
CONNECTED TRANSACTIONS

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain agreements and transactions with our connected persons in our ordinary and usual course of business, in which these transactions will continue after Listing and hence, upon Listing, will constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

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

Set out below is a summary of the continuing connected transactions of our Group, which are exempt from reporting, annual review, announcement requirements under Rule 14A.33 of the Hong Kong Listing Rules and independent shareholders' approval requirements. The Directors confirm that all the transactions set out in this section were carried out on normal commercial terms.

1. Trademark License Agreement

Prior to the Reorganization, Wuhan Qianbao Property owned Wuhan United Real Estate as to 45%. We have been using the "Qianbao" trademark in the ordinary course of business.

On April 30, 2013, Wuhan Qianbao Media, our wholly-owned subsidiary, and Wuhan Qianbao Property entered into a trademark license agreement (the "Trademark License Agreement") whereby Wuhan Qianbao Property agreed to grant a license to Wuhan Qianbao Media for a consideration of RMB1,000 to use a trademark registered in the name of Wuhan Qianbao Property during the period from May 1, 2013 to December 31, 2015. During the term of the Trademark License Agreement, any member of the Group is entitled to use the trademark listed therein. The Trademark License Agreement has a term of three years. On August 30, 2013, Wuhan Optics Valley Union and Wuhan Qianbao Property entered into a trademark transfer agreement whereby Wuhan Qianbao Property agreed to transfer the "Qianbao" trademark to Wuhan Optics Valley Union at a total consideration of RMB10,000. As of the Latest Practicable Date, application has been made to transfer the "Qianbao" trademark from Wuhan Qianbao Property to our Group and it is expected that such transfer will be completed after Listing.

Full particulars of the trademark licensed to Wuhan Qianbao Media by Wuhan Qianbao Property under the Trademark License Agreement are set out in Appendix VII entitled "Statutory and General Information" to this prospectus.

CONNECTED TRANSACTIONS

Mr. Huang Liping is our Director and controlling shareholder. Wuhan Qianbao Property is owned by Mr. Huang Liping as to more than 30% and is therefore his associate. Wuhan Qianbao Property is therefore our connected person.

The Trademark License Agreement is entered into on normal commercial terms and each applicable percentage ratio is, on an annual basis, less than 0.1% and accordingly will qualify as continuing connected transactions under Rule 14A.33(3) of the Hong Kong Listing Rules which will be exempt from reporting, annual review, announcement and independent shareholders' approval requirements.

2. Guarantee provided by Mr. Huang Liping and his spouse (the “Guarantee”)

Two banks in the PRC, one as facility agent and lender and one as lender, granted a loan facility of RMB330 million to the Group on April 26, 2012 for a term of 13 years at a floating interest rate of 10% above the 5 years RMB loan benchmark interest rate published by the PBOC at the time of drawdown. This facility is guaranteed by our connected persons, being Mr. Huang Liping, who is our Chairman, executive Director and our controlling shareholder, and his spouse.

Pursuant to Rule 14A.65(4) of the Hong Kong Listing Rules, the continuing connected transactions involving the provision of the guarantee to the Group by Mr. Huang Liping and his spouse are exempt from the reporting, announcement and independent shareholders' approval requirements as these constitute financial assistance provided by a connected person for the benefit of the Group on normal commercial terms where no security over the assets of the Group is granted in respect of the financial assistance.

3. Loan facilities provided by us to certain non-wholly owned subsidiaries

On March 3, 2014, in order to provide facilities to our non-wholly owned subsidiaries for their working capital purposes, the Company, Hubei Science & Technology Investment, Energy Conservation Technology Park and Wuhan Financial Harbour Development entered into a framework facilities agreement, pursuant to which the Company and Hubei Science & Technology Investment agreed to, and agreed to procure their respective subsidiaries to, provide loan facilities to Energy Conservation Technology Park and Wuhan Financial Harbour Development, being our non-wholly owned subsidiaries and associates of Hubei Science & Technology Investment, through entrusted loan arrangements with third party banks (the “Framework Facilities Agreement”). The term of the Framework Facilities Agreement began on the date of signing and ends on December 31, 2016. The loan facilities provided by us and Hubei Science & Technology Investment must be in proportion to our respective equity interests in Energy Conservation Technology Park and Wuhan Financial Harbour Development. Each of Energy Conservation Technology Park and Wuhan Financial Harbour Development will be charged interest based on the prevailing interest rate as announced by the PBOC.

CONNECTED TRANSACTIONS

Hubei Science & Technology Investment is a substantial shareholder of the Company and is therefore our connected person. Each of Energy Conservation Technology Park and Wuhan Financial Harbour Development, our non-wholly owned subsidiaries, is owned by Wuhan Optics Valley Union and Hubei Science & Technology Investment as to 70% and 30%, respectively, and is therefore our connected persons pursuant to Rule 14A.11(5) of the Hong Kong Listing Rules.

Under PRC law, an entity without license to extend credits is not allowed to lend money to another entity. In order for the equity interest holders to lend funds to Energy Conservation Technology Park and Wuhan Financial Harbour Development to satisfy their business needs, the Company and Hubei Science & Technology Investment agreed to deposit the relevant funds to a third-party bank in proportion to their respective equity interests in Energy Conservation Technology Park and Wuhan Financial Harbour Development and then entrust it to onward lend such funds to Energy Conservation Technology Park and Wuhan Financial Harbour Development. Our PRC legal advisers, Jingtian & Gongcheng, have advised us that the provision of loan by us to the associates of Hubei Science & Technology Investment through entrusted loan arrangements is in compliance with the PRC laws and regulations, including the General Provision of Loans (貸款通則).

Pursuant to Rule 14A.65(3) of the Hong Kong Listing Rules, the financial assistance provided by us for the benefit of Energy Conservation Technology Park and Wuhan Financial Harbour Development under the Framework Facilities Agreement are exempt from the reporting, announcement and independent shareholders' approval requirements as this constitutes financial assistance provided by us on normal commercial terms for the benefit of our connected persons, in which we are an equity interest holder, and is in proportion to our respective equity interests in Energy Conservation Technology Park and Wuhan Financial Harbour Development.

CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

Set out below is a summary of the continuing connected transactions of our Group, which are exempt from the independent shareholders' approval requirements under Rule 14A.34 of the Hong Kong Listing Rules, but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Hong Kong Listing Rules.

CONNECTED TRANSACTIONS

1. Property management services provided by us to Wuhan Future Science & Technology City Park Asset Management Co., Ltd. (武漢未來科技城園區資產管理有限公司) (“Wuhan Future City Asset Management”)

(a) Background

On November 28, 2012, Donghu Branch of Wuhan Lido Property Management entered into a property management agreement, as supplemented by a supplemental agreement executed in December 2013, with Wuhan Future City Asset Management (the “Property Management Agreement”), pursuant to which Donghu Branch of Wuhan Lido Property Management agreed to provide certain property management services to Wuhan Future City Asset Management. The more salient terms of this agreement are as follows:-

Property	Tower 3 and 4, District A04, Longshan Innovation Park (Phase 1), Wuhan Future Technology City (武漢未來科技城龍山創新園一期A04區3、4號樓), which is located at No. 999, Gaoxin Avenue, Donghu High Technology Region, Wuhan (武漢市東湖高新區高新大道999號), consisting of office area of approximately 28,476 sq.m. and ancillary commercial area of approximately 5,520 sq.m.
Scope of services	<ol style="list-style-type: none">1. Integrated services: providing customer services, reception and conference services; establishing 24-hour shift duty system; setting up service hotlines and accepting collection and feedbacks on information such as reporting for repair, enquiries, requests and suggestions from other parties in relation to property management services and making timely response; and maintaining review system and records.2. Equipment management: conducting inspections, checks, repairs and maintenance of equipment such as electricity supply systems, fire services systems and water supply and drainage systems inside and outside the buildings; and formulating contingency plans for relevant emergencies.3. Facilities management: conducting repairs and maintenance of roads, fire services equipment, water pipes, sewage and rainwater pipes and trenches, pools and wells.

CONNECTED TRANSACTIONS

4. Hygiene and sanitation: cleaning public roads; and conducting regular environmental control measures such as mice and pest control on the periphery of the parks.
5. Greenery management: maintaining and managing public green areas, plants and horticultural structures.
6. Order maintenance: maintaining order inside and outside the buildings; setting up shift duty system for fire safety; implementing traffic and vehicle management; managing supervision and control system outside the buildings and internal access control system; and formulating contingency measures for relevant emergencies.
7. Managing property-related information including construction drawings as well as completion inspection and acceptance information.
8. Other matters to be managed by the property management company as required by laws, regulations and policies.

Term

2 years commencing from November 28, 2012

Fee

- Management fee in the amount of RMB4.5 per sq.m. per month – payable by wire quarterly;
- Disbursement of internal/external building preparation expenses, material procurement expenses and employment expenses for ad hoc events – payable quarterly according to the actual amount incurred;
- Management fee for vacant properties in an amount to be negotiated.

CONNECTED TRANSACTIONS

(b) Connected Person

Wuhan Future City Asset Management is an associate of Hubei Science & Technology Investment as it is wholly-owned by Hubei Science & Technology Investment. It is therefore our connected person.

(c) Historical Figures

The following table sets forth the transaction amount paid by Wuhan Future City Asset Management to Donghu Branch of Wuhan Lido Property Management during the Track Record Period:

For the year ended December 31,			For the nine months ended September 30,
2010	2011	2012	2013
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Nil	Nil	679	1,051

(d) Annual Caps

The annual transaction amount payable by Wuhan Future City Asset Management to Donghu Branch of Wuhan Lido Property Management under the Property Management Agreement for the year ending December 31, 2014 shall not exceed the cap of RMB3,672,000.

CONNECTED TRANSACTIONS

In arriving at the above annual cap, our Directors have considered (i) the historical transaction amount paid by Wuhan Future City Asset Management to Donghu Branch of Wuhan Lido Property Management; (ii) the management fee receivable under the Property Management Agreement; (iii) an increase of 100% of the gross floor area to be managed by us in 2014. The table below sets out the gross floor area managed by us in 2012 and 2013, and the expected gross floor area to be managed by us in 2014:

For the years ending December 31,		
2012	2013	2014
<i>sq.m. ('000)</i>	<i>sq.m. ('000)</i>	<i>sq.m. ('000)</i>
34	34	68

The expected increase in the gross floor area to be managed by us is estimated based on the actual completed gross floor area as of December 31, 2010, 2011 and 2012 and September 30, 2013 (as shown below), and the expected gross floor area of 545,000 sq.m. to be completed as of December 31, 2014:

Actual completed gross floor area

As of December 31,			As of September 30,
2010	2011	2012	2013
<i>sq.m. ('000)</i>	<i>sq.m. ('000)</i>	<i>sq.m. ('000)</i>	<i>sq.m. ('000)</i>
Nil	Nil	17	226

(e) Hong Kong Listing Rules Implications

As the highest applicable percentage ratio (other than the profits ratio) under the Hong Kong Listing Rules in respect of the above annual caps is expected to be more than 0.1% but less than 5% and the transactions are on normal commercial terms, the transactions under the Property Management Agreement will be subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Hong Kong Listing Rules.

CONNECTED TRANSACTIONS

2. Entrusted construction services provided by us

(a) Background

We provide entrusted construction services to Wuhan Future Science & Technology City Investment Construction Co., Ltd. (武漢未來科技城投資建設有限公司) (“Wuhan Future City”) and to Wuhan Optics Valley Bio-industry Base Construction Investment Co., Ltd. (武漢光谷生物產業基地建設投資有限公司) (“Wuhan Bio-industry Construction”), respectively. We were entrusted by Wuhan Future City and Wuhan Bio-industry Construction to provide construction services to them because we have achieved a track record of successful construction of similar projects in the past. In summary, we were paid a certain amount of commission and bonus (if certain criteria are met) for carrying out the construction and Wuhan Future City and Wuhan Bio-industry Construction bear all costs in relation to the construction (including material costs). Please see below for further details of the entrusted construction agreements.

(i) *Entrusted Construction Agreement with Wuhan Future City*

On October 19, 2010, Wuhan Optics Valley Union entered into an entrusted construction agreement with Wuhan Future City (the “Entrusted Construction Agreement with Wuhan Future City”), pursuant to which Wuhan Optics Valley Union agreed to provide certain entrusted construction services to Wuhan Future City. The more salient terms of this agreement are as follows:

Projects	Wuhan Future Technology City Qibu Region Phase 1 (武漢未來科技城起步區一期), located in the north of Gaoxin Avenue and the west of Outer Ring Route (the “Project”).
Investment amount of the Project	RMB1,800 million
Size of the Project	Gross construction area of approximately 450,000 sq.m.

CONNECTED TRANSACTIONS

Scope of services

Construction services for the entire process from obtaining project planning permit till the delivery for usage upon project completion and qualified acceptance as well as quality assurance period (including project construction services for the entire process beginning from preliminary construction procedures and submission for approval such as conceptual planning, construction plan design, planning, commencement, feasibility and environment assessment, to project completion, qualified acceptance and filing, as well as delivery for usage and construction during maintenance period). In particular, we are responsible for the following:

1. the preparation of project construction management as well as project organization and design. Establish a whole set of project construction management system and structure for all aspects including project targets, organizational structure, proposal planning, implementation strategies, formulation of procedures, project control and project assessment, and be responsible for organization, implementation and optimization.
2. Conduct work planning and plan analysis for all stages of the project, and provide advices on implementation, and organize and implement specific assessment as necessary.
3. Jointly conduct relevant procedures with Wuhan Future City in the course of project construction, such as obtaining planning permit and documents review.
4. Propose construction design requirements, organize the review on construction design plan and organize design units to optimize the construction design.

CONNECTED TRANSACTIONS

5. Select the best design plan based on technical and economic analysis approaches and value construction approach, and conduct investment control; establish various procurement management procedures, organize the tendering for construction surveying, design, supervision, construction, materials, equipment, furniture and their ancillary procurement, etc.; organize the parties thereto and general construction contractor or construction units to enter into tripartite contract with construction materials, equipment and components suppliers, and supervise its implementation.
6. Establish a comprehensive construction pricing management system and procedure, and provide technical consultation and advices for the owner in the course of construction pricing management. Propose the construction implementation expense plan for the review and approval by Wuhan Future City, audit construction progress fees and construction modification price, preliminarily audit the settle (final) account for the construction and provide the calculation basis for the preparation of construction list.
7. Provide file management for the entire process of the whole project: establish project file management standards, be responsible for the collection, arrangement, classification and transfer of all documents of the project construction, and conduct checks and audit on the capital to ensure the truthfulness, completeness and accuracy of the capital.
8. Participate and organize project completion and acceptance management as well as materials filing, and participate in and organize subsequent evaluation on projects.
9. Other works as agreed in the project construction management contract.

CONNECTED TRANSACTIONS

Commission payable to us	<ul style="list-style-type: none">• Estimated to be RMB27 million (being 1.5% of the total investment cost of the Project which was estimated to be RMB1.8 billion). The commission will be adjusted at settlement which is calculated based on 1.5% of the final total investment cost of the Project.• 80% of the tentative price is payable in monthly installments of RMB0.6 million per month in accordance with the anticipated construction stages of the project from the commencement date of project construction.
Guarantee payment	To secure our performance under the agreement, we are required to pay 5% of our commission to Wuhan Future City as guarantee payment.
Bonus commission	<ul style="list-style-type: none">• The bonus is calculated based on 15% of the difference between the total investment amount actually incurred for construction (excluding land acquisition expenses and loan interest for the construction period) and the budgeted total investment amount (excluding land acquisition expenses and loan interest for the construction period).• Payable within 7 days upon the confirmation by Wuhan Future City on completion.• For completion of the entire project ahead of schedule, Wuhan Future City will give us a reward of RMB5,000 per day.• For major construction (with unit construction of over 25,000 sq.m.), those with quality conferred provincial award would be rewarded 2% of the unit construction price, and those conferred national award would be awarded 3% of the unit construction price, and we could receive one-third of the above rewards.

CONNECTED TRANSACTIONS

- Payment of project fees
- Within ten working days after the date when the contract is signed, Wuhan Future City shall pay RMB5 million to us as the project commencement capital for project design and site clearance, tentative roads as well as electricity and water supply, etc.
 - Wuhan Future City shall, in accordance with the agreed payment time under the construction contract and procurement contracts for materials, equipment and components, appropriate the construction funds payable to us in the following ratio 30 days in advance, who would pay the construction funds as appropriated by Wuhan Future City to the contractors or suppliers in accordance with relevant requirements to ensure the implementation of the construction plan:
 - construction progress fees: pay the construction funds amounting to 70% of the construction completion progress fees on a monthly basis;
 - construction completion fees: pay up to 85% of the contracted price upon the completion and qualified acceptance of housing;
 - final construction fees: pay up to 95% of the final fees upon the final audit;
 - remainders: remaining amount of approximately 5% of the final audited price, which is interest-free and payable within 7 working days upon the expiry of the construction maintenance period; performance guarantees, which is interest-free and payable within 7 working days from the date of completion and qualified acceptance of the project;

CONNECTED TRANSACTIONS

- we would pay other professional design and construction fees such as water, power supply, gas, fire services and telecommunication (including broadband) in accordance with the requirements of professional authorities after the relevant sum has been apportioned to us. The specific fees shall be determined by relevant professional authorities.

(ii) Entrusted Construction Agreements with Wuhan Bio-industry Construction

On December 22, 2008, Wuhan Optics Valley Union entered into an entrusted construction agreement with Wuhan Bio-industry Construction which is supplemented by an agreement entered into by the same parties dated December 1, 2010 (together, the “Entrusted Construction Agreements with Wuhan Bio-industry Construction”), pursuant to which Wuhan Optics Valley Union agreed to provide certain entrusted construction services to Wuhan Bio-industry Construction. The more salient terms of the Entrusted Construction Agreements with Wuhan Bio-industry Construction are as follows:-

Project	Wuhan National Bio-Industry (Nine-Pinnacle Innovation) Base located in the area within west to Optic Valley Third Road, south to Gaoxin Road, north to Erfei Hill in Sanxing Village, Nine-Pinnacle Village, Hongshan District, Wuhan (“Project II”).
Investment amount of the Project	Approximately RMB2,700 million
Size of the Project	Site area of approximately 1,326 mu and gross construction area of approximately 800,000 sq.m.

CONNECTED TRANSACTIONS

Scope of services

Construction services for the entire process from obtaining project planning permit till the delivery for usage upon project completion and qualified acceptance as well as quality assurance period (including project construction services for the entire process beginning from preliminary construction procedures and submission for approval such as conceptual planning, construction plan design, planning, commencement, feasibility and environment assessment, to project completion, qualified acceptance and filing, as well as delivery for usage and construction during maintenance period). In particular, we are responsible for the following:

1. the preparation of project construction management as well as project organization and design. Establish a whole set of project construction management system and structure for all aspects including project targets, organizational structure, proposal planning, implementation strategies, formulation of procedures, project control and project assessment, and be responsible for organization, implementation and optimization.
2. Conduct work planning and plan analysis for all stages of the project, and provide advices on implementation, and organize and implement specific assessment as necessary.
3. Jointly conduct relevant procedures with Wuhan Bio-industry Construction in the course of project construction, such as obtaining planning permit and documents review.
4. Propose construction design requirements, organize the review on construction design plan and organize design units to optimize the construction design.

CONNECTED TRANSACTIONS

5. Select the best design plan based on technical and economic analysis approaches and value construction approach, and conduct investment control; establish various procurement management procedures, organize the tendering for construction surveying, design, supervision, construction, materials, equipment, furniture and their ancillary procurement, etc.; organize the parties thereto and general construction contractor or construction units to enter into tripartite contract with construction materials, equipment and components suppliers, and supervise its implementation.
6. Establish a comprehensive construction pricing management system and procedure, and provide technical consultation and advices for the owner in the course of construction pricing management. Propose the construction implementation expense plan for the review and approval by Wuhan Bio-industry Construction, audit construction progress fees and construction modification price, preliminarily audit the settle (final) account for the construction and provide the calculation basis for the preparation of construction list.
7. Provide file management for the entire process of the whole project: establish project file management standards, be responsible for the collection, arrangement, classification and transfer of all documents of the project construction, and conduct checks and audit on the capital to ensure the truthfulness, completeness and accuracy of the capital.
8. Participate and organize project completion and acceptance management as well as materials filing, and participate in and organize subsequent evaluation on projects.
9. Other works as agreed in the project construction management contract.

CONNECTED TRANSACTIONS

Commission payable to us	<ul style="list-style-type: none">• Estimated to be RMB40.5 million (being 1.5% of the total investment cost of the Project II which was estimated to be RMB2,700 million). The commission will be adjusted at settlement which is calculated based on 1.5% of the final total investment cost of the Project II.• 80% of the tentative price is payable in monthly installments of RMB0.7 million per month in accordance with the anticipated construction period of the Project II from the commencement date of project construction.
Guarantee payment	To secure our performance under the agreement, we are required to pay 5% of our commission to Wuhan Bio-industry Construction as guarantee payment.
Bonus commission	<ul style="list-style-type: none">• The bonus is calculated based on 15% of the difference between the total investment amount actually incurred for construction (excluding land acquisition expenses and loan interest for the construction period) and the budgeted total investment amount (excluding land acquisition expenses and loan interest for the construction period).• Payable within 7 days upon the confirmation by Wuhan Bio-industry Construction on completion.• For completion of the entire project ahead of schedule, Wuhan Bio-industry Construction will give us a reward of RMB5,000 per day.• For major construction (with unit construction of over 25,000 sq.m.), those with quality conferred provincial award would be rewarded 2% of the unit construction price, and those conferred national award would be awarded 3% of the unit construction price, and we could receive one-third of the above rewards.

CONNECTED TRANSACTIONS

- Payment of project fees
- Within ten working days after the date after the contract is signed, Wuhan Bio-industry Construction shall pay RMB5 million to us as the project commencement capital for project design and site clearance, tentative roads as well as electricity and water supply, etc.
 - Wuhan Bio-industry Construction shall, in accordance with the agreed payment time under the construction contract and procurement contracts for materials, equipment and components, appropriate the construction funds payable to us in the following ratio 5 days in advance, who would pay the construction funds as appropriated by Wuhan Bio-industry Construction to the contractors or suppliers in accordance with relevant requirements to ensure the implementation of the construction plan:
 - construction progress fees: pay the construction funds amounting to 70% of the construction completion progress fees on a monthly basis;
 - construction completion fees: pay up to 85% of the contracted price upon the completion and qualified acceptance of housing;
 - final construction fees: pay up to 95% of the final fees upon the final audit;
 - remainders: remaining amount of approximately 5% of the final audited price, which is interest-free and payable within 7 working days upon the expiry of the construction maintenance period; performance guarantees, which is interest-free and payable within 7 working days from the date of completion and qualified acceptance of the project;

CONNECTED TRANSACTIONS

- we would pay other professional design and construction fees such as water, power supply, gas, fire services and telecommunication (including broadband) in accordance with the requirements of professional authorities after the relevant sum has been apportioned to us. The specific fees shall be determined by relevant professional authorities.

(b) Connected Person

Wuhan Future City is an associate of Hubei Science & Technology Investment as it is wholly-owned by Hubei Science & Technology Investment. It is therefore our connected person.

Wuhan Bio-industry Construction is an associate of Hubei Science & Technology Investment as it is owned by Hubei Science & Technology Investment as to 77.66%. It is therefore our connected person.

(c) Historical Figures

The following table sets forth the transaction amount under the Entrusted Construction Agreement with Wuhan Future City incurred by Wuhan Optics Valley Union during the Track Record Period:

For the year ended December 31,			For the nine months ended September 30,
2010	2011	2012	2013
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Nil	4,381	6,705	4,562

The following table sets forth the transaction amount under the Entrusted Construction Agreements with Wuhan Bio-industry Construction incurred by Wuhan Optics Valley Union during the Track Record Period:

For the year ended December 31,			For the nine months ended September 30,
2010	2011	2012	2013
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
7,848	7,719	7,832	5,322

CONNECTED TRANSACTIONS

(d) Annual Caps

The Project and Project II are expected to be completed by June 2016 and December 2015, respectively. In the event that the Project and Project II were not completed by 2016, our Company will comply with the relevant requirements under the Hong Kong Listing Rules, including but not limited to the reporting, announcement and independent shareholders' approval requirements (as the case may be) under Chapter 14A of the Hong Kong Listing Rules. The annual transaction amount payable by Wuhan Future City and Wuhan Bio-industry Construction, respectively to Wuhan Optics Valley Union under the Entrusted Construction Agreement with Wuhan Future City and under the Entrusted Construction Agreements with Wuhan Bio-industry Construction, respectively for the year ending December 31, 2014, 2015 and 2016 shall not exceed the caps set out below on an aggregated basis:

	Entrusted Construction Agreement with Wuhan Future City	Entrusted Construction Agreements with Wuhan Bio-industry Construction	Total
Annual Caps for the year ending December 31, 2014 (RMB'000)	5,590	7,500	13,090
2015 (RMB'000)	5,590	7,500	13,090
2016 (RMB'000)	2,796	–	2,796
Basis for calculating the annual caps	our Directors have considered (i) the historical transaction amount paid by Wuhan Future City to Wuhan Optics Valley Union; (ii) the monthly installment of RMB0.6 million payable pursuant to the Entrusted Construction Agreement with Wuhan Future City; and (iii) the total management fee of RMB27 million (being 1.5% of the total investment cost of the project which was estimated to be RMB1.8 billion) payable pursuant to the Entrusted Construction Agreement with Wuhan Future City.	our Directors have considered (i) the historical transaction amount paid by Wuhan Bio-industry Construction to Wuhan Optics Valley Union; (ii) the monthly installment of RMB0.7 million pursuant to the Entrusted Construction Agreements with Wuhan Bio-industry Construction; and (iii) the total management fee of RMB40.5 million (being 1.5% of the total investment cost of the Project which was estimated to be RMB2,700 million) payable pursuant to the Entrusted Construction Agreements with Wuhan Bio-industry Construction.	

CONNECTED TRANSACTIONS

(e) Hong Kong Listing Rules Implications

As the highest applicable percentage ratio (other than the profits ratio) under the Hong Kong Listing Rules in respect of the above annual caps of the Entrusted Construction Agreement with Wuhan Future City and the Entrusted Construction Agreements with Wuhan Bio-industry Construction, on an aggregated basis, is expected to be more than 0.1% but less than 5% and the transactions are on normal commercial terms, the transactions under the Entrusted Construction Agreement with Wuhan Future City and the Entrusted Construction Agreements with Wuhan Bio-industry Construction will be subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Rule 14A.34 of the Hong Kong Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES

We have applied to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has granted us, waivers from strict compliance with the announcement requirements under the Hong Kong Listing Rules in respect of each of these transactions, subject to the following conditions:

1. the aggregate value of each of these continuing connected transactions for each financial year not exceeding the relevant annual cap amount set forth above; and
2. we will fully comply with the requirements under Chapter 14A of the Hong Kong Listing Rules for transactions conducted after December 31, 2016.

CONFIRMATION FROM THE SPONSOR AND THE DIRECTORS

The Sponsor and our Directors (including our independent non-executive Directors) are of the view that, (i) the continuing connected transactions set out above have been entered into in the ordinary and usual course of business of our Company, on normal commercial terms and are fair and reasonable and in the interest of our Shareholders as a whole, and (ii) the proposed annual caps for these continuing connected transactions referred to above are fair and reasonable and in the interests of our Company and our Shareholders as a whole.