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## CONNECTED TRANSACTIONS

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Our Group has been granted a license by Times Development Group to use certain trademarks, and has occupied certain premises in Guangzhou owned by Times Development Group and Ms. Li. Times Development Group is a company owned as to 90% by Mr. Cen Jiancai (岑建財), father of Mr. Shum who is a Controlling Shareholder and an executive Director, and as to 10% by Mr. Cen, the younger brother of Mr. Shum. Times Development Group is an associate of Mr. Shum and is therefore a connected person of our Company. Ms. Li is the wife of Mr. Shum. Ms. Li is an associate of Mr. Shum and is therefore a connected person of our Company. Any transactions entered into between us and Times Development Group and/or Ms. Li will constitute connected transactions for our Company upon Listing under the Listing Rules. Details of such connected transactions are set out below.

### CONTINUING CONNECTED TRANSACTIONS

- (a) **Continuing connected transaction which is exempt from the reporting, annual review, announcement and the independent shareholders' approval requirements under Rule 14A.33(3) of the Listing Rules**

#### *Trademark license*

Prior to the Listing Date, members of our Group have been using the Trademark for its property development business in the PRC. Times Development Group has applied for and completed the registration of the Trademark in the relevant trademark registry in the PRC. Full particulars of the Trademark are set out in Appendix V to this prospectus.

On March 13, 2013, Times Group entered into the Trademark License Agreement with Times Development Group. Pursuant to the Trademark License Agreement (which was amended and supplemented by a supplemental agreement dated July 1, 2013), Times Development Group granted an exclusive license to us to use the Trademark on a royalty free basis for a period commencing from March 13, 2013 and ending on March 12, 2033. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of Trademark License Agreement is valid, binding and enforceable against the parties thereto.

Our Company did not pay any trademark license fees to Times Development Group for the three years ended December 31, 2012 and the six months ended June 30, 2013 and will not have to pay any trademark license fees to Times Development Group under the Trademark License Agreement.

Given that each of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the above transaction is less than 0.1%, the transaction under the Trademark License Agreement will be exempt from the reporting, annual review, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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Times Development Group is an investment holding company and was established mainly for the purpose of holding the Trademarks and the PRC Premises (as defined below). Given that Times Development Group does not currently have any business activities or use of any of the Trademarks, it was not injected into the Group. Since transfer of trademarks is a time-consuming process in the PRC, the Trademarks were not transferred to the Group.

### *Use of Property*

Times Real Estate, our subsidiary, has been using and occupying a property situated at Shop No. 1, 51 Jingli Street, Airport West Road, Baiyun District, Guangzhou, Guangdong Province, the PRC with a GFA of approximately 111 sq.m. as its registered office pursuant to a confirmation (“**Baiyun Property Confirmation**”) dated October 18, 2010 signed by Ms. Li (being the legal owner of the said property) for use of the said property at no consideration. Pursuant to the Baiyun Property Confirmation, there is no time limit for the use of the said property by Times Real Estate. Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the Baiyun Property Confirmation are valid, binding and enforceable against the party thereto.

Times Real Estate did not pay any fees for the use and occupation of the said property to Ms. Li for the three years ended December 31, 2012 and the six months ended June 30, 2013 and will not have to pay any fees for such use and occupation to Ms. Li.

Given that each of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the transaction under the Baiyun Property Confirmation is less than 0.1%, such transaction will be exempt from the reporting, annual review, announcement and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

- (b) Continuing connected transactions which are exempt from the independent shareholders’ approval requirement, but subject to the reporting, annual review and announcement requirements under Rule 14A.34 of the Listing Rules**

### *Property lease*

Our subsidiary, Guangzhou Hongtai, leased certain properties situated at 2601 and 2602, 26th Floor, No. 410 Dongfeng Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC (collectively the “**PRC Premises**”) with an aggregate GFA of approximately 1,079.13 sq.m. from Times Development Group and Ms. Li, pursuant to a lease agreement (the “**Lease Agreement**”) entered between Times Development Group and Ms. Li and Guangzhou Hongtai on May 24, 2010 for a term of three years effective

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## CONNECTED TRANSACTIONS

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from April 1, 2010 until March 31, 2013. The Lease Agreement was renewed on March 20, 2013 and amended and supplemented by a supplemental agreement dated June 28, 2013, the principal terms of which are set out as follows:

Location	Contracting Parties	Approximate gross floor area (sq.m.)	Monthly Rental (RMB)	Intended use	Duration of agreement
2601 and 2602, 26/F, No. 410 Dongfeng Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC	Guangzhou Hongtai (as tenant)  Times Development Group and Ms. Li (as landlords)	1,079.13	107,913	Office	April 1, 2013 to December 31, 2015

Under the terms of the Lease Agreement, Guangzhou Hongtai is obliged to pay an aggregate annual rental of RMB1,294,956 (exclusive of management fees). Our PRC legal advisers, Commerce & Finance, confirmed that the terms of the Lease Agreement are valid, binding and enforceable against the parties thereto.

DTZ, an independent valuer, has confirmed that the terms and conditions of the Lease Agreement are fair and reasonable.

### *Historical transaction values*

For the three years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, Guangzhou Hongtai had incurred an aggregate rental of RMB971,217, RMB1,294,956, RMB1,294,956 and RMB647,478, respectively (exclusive of management fees) to Times Development Group and Ms. Li in relation to the leasing of the PRC Premises.

### *Annual caps*

Pursuant to the terms of the Lease Agreement, the annual rentals payable by Guangzhou Hongtai to Times Development Group and Ms. Li will be RMB1,294,956, RMB1,294,956 and RMB1,294,956 for the three financial years ending December 31, 2013, 2014 and 2015, respectively (the “**Property Lease Caps**”), which are determined on the basis of the prevailing market rate and on normal commercial terms.

### *Listing Rules implication*

Given that (i) Mr. Cen Jiancai (岑建財), father of Mr. Shum who is a Controlling Shareholder and an executive Director, owns 90% of the equity interests in Times Development Group; and (ii) Mr. Cen, the younger brother of Mr. Shum holds the

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## CONNECTED TRANSACTIONS

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remaining 10% equity interest in Times Development Group, Times Development Group is regarded as a connected person of our Company under the Listing Rules. Ms. Li is the wife of Mr. Shum. Ms. Li is an associate of Mr. Shum and therefore is regarded as a connected person of our Company.

Given that one of the applicable percentage ratios under Chapter 14 of the Listing Rules in respect of the above transaction is more than 0.1% but less than 5%, the transactions under the Lease Agreement will be exempt from the independent shareholders' approval but subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

### *Confirmation from the Directors*

The Directors (including our independent non-executive Directors) are of the view that (i) the Property Lease Caps are determined through an arm's length negotiations between the parties to the Lease Agreement and (ii) the continuing connected transactions described above (including the Property Lease Caps) have been entered into on normal commercial terms that are fair and reasonable and in the interest of our Shareholders as a whole and in the ordinary and usual course of business of our Company and will be so in the future.

### *Confirmation from the Joint Sponsors*

The Joint Sponsors are of the view that (i) the Lease Agreement described above for which the waiver is sought has been entered into on normal commercial terms that are fair and reasonable and in the interest of the Shareholders as a whole and in the ordinary and usual course of business of our Company; and (ii) the Property Lease Caps are fair and reasonable.

### *Application for a waiver*

We have applied to the Stock Exchange to grant, and the Stock Exchange has granted to us a waiver under Rule 14A.42(3) of the Listing Rules regarding the continuing connection transaction under the Lease Agreement from strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules on the following conditions: (1) the annual caps of RMB1,294,956, RMB1,294,956 and RMB1,294,956 respectively for each of the year ending December 31, 2013, 2014 and 2015 will not be exceeded; (2) the Company will comply with the other requirements of Chapter 14A of the Listing Rules, including Rules 14A.35(1), 14A.35(2), 14A.36 to 14A.40 of the Listing Rules (where applicable); and (3) the continuing connected transaction will be subject to annual review by the auditors of the Company and the independent non-executive Directors each year in accordance with Rules 14A.37 and 14A.38 of the Listing Rules and the other requirements under Rules 14A.39 to 14A.41 of the Listing Rules. In addition, we confirm that we will comply with the applicable provisions of the Listing Rules.