction management services to Guangxi King Kerry since 2009. As such, we concur with the management of the Company that the Company is familiar with the project so that the operational risks are controllable, and by consolidating its control over the Property Project, the Group would reduce its related-party transactions accordingly.

We noted that, the revenue of the Company derived from the design, management and construction services to be provided by the Company to King Kerry will be reduced after completion of the Acquisition. However, we have enquired the management of the Company and based on their previous experiences, we concur with their view that the revenue from property sales is expected to be much larger as compared to the eliminated revenue from design, management and construction services. We also understand that even though the revenue from design and construction services will be eliminated after the Company acquired the Target Group, the net profit from these businesses will remain in the Group as a deduction of the costs of the properties sold. Besides, we noted that King Kerry has already been profit making for the year ended 31 December 2013. Given the promising prospect of the Fangchenggang property market as analysed above, we are of the view that the total revenue of the Company will increase and its financial position will be improved as King Kerry and its subsidiaries will become subsidiaries of the Company and their accounts will be consolidated with those of the Company after completion of the Acquisition.

In light of (i) the prime location and quality of the Property Project and (ii) the reasons provided by the Company as explained above, we are of the view that the entering into the Agreement is directly in line with the Group's overall business strategy in property development and the Group is going to benefit from the strong demand of the Property Project due to its attractive location in Fangchenggang.

2.5 *Principal terms of the Acquisition*

2.5.1 *The Agreement*

- Date** : 19 May 2014
- Parties** : (a) Jolly Gain Investments Limited (樂盈投資有限公司), a direct wholly-owned subsidiary of the Company as the Purchaser
- (b) Honk Jee Loong Holdings Company Limited (鴻駿隆控股有限公司), a company wholly-owned by Mr. Yao, a brother-in-law of each of Mr. Ji and Mr. Ji Jiande, and an uncle of Ms. Kei and thus a connected person of the Company as the Vendor
- (c) Mr. Yao as the Vendor's Guarantor
- Assets to be sold** : The Purchaser has agreed to acquire the Sale Share, representing the entire issued share capital of King Kerry, from the Vendor.

Upon completion of the Acquisition, King Kerry will become a wholly owned subsidiary of the Company and its accounts will be consolidated with the accounts of the Company.

Consideration : The Consideration is the sum of RMB384 million (equivalent to approximately HK\$480 million) and was determined after arm's-length negotiations between the parties with reference to the Vendor's attributable interest in the Target Group in the amount of approximately RMB399 million, which was derived from the sum of (i) the combined net asset value of the Target Group as at 31 December 2013 in the amount of approximately RMB130 million; and (ii) the amount of RMB269 million representing 95% (i.e. interest attributable to King Kerry) of the difference between the assessed value of the properties underlying the Property Project as at 31 March 2014 (i.e. RMB1,620 million) and the net book value of the properties underlying the Property Project as at 31 March 2014 (i.e. RMB1,337 million). The Consideration represents a discount of approximately 3.76% to RMB399 million. The valuation of RMB1,620 million represents the market value of the properties underlying the Property Project as at 31 March 2014, which does not reflect the other assets and total liabilities of King Kerry as at 31 March 2014.

The Vendor paid US\$13,500,000 and US\$3,600,000 in 2007 and 2011, respectively, to acquire 95% of the equity interest in Guangxi King Kerry. Although the Consideration represents a premium over the Vendor's purchase cost of approximately RMB136 million, the value of the Property Project has increased significantly over the past few years as the construction work of the Property Project has commenced and the market value of land underlying the Property Project has also increased as a result.

The Consideration will be payable by the Group through its own internal resources in accordance with the following schedule:

(a) a sum of RMB4 million (equivalent to approximately HK\$5 million) would be payable by the Purchaser to the Vendor on Completion; and

(b) the balance of the Consideration, equivalent to RMB380 million (equivalent to approximately HK\$475 million), would be payable by installments by the Purchaser within the first anniversary from Completion.

The original purchase cost of 95% equity interest in Guangxi King Kerry paid by the Vendor was US\$17.1 million (approximately RMB136 million according to the then exchange rate between US\$ and RMB).

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

- Conditions** : Completion of the sale and purchase of the Sale Share is conditional upon:
- (a) the Purchaser being satisfied with the due diligence results of the business, financial and legal affairs of the Target Group;
 - (b) the representations and warranties set out in the Agreement being true, accurate and not misleading in all respects;
 - (c) the Purchaser not having identified or being aware of any unusual operation, major safety incidents, material adverse change in respect of the business, assets and operation of any member of the Target Group or material risk not having been disclosed;
 - (d) the Vendor's Guarantor having fulfilled his obligations under the Agreement on or before Completion;
 - (e) there not being any necessary third-party consent, governmental order, law, regulation or decree which prohibit, limit or delay the transactions contemplated under the Agreement; and
 - (f) the Company having obtained the approval of the Independent Shareholders in respect of the transactions contemplated under the Agreement.
- Guarantee** : The Vendor's Guarantor has agreed to guarantee the due and punctual performance of the obligations of the Vendor under the Agreement.
- Completion** : Completion shall take place no later than the third business day (or at such other time as the parties may otherwise agree) after the conditions to the Agreement have been fulfilled or waived, provided that condition (f) above cannot be waived. As at the Latest Practicable Date, all conditions except for condition (f) above had been satisfied.

2.5.2 Basis of determining the Consideration

As stated in the letter from the Board in the Circular, the Consideration is the sum of RMB384 million (equivalent to approximately HK\$480 million) and was determined after arm's-length negotiations between the parties with reference to the Vendor's attributable interest in the Target Group in the amount of approximately RMB399 million, which was derived from the sum of (i) the combined net asset value of the Target Group as at 31 December 2013 in the amount of approximately RMB130 million; and (ii) the amount of RMB269 million representing 95% (i.e. interest attributable to King Kerry) of the difference between the assessed value of the properties underlying the Property Project as at 31 March 2014 (i.e. RMB1,620 million) and the net book value of the properties underlying the Property Project as at 31 March 2014 (i.e. RMB1,337 million). The Consideration represents a discount of approximately 3.76% to RMB399 million.

It should be noted that, the respective appraised market value of the properties underlying the Property Project as at 31 March 2014 of approximately RMB1,620 million, have been taken into account in calculating the adjusted net asset value of King Kerry. As discussed with the Independent Valuer, the valuation of RMB1,620 million only represents the market value of the properties, while other assets and total liabilities have not been taken into account. We have used the respective appraised market value as of 31 March 2014 of the properties to determine the adjusted net asset value of King Kerry. Using RMB1,620 million as the valuation for the properties, we arrived at the adjusted net asset value of RMB399 million, being the sum of (a) the combined net asset value of King Kerry attributable to its holding company in the amount of RMB130 million as of 31 December 2013; and (b) the net increase in the valuation of the property attributable to King Kerry in the amount of RMB269 million. The Consideration of RMB384 million is a 3.76% discount to the adjusted net asset value of King Kerry. Although the Consideration represents a premium over the Vendor's purchase cost of approximately RMB136 million, the value of the Property Project has increased significantly over the past few years due to the increase of land price and that the Vendor has conducted construction work of multi-storey townhouses, high-rise residential flats, apartments and ancillary rental units. We have reviewed the land auction prices of the nearby area over the last twelve months as well as the land prices information from the Department of Land and Resources of Guangxi Zhuang Autonomous Region, which indicate the land prices of the nearby area have increased since the time the Property Project was purchased by the Vendor. As such, we concur with the management of the Company that the land prices of Fangchenggang have increased over the past few years, which is in line with the increase in value of the

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

Property Project. The Consideration is determined based on the respective appraised market value of the properties by the Independent Valuer, and we noted that the Company has made reference to the latest land transaction price of Fangchenggang, which showed no material difference from the Consideration. Therefore, we consider the Consideration is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

The Consideration will be payable by the Group through its internal resources in accordance with the following schedule:

- (a) a sum of RMB4 million will be payable by the Purchaser to the Vendor on Completion; and
- (b) the balance of the Consideration, equivalent to RMB380 million, will be payable by the Purchaser within the first anniversary from Completion.

The original purchase cost of Guangxi King Kerry's 95% equity interest to the Vendor was US\$17.1 million (approximately RMB136 million according to the then exchange rate between US\$ and RMB).

To assess the basis in determining the Consideration, we have reviewed the Valuation Report, discussed with the Independent Valuer and the management of the Company. We have noted and discussed with the Independent Valuer that they have considered the direct comparison approach in valuing the properties under development.

In conducting the valuation of the Property Project, the Independent Valuer has also adopted the following assumptions:

- (a) The property will be developed and completed in accordance with the latest development proposal provided to the Independent Valuer by the Group.
- (b) The owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property.
- (c) No account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.
- (d) The site/ floor areas shown on the documents handed to the Independent Valuer are correct.

- (e) The property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value.

The Independent Valuer adopted the direct comparison approach by assuming sale of the property in its existing state with the benefit of vacant possession and making reference to comparable sales transactions as available in the relevant market and had also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the date of valuation and the remainder of the cost and fees to be expended to complete the development.

The market value of Property Project is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. We consider that the direct comparison approach is a commonly adopted and well-recognised methodology in valuing the mixed residential properties..

In order to assess the fairness and reasonableness of the above assumptions, we have also discussed with the Independent Valuer regarding the major assumptions made in valuing King Kerry. We understand that the major assumptions made were based on references to comparable sales transactions as available in Fangchenggang. As such, we are of the view that the major assumptions made in valuing King Kerry are reasonable.

Besides, we have discussed with the Independent Valuer in relation to their experiences and understood that Dr. Alan W K Lee, the Associate Director of the Independent Valuer, is a registered professional surveyor who has over 10 years of experience in valuing properties in Hong Kong, Macau, the PRC, the Asia Pacific Region and Europe. According to the "RICS Valuation — Professional Standards" published by Royal Institution of Chartered Surveyors ("RICS"), practical experience is one of the way to test whether an individual is appropriately qualified to accept the responsibility for a valuation. Given Dr. Alan W K Lee has plenty of practical experience in the valuation of properties in Hong Kong and the PRC as stated above, we are of the view that he is qualified to provide a reliable valuation for the valuation of King Kerry. As discussed with the Independent Valuer, they don't have prior relationships with the Group to value other properties of the Group for financial reporting purposes. Other than that, they have no current or prior relationships with other parties and connected persons to the transaction. We also reviewed the terms of the engagement for the valuation of King Kerry, the scope of work

performed by the Independent Valuer is consistent with the market practice and appropriate to give the opinion.

Given the direct comparison valuation approach is a commonly adopted and well recognised methodology for valuing properties, and the major assumptions made in connection with the valuation approach are reasonable, we are of the view that the basis in determining the Consideration is fair and reasonable so far as the Company, the Independent Board Committee and the Independent Shareholders as a whole are concerned.

2.6 Financial Impacts of the Acquisition

2.6.1 Effect on net asset value

As disclosed in the 2013 Annual Report, the net asset value attributable to shareholders of the Company as at 31 December 2013 was approximately RMB7,336 million. As the acquisition of King Kerry does not constitute a business, the Group has adopted the assets acquisition accounting in this Acquisition. Thus, there will be no impact to the net asset value attributable to shareholders of the Company.

Therefore, we are of the view that the Acquisition will not have a negative impact on the net asset value of the Group.

2.6.2 Effect on cash/working capital

As disclosed in the 2013 Annual Report, the Group had current assets of approximately RMB23,624 million including bank balances and cash of approximately RMB4,506 million and current liabilities of approximately RMB13,635 million. Considering the relatively small amount of Consideration for the Acquisition of RMB384 million as compared to the total current assets, the effect on cash/working capital will be limited.

As such, we are of the view that the Acquisition will not have a material negative impact on the cash position and the working capital of the Group.

2.6.3 Effect on earnings

As disclosed in the 2013 Annual Report, the profit attributable to the shareholders of the Company for the financial year ended 31 December 2013 was approximately RMB2,024 million.

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

According to the financial information of King Kerry, King Kerry recorded a profit after tax of approximately RMB78.56 million for the year ended 31 December 2013. Given the fact that King Kerry has already been profit making and the promising prospect of the Fangchenggang property market as analysed in the section “2.4 Reasons for the Acquisition”, we expect King Kerry will continue to record a profit for the year ended 31 December 2014 and bring a positive effect to the profit attributable to the shareholders of the Company onwards.

As such, we consider that the Acquisition will have a positive impact on earnings of the Group.

In light of:

- i) no negative effect on the net asset value of the Group;
- ii) no material negative impact on the cash position and the working capital of the Group; and
- iii) the positive effect on the earnings of the Group,

we are of the view that the Acquisition will have an overall positive financial effect on the Group and is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

In relation to the Acquisition, we have considered the above principal factors and reasons, in particular, having taken into account the following in arriving at our opinion:

- i) the entering into of the Agreement is directly in line with the Company’s overall business strategy in property development;
- ii) the terms of the Acquisition are agreed on normal commercial terms and are fair and reasonable;
- iii) the Acquisition will have an overall positive financial effect on the Group and is in the interests of the Company and the Shareholders as a whole; and

having considered the above, we are of the view that the Acquisition is entered into the ordinary and usual course of business of the Company, on normal commercial terms, and the terms of the respective agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM PLATINUM SECURITIES COMPANY LIMITED

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Acquisition to be proposed at the EGM.

Yours faithfully,

For and on behalf of

Platinum Securities Company Limited

Lenny Li

Director and Co-Head of Corporate Finance

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with their valuation as at 31 March 2014 of the Property Project.



Unit 3806, 38/F, China Resources Building
26 Harbour Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
<http://www.romagroup.com>

27 June 2014

Logan Property Holdings Company Limited

Suites 4106-08,
Two International Finance Centre,
8 Finance Street,
Central, Hong Kong

Dear Sir/Madam,

Re: Property Valuation of 2 Properties located at Fangchenggang City, Guangxi Province, the People's Republic of China

In accordance with your instruction for us to value the properties to be acquired by Logan Property Holdings Company Limited (the "**Company**") and/or its subsidiaries (together with the Company referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 March 2014 (the "**Date of Valuation**") for the purpose of incorporation in the circular of the Company dated 27 June 2014.

1. BASIS OF VALUATION

Our valuations of the properties are our opinion of the market values of the concerned properties which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. PROPERTY CATEGORIZATION

In the course of our valuations, the properties owned by the Group are categorized into the following groups:

- Group I — Property held for sale in the PRC; and
- Group II — Property under development in the PRC.

3. VALUATION METHODOLOGY

For the property in Group I, we have valued the property by the direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

For the property in Group II, we have valued the property on the basis that it will be developed and completed in accordance with the latest development proposals provided by the Group. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant markets and have also taken into account the expended construction costs and the cost and fees to be incurred to complete the developments to reflect the quality of the completed development.

4. TITLE INVESTIGATION

For the properties in the PRC, we have been provided with copies of various documents and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify the existing titles to the properties or any amendment, which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the advice and information given by the Group and its legal adviser, Shandong Shao Yuan Law Firm (山東紹元律師事務所) regarding the titles of the properties. All documents have been used for reference only.

We have also relied on the advice given by the Group that the current owners have valid and enforceable titles to the properties which are freely transferable, and have free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

5. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the properties in the market in their existing states without the benefit of deferred term

contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

6. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

7. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of certain properties. No structural survey has been made in respect of the properties. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site/floor areas of the properties under consideration but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their value.

Our valuation is prepared in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

8. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in Renminbi (“RMB”).

Our Summary of Values and Valuation Certificates are attached.

Yours faithfully,

For and on behalf of

Roma Appraisals Limited

Dr. Alan W K Lee

BCom(Property) MFin PhD(BA)

MHKIS RPS(GP) AAPI CPV CPV(Business)

Associate Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 10 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

SUMMARY OF VALUES

Group I — Property for sale in the PRC

No. Property	Market Value in Existing State as at 31 March 2014
1. Unsold portion of Phases 1, 2 and 3 of a township mixed residential development (known as “Yang Guang Hai An”) located at the middle of Beibu Gulf Avenue, Gangkou District, Fangchenggang City, Guangxi Province, The PRC	RMB277,000,000

位於中國廣西省防城港市港口區北部灣大道中段一個名為「陽光海岸」的城鎮混合住宅發展項目的一、二及三期(部分)

Group II — Property under development in the PRC

No. Property	Market Value in Existing State as at 31 March 2014
2. Portion of Phases 2, 3, 4 and 5 of a township mixed residential development (known as “Yang Guang Hai An”) under construction located at the middle of Beibu Gulf Avenue, Gangkou District, Fangchenggang City, Guangxi Province, The PRC	RMB1,343,000,000

位於中國廣西省防城港市港口區北部灣大道中段一個名為「陽光海岸」的在建城鎮混合住宅發展項目的二、三、四及五期(部分)

Total: RMB1,620,000,000

VALUATION CERTIFICATE

Group I – Property held for sale in the PRC

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2014
1.	<p>Unsold portion of Phases 1, 2 and 3 of a township mixed residential development (known as “Yang Guang Hai An”) located at the middle of Beibu Gulf Avenue, Gangkou District, Fangchenggang City, Guangxi Province, The PRC</p> <p>位於中國廣西省防城港市港口區北部灣大道中段一個名為「陽光海岸」的城鎮混合住宅發展項目的一、二及三期(部分)</p>	<p>The property comprises three parcels of land with a total site area of approximately 784,173.02 sq.m., erected thereon is a township mixed residential development with ancillary retail portion known as “Yang Guang Hai An”. (together with Property No. 2)</p> <p>The development of the property has been divided into 5 phases, of which Phase 1, portion of Phase 2 and 3 with a total gross floor area (“GFA”) of approximately 502,125.32 sq.m. was completed in 2013 (the “Completed Part”).</p> <p>The property is the unsold portion of the Completed Part with a total GFA of approximately 90,965.09 sq.m.</p> <p>The land use rights of the property is contracted to be granted for a term expiring on 16 January 2076 for township mixed residential use.</p>	As advised by the Group, the property is held for sale.	RMB277,000,000.

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 11 January 2005 (the “**Grant Contract**”), the land use rights of the property with a total site area of approximately 784,494.02 sq.m. was contracted to be granted to Guangxi King Kerry Realty Co., Ltd. (廣西金凱利置業有限公司) (“**Guangxi King Kerry**”), by the Bureau of Land and Resources of Fangchenggang (防城港市國土資源局) for a term expiring on 16 January 2076 for township mixed residential use at a consideration of RMB117,524,102.85.

2. Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 784,173.02 sq.m. have been granted to Guangxi King Kerry, for a term expiring on 16 January 2076 for township mixed residential use at a total consideration of RMB308,360,454.27. The details of which are as follows:

Land Use Rights Certificate No.	Expiry Date	Site Area (sq.m.)
Fang Gang Guo Yong (2013) No.0419 防港國用(2013)第0419號	16 Jan 2076	36,575.88
Fang Gang Guo Yong (2013) No.0420 防港國用(2013)第0420號	16 Jan 2076	142,324.34
Fang Gang Guo Yong (2013) No.0421 防港國用(2013)第0421號	16 Jan 2076	17,989.25
Fang Gang Guo Yong (2013) No.0422 防港國用(2013)第0422號	16 Jan 2076	26,957.02
Fang Gang Guo Yong (2013) No.0423 防港國用(2013)第0423號	16 Jan 2076	46,550.30
Fang Gang Guo Yong (2013) No.0424 防港國用(2013)第0424號	16 Jan 2076	55,766.30
Fang Gang Guo Yong (2013) No.0425 防港國用(2013)第0425號	16 Jan 2076	64,305.43
Fang Gang Guo Yong (2013) No.0284 防港國用(2013)第0284號	16 Jan 2076	76,470.08
Fang Gang Guo Yong (2013) No.0497 防港國用(2013)第0497號	16 Jan 2076	47,228.82
Fang Gang Guo Yong (2013) No.0498 防港國用(2013)第0498號	16 Jan 2076	84,817.40
Fang Gang Guo Yong (2013) No.0499 防港國用(2013)第0499號	16 Jan 2076	35,162.57
Fang Gang Guo Yong (2013) No.0500 防港國用(2013)第0500號	16 Jan 2076	67,583.31
Fang Gang Guo Yong (2013) No.0501 防港國用(2013)第0501號	16 Jan 2076	29,586.05
Fang Gang Guo Yong (2013) No.0502 防港國用(2013)第0502號	16 Jan 2076	52,856.27
	Total:	<u>784,173.02</u>

3. Pursuant to various Construction Works Completion Certified Report, a total GFA of approximately 502,125.32 sq.m. was completed.
4. Pursuant to various Commodity Housing Pre-Sale Permits, a total GFA of approximately 942,415.18 sq.m. (together with Property No. 2) were allowed for pre-sale. As advised by the Group, a total GFA of approximately 411,160.23 sq.m. was sold at a total consideration of RMB1,690,561,000 and it is excluded in our valuation.
5. Pursuant to a Mortgage Contract of Maximum Amount — T131167604-3 dated 9 December 2013, the land use rights of a parcel of land of the property, named as Fang Gang Guo Yong (2013) No. 0498, with a site area of approximately 84,817.40 sq.m. is subject to a mortgage in favour of Ping An Trust Co., Ltd (平安信託有限公司), as security to guarantee the credit line commencing on 9 December 2013 and expiring on 8 May 2016 for a maximum amount of RMB400,000,000.
6. Pursuant to a Mortgage Contract of Maximum Amount – 2012 Fang Gang Zhong Yin Si Ya Zi No. 008 (2012年防港中銀司押字008號), dated 18 December 2012 portion of various land use rights of the property, named as Fang Gang Guo Yong (2006) Nos. 334 and 335, with a total site area of approximately 341,588.69 sq.m., together with various portion of phase 3 of the property with a total GFA of approximately 148,786.82 sq.m. are subject to a mortgage in favour of Bank of China Fang Cheng Gang branch (中國銀行股份有限公司防城港分行), as security to guarantee the credit line for a maximum amount of RMB290,000,000.
7. The status of title in accordance with the information provided by the Group is as follows:
- | | |
|--|-----|
| Land Use Rights Certificate | Yes |
| Construction Works Completion Certified Report | Yes |
| Commodity Housing Pre-Sale Permits | Yes |
8. Our inspection was performed by Dr. Alan W K Lee in May 2014.

9. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:
 - a. Guangxi King Kerry is the owner of the property;
 - b. Except for the aforesaid mortgage, Guangxi King Kerry has the rights to occupy, use, lease, mortgage, transfer freely in the market and has no limitation of any other rights over the property;
 - c. The property does not violate the permitted usage; and
 - d. The land premium has been fully settled.

VALUATION CERTIFICATE

Group II – Property under development in the PRC

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2014
2.	<p>Portion of Phases 2, 3, 4 and 5 of a township mixed residential development (known as “Yang Guang Hai An”) under construction located at the middle of Beibu Gulf Avenue, Gangkou District, Fangchenggang City, Guangxi Province, The PRC</p> <p>位於中國廣西省防城港市港口區北部灣大道中段一個名為「陽光海岸」的在建城鎮混合住宅發展項目的二、三、四及五期(部分)</p>	<p>The property comprises three parcels of land with a total site area of approximately 784,173.02 sq.m., township mixed erected thereon is a residential development with ancillary retail portion known as “Yang Guang Hai An”. (together with Property No. 1)</p> <p>The development of the property has been divided into 5 phases, of which Phase 1, portion of Phase 2 and 3 were completed (refer to Property No. 1).</p> <p>The property refers to the phases under construction (the “CIP”). Upon completion, portion of Phase 4, Phase 3 and the ancillary facilities of the property will provide a total GFA of approximately 554,516.51 sq.m. and is scheduled to be completed by phase from 2014 to 2015.</p> <p>As advised by the Group, the estimated total construction cost of the CIP is approximately RMB1,491,870,000 with an amount of RMB737,015,707 incurred as at the Date of Valuation.</p> <p>Portion of Phase 2, 3 and 4 and Phase 5 of the property with a total site area of approximately 337,957.03 sq.m. was vacant as at the Date of Valuation.</p> <p>The land use rights of the property is contracted to be granted for a term expiring on 16 January 2076 for township mixed residential use.</p>	<p>As advised by the Group, the CIP with relevant approvals is under construction.</p> <p>Remaining portion of the property with a total site area of approximately 337,957.03 sq.m. is pending for development and is scheduled to be completed in 2017.</p>	RMB1,343,000,000.

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 11 January 2005 (the “**Grant Contract**”), the land use rights of the property with a total site area of approximately 784,494.02 sq.m. was contracted to be granted to Guangxi King Kerry Realty Co., Ltd. (廣西金凱利置業有限公司) (“**Guangxi King Kerry**”), by the Bureau of Land and Resources of Fangchenggang (防城港市國土資源局) for a term expiring on 16 January 2017 for township mixed residential use at a consideration of RMB117,524,102.85.
- Pursuant to an Amendment Agreement of the State-owned Land Use Rights Grant Contract dated 11 March 2013 (the “**Amendment Agreement**”), the maximum plot ratio of the property has been modified to 2.67, subject to the payment of land premium of RMB190,836,351.42. As advised by the Group, this amount of land premium has been settled in full.
- Pursuant to various State-owned Land Use Rights Certificates, the land use rights of the property with a total site area of approximately 784,173.02 sq.m. have been granted to Guangxi King Kerry, for a term expiring on 16 January 2076 for township mixed residential use at a total consideration of RMB308,360,454.27. The details of which are as follows:

Land Use Rights Certificate No.	Expiry Date	Site Area (sq.m.)
Fang Gang Guo Yong (2013) No.0419 防港國用(2013)第0419號	16 Jan 2076	36,575.88
Fang Gang Guo Yong (2013) No.0420 防港國用(2013)第0420號	16 Jan 2076	142,324.34
Fang Gang Guo Yong (2013) No.0421 防港國用(2013)第0421號	16 Jan 2076	17,989.25
Fang Gang Guo Yong (2013) No.0422 防港國用(2013)第0422號	16 Jan 2076	26,957.02
Fang Gang Guo Yong (2013) No.0423 防港國用(2013)第0423號	16 Jan 2076	46,550.30
Fang Gang Guo Yong (2013) No.0424 防港國用(2013)第0424號	16 Jan 2076	55,766.30
Fang Gang Guo Yong (2013) No.0425 防港國用(2013)第0425號	16 Jan 2076	64,305.43
Fang Gang Guo Yong (2013) No.0284 防港國用(2013)第0284號	16 Jan 2076	76,470.08
Fang Gang Guo Yong (2013) No.0497 防港國用(2013)第0497號	16 Jan 2076	47,228.82
Fang Gang Guo Yong (2013) No.0498 防港國用(2013)第0498號	16 Jan 2076	84,817.40
Fang Gang Guo Yong (2013) No.0499 防港國用(2013)第0499號	16 Jan 2076	35,162.57
Fang Gang Guo Yong (2013) No.0500 防港國用(2013)第0500號	16 Jan 2076	67,583.31
Fang Gang Guo Yong (2013) No.0501 防港國用(2013)第0501號	16 Jan 2076	29,586.05
Fang Gang Guo Yong (2013) No.0502 防港國用(2013)第0502號	16 Jan 2076	52,856.27
	Total:	<u>784,173.02</u>

- Pursuant to the Grant Contract, Amendment Agreement and various Land Use Rights Certificates, the development constraints of the property have been summarized as follows:

Usage(s)	:	Residential and retail purposes (township mixed residential use)
Site Area	:	784,173.02 sq.m.
Plot Ratio	:	≤ 2.67
Maximum allowed GFA	:	2,093,744.75 sq.m.
Density	:	≤ 30%
- Pursuant to various Construction Land Planning Permit — Fang Gui Gong Di (2006) Nos. 074, 075 and 076 (防規公地(2006)074,075,076號), Guangxi King Kerry has been approved to build various residential buildings with ancillary retail portion with a total site area of approximately 784,173.02 sq.m.
- Pursuant to various Construction Commencement Permits, various residential buildings with ancillary retail portion with a total GFA of approximately 554,516.51 sq.m. has been approved to be developed by Guangxi King Kerry.
- The market value upon completion of the proposed development (excluding Property No. 1) as at the Date of Valuation was approximately RMB7,526,000,000.

8. Pursuant to various Commodity Housing Pre-Sale Permits, a total GFA of approximately 942,415.18 sq.m. (together with Property No. 1) were allowed for pre-sale.
9. Pursuant to a Mortgage Contract of Maximum Amount — T131167604-3 dated 9 December 2013, the land use rights of a parcel of land of the property, named as Fang Gang Guo Yong (2013) No. 0498, with a site area of approximately 84,817.40 sq.m. is subject to a mortgage in favour of Ping An Trust Co., Ltd (平安信託有限公司), as security to guarantee the credit line commencing on 9 December 2013 and expiring on 8 May 2016 for a maximum amount of RMB400,000,000.
10. Pursuant to a Mortgage Contract of Maximum Amount — 2012 Fang Gang Zhong Yin Si Ya Zi No. 008 (2012年防港中銀司押字008號), dated 18 December 2012 portion of various land use rights of the property, named as Fang Gang Guo Yong (2006) Nos.334 and 335, with a total site area of approximately 341,588.69 sq.m., together with various portion of phase 3 of the property with a total GFA of approximately 148,786.82 sq.m. are subject to a mortgage in favour of Bank of China Fang Cheng Gang branch (中國銀行股份有限公司防城港分行), as security to guarantee the credit line for a maximum amount of RMB290,000,000.
11. The status of title in accordance with the information provided by the Group is as follows:
- | | |
|--|---------|
| Land Use Rights Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Works Commencement Permit | Yes |
| Commodity Housing Pre-Sale Permits | Partial |
12. Our inspection was performed by Dr. Alan W K Lee in May 2014.
13. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter-alia, the following information:
- Guangxi King Kerry is the owner of the property;
 - Except for the aforesaid mortgage, Guangxi King Kerry has the rights to occupy, use, lease, mortgage, transfer freely in the market and has no limitation of any other rights over the property;
 - The property does not violate the permitted usage;
 - No restriction for completion date of the property is mentioned in relevant Government documents; and
 - Land premium has been fully settled.
14. In valuing the property if completed, we have assumed about RMB3,500 for the residential portion and about RMB15,000 for the ancillary retail portion. We have made reference to the average sales prices of residential and retail premises within the same district and the subject property itself. Comparables of the similar type of mixed residential development within the same district were also collected and analysed. The prices are subject but not limited to age, located, size, etc.

Roma Appraisals Limited, an independent valuer, has valued the properties held by the Target Group, King Kerry, and is of the opinion that the market value of the properties was amounted to RMB1,620 million as at 31 March 2014. The full text of the letter in relation to the valuation report, summary of valuation and valuation certificates with regard to such properties are set out in Appendix I to this circular.

The table below sets forth the reconciliation of the valuation figure of the Target Group's properties with the figures included in the consolidated financial statements of the Target Group:

	<i>RMB in million</i>
Net book value of Properties as at 31 December 2013	1,139
Additions during the period from 1 January 2014 to 31 March 2014	<u>198</u>
Net book value as at 31 March 2014	1,337
Valuation surplus as at 31 March 2014	<u>283</u>
Market value of properties as at 31 March 2014	<u><u>1,620</u></u>

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, save as disclosed below, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange:

(i) Interests in Shares

Name of Director	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Ji	Interest of controlled corporations (Note 2)	4,250,000,000(L)	85%
	Beneficial interest (Note 3)	13,120,000(L) (Note 4)	0.26%
Ms. Kei	Beneficiary of a family trust	4,250,000,000(L)	85%
	Interest of controlled corporations (Note 2)		
	Beneficial interest (Note 3)	2,050,000(L)	0.04%
Mr. Ji Jiande	Beneficial interest (Note 3)	9,840,000(L)	0.20%
Mr. Xiao Xu	Beneficial interest (Note 3)	4,470,000(L)	0.09%
Mr. Lai Zhuobin	Beneficial interest (Note 3)	4,170,000(L)	0.08%

Notes:

- (1) The letter "L" denotes the person's long position in the shares.
- (2) Ms. Kei is the settlor and a beneficiary of a family trust. She is also indirectly interested in 850,000,000 Shares, which were held in the following manner:

Name of controlled corporations	Number of Shares	Approximate percentage of shareholding
Dragon Jubilee Investments Limited	425,000,000(L)	8.5%
Gao Run Holdings Limited	212,500,000(L)	4.25%
Thrive Ally Limited	<u>212,500,000(L)</u>	<u>4.25%</u>
	<u>850,000,000(L)</u>	<u>17%</u>

Mr. Ji is considered to be interested in the Shares through Junxi Investments Limited and Ms. Kei as (i) Junxi Investments Limited is a company which is entirely owned by a family trust to which Ms. Kei is the settlor and a beneficiary and (ii) Ms. Kei being a person accustomed to act in accordance with Mr. Ji's directions.

- (3) These represent the Shares to be issued and allotted by the Company upon the exercise of the Share options granted under the share option scheme of the Company.

As at 31 December 2013, there were no share options granted by the Company. On 29 May 2014, a total of 190,090,000 share options were granted, out of which 25,480,000 share options were granted to the Directors. As at the Latest Practicable Date, there were 190,090,000 outstanding share options. The details of the share options granted to the Directors are set out below:

Date of grant	:	29 May 2014
Exercise price	:	HK\$2.340 per Share
Vesting period	:	The share options granted to the Directors will be vested evenly over a period of four years starting from 29 May 2015 and ending on 28 May 2019
Exercise period	:	The share options are exercisable within a period of six years from the date of grant subject to the above vesting period

- (4) The grant of 8,170,000 share options (out of 13,120,000 share options) to Mr. Ji is subject to the approval of the independent shareholders of the Company at an extraordinary general meeting.

(ii) Interests in associated corporations of the Company

Name of Director	Name of associated corporation	Approximate percentage of shareholding
Ms. Kei	Junxi Investments Limited	100%

(b) Substantial Shareholders

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in share and underlying shares of the Company

Name of shareholder	Nature of interest held	Number of Shares	Approximate percentage of shareholding
Mr. Ji	Other	4,250,000,000(L)	85%
	Beneficial interest (Note 4&5)	13,120,000(L)	0.26%
Ms. Kei	Beneficiary of a family trust Interest of controlled corporations (Note 2)	4,250,000,000(L)	85%
	Beneficial interest (Note 4)	2,050,000(L)	0.04%
Brock Nominees Limited (Note 3)	Nominee	3,400,000,000(L)	68%

Name of shareholder	Nature of interest held	Number of Shares	Approximate percentage of shareholding
Credit Suisse Trust Limited (<i>Note 3</i>)	Trustee	3,400,000,000(L)	68%
Junxi Investments Limited (<i>Note 3</i>)	Beneficial owner	3,400,000,000(L)	68%
Kei Family United Limited (<i>Note 3</i>)	Interest of a controlled corporation	3,400,000,000(L)	68%
Tenby Nominees Limited (<i>Note 3</i>)	Nominee	3,400,000,000(L)	68%
Dragon Jubilee Investments Limited	Beneficial owner	425,000,000(L)	8.5%

Notes:

- (1) The letter "L" denotes the person's long position in shares.
- (2) Ms. Kei is indirectly interested in the Company through Dragon Jubilee Investments Limited, Gao Run Holdings Limited and Thrive Ally Limited, which owned collectively 17% interests in the Company.
- (3) Ms. Kei is the settlor and a beneficiary of a family trust, which is a trust set up to hold the interest of Ms. Kei and her family (excluding Mr. Ji) in the Company. The family trust is interested in the entire interest of Kei Family United Limited which in turns hold the entire interest in Junxi Investments Limited. Further, Mr. Ji is considered to be interested in the interests of the Company through Junxi Investments Limited and Ms. Kei as (i) Junxi Investments Limited is a company which is entirely owned by a family trust to which Ms. Kei is the settlor and a beneficiary and (ii) Ms. Kei being a person accustomed to act in accordance with Mr. Ji's directions.
- (4) These represent the Shares to be issued and allotted by the Company upon the exercise of the options granted under the share option scheme of the Company.
- (5) The number of Shares Mr. Ji is deemed to be interested in includes 8,170,000 share options under the share option scheme of the Company proposed to be granted to Mr. Ji subject to the approval of the independent shareholders of the Company at an extraordinary general meeting.

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

Ms. Kei is a director of Junxi Investments Limited. Save as disclosed, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which should fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

4. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, Mr. Ji and Ms. Kei had interests in Guangdong Logan Group Property Management Co., Ltd. and Logan Real Estate Holdings Co., Ltd.

The Group is principally engaged in the development of residential properties or mixed-use properties, which mainly represent residential properties with ancillary developments ancillary to the Group's residential projects, such as retail units, supermarkets and car parks, etc., in Guangdong Province. On the other hand, the relevant group, being companies controlled by Mr. Ji and Ms. Kei, is principally engaged in property management business carried out by Guangdong Logan Group Property Management Co., Ltd. and hotel development business and commercial property development business carried out by Logan Real Estate Holdings Co., Ltd. (collectively, the "**Relevant Businesses**"), which are not part of the Group's core business.

The Directors are of the view that there is a clear delineation between the Relevant Businesses and the Group's business, and that none of the Relevant Business would compete, or is expected to compete with the Group's core business of residential property development and that a deed of non competition has been given by both Mr. Ji and Ms. Kei in favour of the Group.

For details, please refer to the Company's prospectus dated 10 December 2013 under the section headed "Relationship with our Controlling Shareholders".

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited accounts of the Company were made up.

6. EXPERTS' QUALIFICATIONS AND CONSENTS

Each of Platinum and Roma has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and references to its name in the form and context in which it appears.

The following is the qualification of the expert or professional adviser who has given its opinion or advice contained in this circular:

Name	Qualification
Platinum Securities Company Limited	A licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Roma Appraisals Limited	Registered professional surveyors, valuers and property advisers

As at the Latest Practicable Date, Platinum and Roma did not have any direct or indirect interest in any assets which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2013, the date to which the latest audited financial statements of the Group was made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. GENERAL

- (a) None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.

- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The company secretary of the Company is Ms. Li Yan Wing, Rita, Ms. Li is a director of the corporate services division of Tricor Services Limited. Ms. Li is a chartered secretary and a fellow of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She has over 24 years of experience in corporate advisory services.
- (d) The Company's compliance adviser is Somerley Capital Limited.
- (e) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (f) The principal place of business of the Company in Hong Kong is Suites 4106-08, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (g) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (h) The principal share registrars of the Company is Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (i) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Suites 4106-08, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including the date of the EGM:

- (a) the Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;
- (c) the letter from Platinum, the text of which is set out on pages 16 to 36 of this circular;

- (d) the consent letters referred to in the section headed “Experts’ Qualifications and Consents” in this appendix;
- (e) the property valuation report from Roma, the text of which is set out in Appendix I to this circular; and
- (f) this circular.



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Logan Property Holdings Company Limited (the “**Company**”) will be held at Regus Business Centre, 35/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Thursday, 31st, July 2014 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without amendments) as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the sale and purchase agreement dated 19 May 2014 (the “**Agreement**”) entered into between the Purchaser, the Vendor and the Vendor’s Guarantor (as defined in the circular of the Company dated 27 June 2014 (the “**Circular**”), a copy of which has been produced to the extraordinary general meeting (the “**EGM**”) and marked “A” and initialed by the chairman of the EGM for the purpose of identification, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share (as defined in the Circular) at a consideration of RMB384,000,000 (equivalent to approximately HK\$480,000,000), and all transactions contemplated thereunder, be and is hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorised to do all such further acts and things and to sign and execute all such documents and to take all such steps which in his or her opinion may be necessary, appropriate, desirable or expedient to implement and/or give full effect to the Agreement and the transactions contemplated thereunder.”

By order of the Board
Logan Property Holdings Company Limited
Mr. Ji Haipeng
Chairman

Hong Kong, 27 June 2014

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.