
CONNECTED TRANSACTIONS

Members of our Group have entered into a number of transactions with (1) Guilin Sunshine 100, a company controlled by Chen Meng, a director of a number of our subsidiaries, namely, Guilin Pingle Sunshine 100, Nanning Sunshine 100, Nanning Zhuangye, and Liuzhou Sunshine 100, in respect of the granting of trademark license by us to Guilin Sunshine 100 for use in certain projects, (2) certain close relatives of Chen Meng, in respect of the leasing of properties to us for office use, (3) Beijing Yinxin, a company owned as to 49% by the Original Shareholders, in respect of the leasing of properties to us by Beijing Yinxin for commercial and residential use, (4) Beijing Yinxin, a company owned as to 49% by the Original Shareholders, in respect of the provision of property management services by us, (5) Liuzhou Liyi Hotel Management, a company owned as to 75% by Yangpu Guangsheng, which is wholly owned by the Original Shareholders, in respect of the leasing of hotels from us for commercial use, (6) Xu Tianen, a director of a number of our subsidiaries, namely, Nanning Sunshine 100 and Nanning Zhuangye, in respect of the loan provided to Sunshine 100 Group, (7) Yantai Shenghe, a wholly owned subsidiary of Guangxi Jiaxiang, a company owned as to 60% by Fan Xiaohua, our Director and one of our Original Shareholders, in respect of the leasing of properties to Yantai Shenghe by us for commercial use, (8) Hangzhou Industrial and Commerce Trust, in respect of the provision of guarantee and mortgage by Sunshine 100 Group and Hunan Sunshine 100, respectively pursuant to the relevant loan agreement, (9) Zhongrong International Trust, in respect of the provision of guarantee and share pledge by Sunshine 100 Group and Liaoning Sunshine 100 pursuant to the relevant transaction documents, (10) Hangzhou Industrial and Commerce Trust, in respect of the provision of share pledges by Sunshine 100 Group and Beijing Sunshine Star pursuant to the relevant transaction documents, (11) Hangzhou Industrial and Commerce Trust, in respect of the provision of share pledges by Sunshine 100 Group and Dongying Shengxing, pursuant to the relevant transaction documents, (12) China Foreign Economy and Trade Trust Co., Ltd. (中國對外經濟貿易信託有限公司) (“FOTIC”), in respect of the provision of the share pledge by Sunshine 100 Group pursuant to the relevant transaction documents, (13) FOTIC, in respect of the provision of the guarantee, mortgage and receivables pledges by Sunshine 100 Group, Tianjin Sunshine 100 and Tianjin Mart Time pursuant to the relevant transaction documents, (14) FOTIC, in respect of the provision of guarantee, mortgages and receivables pledges by Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 pursuant to the relevant transaction documents, (15) FOTIC, in respect of the provision of guarantee, mortgages and receivables pledges by Sunshine 100 Group, Tianjin Sunshine 100 and Tianjin Mart Time pursuant to the relevant transaction documents, (16) Tianjin Nongken Hongyilian, in respect of the provision of guarantee and share pledge by Sunshine 100 Group pursuant to the relevant transaction documents regarding the project construction of Hunan Sunshine 100, and (17) Tianjin Nongken Hongyilian, in respect of the provision of guarantee and share pledge by Sunshine 100 Group pursuant to the relevant transaction documents regarding the project construction of Hubei Sunshine 100.

Guilin Sunshine 100 is our connected person as it is controlled by Chen Meng who is a director of a number of our subsidiaries. Our lease transactions with the relatives of Chen Meng are connected transactions since these are transactions with associates of a director of a number of our subsidiaries. Beijing Yinxin is our connected person as it is owned as to 49% by the Original Shareholders. Liuzhou Liyi Hotel Management is our connected person as it is an associate of the Controlling Shareholders. Xu Tianen is our connected person as he is a director of a number of our subsidiaries. Yantai Shenghe is our connected person as it is an associate of Fan Xiaohua, our Director and one of our Controlling Shareholders. Hangzhou Industrial and Commerce Trust is our connected person as it is a substantial shareholder of a number of our subsidiaries. Zhongrong

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International Trust is our connected person as it is a substantial shareholder of Chongqing Yuneng 100, our subsidiary. FOTIC is our connected person as it is a substantial shareholder of one of our subsidiaries. Tianjin Nongken Hongyilian is our connected person as it is a substantial shareholder of Hunan Sunshine 100, our subsidiary.

In addition, the Controlling Shareholders have also entered into the Deed of Non-Competition and the Deed of Indemnity in favor of us, details of which are more particularly disclosed in the section entitled “Relationship with Our Controlling Shareholders—Non-Competition Undertaking from the Controlling Shareholders” in and “Appendix VII—Statutory and General Information—Tax and other indemnities” to this prospectus. As the Controlling Shareholders are connected persons of our Company, the Deed of Non-Competition and the Deed of Indemnity constitute connected transactions on the part of our Company which are exempt from the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

We have entered into the following agreements which will constitute continuing connected transactions and connected transactions for us under the Listing Rules upon Listing.

A. Continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements

1. Trademark License granted to Guilin Sunshine 100

Sunshine 100 Group is the registered owner of the trademark “阳光100” (the “Trademark”). Pursuant to a trademark and brand license and service agreement dated May 31, 2010, Sunshine 100 Group, the licensor granted Guilin Sunshine 100, the licensee a non-exclusive right to use the Trademark in relation to construction supervision and information and any written characters, patterns and any combination of such written characters and patterns which include “阳光壹佰”, “阳光100”, “阳光一百” (the “Licensed Brands”) for names of projects developed by project companies, buildings of the project, community signal system as well as in marketing activities, and provided certain ancillary services in connection with the granting of use of the Trademark and Licensed Brands to Guilin Sunshine 100 in order to better promote the existing property development project in Guilin, namely Sunshine 100 Guilin Scape (阳光100 • 桂林麗園) (“the Guilin Project”) and standardize the management of the Guilin Project, thus ensuring the quality and reputation of this project. The Group holds a 30% equity interest in Guilin Sunshine 100, an associated company of the Company. Therefore, the Group has a commercial interest in the performance of the Guilin Project, i.e., the Guilin Project is in substance a joint development project between the Group and the other shareholder of Guilin Sunshine 100. According to the above mentioned agreement, Guilin Sunshine 100 will establish its management standard and management system by making reference to Sunshine 100 Group’s professional management standard and management systems and obtain Sunshine 100 Group’s consent on its management standard and management system. Sunshine 100 Group is also currently involved in the management of the day-to-day operation of Guilin Sunshine 100, since the general manager, vice general manager and chief financial officer of Guilin Sunshine 100 are personnel of Sunshine 100 Group. It would be in the commercial interests of the Group to ensure the quality and reputation of the Guilin Project given the Group’s equity interest in Guilin Sunshine 100 and involvement in the management of such project, and hence it is in the commercial interest of the Group to enter into such a trademark license agreement with Guilin Sunshine 100.

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Guilin Sunshine 100 is mainly involved in property development in Guangxi. In 2010, 2011 and 2012 and for the nine months ended September 30, 2013, the revenue of Guilin Sunshine 100 were nil, nil, nil and nil, respectively, and the net loss was RMB4.0 million, RMB5.3 million, RMB2.4 million and RMB1.5 million, respectively.

Guilin Sunshine 100 has suspended the development of the Guilin Project in light of an ongoing litigation between a group of persons from Han Village, Ertang Town, Xiangshan District, Guilin and the Guilin Municipal Government regarding title to land held by Guilin Sunshine 100 for the Guilin Project. Since no property has been completed by Guilin Sunshine 100, there is no issue regarding confusion with the Group's properties. Furthermore, the Group has a commercial interest in the Guilin Project, in light of its 30% equity interest in Guilin Sunshine 100 and its involvement in managing this project.

For the preparation of the Listing, Sunshine 100 Group as licensor and Guilin Sunshine 100 as licensee have entered into a trademark license and service agreement (the "Guilin Trademark License and Service Agreement") dated February 17, 2014, for a term commencing on February 17, 2014 and ending on December 31, 2015. Pursuant to the Guilin Trademark License and Service Agreement, Guilin Sunshine 100 is only permitted to use the Trademark and the Licensed Brands for the Guilin Project. The use of the Trademark and the Licensed Brands by Guilin Sunshine 100 for any other projects must receive the prior written permission from Sunshine 100 Group. In addition, Sunshine 100 Group agreed to provide certain ancillary services in connection with the granting of use of the Trademark, such as the professional management standard and the relevant management system to Guilin Sunshine 100 during the term of the Guilin Trademark License and Service Agreement. Sunshine 100 Group will provide certain management platforms such as design, procurement, human resources, branding, finance and ERP System to Guilin Sunshine 100. The right to use the Trademark, the Licensed Brands and the provision of the relevant ancillary services is granted based on an annual fee to be determined based on the types of properties developed under such project. For properties that are contracted for sale, the annual fee will be calculated based on the contracted sale amount multiplied by 4% and should be paid on a quarterly basis. For commercial and hotel properties that are held for self-use or lease purpose, the annual fee will be calculated based on the then current average market price of similar properties multiplied by 4% with a further 20% discount and should be paid within six months of completion of the project or commencement of use. For properties that have not been sold upon completion, the annual fee will be calculated based on the average market price multiplied by 4% with a further 20% discount and should be paid within 30 days of completion.

Under the Guilin Trademark License and Service Agreement:

- Guilin Sunshine 100 is subject to contractual obligations relating to the proper use of the Trademark, including that: (i) it should establish its management standard and management system by making reference to Sunshine 100 Group's professional management standard and management systems and obtain Sunshine 100 Group's consent on its management standard and management system and comply with Sunshine 100 Group's uniform standards and systems on brands and registered trademarks; (ii) Guilin Sunshine 100 should not change the Trademark without the consent of Sunshine 100 Group or use the Trademark beyond the scope authorized; and (iii) Guilin Sunshine 100 should not authorize any other parties to use the Trademark without Sunshine 100 Group's authorization; and

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- Sunshine 100 Group has the right to monitor the use of the Trademark by Guilin Sunshine 100. On the occurrence of any event which would have a material adverse effect on the reputation of the Trademark, Sunshine 100 Group has the right to require Guilin Sunshine 100 to rectify the situation immediately and if Guilin Sunshine 100 refuses to do so within 30 business days, Sunshine 100 Group has the right to terminate the Guilin Trademark License and Service Agreement.

In addition, Sunshine 100 Group monitors the proper use of the Trademark by Guilin Sunshine 100 through day-to-day supervision.

To manage the competition and protection of the reputation of the Company's trademarks, the Group has adopted the following measures: 1) the Group considers licensing its trademarks only to companies in which the Group has interests in, and which primarily engage in the real estate development and construction business; and 2) the Group requires such companies which have been granted the right to use the Group's trademarks to adopt the Group's standardized management system and take consistent measures in the daily operation of such investee companies to ensure the quality of the project, thus protecting the reputation of the trademarks.

It is the view of the Directors that the Group does not currently compete with Guilin Sunshine 100 since Guilin Sunshine 100 has suspended the development of its land in Guilin, in light of an ongoing litigation between a group of persons from Han Village, Ertang Town, Xiangshan District, Guilin and the Guilin Municipal Government regarding title to land held by Guilin Sunshine 100 for the Guilin Project. On the basis of the Directors' view, the Joint Sponsors' reasonable due diligence and taking into account the measures adopted by the Company to manage the competition, the Joint Sponsors are of the view that Guilin Sunshine 100 does not compete with the Group in any material respect.

In addition, the Company has entered into a call option agreement with Guangxi Laomumian, the holder of the remaining 70% equity interest in Guilin Sunshine 100, in which Guangxi Laomumian has granted to the Company an exclusive and irrevocable option to acquire all or part of the equity interest held by Guangxi Laomumian in Guilin Sunshine 100, which is further described in the section headed "Call Option Agreement" below.

As each of the percentage ratios (other than the profits ratio) in relation to the amount payable by Guilin Sunshine 100 under the Guilin Trademark License and Service Agreement is lower than 1%, and the transaction is a connected transaction only because Guilin Sunshine 100 is an associate of Chen Meng, a director of a number of our subsidiaries, hence, the transaction under the Guilin Trademark License and Service Agreement is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules. The businesses of connected parties which are controlled by or have close relationship with Mr. Chen Meng were not injected into the Group due to the disagreement of their respective controlling shareholders.

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CALL OPTION AGREEMENT

Option to Acquire

Guangxi Laomumian and Sunshine 100 Group have entered into a call option agreement dated February 17, 2014, pursuant to which Guangxi Laomumian granted to Sunshine 100 Group an exclusive and irrevocable option (the “Guilin Call Option”), at the sole and absolute discretion of Sunshine 100 Group, to acquire all or part of the equity interest held by Guangxi Laomumian in Guilin Sunshine 100 at a price equal to the then fair value of such equity interest in Guilin Sunshine 100 to be determined by an independent financial adviser to be appointed by Sunshine 100 Group, subject to obtaining the necessary governmental approvals, board approvals and shareholders’ approvals (as required under the Listing Rules, if applicable) and the settlement of any litigation or pending litigation regarding the title to the land held by Guilin Sunshine 100 to the satisfaction of Sunshine 100 Group. Sunshine 100 Group has made a prepayment in the amount of RMB34,780,000.

In addition, the following additional corporate measures will be adopted by our Company to protect the minority Shareholders’ rights:-

1. decision for the exercise or non-exercise of the Guilin Call Option shall be determined by our independent non-executive Directors only;
2. our independent non-executive Directors will review biannually whether to exercise the Guilin Call Option or not;
3. Guangxi Laomumian undertakes to provide all information requested by our Company which is necessary for the biannual review by the independent non-executive Directors and the enforcement of the Guilin Call Option Agreement;
4. our independent non-executive Directors are empowered to engage professional advisers at our cost for advice on matters relating to the Guilin Call Option; and
5. our Company will disclose in our interim and annual reports, and by way of announcement (if necessary) after Listing on the decision, with basis, of our independent non-executive Directors to pursue or decline the exercise of the Guilin Call Option.

As at the date of this prospectus, the Directors have not exercised and currently have no plan to exercise the Guilin Call Option. The Guilin Call Option will be exercised in the best commercial interests of public Shareholders and will be determined by our independent non-executive Directors upon taking appropriate professional advice as above-mentioned, and having considered, as a minimum, (i) our Company’s management resources, (ii) Guilin Sunshine 100’s competitive strengths and business prospects, and (iii) Guilin Sunshine 100’s financial position. If the Guilin Call Option is exercised in the future, the acquisition will be financed through our internal resources or through obtaining external financings, or a combination of both, depending on the financial position of our Group at the relevant time.

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2. Property leases between certain individual landlords and Liuzhou Sunshine 100

During the Track Record Period, certain close relatives (the “Landlords”) of Chen Meng, a director of a number of our subsidiaries, leased to us certain units individually owned by them, namely Chen Xiwei, Chen Yu, Chen Honghua, Tang Shanhu and Chen Yang which are situated at Block 8, Dongfangyuan, No. 6 Qingshan Road, Nanning, the PRC (the “Properties”) with an aggregate GFA of approximately 642.4 sq.m., 403.7 sq.m., 160.5 sq.m. and 664.15 sq.m. for office use for each year ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013.

The Landlords are the associates of Chen Meng, hence, they are connected persons of our Company. Among the close relatives of Mr. Chen, Chen Yu is involved in the business of sales of construction materials while others are only involved in the leasing of property units they own and do not conduct other businesses. In light of the satisfactory maintenance work and stable lease term provided by the Landlords to us, we intend to continue to occupy the Properties following the Global Offering, details of the leases are set out below. Therefore, we have entered into a master property leasing agreement on February 17, 2014, (the “Master Property Leasing Agreement”) with the Landlords regarding the terms and conditions for the lease of the Properties for a period commencing from February 17, 2014 and ending on December 31, 2015.

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The following table is a summary of the lease of the Properties:

Year	Lessee	Lessor	GFA	Location	Total rental payable by the lessee for the lease in RMB (price determination basis)	Term	Purpose
2013	Liuzhou Sunshine 100	Chen Xiwei (陳喜威) Chen Yang (陳陽) Tang Shanhu (湯珊瑚) Chen Honghua (陳泓樺) Chen Yu (陳宇)	664.15 sq.m.	Rooms 911, 913, 915, 917, 918, 919, 920, 921, 922, 923 and 1002, 9/F, Block 8, Dongfangyuan, Qingshan Road, Nanning, the PRC (中國南寧市青山路東方園8棟九層911、913、915、917、918、919、920、921、922、923、1002號)	330,000 (41/sq.m./month)	Commencing from February 17, 2014 and ending on December 31, 2015	Office
2014	Liuzhou Sunshine 100	Chen Xiwei (陳喜威) Chen Yang (陳陽) Tang Shanhu (湯珊瑚) Chen Honghua (陳泓樺) Chen Yu (陳宇)	664.15 sq.m.	Rooms 911, 913, 915, 917, 918, 919, 920, 921, 922, 923 and 1002, 9/F, Block 8, Dongfangyuan, Qingshan Road, Nanning, the PRC (中國南寧市青山路東方園8棟九層911、913、915、917、918、919、920、921、922、923、1002號)	340,000 (42/sq.m./month)	Commencing from February 17, 2014 and ending on December 31, 2015	Office
2015	Liuzhou Sunshine 100	Chen Xiwei (陳喜威) Chen Yang (陳陽) Tang Shanhu (湯珊瑚) Chen Honghua (陳泓樺) Chen Yu (陳宇)	664.15 sq.m.	Rooms 911, 913, 915, 917, 918, 919, 920, 921, 922, 923 and 1002, 9/F, Block 8, Dongfangyuan, Qingshan Road, Nanning, the PRC (中國南寧市青山路東方園8棟九層911、913、915、917、918、919、920、921、922、923、1002號)	350,000 (43/sq.m./month)	Commencing from February 17, 2014 and ending on December 31, 2015	Office

As each of the percentage ratios (other than the profits ratio) in relation to the amount payable by us pursuant to the Master Property Leasing Agreement is lower than 0.1%, the transactions under the Master Property Leasing Agreement are exempt from the reporting, annual review, announcement and independent

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shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules.

3. Property lease by Beijing Yinxin to us for commercial and residential use

During the Track Record Period, we have entered into a property lease agreement with Beijing Yinxin, pursuant to which Beijing Yinxin leased to us certain units situated at Unit 3001 of Block B, Unit 2202 and Unit 2911 of Block C, Unit 201, Unit 202, Unit 303 and Level 12 of Block D, Basement Unit B209 and Basement Unit B303 of Block B, Basement Unit B305 and Basement Unit B106 of Block C, Basement Unit B110 of Block E, Basement Level 2 of Block A, Basement Level 2 and Level 3 of Block D of Sunshine 100 International Apartment, No.2 Guang Hua Road, Chaoyang District, Beijing, the PRC with an aggregate GFA of 2,171.37 sq.m., and 13 individual carpark (collectively, the "Properties"), for commercial and residential use. Although there is no specific date stated in this agreement as its expiry date, the parties to this agreement have agreed upon the rental payable under this agreement up to December 2015. We will therefore need to renegotiate the rental with Beijing Yinxin before the end of December 2015. If we fail to agree on the new rental, this agreement will terminate. If we agree on the new rental, we will enter into a new property lease agreement in compliance with all relevant requirements under the Listing Rules.

Beijing Yinxin is owned as to 49% by the Original Shareholders, hence, it is a connected person of our Company. In light of the prime location of the Properties and the favorable lease term granted to us by Beijing Yinxin, we intend to continue to occupy the Properties following the Global Offering.

The lease agreement between Beijing Yinxin and us was entered into prior to the Listing for a period of more than three years. Our Directors noted that the rental expenses of properties for commercial and rental use increased substantially during the past few years. By securing a long term of lease of properties for commercial and residential use, we can enjoy a stable and preferential rental and it will benefit our development of business. If we decide to terminate the lease agreement between Beijing Yinxin and us in the future, we believe we will be able to find alternative properties.

As each of the percentage ratios (other than the profits ratio) in relation to the amount payable by us under the property lease agreement is lower than 0.1%, the transaction under the property lease agreement is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules.

4. Property management services provided by us to Beijing Yinxin

Beijing Sunshine 100 Property Services is our subsidiary. During the Track Record Period, Beijing Sunshine 100 Property Services was engaged by the owner committee of Beijing Sunshine 100 International Apartment project on behalf of the owners of Beijing Sunshine 100 International Apartment, which was developed and owned by Beijing Yinxin, a company owned 49% by the Original Shareholders to provide property management services for all owners and residents of Beijing Sunshine 100 International Apartment (北京陽光100國際公寓) including Beijing Yinxin itself.

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Beijing Yinxin is owned as to 49% by the Original Shareholders, hence, it is a connected person of our Company. The provision of the property management services by us to Beijing Yinxin constitutes a continuing connected transaction of our Company. In light of our long-term business relationship with Beijing Yinxin and the steady income we could derive from the provision of such service, we expect to continue to provide property management services to Beijing Yinxin after Listing. On June 12, 2005, we entered into a property management services agreement (the “Property Management Services Agreement”) with the owner committee of Beijing Sunshine 100 International Apartment project on behalf of the owners of Beijing Sunshine 100 International Apartment, including Beijing Yinxin, for the provision of such property management services, for a two year term commencing on July 1, 2005 which is automatically renewed if not terminated by either parties prior to the expiry of each term. As no parties have terminated such agreement, the current term is from July 1, 2013 to June 30, 2015.

According to the relevant PRC laws and regulations, it is the power and responsibility of the owner committee of a real estate project to determine the property management service provider based on the resolution of meetings of the owner committee. Beijing Yinxin, as one of the owners, has no determination right of engaging or terminating the service from Beijing Sunshine 100 Property Services. In addition, Beijing Sunshine 100 Property Services mainly engages in the provision of property management services to other independent third parties, therefore, our Directors consider that the amount we receive from Beijing Yinxin for the provision of property management services will be insignificant.

Our Directors believe the property management services provided by us to Beijing Yinxin are conducted in the ordinary and usual course of our business and are conducted on normal commercial terms and are fair and reasonable and in the interest of our shareholders as a whole.

As each of the percentage ratios (other than the profits ratio) in relation to the amount payable by Beijing Yinxin to us under the Property Management Services Agreement is lower than 0.1%, the transactions under the Property Management Services Agreement are exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules.

5. *Hotel leases between Liuzhou Liyi Hotel Management and Guangxi Vantone*

During the Track Record Period, Guangxi Vantone entered into lease agreements with Liuzhou Liyi Hotel Management, pursuant to which Guangxi Vantone leased Yangshuo Western Street Square Hotel (陽朔西街廣場酒店) and Yangshuo Sunshine 100 Old Street Hotel (陽朔陽光100舊街樓酒店), two hotels owned by Guangxi Vantone (the “Yangshuo Hotels”) with an aggregate GFA of 12,420.37 sq.m. to Liuzhou Liyi Hotel Management for commercial use.

On July 30, 2010 and January 28, 2011, we entered into Yangshuo Hotels leasing agreements (the “Yangshuo Hotels Leasing Agreement”) with Liuzhou Liyi Hotel Management regarding the terms and conditions for the lease of Yangshuo Hotels to Liuzhou Liyi Hotel Management for a period commencing from August 1, 2010 and January 28, 2011, respectively, and ending on July 31, 2015.

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Liuzhou Liyi Hotel Management is owned as to 75% by Yangpu Guangsheng, a company 100% owned by the Original Shareholders. Liuzhou Liyi Hotel Management is therefore an associate of the Original Shareholders, hence, it is a connected person of our Company.

Liuzhou Liyi Hotel Management is mainly involved in the operation and management of two hotels located in Liuzhou and Yangshuo. Liuzhou Liyi Hotel Management was not injected to the Group due to the following reasons: 1) Liuzhou Liyi Hotel Management is mainly involved in the operation and management of two hotels in Liuzhou and Yangshuo, which are different from the main business activities conducted by the Group; and 2) the business scope of Liuzhou Liyi Hotel Management is not consistent with the future business development strategy of our Group.

As each of the percentage ratios (other than the profits ratio) in relation to the amount payable by Liuzhou Liyi Hotel Management to us pursuant to the Yangshuo Hotels Leasing Agreement is lower than 0.1%, such transactions are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules.

B. Connected transaction exempt from the reporting, annual review, announcement and independent shareholders' approval requirements

6. Loan agreement between Sunshine 100 Group and Xu Tianen

During the Track Record Period, Sunshine 100 Group has entered into a loan agreement with Xu Tianen (許天恩) under which Xu Tianen (許天恩) provided RMB30,000,000 to Sunshine 100 Group as working capital at the interest rate of 16.1% for a term commencing from April 1, 2012 to March 31, 2014. On March 25, 2013, Sunshine 100 Group and Xu Tianen (許天恩) entered into a new loan agreement to replace the abovementioned loan agreement, pursuant to which Xu Tianen (許天恩) provided an aggregate amount of RMB50,000,000 to Sunshine 100 Group as working capital at the interest rate of 15.8% for a term commencing from April 1, 2013 to March 31, 2015. The loan agreement will continue to be valid after Listing. Our Directors are of the views that the loan agreement is on normal commercial terms.

Xu Tianen is the chairman of Nanning Sunshine 100 and the director of Nanning Zhuangye, both of which are subsidiaries of our Company, hence, he is a connected person of our Company. The entering of the loan agreement between Sunshine 100 Group and Xu Tianen (許天恩) constitutes a connected transaction. The Directors (including the independent non-executive Directors) are of the view that the interest rate of the loan is fair and reasonable.

The above loan transaction is a financial assistance provided by a connected person of our Company for the benefit of our Company on normal commercial terms where no security over the assets of our Company is granted in respect of the financial assistance, hence, such loan transaction is exempt from the reporting, announcement and independent shareholders' approval requirements applicable to connected transactions under Rule 14A.65(4).

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C. Continuing connected transaction exempt from independent shareholders' approval requirement

7. *Property leases between Yantai Commercial Development and Yantai Shenghe*

During the Track Record Period, Yantai Commercial Development entered into a lease agreement with a term of ten years starting from March 15, 2011 with Yantai Shenghe, pursuant to which Yantai Commercial Development leased certain units situated at the Lower Ground Level 1 of Block T and Level 1 to Level 4 of Block S1 of Yantai Sunshine 100 City Plaza, 26 Harbour Road, Zhifu District, Yantai, the PRC (the "Yantai Properties") with an aggregate GFA of 33,617.21 sq.m. to Yantai Shenghe for commercial use.

In light of the economic benefit and the favorable term we enjoy under such lease, we expect to continue to lease the Yantai Properties to Yantai Shenghe after Listing. For the preparation of Listing, we have entered into an amended property leasing agreement on February 17, 2014, (the "Yantai Amended Property Leasing Agreement") with Yantai Shenghe regarding the terms and conditions for the lease of the Yantai Properties for a period commencing from February 17, 2014 and ending on December 31, 2015 which superseded and replaced the original lease agreement. Pursuant to the Yantai Amended Property Leasing Agreement, the annual rental payable by Yantai Shenghe to us for the three years ending December 31, 2015 will be approximately RMB11,300,000, RMB12,200,000 and RMB12,400,000 (excluding management fees which shall be paid by Yantai Shenghe directly to the property management company and utilities expense which shall be paid by Yantai Shenghe to relevant utility service providers) which are determined based on prevailing market rate. Yantai Shenghe is a wholly-owned subsidiary of Guangxi Jiaxiang, a company owned as to 60% by Fan Xiaohua, our Director and one of our Controlling Shareholders, and Yantai Shenghe is therefore an associate of Fan Xiaohua, hence, it is a connected person of our Company.

Yantai Shenghe is mainly involved in the operation of a department store. In 2010, 2011 and 2012 and for the nine months ended September 30, 2013, the revenue of Yantai Shenghe were nil, RMB24.0 million, RMB42.1 million and RMB26.7 million, respectively, and the net loss were nil, RMB19.5 million, RMB37.0 million and RMB35.1 million, respectively. Yantai Shenghe was not injected to the Group due to the following reasons: 1) Yantai Shenghe is mainly involved in the operation of a department store, which is different from the main business activities conducted by the Group; and 2) the business activities conducted by Yantai Shenghe are not consistent with the future business development strategy of our Group.

Historical transaction values

We had not leased the Yantai Properties to Yantai Shenghe prior to March 2011. For the three years ended December 31, 2010, 2011 and 2012 and the nine months ended September 30, 2013, the rental received by us from Yantai Shenghe for the lease of the Yantai Properties were approximately nil, RMB8,942,178, RMB11,295,383 and RMB8,471,537, respectively. The increase in the annual rental in 2011 and 2012 was due to the commencement date of the lease in 2011.

Annual Caps

Pursuant to the terms of the Yantai Amended Property Leasing Agreement, the annual rental payable by Yantai Shenghe to us will be RMB11,300,000, RMB12,200,000 and RMB12,500,000 for the three years

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ending December 31, 2015. In arriving at the above caps, we have considered the estimated rental increase for commercial properties located in Yantai during such period.

As each of the applicable percentage ratios (other than the profits ratio) in relation to the amount payable by Yantai Shenghe to us under the Yantai Amended Property Leasing Agreement is lower than 5%, such transactions will be exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Listing Rules but subject to the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the reporting and announcement requirements set out in Rule 14A.45 to 14A.47 of the Listing Rules.

D. Non-exempt connected transactions

Trust Financing Arrangement

We are engaged in property development in the PRC and require external funding in our business operations. In addition to conventional bank loans, PRC developers obtain alternative financing from trust financing companies using equity interests and lands in their project companies as collateral. During the Track Record Period, we have entered into the following trust financing arrangement in our ordinary course of business. Although we had the necessary credit standing to obtain bank loans from commercial banks to finance our property development operations, we have chosen to obtain funding through trust financing arrangements for some of our projects, as we believe these arrangements provided higher flexibility and efficiency in utilizing our financial resources, especially when operating in a tightened credit market environment. Our Directors are of the view that it was and it will be in the best interests of our Group to seek alternative funding through trust financing arrangements taking into account the continuous development and the sustainable growth of our Group.

As these trust financing arrangements involve a connected person and the provisions of financial assistance which are not exempted under Rules 14A.65 or 14A.66 of the Listing Rules, such transactions would be subject to the reporting, announcement and independent shareholders' approval requirements set out in Rules 14A.45 to 14A.48 of the Listing Rules.

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8. *Guarantee and mortgage provided by Sunshine 100 Group and Hunan Sunshine 100 to Hangzhou Industrial and Commerce Trust*

On January 14, 2014, Liaoning Sunshine 100 entered into a trust loan agreement with Hangzhou Industrial and Commerce Trust at the interest rate of 12.5% with a term from January 15, 2014 pursuant to which Hangzhou Industrial and Commerce Trust granted a loan in the principal amount of RMB270,000,000 to Liaoning Sunshine 100 for project construction use, of which RMB20,000,000 is due on December 15, 2014 and the remaining RMB250,000,000 is due on April 27, 2015. Sunshine 100 Group provided a guarantee and Hunan Sunshine 100 provided a mortgage to Hangzhou Industrial and Commerce Trust in respect of the obligations of Liaoning Sunshine 100 under the loan agreement. The guarantee and mortgage will continue to be valid after Listing. Our Directors are of the view that the guarantee and mortgage are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Mortgage provided by Hunan Sunshine 100 to Hangzhou Industrial and Commerce Trust	Mortgage over a piece of land located in Changsha to secure all the obligations of Liaoning Sunshine 100 under the loan agreement. The value of this piece of land as set out in the mortgage was RMB452,000,000.
2. Guarantee provided by Sunshine 100 Group to Hangzhou Industrial and Commerce Trust	Liability of Liaoning Sunshine 100 for the principal amount, interest accrued, default interest, indemnities, other fees and expenses under the loan agreement

Our subsidiary, Yantai Sunshine 100 is owned as to 30% by Hangzhou Industrial and Commerce Trust, hence, Hangzhou Industrial and Commerce Trust is a connected person of our Company. Hangzhou Industrial and Commerce Trust is 100% held by independent third parties. The provision of the guarantee and mortgage by Sunshine 100 Group and Hunan Sunshine 100, respectively to Hangzhou Industrial and Commerce Trust constitute connected transactions.

9. *Guarantee and share pledge provided by Sunshine 100 Group and Liaoning Sunshine 100 to Zhongrong International Trust*

During the Track Record Period, Sunshine 100 Group, Liaoning Sunshine 100, Chongqing Yuneng 100 and Zhongrong International Trust entered into the following agreements:

- (i) a cooperation agreement and a framework agreement with a term of two years from February 1, 2013, pursuant to which Zhongrong International Trust invested approximately RMB400,000,000 collected under the trust fund to acquire 72% of the equity interest in Chongqing Yuneng 100 at the interest rate of 15%. The parties have also entered into an equity transfer agreement for the

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purchase of 72% of the equity interest in Chongqing Yuneng 100 by Zhongrong International Trust from Sunshine 100 Group and Liaoning Sunshine 100, a supplemental agreement for the repurchase of the equity interest in Chongqing Yuneng 100 by Sunshine 100 Group from Zhongrong International Trust upon the latter's request, and loan assignment agreement under which Sunshine 100 Group assigned its shareholder's loan in Chongqing Yuneng 100 to Zhongrong International Trust in connection with the cooperation agreement. Sunshine 100 Group and Liaoning Sunshine 100 provided a share pledge and Sunshine 100 Group provided a guarantee in favor of Zhongrong International Trust in respect of the obligations of Sunshine 100 Group under the cooperation agreement, equity transfer agreement, the supplemental agreement and loan assignment agreement (collectively, the "Zhongrong Transaction Documents"). The guarantee and share pledge will continue to be valid after Listing. Our Directors are of the view that the guarantee and share pledge are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to Zhongrong International Trust	All the indebtedness (including but not limited to, the principal amount of RMB400,000,000 and accrued interest, equity repurchase price, default fines, indemnities and other fees and expenses) payable by Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 to Zhongrong International Trust under the Zhongrong Transaction Documents
2. Share pledge provided by Sunshine 100 Group and Liaoning Sunshine 100 to Zhongrong International Trust	Share pledge on 18% of the equity interest in Chongqing Yuneng 100 to secure all the obligations of Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 under the Zhongrong Transaction Documents. The audited net asset value of Chongqing Yuneng 100 as at September 30, 2013 was RMB112,901,192.32.

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- (ii) a supplemental cooperation agreement and a trust loan agreement at the interest rate of 14% with a term of two years from July 15, 2013, pursuant to which Zhongrong International Trust further invested approximately RMB300,000,000 collected under the trust fund in Chongqing Yuneng 100. Sunshine 100 Group and Liaoning Sunshine 100 provided a share pledge and Sunshine 100 Group provided a guarantee in favor of Zhongrong International Trust in respect of the obligations of Sunshine 100 Group under the additional cooperation agreement and the trust loan agreement (collectively, the “Zhongrong Supplemental Transaction Documents”). The guarantee and share pledge will continue to be valid after Listing. Our Directors are of the view that the guarantee and share pledge are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to Zhongrong International Trust	All the indebtedness (including but not limited to, the principal amount of RMB300,000,000 and accrued interest, default fines, indemnities and other fees and expenses) payable by Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 to Zhongrong International Trust under the Zhongrong Supplemental Transaction Documents
2. Share pledge provided by Sunshine 100 Group and Liaoning Sunshine 100 to Zhongrong International Trust	Share pledge on 18% of the equity interest in Chongqing Yuneng 100 to secure all the obligations of Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 under the Zhongrong Supplemental Transaction Documents. The audited net asset value of Chongqing Yuneng 100 as at September 30, 2013 was RMB112,901,192.32.

Our subsidiary, Chongqing Yuneng 100 is owned as to 72% by Zhongrong International Trust, hence, Zhongrong International Trust is a connected person of our Company. Zhongrong International Trust is 100% held by independent third parties. The provision of the share pledge and guarantee by Sunshine 100 Group and Liaoning Sunshine 100 to Zhongrong International Trust constitute connected transactions.

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10. *Share pledges provided by Sunshine 100 Group and Beijing Sunshine Star to Hangzhou Industrial and Commerce Trust*

During the Track Record Period, Sunshine 100 Group, Beijing Sunshine Star, Yantai Sunshine 100 and Hangzhou Industrial and Commerce Trust entered into the following agreements:

- (i) an investment cooperation agreement with a term of two years from March 26, 2013, pursuant to which Hangzhou Industrial and Commerce Trust invested approximately RMB200,000,000 collected under the trust fund at the interest rate of 14.6%, in which approximately RMB15,000,000 was used to acquire 30% of the equity interest in Yantai Sunshine 100, and the remaining amount of approximately RMB185,000,000 was paid as the consideration for the assignment of the shareholder's loan in Yantai Sunshine 100 from Sunshine 100 Group to Hangzhou Industrial and Commerce Trust. The parties have also entered into a loan repayment agreement for the repayment of the loan by Yantai Sunshine 100 to Hangzhou Industrial and Commerce Trust, an equity purchase agreement under which Sunshine 100 Group has the option to acquire the equity interest in Yantai Sunshine 100 from Hangzhou Industrial and Commerce Trust, a loan assignment agreement under which Sunshine 100 Group assigned its shareholder's loan in Yantai Sunshine 100 to Hangzhou Industrial and Commerce Trust, a loan repurchase agreement under which Sunshine 100 Group has the option or may be obliged to repurchase the shareholder's loan from Hangzhou Industrial and Commerce Trust, and an equity sale agreement under which Hangzhou Industrial and Commerce Trust has the right to sell the equity interest in Yantai Sunshine 100 to Sunshine 100 Group in connection with the investment cooperation agreement (collectively, the "Hangzhou Transaction Documents"). Sunshine 100 Group and Beijing Sunshine Star provided share pledges in favor of Hangzhou Industrial and Commerce Trust in respect of the obligations of Sunshine 100 Group and Yantai Sunshine 100 under the Transaction Documents. The share pledges will continue to be valid after Listing. Our Directors are of the view that the share pledges are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Share pledge provided by Sunshine 100 Group to Hangzhou Industrial and Commerce Trust	Share pledge on 60% of the equity interest in Yantai Sunshine 100 to secure all the obligations of Sunshine 100 Group and Yantai Sunshine 100 under the Hangzhou Transaction Documents. The audited net asset value of Yantai Sunshine 100 as at September 30, 2013 was RMB45,009,531.13.
2. Share pledge provided by Beijing Sunshine Star to Hangzhou Industrial and Commerce Trust	Share pledge on 10% of the equity interest in Yantai Sunshine 100 to secure all the obligations of Sunshine 100 Group and Yantai Sunshine 100 under the Hangzhou Transaction Documents. The audited net asset value of Yantai Sunshine 100 as at September 30, 2013 was RMB45,009,531.13.

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- (ii) a supplemental investment cooperation agreement with a term of two years from June 7, 2013, pursuant to which Hangzhou Industrial and Commerce Trust further invested approximately RMB200,000,000 collected under the trust fund in Yantai Sunshine 100 at the interest rate of 14.6%. The parties have also entered into a supplemental loan repayment agreement for the repayment of the loan by Yantai Sunshine 100 to Hangzhou Industrial and Commerce Trust, a supplemental equity purchase agreement under which Sunshine 100 Group has the option to acquire the equity interest in Yantai Sunshine 100 from Hangzhou Industrial and Commerce Trust, a supplemental loan assignment agreement under which Sunshine 100 Group assigned its shareholder's loan in Yantai Sunshine 100 to Hangzhou Industrial and Commerce Trust, a supplemental loan repurchase agreement under which Sunshine 100 Group has the option or may be obliged to repurchase the shareholder's loan from Hangzhou Industrial and Commerce Trust, and a supplemental equity sale agreement under which Hangzhou Industrial and Commerce Trust has the right to sell the equity interest in Yantai Sunshine 100 to Sunshine 100 Group in connection with the investment cooperation agreement (collectively, the "Hangzhou Supplemental Transaction Documents"). Sunshine 100 Group and Beijing Sunshine Star provided share pledges in favor of Hangzhou Industrial and Commerce Trust in respect of the obligations of Sunshine 100 Group and Yantai Sunshine 100 under the Hangzhou Supplemental Transaction Documents. The share pledges will continue to be valid after Listing. Our Directors are of the view that the share pledges are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Share pledge provided by Sunshine 100 Group to Hangzhou Industrial and Commerce Trust	Share pledge on 60% of the equity interest in Yantai Sunshine 100 to secure all the obligations of Sunshine 100 Group and Yantai Sunshine 100 under the Hangzhou Supplemental Transaction Documents. The audited net asset value of Yantai Sunshine 100 as at September 30, 2013 was RMB45,009,531.13.
2. Share pledge provided by Beijing Sunshine Star to Hangzhou Industrial and Commerce Trust	Share pledge on 10% of the equity interest in Yantai Sunshine 100 to secure all the obligations of Sunshine 100 Group and Yantai Sunshine 100 under the Hangzhou Supplemental Transaction Documents. The audited net asset value of Yantai Sunshine 100 as at September 30, 2013 was RMB45,009,531.13.

Our subsidiary, Yantai Sunshine 100 is owned as to 30% by Hangzhou Industrial and Commerce Trust, hence, Hangzhou Industrial and Commerce Trust is a connected person of our Company. The provision of the share pledges by Sunshine 100 Group and Beijing Sunshine Star to Hangzhou Industrial and Commerce Trust constitute connected transactions.

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11. Share pledges provided by Sunshine 100 Group and Dongying Shengxing to Hangzhou Industrial and Commerce Trust

During the Track Record Period, Sunshine 100 Group, Dongying Shengxing, Weifang Sunshine 100, and Hangzhou Industrial and Commerce Trust entered into an investment cooperation agreement with a term of two years from March 26, 2013, pursuant to which Hangzhou Industrial and Commerce Trust invested approximately RMB300,000,000 collected under the trust fund at the interest rate of 14%, in which approximately RMB60,000,000 was used to acquire 30% of the equity interest in Weifang Sunshine 100, and the remaining amount of approximately RMB240,000,000 was paid as the consideration for the assignment of the shareholder's loan in Weifang Sunshine 100 from Sunshine 100 Group to Hangzhou Industrial and Commerce Trust. The parties have also entered into a loan repayment agreement for the repayment of the loan from Weifang Sunshine 100 to Hangzhou Industrial and Commerce Trust, an equity purchase agreement under which Sunshine 100 Group has the option to acquire the equity interest in Weifang Sunshine 100 from Hangzhou Industrial and Commerce Trust, a loan assignment agreement under which Sunshine 100 Group assigned its shareholder's loan in Weifang Sunshine 100 to Hangzhou Industrial and Commerce Trust, and a loan repurchase agreement under which Sunshine 100 Group has the option or may be obliged to repurchase the shareholder's loan from Hangzhou Industrial and Commerce Trust in connection with the investment cooperation agreement (collectively, the "Hangzhou Industrial and Commerce Transaction Documents"). Sunshine 100 Group and Dongying Shengxing provided share pledges in favor of Hangzhou Industrial and Commerce Trust in respect of the obligations of Sunshine 100 Group and Weifang Sunshine 100 under the Transaction Documents. The share pledges will continue to be valid after Listing. Our Directors are of the view that the share pledges are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Share pledge provided by Sunshine 100 Group to Hangzhou Industrial and Commerce Trust	Share pledge on 60% of the equity interest in Weifang Sunshine 100 to secure all the obligations of Sunshine 100 Group and Weifang Sunshine 100 under the Hangzhou Industrial and Commerce Transaction Documents. The audited net asset value of Weifang Sunshine 100 as at September 30, 2013 was RMB187,125,339.65.
2. Share pledge provided by Dongying Shengxing to Hangzhou Industrial and Commerce Trust	Share pledge on 10% of the equity interest in Weifang Sunshine 100 to secure all the obligations of Sunshine 100 Group and Weifang Sunshine 100 under the Hangzhou Industrial and Commerce Transaction Documents. The audited net asset value of Weifang Sunshine 100 as at September 30, 2013 was RMB187,125,339.65.

Our subsidiary, Weifang Sunshine 100 is owned as to 30% by Hangzhou Industrial and Commerce Trust, hence, Hangzhou Industrial and Commerce Trust is a connected person of our Company. The provision of the share pledges by Sunshine 100 Group and Dongying Shengxing to Hangzhou Industrial and Commerce Trust constitute connected transactions.

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12. Share pledge provided by Sunshine 100 Group to FOTIC

During the Track Record Period, Sunshine 100 Group, Chengdu Sunshine 100, Beijing Century and FOTIC entered into a cooperation agreement with a term of two years from October 15, 2013, pursuant to which FOTIC invested approximately RMB550,000,000 collected under the trust fund to acquire 49% of the equity interest in Chengdu Sunshine 100 at the interest rate of 12%. The parties have also entered into two equity transfer agreements for the purchase of 39% and 10% of the equity interest in Chengdu Sunshine 100 by FOTIC from Sunshine 100 Group and Beijing Century, respectively. Sunshine 100 Group provided a share pledge in favor of FOTIC in respect of the obligations of Sunshine 100 Group under the cooperation agreement and equity transfer agreements (collectively, the “FOTIC Transaction Documents”). The share pledge will continue to be valid after Listing. Our Directors are of the view that the share pledge are on normal commercial terms. The table below gives a summary of this transaction:

<u>Transaction</u>	<u>Security</u>
Share pledge provided by Sunshine 100 Group to FOTIC	Share pledge on 51% of the equity interest in Chengdu Sunshine 100 to secure all the obligations of Sunshine 100 Group under the FOTIC Transaction Documents. The audited net asset value of Chengdu Sunshine 100 as at September 30, 2013 was RMB760,008,087.55.

Our subsidiary, Chengdu Sunshine 100 is owned as to 49% by FOTIC, hence, FOTIC is a connected person of our Company. FOTIC is 100% held by independent third parties. The provision of the share pledge by Sunshine 100 Group to FOTIC constitutes a connected transaction.

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13. *Guarantee, mortgage and receivables pledges provided by Sunshine 100 Group, Tianjin Sunshine 100 and Tianjin Mart Time to FOTIC*

During the Track Record Period, Hunan Sunshine 100 entered into a trust loan agreement (“1st Hunan Loan Agreement”) with FOTIC at the interest rate of 12.5 % with a term from March 15, 2013 to September 14, 2014, pursuant to which FOTIC granted a loan in the principal amount of RMB58,460,000 to Hunan Sunshine 100 for project construction use. Sunshine 100 Group provided a guarantee to FOTIC in respect of the obligations of Hunan Sunshine 100 under the trust loan agreement. Meanwhile, Tianjin Sunshine 100 provided a mortgage and a receivables pledge and Tianjin Mart Time provided a receivables pledge to FOTIC in respect of the same obligation of Hunan Sunshine 100 mentioned above. The guarantee, mortgage and receivables pledges will continue to be valid after Listing. Our Directors are of the view that the guarantee, mortgage and receivables pledges are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to FOTIC	All the obligations of Hunan Sunshine 100 under the 1st Hunan Loan Agreement
2. Mortgage provided by Tianjin Sunshine 100 to FOTIC	Mortgages over two commercial buildings and certain underground parking space located in Tianjin Sunshine 100 International New Town to secure the obligations of Hunan Sunshine 100 under the 1st Hunan Loan Agreement. The value of such two commercial buildings and certain underground parking space as set out in the mortgage was RMB175,200,000.
3. Receivables pledge provided by Tianjin Sunshine 100 to FOTIC	Pledge of the accounts receivables arising from two commercial buildings located in Tianjin Sunshine 100 International New Town to secure the obligations of Hunan Sunshine 100 under the 1st Hunan Loan Agreement. The accounts receivables consist of receivables arising from sale, lease, contracting, service agreement in relation to such buildings.
4. Receivables pledge provided by Tianjin Mart Time to FOTIC	Pledge of the accounts receivables arising from two commercial buildings located in Tianjin Sunshine 100 International New Town to secure the obligations of Hunan Sunshine 100 under the 1st Hunan Loan Agreement. The accounts receivables consist of receivables arising from sale, lease, contracting, service agreement in relation to such buildings.

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Our subsidiary, Chengdu Sunshine 100 is owned as to 49% by FOTIC. Hence, FOTIC is a connected person of our Company. FOTIC is 100% held by independent third parties. The provision of the guarantee, mortgages and receivables pledges by Sunshine 100 Group, Tianjin Sunshine 100 and Tianjin Mart Time to FOTIC constitute connected transactions.

14. Guarantee, mortgages and receivables pledges provided by Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 to FOTIC

During the Track Record Period, Hunan Sunshine 100 entered into a trust loan agreement (“2nd Hunan Loan Agreement”) with FOTIC at the interest rate of 12.5 % with a term from March 15, 2013 to September 14, 2014, pursuant to which FOTIC granted a loan in the principal amount of RMB361,540,000 to Hunan Sunshine 100 for project construction use. Sunshine 100 Group provided a guarantee to FOTIC in respect of the obligations of Hunan Sunshine 100 under the trust loan agreement. Meanwhile, Liaoning Sunshine 100 and Chongqing Yuneng 100 provided mortgages and receivables pledges to FOTIC in respect of the same obligation of Hunan Sunshine 100 mentioned above. The guarantees, mortgages and receivables pledges will continue to be valid after Listing. Our Directors are of the view that the guarantee, mortgages and receivables pledges are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to FOTIC	Liability of Hunan Sunshine 100 for the principal amount, interest accrued, default interest, indemnities, other fees and expenses under the 2nd Hunan Loan Agreement
2. Mortgage and receivables pledge provided by Liaoning Sunshine 100 to FOTIC	Mortgage over three commercial buildings located in Shenyang Sunshine 100 International New Town and pledge of the accounts receivables arising from such buildings to secure the obligations of Hunan Sunshine 100 under the 2nd Hunan Loan Agreement. The value of such three commercial buildings as set out in the mortgage was RMB310,650,000. The accounts receivables consist of receivables arising from sale, lease, contracting, service agreement in relation to such buildings.

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<u>Transaction</u>	<u>Security</u>
3. Mortgage and receivables pledge provided by Chongqing Yuneng 100 to FOTIC	Mortgage over three commercial buildings located in Chongqing Sunshine 100 International New Town and pledge of the accounts receivables arising from such buildings to secure the obligations of Hunan Sunshine 100 under the 2nd Hunan Loan Agreement. The value of such three commercial buildings as set out in the mortgage was RMB367,240,000. The accounts receivables consist of receivables arising from sale, lease, contracting, service agreement in relation to such buildings.

Our subsidiary, Chengdu Sunshine 100 is owned as to 49% by FOTIC, hence, FOTIC is a connected person of our Company. FOTIC is 100% held by independent third parties. The provision of the guarantee, mortgages and receivables pledges by Sunshine 100 Group, Liaoning Sunshine 100 and Chongqing Yuneng 100 to FOTIC constitute connected transactions.

15. *Guarantee, mortgages and receivables pledges provided by Sunshine 100 Group, Tianjin Sunshine 100 and Tianjin Mart Time to FOTIC*

During the Track Record Period, Hunan Sunshine 100 entered into a trust loan agreement (“3rd Hunan Loan Agreement”) with FOTIC at the interest rate of 12.5 % with a term from May 20, 2013 to November 20, 2014, pursuant to which FOTIC granted a loan in the principal amount of RMB130,000,000 to Hunan Sunshine 100 for project construction use. Sunshine 100 Group provided a guarantee to FOTIC in respect of the obligations of Hunan Sunshine 100 under the trust loan agreement. Meanwhile, Tianjin Sunshine 100 and Tianjin Mart Time provided mortgages and receivables pledges to FOTIC in respect of the same obligation of Hunan Sunshine 100 mentioned above. The guarantee, mortgages and receivables pledges will continue to be valid after Listing. Our Directors are of the view that the guarantee, mortgages and receivables pledges are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to FOTIC	Liability of Hunan Sunshine 100 for the principal amount, interest accrued, default interest, indemnities, other fees and expenses under the 3rd Hunan Loan Agreement

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Transaction	Security
2. Mortgage and receivables pledge provided by Tianjin Sunshine 100 to FOTIC	Mortgages over certain underground space and underground parking space located in Tianjin Sunshine 100 International New Town and pledge of the accounts receivables arising from two commercial buildings located in Tianjin Sunshine 100 International New Town to secure the obligations of Hunan Sunshine 100 under the 3rd Hunan Loan Agreement. The value of such certain underground space and underground parking space as set out in the mortgage was RMB229,720,000. The accounts receivables consist of receivables arising from sale, lease, contracting, service agreement in relation to such buildings.
3. Mortgage and receivables pledge provided by Tianjin Mart Time to FOTIC	Mortgage over on two commercial buildings located in Tianjin Sunshine 100 International New Town and pledge of the accounts receivables arising from such buildings to secure the obligations of Hunan Sunshine 100 under the 3rd Hunan Loan Agreement. The value of such two commercial buildings as set out in the mortgage was RMB128,160,000. The accounts receivables consist of receivables arising from sale, lease, contracting, service agreement in relation to such buildings.

Our subsidiary, Chengdu Sunshine 100 is owned as to 49% by FOTIC, hence, FOTIC is a connected person of our Company. FOTIC is 100% held by independent third parties. The provision of the guarantee, mortgages and receivables pledges by Sunshine 100 Group, Tianjin Sunshine 100 and Tianjin Mart Time to FOTIC constitute connected transactions.

Loan Financing Arrangement

16. Guarantee and share pledge provided by Sunshine 100 Group to Tianjin Nongken Hongyilian

During the Track Record Period, Hunan Sunshine 100 entered into a project construction funding agreement with Tianjin Nongken Hongyilian with a term from July 28, 2012 to December 31, 2018, pursuant to which Tianjin Nongken Hongyilian invested an approximately RMB500,000,000 as shareholder's loan into Hunan Sunshine 100 for project construction use at the interest rate of 12%. Sunshine 100 Group entered into a capital injection agreement with Tianjin Nongken Hongyilian, pursuant to which Tianjin Nongken Hongyilian invested an additional amount of RMB100,000,000 into Hunan Sunshine 100 as working capital and acquired 15% of the equity interest in Hunan Sunshine 100, and Hunan Sunshine 100 shall pay Tianjin

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Nongken Hongyilian a specified amount of return and interest based on their investment. Sunshine 100 Group provided a guarantee and a share pledge in favor of Tianjin Nongken Hongyilian in respect of the obligations of Hunan Sunshine 100 and Sunshine 100 Group under the project construction funding agreement and the capital injection agreement, respectively. The guarantee and share pledge will continue to be valid after Listing. Our Directors and the Joint Sponsors are of the view that (i) it is normal industry practice for project construction funding agreements of this nature to have a term coinciding with the expected completion date of the project and (ii) the guarantee and share pledge are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to Tianjin Nongken Hongyilian	All the obligations of Hunan Sunshine 100 under the project construction funding agreement
2. Share pledge provided by Sunshine 100 Group to Tianjin Nongken Hongyilian	Share pledge on 41.5% of the equity interest in Hunan Sunshine 100 to secure the obligations of Sunshine 100 Group and Hunan Sunshine 100 under the cooperation agreement. The audited net asset value of Hunan Sunshine 100 as at September 30, 2013 was RMB385,848,983.63.

Our subsidiary, Hunan Sunshine 100 is owned as to 15% by Tianjin Nongken Hongyilian, hence, Tianjin Nongken Hongyilian is a connected person of our Company. Tianjin Nongken Hongyilian is 100% owned by Tianjin Nongken Group, which is a state owned enterprise owned by Tianjin Municipal Government. The provision of the guarantee and share pledge by Sunshine 100 Group to Tianjin Nongken Hongyilian constitute connected transactions.

17. Guarantee and share pledge provided by Sunshine 100 Group to Tianjin Nongken Hongyilian

During the Track Record Period, Hubei Sunshine 100 entered into a project construction funding agreement with Tianjin Nongken Hongyilian with a term from November 15, 2012 to December 31, 2018, pursuant to which Tianjin Nongken Hongyilian invested an approximately RMB400,000,000 as shareholder's loan into Hubei Sunshine 100 for project construction use at the interest rate of 12%. Sunshine 100 Group entered into a cooperation agreement with Tianjin Nongken Hongyilian, pursuant to which Tianjin Nongken Hongyilian invested an additional amount of RMB100,000,000 into Hubei Sunshine 100 as working capital and acquired 8.85% of the equity interest in Hubei Sunshine 100, and Hubei Sunshine 100 shall pay Tianjin Nongken Hongyilian a specified amount of return and interest based on their investment. Sunshine 100 Group provided a guarantee and a share pledge in favor of Tianjin Nongken Hongyilian in respect of the obligations of Hubei Sunshine 100 and Sunshine 100 Group under the project construction funding agreement and the cooperation agreement, respectively. The guarantee and share pledge will continue to be valid after Listing. Our Directors and the Joint Sponsors are of the view that (i) it is a normal industry practice for project construction funding agreements of this nature to have a term coinciding with the expected completion date of

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the project and (ii) the guarantee and share pledge are on normal commercial terms. The table below gives a summary of these transactions:

<u>Transaction</u>	<u>Security</u>
1. Guarantee provided by Sunshine 100 Group to Tianjin Nongken Hongyilian	All the obligations of Hubei Sunshine 100 under the project construction funding agreement and the obligation of the dividend payment of Sunshine 100 Group under the cooperation agreement
2. Share pledge provided by Sunshine 100 Group to Tianjin Nongken Hongyilian	Share pledge on 35% of the equity interest in Hunan Sunshine 100 to secure the obligations of Sunshine 100 Group and Hubei Sunshine 100 under the cooperation agreement. The audited net asset value of Hunan Sunshine 100 as at September 30, 2013 was RMB385,848,983.63.

Our subsidiary, Hunan Sunshine 100 is owned as to 15% by Tianjin Nongken Hongyilian, hence, Tianjin Nongken Hongyilian is a connected person of our Company. The provision of the guarantee and share pledge by Sunshine 100 Group to Tianjin Nongken Hongyilian constitute connected transactions.

We have been advised by our PRC legal advisers that all agreements under the trust financing arrangements and loan financing arrangements are in compliance with the PRC laws and shall be binding on all parties and are legal and valid.

Our PRC legal advisers have advised that all the above trust financing arrangements and loan financing arrangements are secured borrowing transactions in nature, the equity interests acquired by the relevant trust financing companies and loan financing company in our relevant subsidiaries are held as collateral to secure our repayment obligations, and these trust financing companies and loan financing company are obliged under the terms of the relevant financing agreement to transfer back to us such equity interests in our relevant subsidiaries upon our repayment of the agreed amounts. Such transactions constitute connected transactions under the Listing Rules only because they involve trust financing companies and loan financing company who are connected persons of our Company by virtue of them being substantial shareholders of our relevant subsidiaries as a result of the trust financing arrangements.

Joint Sponsors' view

The Joint Sponsors have confirmed to our Company that they are of the view that the continuing connected transactions stated in paragraphs (A) and (C) above and the connected transactions stated in paragraphs (B) and (D) above have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or on terms no less favorable to the Group than those available to or from (as appropriate) independent third parties, which are fair and reasonable to the Group and in the interests of the Company and the Shareholders as a whole.

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Waivers

(a) Continuing connected transaction exempt from independent shareholders' approval requirement

In relation to the exempt continuing connected transaction stated in paragraph (C) above, the applicable percentage ratios (other than the profits ratio) for the transaction stated therein will be less than 5%. Such transaction would be exempt from the requirement for the Company to obtain independent shareholders' approval as required under Rule 14A.34 of the Listing Rules, but subject to the annual review requirements set out in Rules 14A.37 to 14A.40 of the Listing Rules and the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

(b) Non-exempt connected transactions

In relation to the non-exempt connected transactions stated in paragraph (D) above, such transactions involve a connected person and the provisions of financial assistance which are not exempted under Rules 14A.65 or 14A.66 of the Listing Rules. Such transactions would be subject to the reporting, announcement and independent shareholders' approval requirements set out in Rules 14A.45 to 14A.48 of the Listing Rules.

On the basis of the above, we have applied for and the Stock Exchange has granted us waivers from strict compliance with the announcement and/or independent shareholders' approval requirements under Rules 14A.42(3) and 14A.47 of the Listing Rules in relation to the above continuing connected transactions and non-exempt connected transactions.