

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

### RELATIONSHIP WITH THE CONTROLLING SHAREHOLDER

Immediately upon completion of the Capitalization Issue and the Global Offering, our Controlling Shareholders will indirectly own approximately 85% of our issued share capital, taking no account of Shares which may be issued pursuant to the exercise of the Over-allotment Option or Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme.

Apart from the business currently carried out by our Group, our Controlling Shareholders and their respective associates have interests in other business including (i) property management business, carried out by Guangdong Logan Group Property Management Co., Ltd. (廣東龍光集團物業管理有限公司) (the “Property Management Business”); and (ii) hotel development business and commercial property development business, carried out by Logan Real Estate (the “Hotel and Commercial Property Business” and, together with the Property Management Business, the “Relevant Businesses”). The above companies controlled by our Controlling Shareholders (the “Relevant Group”) will not form part of our Group after Listing. The Property Management Business represents the management services provided by the Relevant Group to the owners of the residential properties developed by us. As the relationship under such Property Management Business is between the property owners and the property management company itself, there is no customer relationship between our Group, as the developer, and the Relevant Group, as the service provider to the Group’s customers, in this regard. The Hotel and Commercial Property Business, on the other hand, represents the hotel development business and commercial property development business of the Relevant Group in Shantou and Nanning regions focusing on the development of properties which are of a commercial nature, including high-end hotels, shopping malls, restaurants, offices and hotel-type serviced apartments ancillary to such hotels and offices. The Relevant Group will only focus on the development of properties which are situated on a land the land use right being solely commercial in nature.

A summary of the relevant financial information of the Property Management Business of the Relevant Group according to the accounts prepared by the domestic PRC auditors under PRC accounting principles of the Relevant Group are set forth below:

	For the year ended December 31, 2010	For the year ended December 31, 2011	For the year ended December 31, 2012	For the six months ended June 30, 2013
	(RMB)	(RMB)	(RMB)	(RMB)
Total Revenues . . . . .	68,888,470	94,409,218	144,861,105	72,548,886
Total Net Profits/(loss) . . . . .	608,450	874,046	1,018,417	410,529

As of October 31, 2013, being the latest practicable date for the purpose of this statement prior to the date of this prospectus, the commercial properties under the Hotel and Commercial Property Business developed by the Relevant Group have been completed and according to their management accounts, revenue generated from such commercial properties amounted to approximately RMB300.6 million. On the other hand, the hotel properties under the Hotel and Commercial Property Business developed by the Relevant Group has commenced its operation in November 2013 and as of the Latest Practicable Date, according to their management accounts, the revenue generated from the operation of such hotel properties developed by the Relevant Group amounted to approximately RMB7.0 million. During the Track Record Period, our Group had been and will still be providing certain type of construction services to Guangdong Logan Group and its subsidiaries for the projects developed by

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

Guangdong Logan Group and its subsidiaries, and it is expected that we will continue to provide such construction services to Guangdong Logan Group and its subsidiaries for the projects developed by them upon Listing. For further details, please refer to the section entitled “Master Construction Services Agreement” in the “Connected Transactions” section of this prospectus. Despite that we will continue to provide construction services to our connected parties. We expect, however, that consistent with our performance during the Track Record Period, income generated from our construction contracts will not constitute major sources of our cash flow.

For further details as to the reason for non-inclusion of the Relevant Businesses, please refer to the section entitled “—Delineation of Business” in this prospectus.

Our predecessor companies, Logan Real Estate and Guangdong Logan (Group), both of which are controlled by our Controlling Shareholders, had also previously engaged in the development of residential properties, which had been substantially completed and delivered during the Track Record Period. Among the projects completed by our predecessors during the Track Record Period, only two project companies (collectively, the “Foshan Project Companies”), being the wholly owned subsidiaries of Logan Real Estate, holding two residential property development projects, namely Lake City (天湖麗都) and Foshan Royal Castle (水悅城邦) in Foshan (collectively, the “Foshan Projects”), which formed part of the business of and contributed revenues to our predecessors’ group were not acquired by our Group as part of the Reorganization. We did not make such acquisitions because, when we commenced our Reorganization in 2009, the Foshan Project Companies had already substantially completed and delivered the Foshan Projects. The Company considered that it was not necessary to inject the Foshan Project Companies to the Group as part of the Reorganization as the Foshan Project Companies were established solely for the purpose of developing the Foshan Projects and no further property development projects would be undertaken by them following completion of the Foshan Projects. Although the Foshan Project Companies had made revenues and profit contribution to our predecessors’ group in 2010, their results have not been consolidated into the results of our Group as they do not form part of our Group. For the years ended December 31, 2010, 2011 and 2012, according to their audited accounts prepared by their domestic PRC auditors under PRC accounting principles, the total revenues generated by the Foshan Project Companies amounted to RMB814.5 million, RMB579.8 million and RMB51.6 million, respectively, and their total net profits amounted to RMB212.9 million, RMB215.2 million and RMB(2.2) million, respectively. For the six months ended June 30, 2013, according to their management accounts, the total revenue generated by the Foshan Project Companies amounted to RMB32.8 million and their total net profit amounted to RMB22.7 million. Further, as of the year ended December 31, 2012, the total GFA delivered under the Foshan Projects amounted to approximately 2,400 sq.m. For the 10 months ended October 31, 2013, being the latest practicable date for the purpose of this statement prior to the date of this prospectus, according to their management accounts, the total revenue and the total net profits generated from the Foshan Project Companies and the total GFA delivered under the Foshan Projects amounted to RMB34.3 million, RMB16.7 million and 3,065 sq.m., respectively.

Apart from the Property Management Business and the Hotel and Commercial Property Business carried out by the Relevant Group, none of our Controlling Shareholders or Directors is interested in any business which competes or is likely to compete, whether directly or indirectly, with our business. To ensure that competition will not exist in the future, our Controlling Shareholders have entered into the Deed of Non-Competition in favor of our Company to the effect that each of them will not, and will procure that each of their respective associates do not, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with our business.

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

### DELINEATION OF BUSINESS

Our Group is principally engaged in the development of residential properties or mixed-use properties, which mainly represent residential properties with ancillary developments ancillary to our Group's residential projects, such as retail units, supermarkets and car parks, etc. (the "Restricted Business"), in Guangdong Province. On the other hand, the Relevant Group is principally engaged in Property Management Business and Hotel and Commercial Property Business which are not part of our core business and are not in line with our overall strategy to maintain and further strengthen our market position in the PRC. Apart from the Group's only commercial property, namely Logan Century Center, where our corporate headquarters is located, and other retail units ancillary to the residential properties developed by the Group, the Group has no intention to develop, sell and operate any other properties on a land with the land use right being solely commercial in nature. The Logan Century Center, comprising two buildings, was developed by the Group through Shenzhen Logan Property to establish as its headquarters and principal place of business in Shenzhen. As not the entire Logan Century Center is being utilized by our Group, we leased the remaining unused part to other tenants. For further information regarding the Logan Century Center, please refer to the section entitled "Business—Our Property Projects—Description of Our Projects—Logan Century Center" in this prospectus. Further, ancillary to our development of residential properties, we have also developed a small portion of retail units as ancillary developments to the residential properties of the Group. Such retail units, which were mainly used as convenient stores and restaurants, were developed solely for the purpose to complement our residential properties and are different from the Hotel and Commercial Property Business developed by the Relevant Group.

As for the Foshan Projects, although the Foshan Project Companies, which are wholly owned by Logan Real Estate, being one of the companies within the Relevant Group had previously engaged in the development of residential properties, the Foshan Projects had been completed and a substantial portion of which had been delivered, and the Foshan Project Companies had no other business apart from holding certain remaining car park units of the Foshan Projects (the "Remaining Property"), as of the Latest Practicable Date. As of the Latest Practicable Date, the Remaining Property consisted of only 46 car park units representing the car park units which have been completed but not sold and it is the intention of the Relevant Group to sell the car park units as soon as practicable. As such, our Directors are of view that the contribution of such Remaining Property to the Group is insignificant, and the non-inclusion of which would have minimal impact on the Group given the Foshan Project Companies would not undertake any further property development projects.

The Property Management Business, although property-related, is labor-intensive and require long-term dedication to make the business a satisfactory accommodation to property owners together with different management expertise, skills and resources. Our Directors therefore, with a view that it is in the best interests of the Company to concentrate our resources on the development and growth of our core business, do not consider property management services as part of our core pursuit or our business development target. Further, it is common practice for property developers in China to engage external property management service providers to render professional property management services for their property developments.

The Hotel and Commercial Property Business, on the other hand, is primarily focused on the development of properties which are situated on a land with the land use right being solely of a commercial nature and for investment purposes which requires a different skills set and operation method and does not form part of our core business strategy. Although the Hotel and Commercial

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

Property Business includes hotel-type serviced apartments, the hotel-type serviced apartments developed by the Relevant Group are different from the properties developed by our Group. Specifically, the hotel-type serviced apartments developed by the Relevant Group are:

- properties which are situated on a land with the land use right being solely commercial in nature whereas the properties developed by our Group are on land with the land use right being either solely residential or a mixture of residential and commercial in nature which mainly represent residential properties with ancillary developments ancillary to our Group's residential projects, such as retail units, supermarkets and car-parks, etc.;
- properties ancillary to the hotels and offices developed by the Relevant Group and only serve to supplement the commercial properties under the Hotel and Commercial Property Business. For example, end-users of the commercial properties under the Hotel and Commercial Property Business may have specific accommodation needs around the same area and the hotel-type serviced apartments where housekeeping services will be provided mainly serve to cater such needs; and
- not a separate business segment developed by the Relevant Group.

Save for such hotel-type serviced apartments, the Relevant Group has not developed any other type of serviced apartments as of the Latest Practicable Date. On the other hand, our Group does not develop any type of serviced apartments, including the hotel-type serviced apartments. Further, the development of hotel-type serviced apartments and the development of residential property differ in many aspects including, among others, nature of land, customer base, business nature and interior design requirements and/or specifications.

	Development of	
	Hotel-type serviced apartment by the Relevant Group	Residential property by our Group
<b>Land Use Right</b>	The properties developed by the Relevant Group, e.g. the hotel-type serviced apartment, are located on land which is commercial in nature. The duration of the land use right of such land is up to a maximum of 40 years. Upon expiry of the 40 years, land use right will only be renewed upon compliance of the relevant rules and regulations in the PRC. The land can be used for operation or companies registration purposes. The Relevant Group will only focus on the development of properties which are situated on a land with the land use right being solely commercial in nature and will not engage in any the development of any residential properties.	Our residential properties are located on land which is primarily residential in nature together with a small portion of land with the land use right being a mixture of residential and commercial in nature which represents residential properties with ancillary developments ancillary to our residential projects. The duration of the land use right of such land is up to a maximum of 70 years which is automatically renewable upon expiry. The land cannot be used for operation or companies registration purposes. Nevertheless, when our Group participates in an acquisition of land, the primary factor, among others, that we will take into account is the product type, the nature and the purpose of the land, instead of the duration of the land use right.
<b>Customer Base/Use</b>	Customers bought or rented the relevant properties mainly for commercial and investment purposes. End-users of the properties mainly represent business people for self-use or corporate purposes.	Customers who are first-time buyers and upgraders bought the relevant properties mainly for self-use purpose. End-users of the properties mainly represent the customers themselves.

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

	Development of	
	Hotel-type serviced apartment by the Relevant Group	Residential property by our Group
<b>Business Nature</b>	Usually serves to supplement the operation of, and being part of, its commercial property project, for example, the office and/or hotel development (i.e. not a standalone property project itself).	Ordinary residential property projects in economically prosperous and emerging regions of the PRC, such as Guangdong and Guangxi Provinces, the Chengdu-Chongqing economic region and Hainan Province.
<b>Interior Design Requirements and Specifications</b>	Need to comply with specific interior design requirements applicable to hotels/serviced apartments including but not limited to prohibition on the installation of gas and separate kitchen facilities.	Tailor the needs for families, specific interior design requirements applicable to hotels/serviced apartments are not applicable to residential properties.

Further, both the Property Management Business and the Hotel and Commercial Property Business require different operation model and professional skills set which are not comparable to the operation model and professional skills set required for developing residential properties. Each of our Group and the Relevant Group has an independent work force to carry out the respective development of its projects and does not share any staff. In addition, the portion of hotel-type serviced apartments developed by the Relevant Group only represented approximately 0.7% of our Group's total land reserve as of the period ended October 31, 2013 and the estimated revenue apportioned to such hotel-type serviced apartments is expected to be minimal when comparing to our Group's revenue as a whole. Accordingly, our Directors are of the view that the expected revenue to be generated by the hotel-type serviced apartments developed by the Relevant Group will be small when comparing to our Group's revenue as a whole. As such, in the event that even if any future competition exists, the level of competition would be minimal.

As of the Latest Practicable Date, the hotel and commercial property with the hotel-type serviced apartments developed by the Relevant Group was still under development and is expected to commence sales by the first half of 2014 at the earliest. Therefore, no revenue or income has been recorded for the hotel-type serviced apartments as of the Latest Practicable Date. In addition, to ensure that competition will not exist in the future, our Controlling Shareholders have entered into the Deed of Non-Competition in favor of our Company to the effect that each of them will not, and will procure that each of their respective associates (other than members of our Group), controlled persons and controlled companies not to directly or indirectly participate, acquire or hold any right or interest, provide any support to, financial or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the Restricted Business. For further details regarding the Deed of Non-Competition, please refer to the paragraph headed “—Non-Competition Undertakings” in this prospectus. As such, our Directors are of view that the Relevant Businesses are separate and distinct from our core business and that there is a clear delineation between the Relevant Businesses and our business, as a result of which, none of the Relevant Businesses would compete, or is expected to compete, directly or indirectly, with our core business of residential property development.

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we will be able to operate independently from our Controlling Shareholders and their respective associates (other than our Group) upon Listing for the following reasons:

#### *Management Independence*

As of the Latest Practicable Date, save for Mr. Ji who is also a director of Logan Real Estate and Guangdong (Logan) Group, the holding company of Logan Real Estate, and that Mr. Ji Jiande who is also a director of Logan Real Estate, no other Director has overlapping roles or responsibilities in any business operation other than our business.

#### *Operational Independence*

We are independent of our Controlling Shareholders as we do not share operational capabilities with our Controlling Shareholders and we have independent access to suppliers and customers, as well as an independent management team to handle our day-to-day operations. We have sufficient operational capabilities to operate independently from the Relevant Group.

#### *Financial Independence*

Pursuant to the Hang Seng Bank Facility Agreements as described in the section entitled “Financial Information—Indebtedness and Contingent Liabilities—Hang Seng Bank Facility Agreements” in this prospectus, our Company obtained loan facility of an aggregate amount of US\$23.1 million and HK\$360.0 million from Hang Seng Bank Limited. Each of the Hang Seng Bank Facility Agreements was guaranteed by Mr. Ji and Ms. Kei, being our Controlling Shareholders, which was later released by Hang Seng Bank Limited pursuant to a letter from Hang Seng Bank Limited dated April 30, 2013. Further, pursuant to the Hang Seng Bank Facility Agreements, Ms. Kei agreed to remain the majority shareholder of Kam Wang and Shenzhen Youkaisi upon Listing as long as such loan facilities remain outstanding. Such requirements as to level of ownership in our Company result in the disclosure obligation of the Company pursuant to Rule 13.18 of the Listing Rules upon Listing. We intend to repay all outstanding amounts under the Hang Seng Bank Facility Agreement using a portion of the proceeds from the Global Offering. Please refer to the section entitled “Future Plans and Use of Proceeds” in this prospectus. Save as disclosed above, all loans, advances and balances due from our Controlling Shareholders and their respective associates have been fully settled and all loans, advances and balances due to our Controlling Shareholders will be fully repaid before Listing, and there are no loans, advances and balances due from/to our Controlling Shareholders and there are no share pledges and guarantees provided by our Controlling Shareholders or their respective associates in support of our Group’s borrowing. Accordingly, we believe we are financially independent from our Controlling Shareholders and their respective associates. In addition, we have our own internal control and accounting systems, accounting and finance department, independent treasury function for cash receipts and payment and independent access to third-party financing.

### NON-COMPETITION UNDERTAKINGS

In order to eliminate any potential competition with us, each of our Controlling Shareholders has undertaken to us (for ourselves and on behalf of our subsidiaries) in the Deed of Non-Competition that he/she/it will not, and will procure his/her/its associates (other than members of our Group),

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

controlled persons and controlled companies not to directly or indirectly, either on their own account, in conjunction with, on behalf of or through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest, provide any support to, financial or otherwise, or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the Restricted Business, or acquire or hold shares or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any companies or business that compete directly or indirectly with the Restricted Business except where our controlling shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of our Group.

Further, each of our Controlling Shareholders has undertaken to us in the Deed of Non-Competition that, in the event he/she/it, or any of his/her/its associates (other than members of our Group), controlled persons and controlled companies, is offered or becomes aware of any business opportunity directly or indirectly to engage or become interested in any business opportunity that directly or indirectly competes with the Restricted Business, he/she/it, or any of his/her/its associates shall promptly notify the Company in writing and refer such business opportunity to us for consideration and provide such information as may be required by us in order to make an informed assessment of such business opportunity, and each of our Controlling Shareholders shall not and shall procure that any of his/her/its associates (other than members of our Group), its controlled persons and controlled companies, shall not, invest or participate in any such project or business opportunity unless such project or business opportunity shall have been rejected by us and the principal terms of which such Controlling Shareholder or any of his/her/its associates and/or its controlled persons and controlled companies invests or participate in are no more favorable than those made available to our Company.

The Deed of Non-Competition will lapse automatically if our Controlling Shareholders and their associates cease to become our Controlling Shareholders or their respective associates, or our Shares cease to be listed on the Stock Exchange.

In order to promote good corporate governance practices and to improve transparency, the Deed of Non-Competition includes the following provisions:

- our independent non-executive Directors shall review, at least on an annual basis, the compliance with the Deed of Non-Competition by our Controlling Shareholder and any decision in relation to new business opportunities referred to our Company and state their basis and reasons for rejecting such business opportunities in our annual report;
- each of our Controlling Shareholders has undertaken to us that he/she/it will, and will procure their respective associates to use their best endeavors to provide all information necessary for the annual review by the independent non-executive Directors for the enforcement of the Deed of Non-Competition;
- we will disclose the review by the independent non-executive Directors on the compliance with, and the enforcement of, the Deed of Non-Competition in our annual report or, if necessary, by way of announcement to the public; and
- each of our Controlling Shareholders will make an annual declaration in our annual report on the compliance with the Deed of Non-Competition in accordance with the principle of voluntary disclosure in the corporate governance report.

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

### CORPORATE GOVERNANCE MEASURES

Our Controlling Shareholders and their respective associates shall not compete with us as provided in the Deed of Non-Competition. Each of our Controlling Shareholders has confirmed that he/she/it fully comprehends his/her/its obligation to act in our Shareholders' and our best interests as a whole. Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

- (a) our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain himself/herself/itself from voting at the board meetings on matters involving the Relevant Group and our Group and/or matters in which such Director or his/her/its associates have a material interest and he/she shall not attend the relevant part of the board meeting or participate in the discussions on the relevant resolution, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;
- (c) we are committed that our Board should include a balanced composition of executive and non-executive Director (including Independent Non-executive Directors). We have appointed three Independent Non-executive Directors, one of whom has experience as a director of a listed company and have substantive expertise in the property development industry (namely, Mr. Zhang Huaqiao). We believe our Independent Non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public shareholders. Details of our independent non-executive Directors are set out in the section entitled "Directors, Senior Management and Employees—Board of Directors—Independent Non-executive Directors" in this prospectus;
- (d) any new activities and opportunities under the Deed of Non-Competition and all matters determined by our Board as inherent with potential conflict of interests will be deferred to our Independent Non-executive Directors for discussions and decision and when necessary, they will employ an independent financial advisor to advise them on these matters; and
- (e) we have appointed Somerley Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.