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If you have sold or transferred all your shares in **Logan Property Holdings Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the 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)

**MAJOR TRANSACTION
IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE**

A letter from the Board is set out on pages 4 to 8 of this circular.

19 May 2017

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DEFINITIONS

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

“Announcement”	announcement of the Company dated 22 March 2017, in relation to, among other things, provision of financial assistance to the JV Company and the Project Company
“Bank(s)”	the licensed banks as lenders under the Facility Agreement
“Bank Loan(s)”	(i) the loan facility in an aggregate amount of HK\$7,500,000,000 to finance up to 50% of the land premium of the Site, and (ii) the loan facility in an aggregate amount of HK\$5,000,000 to finance or refinance part of the estimated construction costs for the sole purpose of developing the Site granted by the Banks as lenders to the Project Company as borrower
“Board”	the board of Directors
“Company”	Logan Property Holdings Company Limited (龍光地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Facility Agreement”	the facility agreement dated 22 March 2017 entered into by and among, the Project Company (as borrower), the Banks (as mandated lead arrangers and original lenders) and Hang Seng Bank Limited (as agent and security agent) in relation to the Bank Loans
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“Guaranteed Indebtedness”	all moneys and sums whatsoever (including all principal, interest, arrangement fee, agency and security agent fee, other fees, costs, charges and expenses) which are or shall or may be or become due or owing or payable by the Project Company from time to time under or pursuant to the Facility Agreement and the related finance documents to which the Project Company is a party
“Junxi”	Junxi Investments Limited, a company incorporated in the British Virgin Islands and a controlling shareholder of the Company
“JV Company”	Unicorn Bay Limited (麒麟灣有限公司), a company incorporated in the British Virgin Islands which is owned as to 50% by the Company and as to 50% by KWG
“KWG”	KWG Property Holding Limited (合景泰富地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“KWG Deposit”	the sum of HK\$12,500,000 advanced by KWG to enable the Project Company to submit the deposit with its bid for the Site, being part of the KWG Loan
“KWG Guarantee”	the guarantee provided by KWG (as guarantor) for up to 50% of the Guaranteed Indebtedness
“KWG Guarantee Deed”	the guarantee deed dated 22 March 2017 entered into between KWG and the security agent (for the benefit of the secured parties under the Facility Agreement) in respect of the KWG Guarantee
“KWG Loan”	the shareholder’s loan in the aggregate amount of HK\$4,697,500,000, being the sum of the KWG Deposit and the loan in the amount of HK\$4,685,000,000 advanced by KWG to the JV Company on 22 March 2017
“Latest Practicable Date”	17 May 2017, being the latest practicable date prior to the publication of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Logan Deposit”	the sum of HK\$12,500,000 advanced by the Company to enable the Project Company to submit the deposit with its bid for the Site, being part of the Logan Loan
“Logan Guarantee”	the guarantee provided by the Company as guarantor for up to 50% of the Guaranteed Indebtedness
“Logan Guarantee Deed”	the guarantee deed dated 22 March 2017 entered into between the Company and the security agent (for the benefit of the secured parties under the Facility Agreement) in respect of the Logan Guarantee
“Logan Loan”	the shareholder’s loan in the aggregate amount of HK\$4,697,500,000, being the sum of the Logan Deposit and the loan in the amount of HK\$4,685,000,000 advanced by the Company to the JV Company on 22 March 2017
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“Project”	the development of the Site into a residential development by the JV Company through the Project Company
“Project Company”	Unicorn Bay (Hong Kong) Investments Limited (麒麟灣(香港)投資有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the JV Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 22 March 2017 entered into between the Company, KWG and the JV Company in relation to the JV Company
“Site”	Ap Lei Chau Inland Lot No. 136 at Lee Nam Road, Ap Lei Chau, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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. Kei Hoi Pang (*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

the Cayman Islands

Principal Place of Business

in Hong Kong:

Unit Nos. 02-03A, Level 68

International Commerce Centre

1 Austin Road West

Hong Kong

19 May 2017

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE**

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the provision of financial assistance to the JV Company and the Project Company.

The purpose of this circular is to provide you with the information relating to, among other things, further details regarding the provision of the Logan Loan and the Logan Guarantee together with other information as required under the Listing Rules.

LETTER FROM THE BOARD

PROVISION OF FINANCIAL ASSISTANCE

Provision of the Logan Loan

On 22 March 2017, the Company, KWG and the JV Company entered into the Shareholders' Agreement, pursuant to which, among others, a sum of HK\$12,500,000 advanced by each of the Company and KWG to enable the Project Company to submit the HK\$25,000,000 deposit with its bid for the Site shall be treated as a shareholder's loan from each of the Company and KWG from the date of the Shareholder's Agreement.

As contemplated under the Shareholder's Agreement, on 22 March 2017, the Company advanced a loan in the amount of HK\$4,685,000,000 to the JV Company. The principal terms of the Logan Loan are as follows:

Amount	:	HK\$4,697,500,000
Term	:	A period of sixty (60) months commencing from 22 March 2017
Interest Rate	:	At the rate of 2.5% per annum, calculated on a daily basis and payable on yearly basis
Repayment	:	One off repayment at the end of the term
Security	:	None

On 22 March 2017, KWG, holding 50% of the issued share capital of the JV Company, made available to the JV Company the KWG Loan with the same terms (including the interest rate) as the Logan Loan as set out above.

The JV Company has applied the loan proceeds from the Company and KWG for part payment of the land premium for the Site.

Provision of the Logan Guarantee

In order to finance the payment of the balance of the land premium in the amount of HK\$16,830,780,000 (being the total consideration of the land premium less the HK\$25,000,000 deposit paid with the bid for the Site), on 22 March 2017, the Project Company (as borrower) and the Banks (as lenders) entered into the Facility Agreement in relation to the Bank Loans.

As security for the due and punctual performance of the Project Company under the Facility Agreement and the related finance documents, the Company provided a guarantee in favour of the security agent (for the benefit of the secured parties under the Facility Agreement) for up to 50% of the Guaranteed Indebtedness under the Logan Guarantee Deed; and KWG provided a guarantee in favour of the security agent (for the benefit of the secured parties under the Facility Agreement) for up to 50% of the Guaranteed Indebtedness under the KWG Guarantee Deed.

LETTER FROM THE BOARD

Each of the Logan Guarantee and the KWG Guarantee will remain in force and effect until the final payment of the Guaranteed Indebtedness has been made by the Project Company.

As the Logan Guarantee is given by the Company in consideration of the provision of the Bank Loans to the Project Company, the Company will not receive any fee or income for providing the Logan Guarantee under the Logan Guarantee Deed.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Banks, the security agent and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE PARTIES INVOLVED

The Company is a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in property development, property investment and property construction in the PRC.

KWG is a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange. KWG, together with its subsidiaries, is a large-scale property developer in the PRC with a leadership position in Guangzhou and an established presence in Suzhou, Chengdu, Beijing, Tianjin, Shanghai, Nanning, Hangzhou, Hainan, Foshan, Nanjing and Hefei. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, KWG and its ultimate beneficial owners are independent of and not connected with the Company or any of its connected persons.

REASONS AND BENEFITS OF PROVISION OF FINANCIAL ASSISTANCE

The construction of the Site is currently expected to commence in the second quarter of 2017, and the construction period of the Project is currently anticipated to be approximately 51 months.

The Directors are of the view that the provision of the Logan Loan and the Logan Guarantee will facilitate the Project Company meeting its payment obligation with respect of the land premium for the Site and the development of the Project, and the terms of the Logan Loan (including the interest rate) and the Logan Guarantee were negotiated on an arm's length basis, are on normal commercial terms and fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT OF THE FINANCIAL ASSISTANCE

Provision of the Logan Loan

The Logan Loan will be recognised and disclosed as amounts due from joint ventures, which will increase the Group's other receivables and decrease the Group's cash and cash equivalents. As such, the provision of the Logan Loan will not have material

LETTER FROM THE BOARD

financial effect to the total assets and liabilities of the Group. The annual interest income of approximately HK\$117 million from the Logan Loan will be recorded as other income of the Group, which will increase earnings of the Group accordingly. Save as disclosed above, there will be no other material financial effect on earnings of the Group associated with the provision of the Logan Loan.

Provision of the Logan Guarantee

The provision of the Logan Guarantee will not have any immediate effect on the Group's earnings, assets and liabilities. The Company, as a guarantor under the Logan Guarantee, will be responsible for up to 50% of the Guaranteed Indebtedness in case there is a default in the repayment of the Bank Loans and related interest, costs or fees by the Project Company.

According to the preliminary design and financial prospects of the Project, if there is any future funding need for the Project, the JV Company and the Project Company (as the case may be) will first seek financing (or refinancing) from external banks, absence or shortfall of which will then seek funding from shareholders of the JV Company. Hence the Directors consider that there will be sufficient cash flow for the Project Company to repay the Bank Loans, and are of the view that the provision of the Logan Guarantee will not have any material negative financial effects on the earnings, assets and liabilities of the Group.

LISTING RULES IMPLICATIONS

The Logan Loan, when aggregating with the Logan Guarantee, constitutes a series of related transactions and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the Logan Loan and the Logan Guarantee is more than 25% but less than 100%, the provision of the Logan Loan and the Logan Guarantee constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, a written approval has been obtained from Junxi on the provision of the Logan Loan and the Logan Guarantee. Accordingly, no physical meeting of the Shareholders for approving the provision of the Logan Loan and the Logan Guarantee will be held. Junxi was a controlling shareholder of the Company with an interest in 3,400,000,000 Shares, representing approximately 61.86% of the issued shares of the Company as at the date of the Announcement and the Latest Practicable Date.

To the best knowledge, information and belief of the Directors, no Shareholder has a material interest in the provision of the Logan Loan and the Logan Guarantee and accordingly no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Logan Loan and the Logan Guarantee.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors, including the independent non-executive Directors, are of the view that although the provision of the Logan Loan and the Logan Guarantee is not in the ordinary and usual course of business of the Company, it is necessary and for the purpose of the Project which is in the ordinary and usual course of business of the Company. The Directors are of the view that the terms of the Logan Loan and the Logan Guarantee are on normal commercial terms, fair and reasonable and in the interest of the Group and the Shareholders as a whole. Accordingly, should a resolution be put at a general meeting of the Company for the Shareholders to consider, the Directors would recommend the Shareholders to vote in favour of such resolution.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Logan Property Holdings Company Limited
KEI Hoi Pang
Chairman

I. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the three years ended 31 December 2014, 2015 and 2016 are disclosed on pages 54 to 139, pages 55 to 143 and pages 71 to 199 of the annual reports of the Company for the three years ended 31 December 2014, 2015 and 2016, respectively. The management discussion and analysis of the Company for the three years ended 31 December 2014, 2015 and 2016 are disclosed in the published annual reports of the Company for the relevant periods.

Please also see below the hyperlinks to the said annual reports:

For the year ended 31 December 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0423/LTN20150423290.pdf>

For the year ended 31 December 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0408/LTN20160408341.pdf>

For the year ended 31 December 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0417/LTN20170417099.pdf>

II. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2017, being the latest practicable date for the purpose of determining this indebtedness of the Group prior to the printing of this circular, the Group had the following:

	<i>RMB(000)</i>
Bank loans	11,009,308
Corporate Bond	12,400,000
Senior notes	6,985,965
Other loans	<u>6,691,500</u>
Total	<u><u>37,086,773</u></u>

Save as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any material:

- (i) debt securities issued and outstanding, authorised or otherwise created but unissued;
- (ii) term loans;
- (iii) borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; or
- (iv) mortgages or charges.

III. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the internally generated funds and the available banking facilities, and also the effect of provision of the Logan Loan and the Logan Guarantee, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

IV. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material change in the financial or trading position or outlook of the Group since 31 December 2016, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

V. FUTURE PROSPECTS

The Central Economic Work Conference held in Beijing in mid-December has set the overall direction for a stabilized yet aggressive economy in 2017. The financial policies will become more active and effective, with an objective to deepen the supply-side reform and focus on revitalizing the real economy. The adjustment and control policies introduced by the governments at all levels in the fourth quarter of 2016 have been effective and effectively affected the market expectations and integrated industries and is expected to lead the smooth development of the real estate market as a whole.

PRC's Premier Li Keqiang made it clear for the first time in his Report on the Work of the Central Government in 2017 that the development plan for the cities in the greater bay area of Guangdong, Hong Kong and Macao has been formulated, and is committed to the development of Guangdong-Hong Kong-Macao Greater Bay Area (featuring Hong Kong and Macau) and world-class city cluster that includes the nine cities in the Pearl River Delta (Guangzhou, Shenzhen, Foshan, Dongguan, Zhongshan, Zhuhai, Huizhou, Jiangmen, Zhaoqing), and integrate the plan into a part of the national overall strategic development. These areas will be planned in synchronicity and developed into an important driving force for national economic upgrading and restructuring, the supporting region for the "One Belt, One Road" development strategy, the world's major science and technology industry innovation center, as well as the international competitive modern industry pilot area and national green development demonstration area. The central government has planned that Guangdong-Hong Kong-Macao Greater Bay Area will bring together the capital, logistics, technology and talents from the cities around the country to achieve complementary resources and capacity to attract investment and economic activities. It is expected to bring huge economic benefits to China and the Guangdong-Hong Kong-Macao region, and enhance the influence of the metropolitan area and the region. It is expected that the overall GDP of Guangdong-Hong Kong-Macao Greater Bay Area will be comparable to or even beyond the well-known Bay Area in the world and establish itself as one of the world's leading bay area, which would even be comparable to the New York Bay Area and the Tokyo Bay Area. It is expected that the plan will be carried out this year. The market believes that the overall construction prospects of the Greater Bay Area is positive and it will bring huge opportunities for the development of the Guangdong-Hong Kong-Macao region. Of which, driven by the core cities such as Shenzhen and Hong Kong, it is expected that the prime lands such as Zhuhai, Zhongshan and Foshan in the region will become more important transportation hubs and their development potentials are limitless.

The Group has always been deeply rooted in the Pearl River Delta region. The prospective strategic deployment and industry vision coincides with the central government's planning and development of the Greater Bay Area. It is expected that the promotion of relevant policies will further promote the land value and housing prices in the Guangdong-Hong Kong-Macao region. With the Group's solid foundation at the core area, the cumulated branding effect, and the huge value of the land and its projects, the Group will be able to seize the opportunity to tap into the high-speed development and integration of the market opportunities of Greater Bay Area economy system, enhance the overall strength, fully shows the Group's superior insights on development and planning.

To cope with the development advantages of the Greater Bay Area, Hong Kong and Shenzhen will definitely play a more important leading role. In the future, the Group will continue to deploy its prospective plan of Guangdong-Hong Kong-Macao Greater Bay Area to increase the investment in the area, especially focusing on the development in the prime land in Zhuhai, Zhongshan and Foshan, where the Group has established its presence. On the other hand, the Group extends its profound experience gained from developing first-tier cities to the area within a radius of one hour of metro lines in Shenzhen, and also to those core areas such as the Greater Bay Area, Yangtze River Delta and Beijing-Tianjin-Hebei region.

In addition, the Group successfully bid a rare and high-quality land parcel in Lee Nam Road, Ap Lei Chau for large-scale residential use in Hong Kong in collaboration with KWG Property Holding Limited in early 2017. Through allocating overseas assets in Hong Kong to hedge foreign exchange risk effectively, and diversify the land bank portfolio and increase profit margin, all of them could prove the Group's insights into the market trends. The Group will continue to focus on the areas that are suitable for investment and development in Hong Kong, Macau and overseas, to gradually form the new layout of simultaneous development in domestic and overseas.

The Group will continue to launch the projects along Shenzhen's subway lines in the year, which includes "Logan Jiuzuan" (龍光•玖鑽) project, erected on the Hongshan subway station in the centre of north Shenzhen; "龍光•玖雲著" at the Pingshan High Speed Rail Station; and "龍光•玖龍臺" in Guangming High Speed Rail Station. Therefore, the Group is able to capture the market demand and consolidate the leading position of the Company in the Shenzhen market. The Group believes that the development concept of Greater Bay Area will effectively expand its room and depth for future development.

In the future, the Group will continue to identify quality assets in overseas markets, and also continue to lift up the values, such as the design and quality of the projects to further strengthen the Group's market competitiveness and penetration. The Group will also adjust its sales and development strategies in a timely manner in response to market supply and demand, so as to increase the Group's brand influence and consolidate its leading position in the industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the 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 document 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 document misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(i) Interest in Shares of the Company

Name of Director	Nature of interest	Number of shares ⁽¹⁾	Underlying Shares Interested ⁽²⁾	Percentage of Company's Issued Share Capital ⁽⁵⁾
Mr. Kei Hoi Pang	Beneficiary of a family trust. Interest of a controlled corporation ⁽³⁾	4,250,000,000 (L)		77.32%
	Beneficial owner		13,120,000 (L) ⁽⁴⁾	0.24%
Mr. Ji Jiande	Beneficial owner	-	9,840,000 (L)	0.18%
Ms. Kei Perenna Hoi Ting	Beneficiary of a family trust. Interest of controlled corporations ⁽³⁾	4,250,000,000 (L)		77.32%
	Beneficial owner		2,050,000 (L)	0.04%

Name of Director	Nature of interest	Number of shares ⁽¹⁾	Underlying Shares Interested ⁽²⁾	Percentage of Company's Issued Share Capital ⁽⁵⁾
Mr. Lai Zhuobin	Beneficial owner	-	4,170,000 (L)	0.08%
Mr. Xiao Xu	Beneficial owner	-	4,470,000 (L)	0.08%

Notes:

- (1) The letter "L" denotes the person's long position in the shares.
- (2) The number of shares represents the shares in which the Directors are deemed to be interested as a result of holding share options.
- (3) Ms. Kei Perenna Hoi Ting is the settlor and a beneficiary of a family trust. She is also indirectly interested in the Company through Dragon Jubilee Investments Limited, Gao Run Holdings Limited and Thrive Ally Limited, which owned collectively 15.46% equity interests in the Company. Mr. Kei Hoi Pang, who is also a beneficiary of the family trust, is also considered to be interested in the shares of the Company through Junxi and Ms. Kei Perenna Hoi Ting as (i) Junxi is a company which is entirely owned by a family trust to which Ms. Kei Perenna Hoi Ting and Mr. Kei Hoi Pang are beneficiaries and (ii) Ms. Kei Perenna Hoi Ting being a person accustomed to act in accordance with Mr. Kei Hoi Pang's directions.
- (4) Including the grant of 8,170,000 share options which has been approved by independent Shareholders on 31 July 2014.
- (5) The percentage is calculated based on the total number of issued shares of the Company as at the Latest Practicable Date.

(ii) Interest in Associated Corporations of the Company

Name of Director	Name of Associated Corporations	Percentage of Shareholding Interest
Ms. Kei Perenna Hoi Ting	Junxi Investments Limited	100%
	Dragon Jubilee Investments Limited	100%
	Gao Run Holdings Limited	100%
	Thrive Ally Limited	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company, had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company, or were required, pursuant to the Model Code of the Listing Rules to be notified to the Company and the Stock Exchange.

(b) 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).

(c) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries.

(d) Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

(e) Directors' interests in competing businesses

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.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position 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 were as follows:

Long positions in the Shares of the Company

Name	Nature of Interest	Number of Shares ⁽¹⁾	Percentage of the Company's Issued Share Capital ⁽⁵⁾
Mr. Kei Hoi Pang	Beneficiary of a family trust, Interest of a controlled corporation	4,250,000,000 (L)	77.32%
	Beneficial owner	13,120,000 (L) ⁽⁴⁾	0.24%
Ms. Kei Perenna Hoi Ting	Beneficiary of a family trust, Interest of controlled corporations ⁽²⁾	4,250,000,000 (L)	77.32%
	Beneficial owner	2,050,000 (L)	0.04%
Brock Nominees Limited ⁽³⁾	Nominee	3,400,000,000 (L)	61.86%
Credit Suisse Trust Limited ⁽³⁾	Trustee	3,400,000,000 (L)	61.86%
Junxi Investments Limited ⁽³⁾	Beneficial owner	3,400,000,000 (L)	61.86%
Kei Family United Limited ⁽³⁾	Interest of a controlled corporation	3,400,000,000 (L)	61.86%
Tenby Nominees Limited ⁽³⁾	Nominee	3,400,000,000 (L)	61.86%
Dragon Julibee Investments Limited	Beneficial owner	425,000,000 (L)	7.73%

Notes:

- (1) The letter "L" denotes the person's long position in shares.
- (2) Ms. Kei Perenna Hoi Ting is indirectly interested in the Company through Dragon Julibee Investments Limited, Gao Run Holdings Limited and Thrive Ally Limited, which owned collectively 15.46% interests in the Company.

- (3) Ms. Kei Perenna Hoi Ting is the settlor and a beneficiary of a family trust, which is a trust set up to hold the interest of Ms. Kei Perenna Hoi Ting and her family 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. Further, Mr. Kei Hoi Pang, who is also a beneficiary of the family trust, is also considered to be interested in the shares of the Company through Junxi and Ms. Kei Perenna Hoi Ting as (i) Junxi is a company which is entirely owned by a family trust to which Ms. Kei Perenna Hoi Ting and Mr. Kei Hoi Pang are beneficiaries and (ii) Ms. Kei Perenna Hoi Ting being a person accustomed to act in accordance with Mr. Kei Hoi Pang's directions.
- (4) Including the grant of 8,170,000 share options which has been approved by independent shareholders on 31 July 2014.
- (5) The percentage is calculated based on the total number of issued shares of the Company as at the Latest Practicable Date.

Save as disclosed above, the Directors and the chief executive of the Company were not aware that there was any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position 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 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 meeting of any other member of the Group or had any share options in respect of such capital.

Ms. Kei Perenna Hoi Ting is a director of Junxi, Dragon Julibee Investments Limited, Gao Run Limited and Thrive Ally Limited. As at the Latest Practicable Date and save as disclosed, none of the Directors is a director or employee of a company which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are, or may be material:

- (a) the framework agreement dated 17 May 2016 entered into between 惠州大亞灣東圳房地產有限公司 (Huizhou Daya Bay Dongzhen Property Co., Ltd.*), 深圳市龍光東圳置業有限公司 (Shenzhen Logan Dongzhen Realty Co., Ltd.*), 深圳市龍光控股有限公司 (Shenzhen Logan Holdings Co., Ltd.*), the Company and 深圳平安大華匯通財富管理有限公司 (Shenzhen Pingan Dahua Huitong Wealth Management Company Limited*), details of which is set out in the announcement of the Company dated 17 May 2016 and the circular of the Company dated 30 June 2016;

- (b) the sale and purchase agreement dated 5 December 2016 entered into between Jolly Gain Investments Limited (樂盈投資有限公司) (“**Jolly Gain**”) (as purchaser), Honk Jee Loong Holdings Company Limited (鴻駿隆控股有限公司) (“**Honk Jee Loong**”) (as vendor) and Mr. Yao Yaojia (姚耀加) (as guarantor), pursuant to which Jolly Gain has agreed to acquire the entire issued share capital of Pak San Bay Investments Company Limited (北山灣投資有限公司), from Honk Jee Loong at a consideration of approximately RMB494.0 million (equivalent to approximately HK\$555.6 million), details of which is set out in the announcement of the Company dated 5 December 2016;
- (c) the Logan Guarantee Deed; and
- (d) the Shareholders’ Agreement.

* *for identification purpose only*

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

6. MISCELLANEOUS

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands and the principal place of business of the Company in Hong Kong is at Unit Nos. 02-03A, Level 68 International Commerce Centre, 1 Austin Road West, Hong Kong.
- (b) The Company’s principal share registrar is Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands.
- (c) The Company’s Hong Kong branch share registrar and transfer office is Tricor Investor Services Ltd., Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Ms. Li Yan Wing, Rita, a chartered secretary and a fellow of each of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (e) The English text of this circular shall prevail over the Chinese text.

7. 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 during normal business hours on any weekdays during the period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2015 and 2016;
- (c) each of the material contracts set out under the paragraph headed "Material Contracts" in this Appendix; and
- (d) this circular.