Our Company has entered into certain agreements with entities that will constitute our connected persons and such agreements will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Upon completion of the Global Offering, Poly Group will directly and indirectly own approximately 67.0% of our issued share capital (assuming that the Over-allotment Option is not exercised). Therefore, Poly Group will be our Controlling Shareholder upon the Listing. Under Rules 14A.11(1) and 14A.11(4) of the Listing Rules, Poly Group and its associates (including Poly Southern) are our connected persons.

Accordingly, the transactions between our Group and Poly Group and/or its associates, which will continue after the Listing, will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Summary Table of Our Continuing Connected Transactions

Nature of Transaction	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, 2014	2015	2016
			(RMB million)		
Exempt continuing connected transactions					
• Trademark License Agreement .	14A.33(3)	Exempted	N/A	N/A	N/A
• General Services Framework Agreement (the services provided by Poly Group to the Group)	14A.33(3)	Exempted	N/A	N/A	N/A

Nature of Transaction	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, 2014	2015	2016
			(RMB million)		
Continuing connected transactions that require waiver application					
Income items:					
• General Services Framework Agreement (the services provided by the Group to Poly Group)	14A.34	Announcement requirement	10.3	10.4	12.7
• Commodities Sale and Purchase Framework Agreement	14A.34	Announcement requirement	6.7	7.0	7.3

Nature of Transaction	Applicable Listing Rules	Waiver sought	Proposed annual cap for the year ending December 31, 2014	2015	2016
			(RMB million)		
Expenditure items:					
• Property Lease Framework Agreement	14A.34	Announcement requirement	54.7	64.5	68.8
• Cinema Box Office Income Sharing Framework Agreement.	14A.35	Announcement and independent Shareholders' approval requirement	193.1	350.3	451.1

EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following transactions are made in the ordinary and usual course of business and on normal commercial terms where each of the relevant percentage ratios (other than the profits ratio) calculated for the purpose of Chapter 14A of the Listing Rules will, as our Directors currently expect, not exceed 0.1% on an annual basis. Under Rule 14A.33(3) of the Listing Rules, the transaction is exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) Trademark License Agreement

Parties: Poly Group (as the licensor), and

the Company (as the licensee).

Principal terms: We entered into a trademark license agreement (the "**Trademark License Agreement**") with Poly Group on February 14, 2014, pursuant to which Poly Group has agreed to grant us the right to use certain trademarks of Poly Group at nil consideration. Unless with the prior written consent of Poly Group, we may not transfer or license such trademarks to any third parties. The Trademark License Agreement is for a term of ten years commencing on the Listing Date. Unless otherwise agreed in writing by the parties, the Trademark License Agreement will be automatically renewed upon its expiry for another ten years, subject to the restrictions and regulations under the Listing Rules.

Reasons for the transaction: Our Group was established as a platform under Poly Group to engage in art and culture related business and has been licensed by Poly Group to use certain trademarks of Poly Group for a number of years. As such, in order to maintain the consistency of our image, we will continue to use such trademarks of Poly Group after completion of the Global Offering.

Historical amounts: The expenses incurred by our Group in connection with the trademark license for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were nil, nil, nil and nil, respectively.

(2) General Services Framework Agreement

Parties: Poly Group (as the service provider), and

the Company (as the service receiver).

Principal terms: We entered into a general services framework agreement (the "**General Services Framework Agreement**") with Poly Group on February 14, 2014. Pursuant to the General Services Framework Agreement, Poly Group and/or its associates shall from time to time provide us with certain types of services mainly including exhibition service and hotel and catering service. For more information concerning the principal terms of the General Services Framework Agreement and reasons for the transaction, please see below "Non-exempt continuing connected transaction – A. Continuing connected transaction which is subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement – General Services Framework Agreement" in this section.

Historical amounts: The costs of the services provided by Poly Group and/or its associates for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were approximately RMB9,000, RMB149,000, RMB352,000 and RMB139,000, respectively.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(A) Continuing connected transaction which is subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement

The following transactions are made in the ordinary and usual course of business and on normal commercial terms where, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.34 of the Listing Rules, the following transaction will be subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules but will be exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(1) General Services Framework Agreement

Parties: Poly Group (as the service receiver), and

the Company (as the service provider).

Principal terms: Pursuant to the General Services Framework Agreement, we may from time to time provide Poly Group and/or its associates with certain types of services mainly including exhibition service, theatre management service, art appreciation activity service and general service. The principal terms of the General Services Framework Agreement are as follows:

- the General Services Framework Agreement is valid for a term of three years commencing on the Listing Date and can be renewed for another three years upon its expiry;
- relevant subsidiaries or associated companies of both parties will enter into separate underlying contracts which will set out the specific terms and conditions according to the principles provided in the General Services Framework Agreement; and
- the price for the service provided under General Services Framework Agreement will be determined by reference to the then market price or as agreed by both parties after arm-length negotiations.

Reasons for the transaction: The provision of service by our Group to Poly Group started before the Track Record Period. Poly Group is engaged in the business of real estate development and need artistic decoration and exhibition for their real estate display hall from time to time. Poly Group also conducts promotion activities for their high-end real estate projects by hosting art appreciation activities. Poly Art Centre, a wholly-owned subsidiary of the Company, is engaged in exhibition undertakings and organization of art communication activities. In order to seize such business opportunity that Poly Group and its subsidiaries need to promote its sales and marketing activities all over the country, Poly Art Centre holds local exhibition with selected exhibits which will enhance the market influence of Poly Group and which also accords with Poly Group's promotion slogan "Cultural Real Estate". In the meantime, Poly Art Centre can also earn profits in the promotion of our artistic brand. For Poly Group, it is always dedicated to the merger between real estate and culture by means of the introduction of some cultural elements, like Poly Theatre, into Beijing and Shenzhen in order to enhance the cultural content and commercial value and complement each other's benefit with Poly Culture. Thus, the provision of exhibition service from our Group to Poly Group would not only enhance the recognition of the real estate projects of Poly Group but also expand and develop the business of our Group. In addition, our Group has gradually established theatre management companies in many cities in the PRC and has recruited a group of professionals in the field of theatre management, which are comparably hard to find in the market. The above-mentioned provision of service by our Group to Poly Group was and will be conducted in line with the market practice and can exert the strength and advantage from both our Group and Poly Group.

Historical amounts: The amounts of revenue we generated from the service provided to Poly Group and/or its associates for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were approximately RMB10.9 million, RMB10.2 million, RMB14.3 million and RMB5.7 million, respectively.

Annual caps: The maximum aggregate annual amount of fees for the years ending December 31, 2014, 2015 and 2016 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2014	**2015**	**2016**
		(RMB million)	
Total fees	10.3	10.4	12.7

Basis of caps: In determining the above annual caps, our Directors have considered: (i) the historical figures (for the year ended December 31, 2013, our revenue generated from service provided to Poly Group and/or its associates, according to the Company's unaudited management account, was approximately RMB10.7 million; the increase from RMB5.7 million for the ten months ended October 31, 2013 to approximately RMB10.7 million for the 12 months ended December 31, 2013 was mainly due to the amount of revenue recognized for the theatre management service provided to Poly Group and/or its associates in October 2013); (ii) the anticipated receivable amount under the existing service agreements between our Group and Poly Group; (iii) the future level of demand of Poly Group and its associates for these services; (iv) the future market price changes due to increase of cost such as labour cost; and (v) the increase of approximately RMB2 million from 2015 to 2016 is mainly due to the expected more exhibition services to be provided by us to Poly Group and/or its associates in 2016.

(2) Commodities Sale and Purchase Framework Agreement

Parties: Poly Group (as the purchaser), and

the Company (as the seller).

Principal terms: We entered into a commodities sale and purchase framework agreement (the "**Commodities Sale and Purchase Framework Agreement**") with Poly Group on February 14, 2014, pursuant to which we may from time to time sell commodities mainly including art products and theatre tickets to Poly Group and/or its associates. The principal terms of the Commodities Sale and Purchase Framework Agreement are as follows:

- the Commodities Sale and Purchase Framework Agreement is valid for a term of three years commencing on the Listing Date and can be renewed for another three years upon its expiry;
- relevant subsidiaries of both parties will enter into separate underlying contracts which will set out the specific terms and conditions according to the principles provided in the Commodities Sale and Purchase Framework Agreement; and
- the price of the commodities sold by us under the Commodities Sale and Purchase Framework Agreement will be determined through arm-length negotiations by parties thereto with reference to market price.

Reasons for the transaction: It is our ordinary and usual course of business to sell art products and theatre tickets. Poly Group places great emphasis on the working environment and welfare of its employees. There is a need for Poly Group and/or its associates to purchase theatre tickets as employee benefits from time to time and/or purchase art products for interior decoration of their office building from time to time. The terms of the sales and purchases of the above commodities are in line with the market rates.

Historical amounts: The revenue we generated from sales of art products for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were approximately RMB3.0 million, RMB1.4 million, RMB0.5 million and RMB1.2 million, respectively.

Annual caps: The maximum aggregate annual amount of fees from sales of art products for the years ending December 31, 2014, 2015 and 2016 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2014	2015	2016
		(RMB million)	
Total fees	3.0	3.2	3.4

Historical amounts: The revenue we generated from sales of theatre tickets for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were approximately RMB1.2 million, RMB1.0 million, RMB1.4 million and RMB1.4 million, respectively.

Annual caps: The maximum aggregate annual amount of fees from sales of theatre tickets for the years ending December 31, 2014, 2015 and 2016 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2014	2015	2016
		(RMB million)	
Total fees	3.7	3.8	3.9

Basis of caps: In determining the above annual caps, our Directors have considered: (i) the historical figures (for the year ended December 31, 2013, according to the Company's unaudited management account, the revenue generated from sales of art products was approximately RMB3.5 million and the revenue generated from sales of theatre tickets was approximately RMB3.9 million; the increase from RMB2.6 million for the ten months ended October 31, 2013 to approximately RMB7.4 million for the 12 months ended December 31, 2013 was mainly due to the reasons that (a) Poly Group and/or its associates purchased art products during the autumn auction for their interior decoration of their office building; and (b) Poly Group and/or its associates purchased theatre tickets at the end of year as employee benefits for new year holiday season); and (ii) the possible raise of price for art products and theatre tickets in the next three years, with reference to yearly growth rate of China's GDP for the year 2012 of approximately 7.8%.

(3) Property Lease Framework Agreement

Parties: Poly Group (as the lessor), and

the Company (as the lessee).

Principal terms: We entered into a property lease framework agreement (the "**Property Lease Framework Agreement**") with Poly Group on February 14, 2014, pursuant to which we may lease properties from Poly Group and/or its associates for the purpose of office premises, cinema operation, theatre operation, auction business operation and ancillary service. The principal terms of the Property Lease Framework Agreement are as follows:

- the Property Lease Framework Agreement is valid for a term of 20 years commencing on the Listing Date;

- relevant subsidiaries or associated companies of both parties will enter into separate lease agreements which will set out the specific terms and conditions according to the principles provided in the Property Lease Framework Agreement;

- basis of determination of rentals: the rentals shall be determined by reference to the then market price or as agreed by both parties after arm-length negotiations;

- the property management fee shall be determined by reference to the then market price or as agreed by both parties after arm-length negotiations;

- the energy charge and other facilities fee shall follow the government-prescribed price or where no such government-prescribed price is applicable, it shall then be determined by reference to the then market price or as agreed by both parties after arm-length negotiations; and

- the term of the separate underlying lease agreements entered into under the Property Lease Framework Agreement shall be for a maximum of 20 years. We may request to renew the term of the lease by issuing a written notice to relevant members of Poly Group at least one month before expiry of the lease. Relevant members of Poly Group shall, upon receipt of the said notice, consent to the request for renewal and shall renew the lease with members of our Group before its expiration.

Existing leases: Based on the property lease agreements entered into between our Group and Poly Group, our Group leased several properties from Poly Group and/or its associates with a total GFA of approximately 28,000 sq.m. as of October 31, 2013. Such properties are located in Beijing, Guangzhou, Shenzhen and Foshan and are mainly used for office premises, cinema operation, theatre operation, auction business operation and ancillary services.

Reasons for the transaction: Our Group has started to lease and use the above properties for its business operation prior to the Track Record Period. Any relocation may cause unnecessary disruption to our business operation and incur unnecessary costs.

Our Directors and the Sole Sponsor are of the view that the long term nature of the property lease agreement would enable the Group to secure locations for its business operation at fair market price and to prevent unnecessary cost, time and interruption of business caused by relocation in the case of short term lease. As such, our Directors and the Sole Sponsor are of the view that the lease term of 20 years is appropriate for the Property Lease Framework Agreement and is the normal business practice for lease agreements of this type to be of such duration.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer and consultant, has confirmed that the rentals of the abovementioned existing property lease agreements with a total GFA of approximately 28,000 sq. m. are fair and reasonable and represent the prevailing market rates for similar properties situated in the locality that are used for similar purposes in the PRC except for two office units in Guangzhou with a total GFA of approximately 710 sq.m., of which the rental is lower than the prevailing market rate.

Historical amounts: The rental expense incurred for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were approximately RMB21.8 million, RMB26.0 million, RMB38.0 million and RMB33.9 million, respectively.

Annual caps: The maximum aggregate annual amount of rental for the years ending December 31, 2014, 2015 and 2016 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2014	**2015**	**2016**
		(RMB million)	
Total rental	54.7	64.5	68.8

Basis of caps: In determining the above annual caps, our Directors have considered: (i) the rentals of the existing property leases (for the year ended December 31, 2013, according to the Company's unaudited management account, the rental expense incurred was approximately RMB47 million); (ii) the steady increase in rentals of properties in the vicinity of the relevant properties and the future development of the property market in the PRC; (iii) as of December 31, 2013, the Group leased 18 pieces of properties from Poly Group and/or its associates; and (iv) the Group's future plan to establish and start operating approximately 26 cinemas by the end of 2015 in the PRC, three to five of which may require us to lease properties from Poly Group and/or its associates.

(B) Continuing connected transactions which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements

The following transaction is made in the ordinary and usual course of business and on normal commercial terms where, as our Directors currently expect, the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5% on an annual basis. Under Rules 14A.34 and 14A.35 of the Listing Rules, such transaction will constitute our non-exempt continuing connected transaction, and is subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Cinema Box Office Income Sharing Framework Agreement

Parties: Poly Group, and

our Company

Principal terms: We entered into a cinema box office income sharing framework agreement (the "**Cinema Box Office Income Sharing Framework Agreement**") with Poly Group on February 14, 2014. Poly Group and/or its associates will provide new film prints to our Group and our Group will then arrange movie screening in our cinemas. Both parties agree to split the net cinema box office income generated from the movie screening based on the pre-agreed sharing percentage. In turn, Poly Group and/or its associates may then further share the revenue generated from such split with movie distributors and producers pursuant to separate agreements among themselves. Such cinema box office income sharing arrangement is in line with the current film industry practice in the PRC. For more details on the relationship among movie distributors and producers, cinema circuit companies and cinemas, please see the section headed "Business". The principal terms of the Cinema Box Office Income Sharing Framework Agreement are as follows:

- the Cinema Box Office Income Sharing Framework Agreement is valid for a term of three years commencing on the Listing Date and can be renewed for another three years upon its expiry;

- relevant subsidiaries or associated companies of both parties will enter into separate underlying contracts which will set out the specific terms and conditions according to the principles provided in the Cinema Box Office Income Sharing Framework Agreement; and

- poly Group and/or its associates will provide new film prints to our Group and our Group will then arrange movie screening in our cinemas. Our Group will first receive the net cinema box office income generated from the film screening and then split a portion of such revenue with Poly Group and/or its associates in accordance with the respective sharing percentage as set out in the separate underlying contracts as agreed by both parties after arm-length negotiations.

Reasons for the transaction: Historically, we entered into intra-group box office income sharing agreements with Poly Wanhe Cinema Circuit (a then non wholly-owned subsidiary of our Company mainly engaging in the cinema circuit business before the Reorganization). Pursuant to those agreements, Poly Wanhe Cinema Circuit provided new film prints to us and we then arranged movie screening in our cinemas. Cinema circuit business is forbidden for foreign investment under the applicable PRC laws and regulations. Upon the Listing, the Company will become an enterprise with foreign investment and will be prohibited from investing or conducting cinema circuit business. Accordingly, during our preparation for the Global Offering, our Group had to dispose of the cinema circuit business and we transferred our 51% equity interest in Poly Wanhe Cinema Circuit to Poly Group as part of the Reorganization. Our Directors expect that, among others, considering that the historical sound business relationship between Poly Wanhe Cinema Circuit and our cinemas, and the fact that the relevant income sharing percentages are comparable to the market standards, it is in the Group's interest that such arrangement between our Group and Poly Wanhe Cinema Circuit will continue after the Listing. Any cessation of such arrangement may cause unnecessary disruption to our business operation.

Historical amounts: The expenditure incurred for the income sharing arrangement between our Group and Poly Wanhe Cinema Circuit for the years ended December 31, 2010, 2011 and 2012, and the ten months ended October 31, 2013 were approximately RMB17.5 million, RMB44.6 million, RMB60.4 million and RMB63.2 million, respectively. As stated above, once Poly Wanhe Cinema Circuit receives the shared income from us, it will further split such income with movie distributors and producers pursuant to separate agreements among themselves.

Depending on the types and popularity of new movies to be screened such as Hollywood films and domestically produced movies, for the years ended December 31, 2010, 2011 and 2012, our Group usually retained approximately 50%-55% of the net cinema box office income and shared the remaining income with Poly Wanhe Cinema Circuit based on the underlying agreements between both parties.

Annual caps: The maximum aggregate annual amount of fees for the years ending December 31, 2014, 2015 and 2016 shall not exceed the caps set out below:

	Proposed annual cap for the year ending December 31,		
	2014	**2015**	**2016**
		(RMB million)	
Total fees	193.1	350.3	451.1

Basis of caps: In determining the above annual caps, our Directors have considered: (i) the historical figures and growth trend; from 2010 to 2012, the fees to Poly Wanhe Cinema Circuit represented an increase of approximately 250%; (ii) the existing agreements entered into between Poly Wanhe Cinema Circuit and us; (iii) the fact that our Group has already had 14 cinemas in operation as of October 31, 2013 and our Group plans to establish and start operating 21 and five additional cinemas by the end of 2014 and 2015, respectively; the number of cinemas represents an increase of approximately 170% from 2013 to 2015 and all of these 26 newly-established cinemas will be fully in operation and generate revenue in 2016, it is also expected new cinemas will be built in 2016 and these cinemas will need to enter into agreements with Poly Wanhe Cinema Circuit; (iv) our cinemas are expected to increase revenues going forward due to the rapid development of China's film industry; (v) the rapid development of China's film industry in the coming years, including new movies to be produced and imported and future market price for film tickets; according to Entgroup, during the 12th Five-Year Plan Period (2011-2015), China will experience a yearly increase in film market scale by approximately 25% to 30%. The proposed annual caps from 2015 to 2016 represent an increase of approximately 28%, which is in line with the market development.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Under Rule 14A.34 of the Listing Rules, the transactions under paragraph 1 of the subsection headed "– Non-exempt continuing connected transactions" will constitute connected transactions which are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules. Under Rules 14A.34 and 14A.35 of the Listing Rules, each of the transactions under paragraph 2 of the subsection headed "– Non-exempt continuing connected transactions" will constitute connected transactions which are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the above non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis, our Directors consider that compliance with the above announcement and/or independent Shareholders' approval requirements would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to us under Rule 14A.42(3) of the Listing Rules from strict compliance with the announcement and/or independent shareholders' approval requirements under the Listing Rules in respect of the above non-exempt continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this prospectus, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

The wavier granted by the Stock Exchange for the non-exempt continuing connected transactions will expire on December 31, 2016. Upon the expiry of the waiver, those continuing connected transactions will be subject to the then applicable Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions as set out above have been and will be entered into during our ordinary and usual course of business, on normal commercial terms, and are fair and reasonable and in the interest of us and our Shareholders as a whole, and that the proposed annual caps (where applicable) for these transactions are fair and reasonable and in the interest of us and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor is of the view that (i) the non-exempt continuing connected transactions described in the subsection headed "– Non-exempt continuing connected transactions" above have been and will be entered into in the ordinary and usual course of business, on normal commercial terms, and are fair and reasonable and in the interest of the Company and Shareholders as a whole; and (ii) the proposed annual caps (where applicable) of such non-exempt continuing connected transactions mentioned above are fair and reasonable and in the interest of the Company and Shareholders as a whole.