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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and the accompanying 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)**

**GRANT OF SHARE OPTIONS**  
**AND**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting of the Company (the “EGM”) to be held at Regus Business Centre, 35/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong on Thursday, 31st July 2014 at 4:00 p.m. or any adjournment thereof is set out on pages 10 and 11 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

16 July 2014

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## DEFINITIONS

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

“Additional Options”	the additional share options proposed to be granted to Mr. Ji, entitling him to subscribe for 8,170,000 Shares at the exercise price of HK\$2.340 per Share;
“articles”	the articles of association of the Company as amended, modified or otherwise supplemental from time to time;
“associate(s)”	has the same meaning ascribed in the Listing Rules;
“Board”	the board of Directors;
“Company”	Logan Property Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Date of Grant”	29 May 2014;
“Directors”	the directors of the Company;
“EGM”	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 4:00 p.m., to consider and, if thought appropriate, to approve the resolution contained in the notice of the meeting which is set out on pages 10 and 11 of this circular;
“Group”	the Company and its subsidiaries;
“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;
“Independent Shareholders”	Shareholders who are not connected persons of the Company;

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## DEFINITIONS

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“Latest Practicable Date”	15 July 2014, being the latest practicable date prior to the printing of this circular for 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;
“PRC”	the People’s Republic of China;
“Proposed Grant”	subject to the Independent Shareholders’ approval at the EGM, the proposed grant of the Additional Options;
“Share Options”	share options to subscribe for Shares under the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 18 November 2013;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder”	a holder of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules; and
“%”	per cent



**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 (*Chairman*)  
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

16 July 2014

*To the Shareholders*

Dear Sir or Madam,

**GRANT OF SHARE OPTIONS**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 30 May 2014 in relation to the grant of Share Options to certain Directors and employees of the Group and the Proposed Grant.

The purpose of this circular is to provide you with (i) information relating to the Proposed Grant; (ii) the recommendation of the Board, including all independent non-executive Directors, in relation to the Proposed Grant; and (iii) the notice of the EGM at which the Independent Shareholders shall be asked to consider and, if thought fit, approve the resolution in respect of the Proposed Grant.

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## LETTER FROM THE BOARD

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### GRANT OF SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

On 29 May 2014, the Company granted 190,090,000 Share Options to certain Directors and employees of the Group to subscribe for Shares under the Share Option Scheme, subject to the acceptance of such grantees, among which 4,950,000 Share Options were granted to Mr. Ji, an executive Director and a controlling shareholder of the Company. The grant of the above Share Options has been approved by the independent non-executive Directors.

On the same date, the Board also resolved to grant to Mr. Ji the Additional Options to subscribe for Shares on the following terms and conditions which are also applicable to the Share Options granted to other Directors and certain senior managers or above of the Group:-

Date of Proposed Grant:	29 May 2014.
Exercise price of Additional Options:	HK\$2.340 per Share, which represents the highest of (i) official closing price of HK\$2.340 per Share as stated in the daily quotation sheets issued by the Stock Exchange on 29 May 2014, being the Date of Grant; (ii) the average closing price of HK\$2.308 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of the Proposed Grant; and (iii) the nominal value of the Shares.
Total number of Additional Options:	8,170,000 Share Options (each Share Option shall entitle Mr. Ji to subscribe for one Share).
Closing price of the Shares on the date of Proposed Grant:	HK\$2.340 per Share.
Validity period of the Additional Options:	29 May 2014 to 28 May 2020.
Vesting schedule of the Additional Options:	The Additional Options granted to Mr. Ji will be vested evenly over a period of four years starting from 29 May 2015 and ending on 28 May 2019.
Exercise period of the Additional Options:	The Additional Options are exercisable within a period of six years from the date of Proposed Grant subject to the above vesting schedule.

Pursuant to Rule 17.04(1) of the Listing Rules, where any grant of option(s) to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and

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## LETTER FROM THE BOARD

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outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options must be separately approved by the independent shareholders in general meeting.

The grant of the Additional Options is conditional upon Independent Shareholders' approval to be obtained at the EGM. Given that Mr. Ji is a controlling shareholder of the Company and the Additional Options together with the 4,950,000 Share Options granted to him under the Share Option Scheme (i) represent in aggregate over 0.1% of the Shares in issue; and (ii) have an aggregate value, based on the closing price of the Shares at the Date of Grant, in excess of HK\$5 million, the Proposed Grant would be subject to the approval of the Independent Shareholders at a general meeting pursuant to Rule 17.04(1) of the Listing Rules, at which all connected persons of the Company shall abstain from voting in favour of the resolution approving the Proposed Grant.

Shares allotted and issued on the exercise of the Additional Options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

The consideration payable on acceptance of the Additional Options by Mr. Ji is HK\$1.00 and the Additional Options are not transferrable.

Upon exercise of the 4,950,000 Share Options and the 8,170,000 Additional Options by Mr. Ji, 13,120,000 new Shares will be issued by the Company, representing an aggregate value of approximately HK\$30.7 million based on the closing price of the Shares on the Date of Grant.

None of the Directors is a trustee of the Share Option Scheme or has a direct or indirect interest in the trustee of the Share Option Scheme.

### **REASONS FOR THE PROPOSED GRANT**

The Additional Options are to recognize Mr. Ji's past contribution to the business performance of the Group and as an incentive for his continuing commitment and contribution to the Group in the future. No performance targets have to be achieved before the Additional Options can be exercised.

The Company granted and proposed to grant a total number of 198,260,000 Share Options to the Directors (including Mr. Ji) and employees of the Group, among which, 4,950,000 Share Options and 8,170,000 Additional Options were granted and proposed to be granted to Mr. Ji. The number of Share Options, including the Additional Options, granted to Mr. Ji were determined by the Company with reference to Mr. Ji's role as the founder, the chairman and an executive Director and his past contribution in the Company which was more particularly evidenced by the listing of the Shares on the Main Board of the Stock Exchange in December 2013, and the strong performance of the financial results of the Group for the year ended 31 December 2013 with an increase of

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## LETTER FROM THE BOARD

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approximately 68.8% in the turnover and approximately 73.6% increase in core profit as compared with the prior year.

The Company believes that the number of Share Options, including Additional Options, granted to Mr. Ji in addition to the Share Options will serve as an incentive further aligning his interests with the overall business performance of the Group. Given his past contribution as mentioned above and that he is able to meet and attain certain level of the Company's internal performance measurement and criteria as stated below, the number of Share Options, including the Additional Options, granted to Mr. Ji is reasonable and fair and in the interests of the Group.

The Company considers the grant of the Share Options to the Directors (including Mr. Ji) and employees and the Additional Options proposed to be granted to Mr. Ji after listing of the Shares is appropriate as it serves as a reward to the relevant Directors and employees for their contribution to the strong performance of the results of the Group for the year ended 31 December 2013 so that they can be incentivised accordingly. In particular, not only is Mr. Ji the founder of the Company with tremendous contribution in the past, but also an executive Director responsible for formulating long-term business strategies for the Company. Thus, as aforesaid, the Share Options, including the Additional Options, granted and proposed to be granted were to further align his interests with the overall business performance of the Group in view of the continued improvement of the business operations of the Group and the ongoing and persistent dedication required of him to the Group.

In addition, the amount of share options granted by the Company to each grantee was determined by it based on a set of criteria (including positions, remunerations ranks and years of services) set by the Company, which are applicable to all the Directors and employees of the Company. The set of measurement criteria adopted by the Company in March 2014 following the advice of the external human resources consultant of the Company involves, as a first step, dividing the employees of the Company into different hierarchies from managerial grade to chairperson of the Board, each level assigned with a specific base number of Share Options with the chairperson entitled to 14,000,000 Share Options as such. The base number for each level was determined with reference to the market-level remuneration of similar roles and responsibilities and the value of the Share Options to be granted to a particular grantee, as proposed by the external human resources consultant of the Company. In the second step, we adopt a multi-factor model with independent variable factors such as job performance, workload, individual credential and years of services, each respectively assigned with a weighting of 0.4, 0.3, 0.2 and 0.1. By way of this, the dependent variable, being the adjustment factor for discounting the base number of Share Options, is derived from the sum product of the weighting and the independent variable factors input. By discounting the base number of Share Options (14,000,000, for Mr. Ji) by the adjustment factor (0.937, for Mr. Ji), the number of Share Options (rounded up to ten thousands) proposed to be granted to each employee is arrived at. Given that Mr. Ji has met the measurement criteria set by the Company (such having been reviewed and considered by the remuneration committee of the Company before the grant), coupled with the factors as set out above, the Company considers that the Proposed Grant is in line with the internal guidelines and policy of the Company.

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## LETTER FROM THE BOARD

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As such, the senior management and directors of the Company, including Mr. Lai Zhuobin and Mr. Xiao Xu but not Mr. Ji himself, initiated the proposal of grant of the Additional Options to Mr. Ji along with the grant of Share Options to other grantees in early March 2014 after the annual results of the Company for the year ended 31 December 2013 was published.

The Board (including all the independent non-executive Directors) also considers that the Proposed Grant is in the interests of the Company and the Shareholders as a whole and the Proposed Grant of 8,170,000 additional options, together with the 4,950,000 Shares Options, which was offered to Mr. Ji in addition to his remuneration received from the Company is fair and reasonable in view of, as aforesaid, his being able to meet and attain certain level of the Company's internal performance measurement and criteria and the ongoing and persistent dedication required of him to the Group in the future in light of the continued improvement of the business operations of the Group, as evidenced by the annual results of the Company for the year ended 31 December 2013.

Apart from the 4,950,000 Share Options and 8,170,000 Additional Options granted by the Company to Mr. Ji on 29 May 2014, Mr. Ji does not hold any other share option in the Company. The remuneration of Mr. Ji, including salary, bonus, director's fee and benefits in kind, was approximately RMB5,186,000 for the year ended 31 December 2013, which has been taken into account by the Board, as one of the factors as described above, in proposing the grant of the Share Options and Additional Options to Mr. Ji.

### **MANDATE LIMIT ON THE SHARE OPTION SCHEME**

Under the Share Option Scheme, the Board may grant Share Options to eligible participants to subscribe for a maximum of 500,000,000 Shares, being 10% of the Shares in issue at the time dealings of the Shares commenced on the Stock Exchange (the "**Scheme Limit**").

As at the Latest Practicable Date, taking no account of the Additional Options, Share Options carrying the rights to subscribe for up to a total of 190,090,000 Shares have been granted under the Share Option Scheme since the approval of the Scheme Limit, none of which have been lapsed, cancelled or exercised and all remain outstanding. Accordingly, there are sufficient unissued Shares for the purpose of granting the Additional Options to Mr. Ji.

Pursuant to note 2 to Rule 17.03(3) of the Listing Rules, the Shares which may be issued upon the exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme at any time shall not exceed 30% of the Shares in issue from time to time. No Share Options will be granted under the Share Option Scheme if it will result in the 30% limit being exceeded. As at the Latest Practicable Date, the total number of Shares which might be issued upon exercise of all outstanding Share Options granted and yet to be exercised (taking no account of the Additional Options granted to Mr. Ji) was 190,090,000, representing approximately 3.80% of the issued share capital of the Company as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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Assuming that the Proposed Grant is approved by the Independent Shareholders at the EGM and that no Share Options granted under the Share Option Scheme are exercised from the Latest Practicable Date to the date of the EGM, the Company will have 198,260,000 Share Options outstanding immediately after the EGM, representing approximately 3.97% of the issued share capital of the Company as at the Latest Practicable Date.

### GENERAL

The Company will monitor the public float of the Company closely and to the extent that any connected person of the Company intends to exercise his/her share options in the Company, the Company will require each of them to inform the company secretary of the Company at least three business days in advance of such exercise who will then check against the register of members of the Company kept by the Hong Kong registrar of the Company to ensure any such exercise will not cause the Company failing to comply with the public float requirement under the Listing Rules. Only after the receipt of the confirmation of the company secretary of the Company that such exercise will not cause the Company failing to comply with the public float requirement under the Listing Rules, the relevant connected person can then exercise the relevant share options, otherwise the Company shall not issue any Shares pursuant to such exercise of Share Options. The Company will ensure all the relevant grantees of the Share Options will be properly informed of the requirement and procedures above.

To the best knowledge, information and belief of the Company having made reasonable enquiries, no connected person of the Company has any current plan or intention to dispose of his/her Shares in order to exercise the Share Options.

### EGM

A notice of the EGM is set out on pages 10 to 11 of this circular.

As at the Latest Practicable Date, Mr. Ji and his associates were interested in 4,250,000,000 Shares, representing 85.0% of the entire issued share capital of the Company. Since Mr. Ji and his associates are connected persons of the Company, each of them as well as all other connected persons of the Company shall abstain from voting in favour of the resolution approving the Proposed Grant.

As at the Latest Practicable Date, none of the Shareholders who are required to abstain from voting in favour of the resolution approving the Proposed Grant has given the Company notice of their intention to vote against such resolution at the EGM.

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

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## LETTER FROM THE BOARD

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### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, all votes at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 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 Company. 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 misleading.

### RECOMMENDATION

The Board (including all independent non-executive Directors) considers that the proposed resolution set out in the notice of the EGM relating to the Proposed Grant is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including all independent non-executive Directors) recommends the Independent Shareholders to vote in favour of the such resolution.

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

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NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) 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 4:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION**

“**THAT** the grant of share options (the “Options”) to Mr. Ji Haipeng (“Mr. Ji”) to subscribe for 8,170,000 ordinary shares of HK\$0.10 each in the share capital of the Company (the “Shares”) at the exercise price of HK\$2.340 per Share under the share option scheme of the Company adopted on 18 November 2013 on the terms set out in the circular issued by the Company on 16 July 2014 be and is hereby approved and that any one director of the Company be and is hereby authorized to do all such acts and/or execute all such documents as may be necessary, desirable or expedient to give full effect to the grant of the Options to Mr. Ji and the issue of Shares upon exercise of the Options by Mr. Ji.”

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

Hong Kong, 16 July 2014

*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.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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.
4. As at the date of this notice, the board of directors of the Company comprises:

*Executive Directors:*

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

*Independent Non-executive Directors:*

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

*Non-executive Director:*

Ms. Kei Perenna Hoi Ting