
CONNECTED TRANSACTIONS

OVERVIEW

Pursuant to Chapter 14A of the Listing Rules, our Directors, substantial shareholders and chief executive officer or those of our subsidiaries, any of their associates and any person who was our Director or a director of our subsidiaries within 12 months preceding the Listing Date will become a connected person of our Company upon the Listing. Upon the Listing, our transactions with such connected persons will constitute connected transactions under Chapter 14A of the Listing Rules.

Our Directors confirm that the following transactions which will continue after Listing will constitute continuing connected transactions for us under Chapter 14A of the Listing Rules.

(I) CONTINUING CONNECTED TRANSACTIONS WHICH ARE SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Master Fangchenggang Construction Services Agreement

(a) Description of the transaction

On November 22, 2013, Logan Construction, our wholly owned subsidiary, entered into a construction services framework agreement (the "Master Fangchenggang Construction Services Agreement") with Guangxi King Kerry Realty Co., Ltd. ("Guangxi King Kerry"), a company principally engaged in residential property development in the PRC, pursuant to which Logan Construction agreed to provide construction services (including but not limited to foundation engineering, fitting, electricity installation, construction of structural facilities, cleaning work upon completion of construction, coordination service during the delivery process, onsite management and construction raw material procurement) and other related services (the "Construction Services") to Guangxi King Kerry in respect of Guangxi King Kerry's property project in Fangchenggang, Guangxi, with a total construction area of approximately 270,000 sq.m. (the "First Fangchenggang Project") and other construction projects in Fangchenggang to be undertaken by Guangxi King Kerry in accordance with the current construction and development plan of Guangxi King Kerry (the "Other Fangchenggang Projects" together with the First Fangchenggang Project, the "Fangchenggang Projects"), for a term commencing from the Listing Date and expiring on December 31, 2015.

The service fee payable by Guangxi King Kerry to Logan Construction for the Construction Services shall be determined based on the actual construction area under the Fangchenggang Projects of which the Construction Services is required and the estimated construction price for the Construction Services with reference to the relevant construction price published by the PRC government authority and the market price level of construction works of the locality where the project is located.

Guangxi King Kerry is a company controlled by the brother-in-law of Mr. Ji, one of our Executive Directors. The business operation of Guangxi King Kerry is independent to our Group. Save for the family relationship, our Controlling Shareholders have no equity interest or control, whether directly or indirectly, in Guangxi King Kerry. Further, none of our Controlling Shareholders have exerted any influence over any of the decision making processes of Guangxi King Kerry or provided any financial support to the operation of Guangxi King Kerry.

(b) Historical transaction amounts

For the years ended December 31, 2010, 2011 and 2012, the six months ended June 30, 2013 and for the period from January 1, 2013 up till the Latest Practicable Date, the total transaction amount

CONNECTED TRANSACTIONS

paid by Guangxi King Kerry to Logan Construction for the Construction Services amounted to nil, nil, nil, approximately RMB111,070,000 and approximately RMB208,368,000 (representing 19.6% of the total transaction amount as stipulated under the existing construction contracts which Logan Construction has entered into with Guangxi King Kerry as of the Latest Practicable Date and 59.9% of the expected total annual cap for the year ending December 31, 2013), respectively.

(c) Annual caps on future transaction amounts

Our Directors estimate that the maximum annual amount of the Construction Services provided by Logan Construction to Guangxi King Kerry under the Master Fangchenggang Construction Services Agreement for each of the three years ending December 31, 2015 is expected not to exceed RMB348,000,000, RMB534,000,000 and RMB558,000,000, respectively. The above annual caps for each of the three years ending December 31, 2015 was determined by the total expected transaction amount of approximately RMB1,617,000,000 which comprises of transaction amount under existing construction contracts and other expected transaction amount as estimated by the management of the Company and the percentage of completion anticipated taking into account of the actual work required during the different phases of the Fangchenggang Projects. For the three years ending December 31, 2015, the Construction Services required for the Fangchenggang Projects can be principally divided into four phases, and for each of the four phases, the percentage of completion are as below:

	Completion schedule for the year ending December 31, 2013	Details of the Construction	Completion schedule for the year ending December 31, 2014	Details of the Construction	Completion schedule for the year ending December 31, 2015	Details of the Construction
Phase 2 of the Fangchenggang Projects	Nil	—	39.9%	Completion of 50% of the main structure	60.1%	Completion of the removal of scaffold
Phase 3 of the Fangchenggang Projects	59%	Completion of the main structure and commencement of scaffold removal	41%	Completed	Nil	—
Phase 4 of the Fangchenggang Projects (with 60% high-rise buildings and 40% low-rise buildings)	8.9%	Completion of the basement of low-rise apartments	44.1%	Completion of the low-rise apartments and 30% main structure of the high-rise buildings	40.2%	Completion of the high-rise buildings
Other phases Fangchenggang Projects	Nil	—	Nil	—	60%	Satisfaction of the pre-sale requirements

CONNECTED TRANSACTIONS

Further, the aforesaid total expected transaction amount for the three years ending December 31, 2015 were determined by reference to (i) the total transaction amount as stipulated under the existing construction contracts which Logan Construction has entered into with Guangxi King Kerry as of Latest Practicable Date; and (ii) the expected transaction amount of the Construction Services to be provided by Logan Construction to Guangxi King Kerry for the Fangchenggang Projects according to the current construction and development plan taking into account of the amount of construction contracts that Logan Construction is expected to be entered into with Guangxi King Kerry based on an annual increment of approximately 20% of the transaction amount as contemplated above. Such 20% annual increment represents the increment as estimated by the management of our Company with reference to the potential cost overrun, which comprises of (a) an increment of approximately 15% of the construction price under the Fangchenggang Projects of which our Construction Services is required taking into account of, among other things, the possible fluctuation of the construction schedule of the Fangchenggang Projects, change in construction design plan and onsite construction plan and change in the type of raw materials involved in the Construction Services; and (b) an increment of approximately 5% of the construction price under the Fangchenggang Projects of which our Construction Services is required taking into account of the expected changes in the market price of construction material and labor costs of the locality at the relevant time of project settlement for the three years ending December 31, 2015. The annual caps for the three years ending December 31, 2015 is substantially higher than the historical transaction amount paid by Guangxi King Kerry to Logan Construction as the Construction Services provided or to be provided by Logan Construction mainly represents contracts relating to the Fangchenggang Projects entered into during the year 2013.

(d) Listing Rules implication

Guangxi King Kerry is controlled by the brother-in-law of Mr. Ji, one of our Executive Directors. As such, Guangxi King Kerry is considered a connected person of our Company for the purpose of the Listing Rules. The Master Fangchenggang Construction Services Agreement and the transactions contemplated thereunder will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the percentage ratios (other than the profits ratio) for the Master Fangchenggang Construction Services Agreement is expected to be more than 5% on an annual basis, the transactions under the Master Fangchenggang Construction Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Master Construction Services Agreement

(a) Description of the transaction

On November 22, 2013, Shenzhen Youkaisi, our wholly owned subsidiary, entered into a construction services framework agreement (the "Master Construction Services Agreement") with Guangdong Logan (Group), a company principally engaged in investment in expressway build-operate-transfer and infrastructure build-transfer projects as well as commercial and hotel projects, pursuant to which Shenzhen Youkaisi agreed to provide, or procure its subsidiaries to provide construction service (including but not limited to foundation engineering, fitting, electricity installation, construction of structural facilities, cleaning work upon completion of construction, coordination service during the delivery process, onsite management and construction raw material

CONNECTED TRANSACTIONS

procurement) and other related services (the “Master Construction Services”) to Guangdong Logan (Group) or its subsidiaries in respect of the property projects of Guangdong Logan (Group) and its subsidiaries from time to time, for a term commencing from the Listing Date and ending on December 31, 2015.

The service fee payable by Guangdong Logan (Group) or its subsidiaries to Shenzhen Youkaisi or its subsidiaries for the Master Construction Services shall be determined on the basis of the size of the construction works to be involved and the estimated construction price for the Master Construction Services with reference to the relevant construction price published by the PRC government authority and the market price level of construction works of the locality where the property project of Guangdong Logan (Group) is located.

(b) Historical transaction amounts

For the years ended December 31, 2010, 2011 and 2012, the six months ended June 30, 2013 and for the period from January 1, 2013 up till the Latest Practicable Date, the total transaction amount paid by Guangdong Logan (Group) or its subsidiaries to us in relation to construction services provided by us amounted to approximately RMB239,233,000, RMB239,261,000, RMB235,538,000, RMB225,036,000 and RMB302,263,000, respectively.

(c) Annual caps on future transaction amounts

Our Directors estimate that the maximum annual amount of the Master Construction Services provided by Shenzhen Youkaisi or its subsidiaries to Guangdong Logan (Group) or its subsidiaries under the Master Construction Services Agreement for each of the three years ending December 31, 2015 will not exceed RMB455,000,000, RMB250,000,000 and RMB250,000,000, respectively. The annual caps for each of the three years ending December 31, 2015 was determined by the total expected transaction amount and the percentage of completion anticipated. The aforesaid total expected transaction amount for the three years ending December 31, 2015 were determined by reference to (i) the total transaction amount as stipulated under the existing construction contracts which Logan Construction has entered into with Guangdong Logan (Group) as of the Latest Practicable Date; and (ii) the expected transaction amount of the Master Construction Services to be provided by Shenzhen Youkaisi and its subsidiaries (including Logan Construction) to Guangdong Logan (Group) and its subsidiaries for the three years ending December 31, 2015 according to the current construction and development plan taking into account of construction contract is expected to be entered into with Guangdong Logan (Group) based on an annual increment of approximately 20% of the transaction amount as contemplated above. Such 20% annual increment represents the increment as estimated by the management of our Company with reference to the potential cost overrun, which comprises of (a) an increment of approximately 15% of the construction price under the property projects of Guangdong Logan (Group) and its subsidiaries of which our Construction Services is required taking into account of, among other things, the possible fluctuation of the construction schedule, change in the construction design plan and onsite construction plan and change in the type of raw materials involved in the Master Construction Services; and (b) an increment of approximately 5% of the construction price under the property projects of Guangdong Logan (Group) and its subsidiaries of which our Construction Services is required taking into account of the expected changes in the market price of construction material and labor costs of the locality at the relevant time of project settlement for the three years ending December 31, 2015. The annual cap for the year ending December 31, 2013 is expected to be substantially higher than the historical transaction amount paid

CONNECTED TRANSACTIONS

by Guangdong Logan (Group) or its subsidiaries to us, which principally represents an additional transaction relating to services provided or to be provided to a hotel development of Guangdong Logan (Group), which consists of decoration and construction services, and based on the expected construction schedule of such hotel development, service fees complementing such additional transaction is estimated to be approximately RMB195.6 million. The increase in the annual cap for the year ending December 31, 2013 as compared to the year ending December 31, 2014 and 2015 is primarily due to a construction contract which Logan Construction has entered into with a subsidiary of Guangdong Logan (Group) relating to a project which is expected to be completed in November 2013. The total transaction amount under such contract is approximately RMB271,000,000 which is expected to be recognized during the year ending December 31, 2013.

(d) Listing Rules implication

Guangdong Logan (Group), one of our predecessors, is substantially owned by Mr. Ji, our chairman, one of our Executive Directors and Controlling Shareholders, and his associates. As such, Guangdong Logan (Group) is considered a connected person of our Company for the purpose of the Listing Rules. The Master Construction Services Agreement and the transactions contemplated thereunder will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the percentage ratios (other than the profits ratio) for the Master Construction Services Agreement is expected to be more than 5% on an annual basis, the transactions under the Master Construction Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(II) CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

3. Management Services Agreement

(a) Description of the transaction

On March 9, 2009, Nanning Property, our wholly owned subsidiary, entered into a management services agreement (the "Management Services Agreement") with Guangxi King Kerry, pursuant to which Nanning Property agreed to provide management services to Guangxi King Kerry effective from March 9, 2009, including:

- (a) to manage the day-to-day operations of Guangxi King Kerry;
- (b) to be responsible for, among others, the project development, sales and property management of the Fangchenggang Projects;
- (c) to assign personnel for the operation of Guangxi King Kerry;
- (d) to manage the financial-related matters and accounts of Guangxi King Kerry; and
- (e) to undergo other matters relating to the operation of Guangxi King Kerry, collectively, the "Management Services."

For the Management Services provided or to be provided by Nanning Property to Guangxi King Kerry, Guangxi King Kerry agreed to provide to Nanning Property a service fee, which was or

CONNECTED TRANSACTIONS

will be based on the actual completed area under the Fangchenggang Projects from time to time. The Company expects that the entire Fangchenggang Projects will be completed by 2015. The Management Services Agreement commences from March 9, 2009 and will be terminated one year after the last payment has been made by Guangxi King Kerry to Nanning Property.

(b) Historical transaction amounts

For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, the total amount paid to our Group pursuant to the Management Services provided under the Management Services Agreement amounted to nil, nil, approximately RMB2,861,000 and RMB1,237,000, respectively.

(c) Annual caps on future transaction amounts

Our Directors estimate that the maximum annual value of the Management Services to be provided by Nanning Property to Guangxi King Kerry under the Management Services Agreement for each of the three years ending December 31, 2015 will not exceed RMB2,330,000, RMB2,080,000 and RMB2,500,000, respectively.

(d) Listing Rules implication

Guangxi King Kerry is substantially owned by the brother-in-law of Mr. Ji, one of our Executive Directors. As such, Guangxi King Kerry is considered as a connected person of our Company for the purpose of the Listing Rules. The transactions under the Management Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the percentage ratios (other than the profits ratio) for the Management Services Agreement is expected to be less than 0.1% on an annual basis, the transactions under the Management Services Agreement constitute continuing connected transactions for our Company which are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

4. Trademark Licensing Agreement

(a) Description of the transaction

On January 8, 2013, Shenzhen Youkaisu, our wholly owned subsidiary, entered into a trademark licensing agreement (the "Trademark Licensing Agreement") with Logan Real Estate, pursuant to which Logan Real Estate has granted a non-exclusive license to Shenzhen Youkaisu the right of using the trademarks as stated under the section entitled "Statutory and General Information—Further Information about our Business—Intellectual Property Rights of our Group—Trademarks" in Appendix V to this prospectus (collectively, the "Trademarks"), on a royalty-free basis within the valid registration period of such Trademark. These Trademarks have been registered as trademarks by Logan Real Estate of which Logan Real Estate has agreed to transfer to our Group and relevant registrations are in progress in the PRC. In the interim, Logan Real Estate agreed to license and grant Shenzhen Youkaisu the right to use such Trademarks until the transfer of such Trademarks to Shenzhen Youkaisu is approved. According to our PRC legal advisor, Haiwen & Partners, there is no legal impediment for our Group to complete the registration and to obtain the relevant approval for the transfer.

CONNECTED TRANSACTIONS

Pursuant to the Trademark Licensing Agreement, Logan Real Estate has agreed to maintain the registration of the Trademarks during the term of the Trademark Licensing Agreement.

(b) Historical transaction amounts

Shenzhen Youkaisi did not pay any trademark license fees to Logan Real Estate for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013. Our Directors (including our Independent Non-executive Directors) are of the view that the Trademark Licensing Agreement was negotiated on an arm's length basis and its terms represent normal commercial terms which are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

(c) Listing Rules implication

Logan Real Estate is substantially owned by Mr. Ji, one of our Executive Directors, and his associates. As such, Logan Real Estate is considered as a connected person of our Company for the purpose of the Listing Rules. The transactions under the Trademark Licensing Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the percentage ratios (other than the profits ratio) for the Trademark Licensing Agreement is expected to be less than 0.1% on an annual basis, the transactions under the Trademark Licensing Agreement constitute continuing connected transactions for our Company which are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

5. Design Services Agreement

(a) Description of the transaction

On November 4, 2011, Guangdong Modern Construction, our wholly owned subsidiary, entered into a construction design services agreement, which was later supplemented by a supplemental agreement dated April 4, 2012 (the "Design Service Agreement") with Guangxi King Kerry, pursuant to which Guangdong Modern Construction agreed to provide to Guangxi King Kerry construction design services (the "Construction Design Services") from November 2011 till the year 2014.

(b) Historical transaction amount

For the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, the total amount paid by Guangxi King Kerry to Guangdong Modern Construction amounted to approximately RMB4,738,000, RMB486,000, RMB7,419,000 and RMB820,000, respectively. The fees charged by Guangdong Modern Construction for the Construction Design Services provided or to be provided to Guangxi King Kerry was determined on an arm's length basis with reference to the total construction area, design costs and timing of the project as well as the prevailing market price for similar services to be provided by Guangdong Modern Construction to other independent third parties. The Design Services Agreement was entered into on normal commercial terms.

(c) Annual caps on future transaction amounts

Our Directors estimate that the maximum annual value of the Construction Design Services to be provided by Guangdong Modern Construction to Guangxi King Kerry under the Design Service

CONNECTED TRANSACTIONS

Agreement for each of the two years ending December 31, 2014 will not exceed RMB3,852,000 and RMB5,000,000, respectively. The Construction Design Services to be provided under the Design Service Agreement will end on December 2014.

(d) Listing Rules implication

Guangxi King Kerry is substantially owned by the brother-in-law of Mr. Ji, one of our Executive Directors. As such, Guangxi King Kerry is considered as a connected person of our Company for the purpose of the Listing Rules. The transactions under the Design Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

Since each of the percentage ratios (other than the profits ratio) for the Design Services Agreement is expected to be less than 0.1% on an annual basis, the transactions under the Design Services Agreement constitute continuing connected transactions for our Company which are exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVERS

The transactions described in paragraphs 1 and 2 above constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules. The applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules and calculated with reference to the proposed annual caps for each of the years shown above are more than 5% on an annual basis. As such, the non-exempt continuing connected transactions in paragraphs 1 and 2 above would need to comply with the reporting, annual review, announcement and the independent shareholders' approval requirements under the Listing Rules.

We have applied for, and the Stock Exchange has granted us, waivers from strict compliance with the announcement and independent shareholders' approval requirements of the Listing Rules in respect of transactions described in paragraphs 1 and 2 above subject to the aggregate value of each of these non-exempted continuing connected transactions for each financial year not exceeding the relevant annual caps set forth above.

CONFIRMATIONS

Directors' Confirmation

The Directors (including the independent non-executive Directors) confirmed that all the non-exempt and exempt continuing connected transactions in paragraphs 1 to 5 have been entered into in the ordinary and usual course of business of our Company on normal commercial terms or on terms no less favorable to our Company than those available to or from (as appropriate) independent third parties, and are fair and reasonable to our Company and in the interests of the Company and the shareholders of the Company as a whole. The Directors (including the Independent Non-executive Directors) further confirmed that the proposed annual caps in respect of all the non-exempt and exempt continuing connected transactions are fair and reasonable and in the interest of the Shareholders as a whole.

CONNECTED TRANSACTIONS

Sole Sponsor's Confirmation

The Sole Sponsor has confirmed to our Company that the Sole Sponsor is of the opinion that the non-exempt continuing connected transactions described in paragraphs 1 and 2 above have been entered into in the ordinary and usual course of business of our Company, on normal commercial terms or on terms no less favorable to our Company than those available to or from (as appropriate) independent third parties, and are fair and reasonable to our Company and in the interests of the Company and the shareholders of our Company as a whole. The Sole Sponsor has further confirmed that the proposed annual caps in respect of all the non-exempt continuing connected transactions described in paragraphs 1 and 2 above are fair and reasonable and in the interest of the Shareholders as a whole.