OVERVIEW

We are a leading provider of premium logistics facilities in China in terms of GFA in operation as of December 31, 2015, according to the DTZ C&W Report. As of March 31, 2016, we had established a nationwide premium logistics facilities portfolio consisting of approximately 1.0 million sq.m. of GFA in operation in eight provinces or centrally administrative municipalities, approximately 1.1 million sq.m. of GFA under development and approximately 0.9 million sq.m. of land held for future development in major logistics hubs. In addition, as of March 31, 2016, we had executed 32 investment agreements for our 34 investment projects (two of these investment agreements covered two investment projects each) covering an aggregate planned GFA of 3.6 million sq.m. of land to be acquired in 19 provinces or centrally administered municipalities. Historically, the execution of investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process. However, there remains risk that we may not be able to acquire such land. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details. The extensive geographic reach of our network and our premium logistics facilities create a strong "network effect" that allows our tenants to expand across our logistics facilities network as their businesses grow.

We attribute our success to a highly scalable business model stemming from our long and successful track record in the development, operation and management of logistics facilities. We are one of the first entrants in China's logistics facilities market with an undivided focus in China, according to the DTZ C&W Report, and began the development, operation and management of premium logistics facilities in 2003. Through our decade long experience, we have developed a highly effective and return driven business model that allows us to rapidly replicate our success as we expand throughout China.

To support our rapid expansion plan across China, we have acquired seven parcels of land with an aggregate planned GFA of 0.9 million sq.m. and executed 32 investment agreements for the acquisition of land with an aggregate planned GFA of 3.6 million sq.m. (while the execution of investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process, there remains risk that we may not be able to acquire such land. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details) and developed a strong capability in continuously sourcing land suitable for logistics parks development. The Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone and selected provincial capital cities are our key target markets. Based on our expansion plan, we believe that our land held for future development and investment projects would comfortably support our rapid expansion in the next three to five years. In addition, our decade long collaborative relationships with various local governments and our established track record earned us the preferred development partner status in numerous provinces and cities as evidenced by the numerous investment agreements we signed. Such preferred partner status in turn provides us with access to desirable locations for our future expansion.

Having consistently delivered high-quality services to our tenants for more than a decade, we forged strong relationships with a large number of top tier domestic and foreign tenants with a variety of industry backgrounds, including e-commerce companies such as JD, Jumei and Benlai, leading 3PLs such as SF Express, Li & Fung and Sinotrans and large-scale retailers, manufacturers and others such as Xiaomi, Bosch and Gree Electric Appliance. Our top quality tenant base with a variety of industry background is the result of a conscious effort to diversify and balance our tenant mix. While e-commerce companies and 3PLs provide the strongest growth drivers, we believe our tenant base with a variety of industry backgrounds provides us with stability during market fluctuations. Furthermore, we have mastered an active and adaptive leasing strategy. As a result, we were able to pre-lease over 40% of our logistics facilities in terms of GFA on average, and it typically takes approximately six to nine months to substantially lease-up a new logistics park after its completion.

Our extensive experience and in-depth knowledge of our tenants allow us to deliver an integrated value-added solutions to our tenants. We work closely with our existing and potential tenants early in our project development process and can provide tailored solutions where needed and adhere to high safety, security and environmental standards. As a result of our close collaboration with our tenants and our dedication in providing integrated value-added solutions, we have built a distinguished and well-recognized brand image in the premium logistics facilities industry.

Our leading market position, together with our nationwide network covering strategic locations across China, our scalable business model, our high quality tenant base with a variety of industry backgrounds and adaptive leasing strategy, all contributed to our rapid expansion and financial success in the past. Our consolidated revenue grew at a CAGR of 82.5% from RMB49.0 million in 2013 to RMB163.2 million in 2015, while our core net profit grew at a CAGR of 97.9% from RMB11.2 million in 2013 to RMB43.7 million in 2015. Meanwhile, our total assets of consolidated balance sheets grew at a CAGR of 135.6% from RMB1,958.6 million as of December 31, 2013 to RMB10,875.3 million as of December 31, 2015.

OUR COMPETITIVE STRENGTHS

We attribute our success to and distinguish ourselves by the following key competitive strengths:

We are a leading provider of premium logistics facilities with a nationwide network, and are well positioned to benefit from the fast growing logistics industry in China.

We are a leading provider of premium logistics facilities in China in terms of GFA in operation as of December 31, 2015, according to the DTZ C&W Report. As of March 31, 2016, we had established a nationwide premium logistics facilities portfolio consisting of approximately 1.0 million sq.m. of GFA in operation in eight provinces or centrally administrative municipalities, approximately 1.1 million sq.m. of GFA under development and approximately 0.9 million sq.m. of land held for future development in major logistics hubs. In addition, as of March 31, 2016, we had executed 32 investment agreements for our 34 investment projects (two of these investment agreements covered two investment projects each) covering an aggregate planned GFA of 3.6

million sq.m. of land to be acquired in 19 provinces or centrally administered municipalities. Historically, the execution of investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process. However, there remains risk that we may not be able to acquire such land. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details. All of our logistics facilities satisfy the standards for premium logistics facilities as described in "Industry Overview", including structure, GFA, ceiling height, loading capacity, utilities and fire safety. Such higher standard is essential in satisfying the heightened requirement of potential tenants and results in higher average rent that is approximately twice as much as the average rent for logistics facilities according to the DTZ C&W Report. In addition, as of March 31, 2016, our logistics facilities had an average age of approximately 2.8 years. We believe our high design and building standards and relatively new logistics facilities are particularly attractive to current and potential tenants. The extensive geographic reach of our network and our premium logistics facilities create a strong "network effect" that allows our tenants to expand across our logistics facilities network as their businesses grow.

A major supply shortage of logistics facilities has emerged and continues to increase as the future economic growth in China is expected to be driven by consumption, as opposed to government and private sector investments in the past, and as urbanization and e-commerce emerge as dominant economic growth drivers. Such a supply and demand gap is also attributable to heightened requirements from potential tenants. In particular, according to the DTZ C&W Report, 3PL market in China is expected to grow at a CAGR of 8.1% from US$159.0 billion in 2015 to US$217.0 billion by 2019, as more retailers, manufacturers and others choose to outsource logistics for cost saving and operational efficiency. On the other hand, China's e-commerce market is expected to grow at a CAGR of 25.4% from RMB3.8 trillion in 2015 to RMB7.5 trillion in 2018. As a result of such driving forces, the demand for premium logistics facilities in China significantly exceeded the supply thereof since 2010, and such supply and demand gap is expected to widen through 2019, according to the DTZ C&W Report.

Our leading market position, together with our nationwide network covering strategic locations across China, position us well to capture the significant growth potential of China's logistics facilities market.

We have a highly scalable business model allowing us to achieve rapid expansion and attractive return.

We are one of the first entrants in China's logistics facilities market with an undivided focus in China, according to the DTZ C&W Report, and began the development, operation and management of premium logistics facilities in 2003. Through our decade long experience, we have developed a highly effective and return driven business model that allows us to rapidly replicate our success as we expand throughout China. We have established a comprehensive set of standardized procedures from the initial project development stage to the leasing and management stage. Our deep understanding of the local markets, rooted in our comprehensive market research, allows us to strategically plan our nationwide network and rapidly expand into new markets as soon as the timing is appropriate and opportunities arise. Furthermore, the early involvement of and effective coordination among our various departments and teams as well as existing and prospective tenants allow us to nimbly adjust our design and construction process based on the latest market demand and trend, which helped to lower our overall cost while maximizing tenant satisfaction. The high scalability of our business model can be evidenced by our rapid and successful expansion across China.

Our efficient development practices as compared with other types of commercial real estate development and inherent industry characteristics enable us to shorten our project development and cash conversion cycles. It typically takes approximately 18 to 24 months from land acquisition to substantially full occupancy of our logistics facilities. By comparison, development cycle of other types of large-scale commercial real estate is typically 24 months for land acquisition and construction and 18 to 24 months to achieve substantial full occupancy according to the DTZ C&W Report. Meanwhile, we were able to pre-lease over 40% of our logistics facilities in terms of GFA on average, and it typically takes approximately six to nine months to substantially lease-up a new logistics park after its completion. Furthermore, as of the Latest Practicable Date, we had executed 20 memoranda of understanding in relation to the leasing of approximately 345,000 sq.m. of GFA in our logistics parks in operation and under development. Such quick and efficient process has significantly boosted our return on capital and shortened our cash conversion cycle, and enabled us to rapidly expand our national network.

We have ample room for development and proven land acquisition capability which fuel our rapid expansion across logistics hubs in China.

We have acquired land for future development and identified investment projects in major logistics hubs across China. As of March 31, 2016, we held seven parcels of land for future development with a planned GFA of approximately 0.9 million sq.m. In addition, we had executed 32 investment agreements for our 34 investment projects (two of these investment agreements covered two investment projects each) covering an aggregate planned GFA of 3.6 million sq.m. of land to be acquired in 19 provinces or centrally administered municipalities as of March 31, 2016. Historically, the execution of investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process. However, there remains risk that we may not be able to acquire such land. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details. Based on our expansion plan, we believe that our land held for future development and investment projects would comfortably support our rapid expansion in the next three to five years.

In addition, our decade-long collaborative relationships with various local governments and our established track record will also help propel our expansion in the future. We believe we bring substantial benefits to local economies including investments from our tenants which include top tier domestic and multi-national corporations and employment opportunities. More importantly, our reputation on swift decision making and response, our project development execution expertise, our flexible multi-pronged development approach and our proven track record in developing logistics park projects all incentivized the local governments to cooperate with us. As a result, we believe that we have become the preferred development partner in numerous provinces and cities as evidenced by the numerous investment agreements we signed. Such preferred partner status in turn provides us with access to desirable locations for our future expansion.

We have a high quality tenant base with a variety of industry backgrounds and an active and adaptive leasing strategy.

Having consistently delivered high-quality services to our tenants for more than a decade, we forged strong relationships with a large number of top tier domestic and foreign tenants with a variety of industry backgrounds, including e-commerce companies such as JD, Jumei and Benlai, leading 3PLs such as SF Express, Li & Fung and Sinotrans and large-scale retailers, manufacturers and others such as Xiaomi, Bosch and Gree Electric Appliance. In addition, we have entered into strategic alliance agreements with a number of high-quality and fast growing tenants.

Our top quality tenant base with a variety of industry backgrounds is the result of our conscious effort to diversify and balance our tenant mix both in terms of individual projects and overall portfolio. In 2015, revenue generated from e-commerce companies, 3PLs and retailers, manufacturers and others accounted for 27.2%, 49.5% and 23.3% of our total revenue, respectively. In particular, according to the DTZ C&W Report, 3PL market in China is expected to grow at a CAGR of 8.1% from US$159.0 billion in 2015 to US$217.0 billion in 2019, as more retailers, manufacturers and others choose to outsource logistics for cost saving and efficiency. On the other hand, China's e-commerce market is expected to grow at a CAGR of 25.4% from RMB3.8 trillion in 2015 to RMB7.5 trillion in 2018. The expected strong growth of the industries in which our tenants operate in is expected to drive the demand and therefore the price of our logistics facilities. In particular, most of our logistics projects are leased to a mix of (i) e-commerce companies, (ii) 3PLs and (iii) retailers, manufacturers and others. While e-commerce companies and 3PLs provide the strongest growth drivers, we believe our tenant base with a variety of industry backgrounds provides us with stability during market fluctuations.

The strong network effect from our nationwide network of logistics facilities also help us build and strengthen our relationship with and the loyalty of our tenants. Our close relationships with our tenants can be evidenced by our tenant retention rate of 83.8% in terms of GFA during the Track Record Period and the large number of multi-location tenants. As of December 31, 2015, 29.0% of our GFA was occupied by multi-location tenants. In addition, we have mastered an active and adaptive leasing strategy. As a result, we were able to pre-lease over 40% of our logistics facilities in terms of GFA on average and it typically takes approximately six to nine months to substantially lease-up a new logistics park after its completion.

We deliver integrated value-added solutions to our tenants and have a well-recognized brand.

We deliver integrated value-added solutions to our tenants. Our extensive experience and in-depth knowledge of our tenants allow us to respond swiftly to the needs of our tenants, and we regularly work with our tenants to provide tailored solutions where needed and adhere to high safety, security and environmental standards. We work closely with our existing and potential tenants early in our project development process, and we adjust and customize our site selection and project design processes in response to the specific requirements and demands from these existing and potential tenants. After the construction is substantially completed, we allow minor modifications on the logistics facilities to accommodate our contracted and potential tenants. In addition, we station property manager at each of our logistics parks to collect and respond to feedback from our tenants.

As a result of our close collaboration with our tenants and our dedication in providing integrated solutions, we have built a distinguished and well-recognized brand image in the premium logistics facilities industry. We believe the Yupei Brand has become synonymous with high-quality logistics facilities and related services. Our brand has also received numerous accolades from various institutions, including 2015 and 2014 China Green Warehousing and Delivery Leading Enterprise from China Association of Warehouses and Storage, Innovative Service Enterprise at the 2013-2014 China E-Commerce Logistics Award from China Federation of Logistics & Purchasing and 2013 Outstanding Logistics Parks Operations Management Service Provider from China E-Commerce Logistics Enterprise Association. In addition, a number of our logistics parks were accredited as 5-Star Warehouses by the China Association of Warehouses and Storage. We believe that our strong brand recognition has earned us the preferred partner status for many of our tenants. Our historical tenant retention rate of 83.8% in terms of GFA during the Track Record Period further underscores our strong brand recognition among our tenants.

We are led by a seasoned professional management team with remarkable stability.

We are led by a team of industry experts who are dedicated and focused in the premium logistics facilities industry. On average, our members of our senior management team have over 10 years of experiences in their respective areas, which covers all the key aspects of our operation. Our team also demonstrates remarkable stability where most of the senior management have been with us for five to eight years. Such stability and long-term collaboration further ensure efficient coordination and effective teamwork.

Mr. Li Shifa, our founder, chairman of the Board and president, has over 15 years of industry experience. Mr. Li is a pioneer in China's premium logistics facilities market and possesses profound understanding and unique insights to Chinese logistics facilities industry. Mr. Li is also the deputy director of Anhui Commercial Council and executive president of Wuhu Economic and Culture Promotion Commission in Shanghai. Mr. Zhang Long, our executive Director and chief investment officer, possesses substantial experience in both real estate and finance and has been with us for over seven years. Mr. Zhang is in charge of our overall strategic development and investment management. Mr. Pan Naiyue, our executive Director and chief operating officer, has more than a decade of experience in the management and leasing of commercial real estate and particularly logistics facilities and has been with us for over seven years. Mr. Pan is in charge of the management and leasing of our logistics facilities.

In addition to our senior management team, we strive to adopt best-practice corporate governance standards and have put in place well designed equity incentive plans to allow both our executives and employees to be adequately rewarded for their hard work and dedication. This also helps to fully align the interest of our employees with that of shareholders for maximum long-term value creations.

GROWTH STRATEGIES

Our goal is to develop into the largest provider of premium logistics facilities in China. We intend to pursue the following growth strategies to achieve this goal:

Strengthen our nationwide network across major logistics hubs.

We plan to further strengthen our nationwide network of logistics facilities by developing our land held for future development and acquiring new land for investment projects, identifying new investment projects and selectively acquiring existing logistics facilities in accordance with our research-driven and disciplined investment approach. We have devised a nationwide expansion plan based on our substantial industry experiences and extensive market research, and we aim to establish 54 additional logistics parks in major logistics hubs in the Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone, the three most prominent economic zones in China, as well as selected provincial capitals, in the next three years with an aggregate GFA of approximately 5.6 million sq.m. In particular, we plan to follow a bespoke expansion strategies based on different geographical regions as follow:

- *Further our penetration in major metropolitan areas.* Our primary expansion focuses are the Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone. In particular, we plan to establish additional logistics facilities in logistics hubs in and surrounding Shanghai, Beijing and Guangzhou to strengthen our existing presence in these metropolitan areas to capture the market opportunity from the growth of economic activities and consumption in these economic zones.

- *Expand our network in selected provincial capitals.* To supplement our nationwide network, we plan to expand our network centering selected provincial capitals based on market demand, tenant's expansion plan and prevailing economic trend. For example, we plan to establish logistics facilities in logistics hubs in and surrounding Chongqing, Xi'an and Changsha.

Our strategic expansion plan across China allows us to further strengthen our strong network effect and to provide expansion opportunities to our tenants who are looking to expand their businesses in China. Meanwhile, our rapid yet disciplined expansion will coincide with the fast growing consumption, urbanization and e-commerce trends in China, which would allow us to capitalize on the significant growth opportunity from such trends.

Accelerate our lease-up cycle and optimize our tenant portfolio.

We plan to maintain constant dialogues with both existing and prospective tenants to manage lease renewals and fill up vacancies at our existing and newly developed logistics facilities in a timely and efficient manner. In particular, we plan to leverage the strong network effect of our logistics facilities portfolio to attract existing and prospective tenants with a view to expanding their national footprint in China. In particular, we plan to implement different strategies tailored to different types of tenants:

- *Existing tenants.* For our existing tenants, we plan to leverage our ability to provide integrated value-added solutions that cater to their specific needs to attract renewal of the leases. We endeavor to maintain the tenant retention rate of 83.8% in terms of GFA that we achieved during the Track Record Period. We also plan to continue to work closely with our existing tenants early in our project development process to secure lease commitment early in our expansion process. We also plan to further leverage the strong network effect of our logistics facilities to attract existing tenants to expand within our network, as well as our strategic alliance agreements with certain of our existing tenants.

- *Prospective tenants*. We plan to attract prospective tenants that have never leased our logistics facilities, with our strong brand reputation and network effect of our logistics facilities. In particular, we plan to utilize on the industry-specific sales force we established in view of our future expansion. Currently, we have sales teams specialized in (i) e-commerce companies, (ii) 3PLs and (iii) retailers, manufacturers and others, all comprising personnel with relevant industry background. We believe these specialized sales teams understand the need for prospective tenants better and therefore can devise and execute more effective sales strategies. We also plan to continue to collaborate with third-party brokerage firms to attract new tenants.

In the long run, we plan to continuously optimize our tenant mix to match the broader macro-economic trends so that our tenant portfolio on our group level as well as project level will always resemble the most promising sectors in the economy to provide strong growth driver while protecting us against downturn of any industry-specific cycles.

Diversify our sources of capital and lower our cost of capital.

Given the capital intensive nature of our business, we plan to diversify our sources of capital after the completion of the Global Offering, including without limitation, offshore and onshore debt securities, equity or equity-linked securities and onshore and offshore loans, as well as soliciting investments from limited partners through investment fund structure. In particular, as we plan to retire all our outstanding hybrid instruments shortly prior to Listing, our gearing ratio will be improved upon Listing despite the additional US$100 million in aggregate to be borrowed from two financial institutions, each an independent third party to repay part of a loan to be borrowed from Credit Suisse Singapore. After Listing, we plan to maintain a gearing ratio of no more than 40%. We believe that this will lower our overall cost of capital, as well as help us navigate through capital market cycles in case certain sources of financing become constraint.

Attract, motivate and cultivate management talent and personnel to support our operations and future expansion.

We believe that effective talent management is the foundation for our successful long-term development. We greatly value our employees and will continue to attract, cultivate and retain talent through our internal training programs. We recruit both domestic and international talent in order to create a well-rounded work force with a diversity of backgrounds. We also provide training programs and essential learning tools with a view to cultivating top tier management talent in the logistics facilities industry. Similarly, we also seek to diversify and enhance our incentive mechanisms to better align the interests of management, employees and the company. We believe that with a strong reputation for excellence and a talented and dedicated workforce, we are well-positioned to grow our operations rapidly and smoothly.

Reduce the environmental impact of our operations and increase our energy conservation and other environmental protection efforts.

As part of our effort to fulfill our corporate social responsibility, we are committed to reducing the environmental impact of our operations and promoting environmental sustainability. We intend to increase our efforts to expand our business with minimal environmental impact going forward by designing and developing our projects based on long-term energy savings and efficiencies. In particular, we plan to increase the use of clean and renewable energy and reduce our carbon footprint by installing solar panel on top of our logistics facilities. We believe that our environmental protection efforts will increase the competitiveness of our properties as global environmental awareness grows and as more consumers begin to realize the benefits of energy-efficient homes and buildings.

OUR BUSINESS MODEL

We develop, operate and manage an extensive network of premium logistics facilities in major logistics hubs in eight provinces or centrally administered municipalities. Leveraging our extensive experiences, we have established efficient, high quality and scalable property development and management capabilities, including the selection and acquisition of sites, designing and construction and the leasing of the premium logistics facilities. Such strong expertise allows us to enhance the scalability of our business model and enables us to replicate our success throughout logistics hubs in China.

We have a high quality tenant base with a variety of industry backgrounds consisting of (i) major e-commerce companies; (ii) 3PLs; and (iii) large-scale retailers, manufacturers and others. We believe that such a tenants portfolio enables us to capitalize on the prevailing industry trend and resist downturn of industry cycles.

We currently offer three types of logistics facilities to cater to the specific needs of our tenants:

- **Standardized logistics facilities.** Our primary focus is the development of standardized logistics facilities, for which we acquire lands directly from the local governments and execute a full development cycle by adopting our proprietary project design approach and project construction standards. Going forward, we plan to continue our focus on standardized logistics park projects. As of March 31, 2016, we had 55 standardized logistics facilities in operation in ten logistics parks in eight provinces or centrally administered municipalities.

- **BTS logistics facilities.** We develop logistics facilities based on the specific requirements of certain of our tenants. As of March 31, 2016, we had two BTS logistics facilities in operation in one BTS logistics park.

- **Sale-and-leaseback logistics facilities.** We acquire existing logistics facilities and lease them back to the original owners to satisfy their financial and working capital needs. As of March 31, 2016, we had two sales-and-leaseback logistics facilities in operation in one sale-and-leaseback logistics park.

Our tenants are involved more deeply in the development of BTS logistics facilities, including location selection and logistics facilities design. As the BTS logistics facilities are designed to suit specific tenants, we typically enter into longer-term leases (as compared with leases for standardized logistics facilities) with our tenants and charge lower rental rates. For our sale-and-leaseback logistics facilities, the acquisition process is typically shorter than the development process for standardized or BTS logistics facilities. All three types of logistics facilities are subject to the same accounting treatment and are accounted for as our investment properties. The leases for all three types of logistics facilities are also subject to the same accounting treatment and are accounted for as operating leases.

As of March 31, 2016, we had 59 logistics facilities in operation in 12 logistics parks, located in logistics hubs in eight provinces or centrally administered municipalities. Set forth below illustrates the coverage of our logistics facilities portfolio (including our completed logistics parks, logistics parks under development and our land held for future development) and investment projects (while the execution of investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process, there remains risk that we may not be able to acquire such land. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details) as of March 31, 2016.

OVERVIEW OF OUR LOGISTICS FACILITIES PORTFOLIO

The table below summarizes all our logistics parks and park projects as of March 31, 2016:

Type of Logistics Parks/Park Projects[1]	Number of Facilities / Sites	Total GFA[7]	Total Valuation[8][9]	Proportion of Valuation
		(sq.m.)	(in RMB millions)	(%)
Completed and stabilized logistics parks[2]				
Standardized logistics parks	28	638,990	3,235	30.4
BTS logistics parks	2	63,568	281	2.6
Sales-and-leaseback logistics parks	2	31,166	143	1.3
Subtotal	32	733,724	3,659	34.4
Completed and pre-stabilized logistics parks[3]				
Standardized logistics parks	27	234,580	1,177	11.1
Subtotal	27	234,580	1,177	11.1
Completed Logistics Parks Sub-Total	**59**	**968,304**	**4,836**	**45.4**
Logistics parks under development[4]	**57**	**1,124,609**	**3,512**	**33.0**
Land held for future development[5]	**7**	**938,930**	**1,999**	**18.8**
Total	**123**	**3,031,843**	**10,347**	**97.2**
Investments in associates[6]	**1**	**50,988**	**294**	**2.8**
Portfolio Total	**124**	**3,082,831**	**10,641**	**100.0**

Notes:

(1) As some of our logistics parks or park projects comprise multiple-phase developments that are completed on a rolling basis, a logistics park or park project may fall into one or more categories.

(2) Logistics facilities (i) for which construction or acquisition have been completed for more than 12 months as of March 31, 2016 or (ii) reached an occupancy rate of 90%.

(3) Logistics facilities (i) for which construction or acquisition have been completed for less than 12 months as of March 31, 2016 and (ii) with an occupancy rate of less than 90%.

(4) Projects for which we have obtained land use rights certificates and the construction work of which has commenced but has not been completed, or renovation related to repositioning is under progress.

(5) Projects for which we have either received the land-use rights certificates, or have entered into land grant contracts with regulatory authorities in China, but have not yet commenced construction work.

(6) Refers to Shanghai Hongyu Logistics Park in which we own 41.0% of its equity interest. The holding company of this logistics park is accounted for as our associate. The total GFA and valuation of this logistics park reflect the equity interest attributable to us.

(7) If the construction of the logistics facilities is completed and a completion inspection filing has been made, the total GFA information in respect of such completed logistics facilities refers to the total GFA information set forth in the completion certificate. If the completion inspection filing has not been made, the total GFA information in respect of such logistics facilities is estimated based on: (i) the total GFA information set forth in the construction work commencement permit, or the property measurement report; (ii) the total GFA information set forth in the construction work planning permit if the construction work commencement permit is not yet available; (iii) the total GFA information if any is indicated in the master investment agreement we entered into with regulatory authorities in China; or (iv) our current development plans if none of the above documents is otherwise available.

(8) As of March 31, 2016, Seed Holding II and Logisware and/or their respective affiliates owned 49.0% equity interest of certain of our PRC subsidiaries following investment into our project companies as our joint venture partners. As a result, our effective interest in these properties was less than 100% as of March 31, 2016 and the Latest

Practicable Date. We will acquire 100% effective interest of these properties after we redeem or exchange the investments made by Seed Holding II and Logisware after completion of the Global Offering. Investment from Seed Holding II and Logisware and/or their respective affiliates were accounted for hybrid instruments and were treated as financial liabilities at fair value through profit and loss. As we are considered to have control over these subsidiaries according to the terms of the joint venture with Seed Holding II and Logisware and the respective corporate documents of these subsidiaries, the results of operations and assets and liabilities of these subsidiaries were 100% consolidated into our historical results of operations and financial condition during the Track Record Period.

(9) Our completed and stabilized logistics parks, completed and pre-stabilized logistics parks, logistics parks under development and land held for future development are accounted for as our investment properties.

In determining planned dates (including the planned dates of construction commencement and completion for logistics parks under development and properties held for future development) and planned GFA information in this prospectus, we rely on certain assumptions, including that: (i) there will be no material changes with respect to the general economic conditions in the PRC, performance of the PRC property market or demand for our logistics parks, particularly in the regions where we plan to develop these properties; (ii) there will be no material changes in the regulatory regime governing the real estate market in the PRC which could adversely affect our ability to develop such properties; (iii) there will be no significant delay or obstacle in obtaining necessary licenses and approvals to develop such properties, or any such licenses and approvals obtained are not subject to any material changes or amendments; (iv) we will be able to finance the project development through a combination of our working capital, external borrowings and other debt and equity financing on a timely basis; (v) we will be able to carry out the development plan as set out in the master investment agreement without any material delay or significant changes or amendments to the development plan with respect to properties held for future development which we have not entered into land grant contracts with regulatory authorities in China; (vi) services provided by third party contractors, including our construction contractors, will meet our quality standards and requirements; (vii) there will be no material increase in the costs and expenses relating to the construction and development of the properties, including costs of construction materials and labor in the PRC; and (viii) we will not be involved in any material legal or other proceedings that could significantly affect our project development process. These estimates and plans are forward-looking statements and are outside of our control. See "Forward-Looking Statements" for further details.

Our classification of properties is different from the classification of properties in the Property Valuation Report in Appendix III to this prospectus and the Accountant's Report in Appendix I to this prospectus. These reports have been prepared pursuant to the requirements of the relevant professions. The table below sets forth our classification of properties in this prospectus and the corresponding classification of properties in the Property Valuation Report and the Accountant's Report:

This prospectus	Property Valuation Report	Accountant's Report
• Completed and stabilized logistics parks	• Group I – Property interests held by the Group which is completed and stabilized in the PRC;	• Investment property

This prospectus	Property Valuation Report	Accountant's Report
• Completed and pre-stabilized logistics parks	• Group II – Property interests held by the Group which is completed and pre-stabilized in the PRC;	• Investment property
• Logistics parks under development	• Group III – Property interests held by the Group under development or being Repositioned in the PRC;	• Investment property
• Investments in associates	• Group IV – Property interests held by the Group as investments accounted for using the equity method in the PRC;	• Investments accounted for using the equity method
• Land held for future development	• Group V – Property interests held by the Group for future development in the PRC;	• Investment property

See "Appendix III – Property Valuation" and "Appendix I – Accountant's Report" for further details of the classification of properties in the Property Valuation Report and the Accountant's Report.

During the Track Record Period, we did not construct underground civil defense area. Alternatively, we have paid the fees for substitute site construction as required by the laws and regulations in China. As advised by our PRC Legal Adviser, our business operations with regard to our civil air defense area have complied with the applicable PRC laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

OUR LOGISTICS FACILITIES

We provide our tenants with premium logistics facilities located in logistics hubs. These premium logistics facilities can serve as regional storage, sorting and distribution centers for our tenants. Furthermore, we have built up a nationwide portfolio of logistics facilities of 59 logistics facilities in eight provinces or centrally administered municipalities as of March 31, 2016. The extensive geographic reach of our logistics facilities portfolio and our premium logistics facilities create a strong "network effect" that allows our tenants to expand across our logistics facilities network as their businesses grow.

Core strengths of our logistics facilities include:

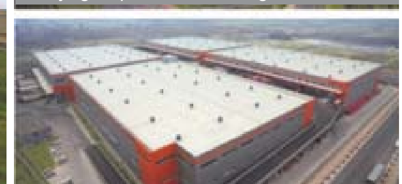
- strict compliance with premium logistics facilities design specifications, including loading capacity, area size, structure, fire protection and security measurements;
- proprietary logistics park design with an aim at maximizing the efficiency of our tenants' operations;
- national coverage with standardized design, allowing our tenants to easily replicate and expand across different locations;
- convenient locations with established transportation infrastructure such as highways, railways, ports and airports; and
- professional property management services to support the operations of tenants on a 24/7 basis.

The following pictures illustrate certain of our logistics parks and the major features of our premium logistics facilities:

Selected Logistics Parks

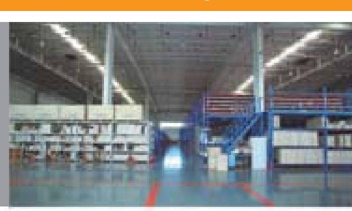

Suzhou Yupei Logistics Park


Beijing Yupei Linhaitan Logistics Park

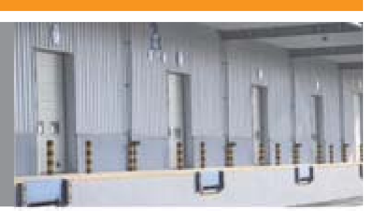

Zhengzhou Yupei Logistics Park

Selected Features of Our Logistics Facilities

High ceilings



Modern loading facilities



Wide column spacing

Large floor plates

Our Completed Logistics Parks

The following table sets forth a summary of all our completed and stabilized logistics parks as of March 31, 2016:

Logistics Parks	Number of Logistics Facilities	Construction/Acquisition Completion Date	Total GFA	Property Valuation	Proportion of Property Valuation	Occupancy Rate	Reference to Property Valuation Report
			(sq.m.)	(in RMB millions)	(%)	(%)	(Property No.)
Completed and stabilized portfolio							
Beijing Yupei Linhaitan Logistics Park	4	December 2014	84,927	638	17.4	99.6	1
Shanghai Yuhang Huangdu Logistics Park	4	June 2009	35,083	150	4.1	100.0	8
Suzhou Yupei Logistics Park	3	February 2015	118,613	757	20.7	94.8	4
Yupei Wuhan Hannan Logistics Park	3	July 2014	73,098	304	8.3	65.2[3]	5
Shenyang Yupei Shenbei Logistics Park	3	April 2012	84,621	390	10.7	98.6	6
Shenyang Yupei Economic Development Zone Logistics Park	3	September 2013	40,262	172	4.7	54.5[4]	7
Zhengzhou Yupei Huazhengdao Logistics Park[1]	2	July 2015	31,166	143	3.9	100.0	9
Chuzhou Yuhang Logistics Park Phase I & II[2]	2	August 2008	63,568	281	7.7	100.0	3
Wuhu Yupei Logistics Park	4	January 2015	90,304	267	7.3	91.6	2
Zhengzhou Yupei Logistics Park	4	July 2015	112,081	557	15.2	94.7	10
TOTAL	**32**	**N/A**	**733,724**	**3,659**	**100.0**	**91.4**	**N/A**

Notes:

(1) *Sales-and-leaseback logistics park.*

(2) *BTS logistics park.*

(3) *The occupancy rate of these logistics facilities was relatively low as of March 31, 2016 since the surrounding areas, particularly the infrastructure support, of such logistics facilities are under development. As the transportation and facilities nearby become more well-established, we expect the occupancy rate of such logistics facilities to increase in the future.*

(4) *The occupancy rate of these logistics facilities was relatively low as of March 31, 2016 since such logistics facilities experienced tenant transitions at the end of their lease cycles.*

The following table sets forth a summary of all our completed and pre-stabilized projects as of March 31, 2016:

Logistics Parks	Number of Logistics Facilities	Construction/Acquisition Completion Date	Total GFA	Property Valuation	Share of Property Valuation	Occupancy Rate	Reference to Property Valuation Report
			(sq.m.)	(in RMB millions)	(%)	(%)	(Property No.)
Completed and pre-stabilized portfolio							
Suzhou Yuqing Logistics Park	23	July 2015	171,108	899	76.4	48.8[1]	12
Changchun Yupei Logistics Park	4	July 2015	63,472	278	23.6	51.9	11
TOTAL	**27**	**N/A**	**234,580**	**1,177**	**100.0**	**49.8**	**N/A**

Note:

(1) *Part of Suzhou Yuqing Logistics Park was closed for conversion from bonded logistics facilities to non-bonded logistics facilities.*

Our Logistics Parks Under Development

The table below sets forth the overview of our logistics parks under development as of March 31, 2016:

Logistics Parks	Number of Logistics Facilities	Construction Commencement Date	Estimated Construction Completion Date	Total Planned GFA	Property Valuation	Proportion of Property Valuation	Reference to Property Valuation Report	Development Cost[1] Incurred	Development Cost[1] To be incurred[2]	Development Cost[1] Total[2]
				(sq.m.)	(in RMB millions)	(%)	(Property No.)	(in RMB millions)		
Chengdu Yupei Shengbao Logistics Park	5	Jul 2015	Q2 2016	113,133	377	10.7	23	47.7	76.9	124.5
Wuxi Yupei Logistics Park – Phase I	3	Jul 2015	Q2 2016	61,451	219	6.2	15	119.2	44.6	163.7
Tianjin Yupei Logistics Park	4	May 2015	Q2 2016	96,395	439	12.5	18	267.8	45.9	313.7
Hefei Yuhang Logistics Park	4	Jun 2015	Q2 2016	56,509	194	5.5	13	87.1	34.4	121.5
Jiaxing Yupei Logistics Park	5	Jul 2015	Q3 2016	130,846	500	14.2	17	259.3	200.3	459.7
Changzhou Yupei Logistics Park	4	Jun 2015	Q3 2016	82,880	267	7.6	14	159.2	51.6	210.7
Nantong Yupei Logistics Park	2	Jun 2015	Q3 2016	40,737	129	3.7	16	89.7	13.5	103.2
Huaian Yupei Logistics Park	4	Nov 2015	Q3 2016	58,132	127	3.6	19	78.3	57.0	135.2
Huizhou Yupei Logistics Park	5	Dec 2015	Q3 2016	117,993	284	8.1	20	161.4	162.1	323.5
Suzhou Yuzhen Logistics Park	8	Sep 2015	Q4 2016	181,549	492	14.0	22	260.1	299.8	560.0
Harbin Yupei Logistics Park	6	Nov 2015	Q4 2016	78,675	145	4.1	24	114.7	106.2	220.9
Zhaoqing Yupei Logistics Park	7	Sep 2015	Q4 2016	106,309	339	9.7	21	153.4	176.2	329.6
TOTAL	**57**	**N/A**	**N/A**	**1,124,609**	**3,512**	**100.0**	**N/A**	**1,797.7**	**1,268.4**	**3,066.1**

Notes:

(1) *Includes land acquisition cost, construction cost, capitalized interest expenses and other related costs and expenses.*

(2) *The total development cost and development cost to be incurred are our estimates based on our existing business plan and internal budget, and is subject to change. The total development cost and development cost to be incurred are our estimates based on our existing business plan and internal budget, and is subject to change. As of December 31, 2015, we had an estimated development cost to be incurred of 1,490.6, million, due to capital expenditure spent in the first quarter of 2016 and adjustments in business plan and internal budget, the estimated development cost to be incurred as of March 31, 2016 is 1,268.4 million.*

Land Held for Future Development

The table below sets forth the overview of our land held for future development as of March 31, 2016:

Logistics Park Projects	Number of Site	Estimated Construction Commencement Date	Estimated Construction Completion Date	Total Planned GFA	Property Valuation	Proportion of Property Valuation	Reference to Property Valuation Report
				(sq.m.)	(Millions of RMB)	(%)	(Property No.)
Wuxi Yupei Logistics Park - Phase II	1	Q3 2016	Q3 2017	122,568	149.0	7.5%	28
Jiyang Yupei Logistics Park - Phase I	1	Q3 2016	Q2 2017	48,421	28.0	1.4%	26
Dalian Yupei Logistics Park	1	Q3 2016	Q3 2017	214,042	325.0	16.3%	27
QingpuYuji Logistics Park	1	Q3 2016	Q1 2018	301,894	823.0	41.2%	29
Shanghai Yupei Qingyang Logistics Park	1	Q3 2016	Q4 2017	67,593	184.0	9.2%	30
Shanghai Yuzai Logistics Park	1	Q3 2016	Q3 2017	103,800	296.0	14.8%	32
Shanghai Yupei Jinshan Logistics Park	1	Q3 2016	Q4 2017	80,612	194.0	9.7%	31
TOTAL	**7**	**N/A**	**N/A**	**938,930**	**1,999.0**	**100.0%**	**N/A**

Representative Logistics Parks

Beijing Yupei Linhaitan Logistics Park

Location:	Tongzhou District, Beijing
Distance to commercial centers and transportation:	Beijing-Tianjin Highway S15 (approximately 4 km) Beijing Capital International Airport (approximately 50 km) Tianjin New Port (approximately 125 km) Central business district of Beijing (approximately 19 km)
Total GFA:	84,927 sq.m.
Property valuation:	RMB638 million
Occupancy rate:	99.6%
Key tenant(s):	SF Express, Geodis and Compass Logistics
Construction completion date:	December 2014

Note: The information above is as of March 31, 2016.

Suzhou Yupei Logistics Park

Location:	Zhoushi Town, Kunshan, Jiangsu Province
Distance to commercial centers and transportation:	Provincial Highway S48 (approximately 6 km) Beijing-Shanghai Highway G2 (approximately 12 km) National Highway G312 (approximately 13 km) Downton Kunshan (approximately 7 km) Qingpu District, Shanghai (approximately 25 km) Suzhou Industrial Park (approximately 35 km) Kunshan South Highspeed Railway Station (approximately 10 km)
Total GFA:	118,613 sq.m.
Property valuation:	RMB757 million
Occupancy rate:	94.8%
Key tenant(s):	JD, Beequick and Ting Tong Logistics
Construction completion date:	February 2015

Note: The information above is as of March 31, 2016.

Shenyang Yupei Shenbei Logistics Park

Location:	Shenbei New District, Shenyang, Liaoning Province
Distance to commercial centers and transportation:	Shenyang 2nd Ring Road (approximately 9 km) National Highway G102 (approximately 0.5 km) Shenyang-Harbin Highway G1 (approximately 2.5 km) Taoxian International Airport (approximately 40 km)
Total GFA:	84,621 sq.m.
Property valuation:	RMB390 million
Occupancy rate:	98.6%
Key tenant(s):	JD and Sinotrans
Construction completion date:	April 2012

Note: The information above is as of March 31, 2016.

Chuzhou Yuhang Logistics Park Phase I and II

Location:	Langya District, Chuzhou, Anhui Province
Distance to commercial centers and transportation:	Nanjing (approximately 50 km) Hefei (approximately 120 km) Shanghai (approximately 300 km)
Total GFA:	63,568 sq.m.
Property valuation:	RMB281 million
Occupancy rate:	100.0%
Key tenant(s):	Bosch (BTS logistics park)
Construction completion date:	August 2008

Note: The information above is as of March 31, 2016.

Wuhu Yupei Logistics Park

Location:	Sanshan District, Wuhu, Anhui, Province
Distance to commercial centers and transportation:	Provincial Highway S321 (approximately 50 km) Shanghai-Chongqing Highway G50 (approximately 13 km) Provincial Highway S319 (approximately 14 km) Central business district of Wuhu (approximately 17 km)
Total GFA:	90,304 sq.m.
Property valuation:	RMB267 million
Occupancy rate:	91.6%
Key tenant(s):	Gree Electric Appliance, Shanghai Yupei Express Logistic Company Limited and Tongxing Logistics
Construction completion date:	January 2015

Note: The information above is as of March 31, 2016.

Zhengzhou Yupei Logistics Park

Location:	Zhongmou Town, Zhengzhou, Henan Province
Distance to commercial centers and transportation:	Beijing-Hong Kong-Macau Highway G4 (approximately 4 km) Lianyungang-Horgos Highway G30 (approximately 12 km) Zhengzhou East Railway Station (approximately 13 km) Central Business District of Zhengzhou (approximately 18 km)
Total GFA:	112,081 sq.m.
Property valuation:	RMB557 million
Occupancy rate:	94.7%
Key tenant(s):	JD, ANE Logistics and COSCO
Construction completion date:	July 2015

Note: The information above is as of March 31, 2016.

OUR INVESTMENT PROJECTS

As of March 31, 2016, we had executed 32 investment agreements for our 34 investment projects (two of these investment agreements covered two investment projects each) covering an aggregate planned GFA of 3.6 million sq.m. of land to be acquired in 19 provinces or centrally administered municipalities. Historically, the execution of investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process. During the Track Record Period and up to the Latest Practicable Date, we had never failed to acquire any parcel of land covered by an investment agreement that was subsequently put up for sale in a public tender, auction and listing-for-sale process. However, there remains uncertainties as to the acquisition process of the land covered by an investment agreement, and there can be no assurance that we will always be able to acquire the land covered by an investment agreement in the future. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details. The table below sets forth the overview of our investment projects as of March 31, 2016:

Logistics Park Projects	Number of Sites	Estimated Construction Commencement Date	Estimated Completion Date	Total Planned GFA
				(sq.m.)
Foshan Yuhang Logistics Park	1	Q2 2017	Q3 2018	112,865
Kunshan Yuzai Logistics Park	1	Q2 2017	Q2 2018	145,176
Chengdu Yupei Logistics Park	1	Q3 2017	Q4 2018	102,907
Chongqing Yupei Logistics Park	1	Q3 2017	Q1 2019	185,981
Changsha Yupei Gaoxin Logistics Park	1	Q3 2017	Q3 2018	78,800
Langfang Yupei Logistics Park	1	Q3 2017	Q3 2018	80,000
Foshan Yupei Logistics Park	1	Q3 2017	Q3 2018	186,323
Shanxi Yupei Logistics Park	1	Q3 2017	Q4 2018	114,993
Wuhan Yupei Caidian Logistics Park	1	Q3 2017	Q3 2018	61,162
Chengdu Yupei Pixian Logistics Park	1	Q3 2017	Q3 2018	81,251
Chongqing Yupei Banan Logistics Park	1	Q3 2017	Q3 2018	133,000
Hangzhou Yupei Logistics Park	1	Q3 2017	Q3 2018	151,179
Nanjing Yupei Logistics Park - Phase I	1	Q4 2017	Q4 2018	118,977
Nanjing Yupei Logistics Park - Phase II	1	Q4 2017	Q4 2018	91,422
Jinan Yupei Logistics Park - Phase II	1	Q4 2017	Q4 2018	105,255
Wuxi Yupei Logistics Park - Phase III	1	Q4 2017	Q4 2018	203,274
Xianyang Yupei Logistics Park	1	Q4 2017	Q1 2019	85,012
Dalian Yupei Xingshuwan Logistics Park	1	Q4 2017	Q4 2018	34,487
Nanchang Yupei Logistics Park	1	Q4 2017	Q4 2018	151,359
Guiyang Yupei Logistics Park	1	Q4 2017	Q2 2019	187,350
Kunming Yupei Logistics Park	1	Q4 2017	Q1 2019	77,338
Fujian Yupei Logistics Park	1	Q4 2017	Q1 2019	139,207
Jinan Yupei Gaoxin Logistics Park	1	Q4 2017	Q4 2018	109,465
Changsha Yupei Logistics Park	1	Q1 2018	Q1 2019	95,556
Tianjin Yupei Xiqing Logistics Park - Phase I	1	Q1 2018	Q1 2019	115,285
Tianjin Yupei Xiqing Logistics Park - Phase II	1	Q1 2018	Q1 2019	64,308
Nanning Yupei Logistics Park	1	Q1 2018	Q1 2019	47,376
Jiangmen Yupei Logistics Park	1	Q1 2018	Q1 2019	47,257
Shijiazhuang Yupei Logistics Park	1	Q1 2018	Q3 2019	150,000
Qingdao Yupei Logistics Park	1	Q1 2018	Q1 2019	78,500
Taiyuan Yupei Logistics Park	1	Q1 2018	Q1 2019	82,000
Laian Yupei Logistics Park	1	Q1 2018	Q2 2019	77,338
Zhoushan Yupei Ximatou Logistics Park	1	Q1 2018	Q1 2019	31,456
Zhoushan Yupei Logistics Park	1	Q1 2018	Q1 2019	68,038
TOTAL	**34**	**N/A**	**N/A**	**3,593,897**

OUR EXPANSION PLAN

We have devised a nationwide expansion plan based on our substantial industry experiences and extensive market research. We also actively communicate with existing and potential tenants as well as various local government authorities when forming our development plan. Under our nationwide expansion plan, we aim to establish 54 additional logistics parks in logistics hubs in the Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone as well as selected provincial capitals up to the end of 2019.

In 2016, we plan to complete the construction work of our logistics parks at locations including Suzhou, Jiaxing, Chengdu and Wuxi with an aggregate GFA of approximately 1.1 million sq.m. We expect the capital expenditure to be incurred in 2016 amount to RMB2,116 million, which includes (i) capital expenditure in connection with our logistics parks completed before January 1, 2016 of RMB119.8 million; (ii) capital expenditure in connection with our logistics parks to be completed in 2016 of RMB1,490.6 million; and (iii) capital expenditure in connection with our logistics parks to be completed in 2017 and beyond of RMB505.6 million. See "– Our Logistics Facilities – Our Logistics Parks Under Development" for estimated construction completion time for these projects.

In 2017, 2018 and 2019, we plan to complete the construction work of our logistics parks at locations including Shanghai, Kunshan, Foshan, Chongqing, Changsha and Xi'an with an aggregate GFA of approximately 4.5 million sq.m. We expect the aggregate capital expenditure to be incurred in 2017, 2018 and 2019 to be RMB11,900 million. In particular, we plan to commence construction of 23 logistics park projects with a planned GFA of approximately 2.7 million sq.m. in aggregate at locations include Kunshan, Foshan, Chongqing, Changsha and Xi'an in 2017 and 11 logistics park projects with a planned GFA of approximately 0.9 million sq.m. in aggregate at locations include Tianjin, Changsha and Qingdao in 2018. All of these logistics park projects are expected to be completed before the end of 2019. In 2017, 2018 and 2019, we plan to incur capital expenditure of RMB3,991 million, RMB6,374 million and RMB1,535 million, respectively, for the acquisition of land, construction work and other related purposes. We plan to fund these capital expenditures with (i) our existing cash and cash equivalents; (ii) cash flow generated from our operating activities; (iii) bank borrowings. In particular, as we aim to maintain an LTV ratio of approximately 50% on project level, we believe we will be able to secure bank borrowings equal to approximately 50% of the total development cost of the logistics park projects. During the Track Record Period, our LTV ratio on project level typically ranged between 40% and 58%; (iv) debt offerings. In particular, as we plan to retire all our outstanding hybrid instruments shortly prior to Listing, our gearing ratio will be improved upon Listing and we will be in a better position to offer debt securities; and (v) other sources of external financings, including equity or equity-linked securities as well as investments from limited partners through investment fund structure. See "– Our Logistics Facilities – Land Held for Future Development" and "– Our Investment Projects" for estimated construction commencement and completion dates.

In addition, we also plan to selectively acquire completed logistics parks as well as identify additional investment projects and acquire additional land to support our future expansion. See "– Project Assessment and Site Selection", "– Land Acquisition" and "– Our Project Acquisition Process" for our standards for acquiring new land or logistics park projects.

We believe that the expected growth in the demand for premium logistics facilities in China will generate sufficient demand to support our expansion plan. According to the DTZ C&W Report, there was a supply and demand gap of 23.9 million sq.m. in 2015, and such gap is expected to persist and widen to 34.5 million sq.m. in 2019. Considering the key success factors in the premium logistics facilities market as detailed in "Industry Overview – Competitive Landscape" and our competitive strengths listed in "– Our Competitive Strengths", our Directors are of the view that we are well-positioned to maintain our strong market position in the premium logistics facilities market and capitalize on the expected strong growth of China's premium logistics facilities market.

OUR PROJECT DEVELOPMENT CYCLE

Based on our extensive experience, we have established a comprehensive set of standardized project development procedures from the assessment stage to operation stage. It typically takes approximately 18 to 24 months from land acquisition to substantially full occupancy of our logistics facilities. The diagram below summarizes the major stages involved in developing a logistics park project:

Typical Investment Cycle

All key decisions regarding a logistics park project, including project assessment and feasibility study, land acquisition and project planning and design, are primarily made at our headquarters. We have established various departments at the headquarters level to carry out a coordinated effort for each major steps of our project developments. We involve our various internal departments as well as our existing and prospective tenants at the pre-construction period. Such early involvement of and effective coordination among our various departments and teams as well as existing and prospective tenants allow us to nimbly adjust our design and construction process based on the latest market demand and trend, which helped to lower our overall cost while maximizing tenant satisfaction. We have also formed individual project companies to execute the headquarters' instructions and manage the day-to-day development and operational activities of individual projects.

PROJECT ASSESSMENT AND SITE SELECTION

We have established a series of standards and procedures covering different aspects of our project assessment and site selection process, including (i) market research; (ii) feasibility study; and (iii) site selection.

Market Research

We assess and consider the following factors when conducting market research for a target market:

- macro-economic indicators, local industry structure, demographic, purchasing power and consumption pattern, maturity of local logistics facilities market and competition landscape;

- competitors' development status within the region, development status of logistics parks comparable to ours, operating status and occupancy rate of existing logistics facilities comparable to ours and operating status of current and potential tenants in the city;

- development status of the region, status of supporting infrastructure, local government policy and track record; and

- the shape of the target land, surrounding transportation and traffic, geological information and price of surrounding land.

Feasibility Study

We conduct a comprehensive feasibility study on the potential project for development by evaluating major indicators, such as:

- development potential of the project, potential tenants and expected rent and leasing timeline;

- development costs for the land;

- source and costs of financing; and

- potential investment return of the project. As a general guidance, we target an internal rate of return of approximately 20% on our investment.

Site Selection

Within a city in which we plan to develop our logistics park projects, we consider the following aspects in assessing different potential project sites within that city:

- condition of the land, including the legal characteristics of the land, shape of the land and geological and geomorphological condition of the land;

- infrastructure support of the area, including traffic condition, municipal network for the power and water supplies and supply of labor; and

- distance to city centers.

LAND ACQUISITION

Under current PRC laws and regulations, land use rights for the purpose of commercial use, entertainment and commodity residential properties in China must be granted by the government only through public tenders, auctions or listing-for-sale. When deciding the grantee of land use rights, the government will consider not only the tender price, but also the track record and qualifications of the tenderer and its development proposal. See "Regulatory Overview – Development of Project – Land for Development" for further details on the regulatory approvals required for the acquisition of land use rights to our developments projects. After we complete our project assessment and site selection process, we would communicate and negotiate with the local governments for the selected site with regard to our business proposals and development plan. We would then enter into a binding investment agreement with the local government before we participate in the public tenders, auctions or listing-for-sale process. We were advised by our PRC Legal Adviser that the investment agreements are valid and binding. However, we are not entitled to any legal or financial remedy if we are not able to acquire the land parcel covered by an investment agreement following the completion of public tender, auction and listing-for-sale process. In the event that we are not able to acquire a parcel of land covered by an investment agreement following the completion of public tender, auction and listing-for-sale process, we will not be subject to any penalty under the investment agreements and to the extent we have been required to put down a deposit, such deposit will typically be refunded. We were further advised by our PRC Legal Adviser that, despite the investment agreements being valid and binding, a public tender, auction and listing-for-sale process is still required as it is the only authorized process in accordance with relevant PRC laws and regulation through which a local government can sell a parcel of land. The investment agreements constitute part of the local governments' process in identifying the most suitable developing partners after screening the potential developers' business plans, qualifications and track record. The government authority generally establishes and announces the conditions for the public tender, auction or listing-for-sale of the land use rights. In particular, as the local governments will have already considered factors including the qualifications, relevant track record and viability of business proposals of the participants in their identification of developers to enter into investment agreements with, the execution of an investment agreement greatly reduce the uncertainty in the land acquisition process, and logistics facilities providers in China typically see an investment agreement as a prerequisite to the acquisition of a parcel of land to secure a high chance of success in acquiring the land according to the DTZ C&W Report. Generally, this land acquisition process takes four to six months to complete. We believe our successful track record throughout the country as well as our nationwide development plan position us well in our land acquisition efforts. Historically, the execution of an investment agreement for a parcel of land has substantially eliminated the uncertainty in the land acquisition process. During the Track Record Period and up to the Latest Practicable Date, we signed a total of 53 investment agreements covering a total of 56 parcels of land, including 22 parcels that were subsequently put up for sales in the public tender, auction and listing for sale process and we successfully acquired all 22 of them. During the same period, we had never failed to acquire any parcel of land covered by an investment agreement that was subsequently put up for sale in a public tender, auction and listing-for-sale process. However, there remain uncertainties as to the acquisition process of the land covered by an investment agreement, and there can be no assurance that we will always be able to acquire the land covered by an investment agreement in the future. See "Risk Factors – Risks Relating to Our Business – We may not obtain the land use rights for our investment projects despite binding investment agreements" for further details.

Set forth below are the major procedures we carry out during the land acquisition stage:

- we actively communicate with the local government with regard to the land acquisition process and to conduct site visit, as well as indicative terms of the investment agreements in connection with the property development project;

- our investment committee will review and approve the acquisition plan and principal term of the investment agreement; and

- after signing the investment agreement, we will participate in the public tender, auction and listing-for-sale process to acquire the land.

PROJECT PLANNING AND DESIGN

We consider strong research and development capabilities to be crucial to differentiate our logistics facilities from those of our competitors and to satisfy the ever-evolving needs and expectations of our tenants. Through our research and development efforts as well as our substantial experiences, we have established a comprehensive project design guidance that satisfies requirements for premium logistics facilities such as building structure, ceiling height and loading capacity. See "Industry Overview – China's Premium Logistics Facilities Market Overview" for further details. We have also established specific design guidelines that suit different climate zones of China, logistics facilities tailored for cold chain logistics services and two-floor logistics facilities design. We believe such standardized project design approach enhances the scalability of our business model as well as our ability to control the quality and costs of our logistics park projects.

We generally engage reputable domestic design institutes in China with extensive experience in designing large scale logistics park projects to assist our logistics park project planning and design process. We strive to establish long-term strategic cooperation with outstanding design teams and through the cooperation with them, we build a database with qualified designing resources suppliers after making reasonable selection. We will continue to improve ourselves in practice so as to increase development efficiency, reasonably reduce costs and expand enterprise capacity.

For the planning and design of a particular logistics park project, we typically follow the steps set forth below:

- a preliminary design plan is formed by our design department based on the information on the land and the surrounding area provided by our investment department;

- our design department will conduct site visits to the target land and further revise the preliminary design plan based on the site visits;

- after the target land is listed for sale, our design department will begin to finalize the design details and work with external design institutions to prepare to design plan for regulatory approvals;

- our design department will communicate with our investment department, construction management department and marketing and leasing department on the design details before finalizing the detailed design plan and submit it for regulatory approvals; and

- once we obtain the relevant regulatory approvals, our design department will work with external design institutions to prepare the construction drawings.

PROJECT CONSTRUCTION

We manage the construction works at our logistics park projects through our construction management department. Our construction management department review the key parameters for our project construction process, set the evaluation criteria and lay out the main responsibilities of the project companies. At the same time, centralized procurement and supply scope, delivery standards, construction standards and quality control specifications will also be set forth by our construction management department. Our construction management department also oversees the day-to-day construction process of their respective projects.

Selection of Construction Contractors

All the construction contractors of our construction project are selected through a competitive tender process. We primarily cooperated with reputable domestic construction contractors during the Track Record Period. Our tendering committee is composed of the head of construction management department, vice president responsible for the project, our risk management officer and our chief operating officer. We conduct preliminary review on the qualification of all the bidders, including their various qualification certificates, financial condition and track record. For bidders who have not cooperated with us, we would also conduct site visit on the bidder and projects previously completed by the bidder. A tendering committee will ultimately decide the bid winner based on the evaluation results of a set of technical and economic criteria. These criteria include, for example, the contractors' construction capacity, the effectiveness of their quality control system, the management of on-site construction, progress control, equipment, human resource and information technology.

After a construction contractor wins the bid, we will follow up and supervise closely the construction process. After completion of the construction, we will organize a cross-department evaluation committee consisting of engineer, design, cost and property to conduct a follow-up evaluation with the construction contractor, analyzing its construction progress, quality and cost and rate each of the contractor accordingly. If the construction contractor does not satisfy our requirements, we will recommend for improvements, and may disqualify it from participating in future tender process if it fails to improve. We believe that the process can optimize the quality of our qualified contractors, and achieve the high quality of our projects while controlling our construction costs effectively. On average, we maintain a business relationship of approximately three years with these construction contractors. Our construction contractors are our general contractors for the project, who may in turn contract certain work to their subcontractors.

Construction Contract Terms

We typically execute a construction contract with our construction contractors after we obtain the construction planning permit. The principal terms of the agreements with our construction contractors include the scope of work, use of materials and supplies, a timetable for construction, fees and other payment terms. In addition, our agreements with construction contractors contain warranties for quality and requirements for timely completion of the construction process. Our construction agreements normally require payments based on construction progress until a specified maximum percentage of the total contract price is paid. Following governmental inspection and approval of the completion of a construction project, an aggregate payment up to 95% of the total contract amount of the completed construction can be paid to the contractor. The remaining payment is withheld as a retention to cover any compensation or any repairing work required from the contractor as a result of any construction defects or poor quality, and is normally paid, to the contractor after 12 months from the date of governmental inspection and approval. From time to time, we may also negotiate for more favorable payment terms with our construction contractors. We generally have the contractual rights to terminate the construction contracts, with prior written notice, upon (i) mutual agreement, (ii) assignment or subcontracting of the construction work without our prior consent, (iii) material breach of the construction contract resulting in impossibility of due performance or (iv) a force majeure event. We purchase insurance to cover risks related to construction work on our construction sites, while the contractors purchase insurance to cover risks related to life accident and property loss of its employees and others onsite. During the Track Record Period, we have not had any material disputes with any of the construction contractors we have engaged.

Procurement

The construction materials used in our logistic facilities are primarily procured by our general construction contractors. For construction materials that we procure directly, primarily steel structures and major electrical equipment, we select our suppliers through a centralized competitive tender process. We typically have two to three qualified suppliers for each kind of supply to lower the risk where a single supplier does not satisfy the procurement requirement. We source construction materials and equipment directly with the manufacturers in China to decrease the intermediaries and related middlemen costs/expenses, thereby controlling our construction costs and enhancing our project return. For other major construction materials such as equipment's electrical components, electric wires and cables, valves, rebars and concrete, among others, we will designate three to five qualified brands that meets our qualification requirements to ensure product quality and competitive costs. All of our suppliers have been reviewed by us through prior evaluation, market research, site visit of the suppliers, our internal analysis of the suppliers. Through the cooperation with the suppliers, we conduct thorough assessment on various major aspects of their products including product quality and after-sales services, among others. The fluctuation of prices of other materials and labor costs are borne by the general construction contractors.

Relationship With our Contractors and Suppliers

In 2013, 2014 and 2015, transaction amounts with our single largest contractor/supplier accounted for approximately 61.5%, 31.0% and 36.4%, respectively, of our total construction cost incurred in the period. For the same periods, transaction amounts with our five largest contractors/suppliers accounted for approximately 95.5%, 87.0% and 86.2%, respectively, of our total construction cost incurred in the period. These largest suppliers are primarily construction contractors. As we select contractors on a project basis, we do not rely on any single contractor despite the relatively high contribution of our largest or five largest contractors/suppliers to our construction cost incurred in a given period. All our five largest suppliers are independent third parties. Our Directors confirm that none of our Directors, their associates nor any Shareholder holding more than 5% of our issued share capital has any interest in any of the five largest suppliers during the Track Record Period.

Project Monitoring and Quality Control

Cost control

The budget for each project is formed at the project company level. This budget is then reviewed by the relevant departments at the headquarters level for its reasonableness with reference to similar projects, and then ultimately approved by our investment committee. If the actual cost is likely to exceed the initially approved budget, prior approval from senior management must be obtained. Historically, we were not materially and adversely affected by any significant increase in cost of raw materials, equipment and construction contractors.

Progress control

To monitor construction progress, we develop a full master plan for each project, taking into account our previous project experience and the characteristics of the specific project, and setting out the scope and timing of each construction milestone. In order to coordinate among the different departments, we will establish specific plans for design, development, procurement, construction and marketing based on the master plan to enable better control of the projects and to refine various specialized work assignments. In particular, our progress control system includes: (i) monitoring the execution of the full master plan and the specific plans; (ii) using construction management software to monitor project progress and to release early warnings of any delays; (iii) minimizing risks associated with the delivery of property through third party examination and (iv) various other measures including progress evaluation criteria, as well as rewards and penalties mechanism to have better control over the preparation, process and results of a project, and to effectively analyze project progress in the monthly operation analysis meetings and annual meeting of our management and effect overall control of the project progress.

Quality control

Quality control is crucial to the successful development of our logistics park projects and to the fulfillment of our tenants' requirements. We have devised a quality control manual as a guideline for our relevant departments to assure the construction quality of our logistics facilities. We require our construction contractors to strictly adhere to the construction drawings and plans. We also station quality inspectors at the construction sites to carry out regular inspections on various aspects of the construction work. In addition, our quality inspectors are also required to submit inspection report periodically together with the project manager and construction engineers. Our construction management department at the headquarters level also carries out spot checks on the construction work at our logistics park projects.

OUR PROJECT ACQUISITION PROCESS

In addition to developing standardized logistics park projects, we also selectively acquire existing logistics facilities. In making investment decision, we typically consider the internal rate of return for the project, as well as potential demand for the project if we are required to lease it to an alternative tenant after the expiration of the initial lease. In 2015, we acquired three logistics parks, namely Zhengzhou Yupei Huazhengdao Logistics Park, Suzhou Yuqing Logistics Park and Chengdu Yupei Shengbao Logistics Park.

LEASING AND PROPERTY MANAGEMENT

We have established a marketing and leasing department that comprised of 12 members and headed by Mr. Pan Naiyue, our executive Director and chief operating officer, who has more than a decade of experience in the management and leasing of commercial real estate and particularly logistics facilities. See "Directors and Senior Management – Directors – Executive Directors" for details of Mr. Pan's background and relevant experiences. We commence our leasing and marketing efforts once the construction work of our standardized logistics park projects begins. Historically, we were able to pre-lease over 40% of our logistics facilities in terms of GFA on average, and it typically takes six to nine months to substantially lease-up a new logistics park after its completion of construction. On the other hand, we would enter into binding lease for BTS projects before we commence the development process or sales-and-leaseback logistics parks before we acquire the logistics park.

We leverage the strong network effect stemming from our logistics facilities strategically located in various logistics hubs in China. We believe the strong network effect and our high-quality services enable us to forge long-term cooperative relationships with a large number of top quality domestic and foreign tenants, including e-commerce companies such as JD, Jumei and Benlai, leading 3PLs such as SF Express, Li & Fung and Sinotrans and large-scale retailers, manufacturers and others such as Xiaomi, Bosch and Gree Electric Appliance.

Our marketing and leasing staff actively reach out to prospective tenants to promote our logistics facilities. Our marketing and leasing team provides these prospective tenants information about our logistics facilities and discusses the benefits of using our logistics facilities where they can benefit from an established network of premium logistics facilities and the range of services we provide. Our marketing and leasing staff also maintain close contacts with our existing tenants to keep abreast of latest industry developments and trends, as well as the expansion plans of these tenants.

As part of our marketing and leasing strategies, we also periodically sponsor and participate in events in local regions in China where we develop and operate our logistics parks, such as trade seminars and exhibitions, in order to enhance our brand name and promote our logistics facilities. By raising our profile among various industry participants of these events, such as domestic and international trade and industry associations, chambers of commerce, manufacturers and trading companies, we believe that we can enhance our brand recognition, display the strengths and advantages of our logistics parks and attract additional domestic and foreign tenants. Furthermore, we collaborate with other professional institutions, such as property brokerage firms, to prepare marketing studies and develop our marketing and property leasing plans.

Our Leases

Our tenants enter into fixed term lease agreements with us which are generally renewable upon mutual agreement. We have the right to charge the tenants a penalty or hold the tenants' properties as collateral upon the occurrence of certain default events, such as non-payment of rent or breach of covenants by the tenants. Our lease agreements generally do not give tenants the right to terminate their tenancies prior to their scheduled expiration dates unless they provide a written notice up to six months in advance. Rental rates for any given year are fixed and are generally increased annually by a set percentage as stipulated in the leases, subject to review and renegotiation upon renewal of leases. Lease terms for our standardized logistics parks are normally long-term in nature with an initial term of three years and an option to extend for another two years. Meanwhile, we typically have a longer lease terms of five to 10 years for our BTS and sales-and-leaseback logistics parks. The following table sets forth a maturity profile of the leases for our logistics facilities in operation as of December 31, 2015.

	Leased Area	
	(sq.m.)	(%)
Due within one year	189,640	23.3
Due after one year but within two years	120,361	14.8
Due after two years but within three years	382,316	47.1
Due after three years	119,946	14.8
Total	**812,263**	**100.0**

Upon entering into a lease, tenants are required to provide a rental deposit, which is unsecured and does not bear interest. Tenants are required to pay their rents in advance either on a monthly, quarterly, semi-annual or annual basis, or in advance of their lease term, depending on their lease agreements. Under the leases, tenants are normally responsible for payment of utilities in the logistics facilities they lease and their shared portion of utilities in the public areas. Tenants are also responsible for the costs of repair and maintenance and other expenses related to the interior of the leased properties, while we are generally responsible for maintaining the common areas and the main structures. Tenants are generally not permitted to assign or sublet the leased properties without our prior consent. Our tenants are also required to use the property for the purposes specified in the lease agreements.

Our leases do not have an automatic renewal clause, and we typically start the renegotiation with our existing tenants or negotiation with new tenants approximately six months before the expiration of the lease. The substantial majority of our existing tenants are willing to renew their leases with us. We had a tenant retention rate of 83.8% in terms of GFA during the Track Record Period.

Our Tenants

We have a high quality tenant base with a variety of industry backgrounds consisting of e-commerce companies such as JD, Jumei and Benlai, leading 3PLs such as SF Express, Li & Fung and Sinotrans and large-scale retailers, manufacturers and others such as Xiaomi, Bosch and Gree Electric Appliance. Our top quality tenant base with a variety of industry backgrounds is the result of a conscious effort to diversify and balance our tenant mix. While e-commerce companies and 3PLs provide the strongest growth drivers, we believe that our tenant base with a variety of industry backgrounds provides us with stability during market fluctuations.

Set forth below is a breakdown of our revenue by type of tenants for the periods indicated:

	Year Ended December 31,					
	2013		2014		2015	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
E-commerce companies	12,114	24.7	15,537	23.0	44,381	27.2
3PLs	7,007	14.3	19,413	28.7	80,772	49.5
Retailers, manufacturers and others	29,895	61.0	32,605	48.3	38,085	23.3
Total revenue	**49,016**	**100.0**	**67,555**	**100.0**	**163,238**	**100.0**

Having consistently delivered high-quality services to our tenants for more than a decade, we forged strong relationships with a large number of top quality domestic and foreign tenants. The strong network effect from our nationwide network of logistics facilities also help us build and strengthen our relationship with and loyalty of our tenants. Our close relationships with our tenants can be evidenced by the our tenant retention rate of 83.8% in terms of GFA during the Track Record Period.

We have also entered in to strategic framework agreement with a number of our key tenants. Under these strategic framework agreements, we agreed to take into account the needs of these key tenants when selecting new sites and building logistics facilities. In return, these key tenant base agreed to give priority to us when leasing logistics facilities. It is also typically mutually agreed under these agreements that the tenants and we will exchange information regarding expansion plans to facilitate the cooperation.

In 2013, 2014 and 2015, revenue generated from our single largest tenant accounted for approximately 38.5%, 28.4% and 20.2%, respectively, of our total revenue. For the same periods, revenue attributable to our five largest tenants accounted for approximately 86.7%, 70.8% and

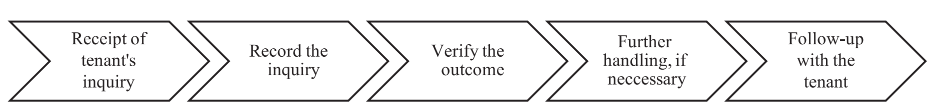
54.3%, respectively, of our total revenue. See "Risk Factors – Risks Relating to our Business – We face risks inherent concentrating our business in one asset class, and we generate a significant portion of our revenue from a limited number of tenants" for further details. On average, we have maintained business relationship of approximately three years with our tenants. All our five largest tenants for each year during the Track Record Period are independent third parties except for Shanghai Yupei Express Logistics Company Limited, a connected person. Our Directors confirm that none of our Directors, their associates nor any Shareholder holding more than 5% of our issued share capital has any interest in any of the five largest tenants during the Track Record Period except for Shanghai Yupei Express Logistics Company Limited.

Pricing Policy

We determine the rent for our logistics facilities based a number of factors, including our target investment return rate for the project, the location of the project, demand for the project, tenant relationships, the GFA covered by the lease, duration of the lease and the prevailing market rate for comparable logistics facilities.

Property Management

We station property manager at each of our logistics parks to collect and respond to feedback from our tenants. Our internal policy requires all inquiry from our tenants to be resolved promptly upon receipt. Our on-site property manager is required to record details of any inquiry from our tenants, to provide an estimated processing time to the tenants, and to timely report the inquiry to relevant responsible departments. Our property manager is required to commence investigation into the inquiry immediately and propose a solution within one business day. If the issue is material, our facility management staff will visit the facility to communicate with the relevant tenants directly. If the inquiry is within the scope of our leases or if we shall be responsible for the rectification, our facility management staff is also responsible for monitoring the entire response process and following-up with such tenants to make sure the inquiry will be fully addressed. The diagram below illustrates our tenant inquiry handling process:



In addition to our on-site property management team that is responsible for collecting and responding to tenants' feedback, we engage reputable third-parties service providers for property maintenance works on our logistics parks, including regular cleaning, repairing and security.

INSURANCE

We maintain insurance coverage for our logistics facilities, including the losses resulting from earthquakes. We also make social insurance payments for our employees in compliance with the relevant PRC rules and regulations.

According to the agreements we entered into with the general contractors, the general contractors are responsible for construction quality and safety measures during the construction process, and to maintain casualty insurance for construction workers according to the relevant PRC laws and regulations. We believe our insurance practice is in line with the customary practice in the PRC real estate industry. We closely monitor the quality and safety measures adopted on our construction sites with the construction contractors to lower the risks of damages to our property and liabilities that may be attributable to us. See "Risk Factors – Risks Relating to Our Business – Our current insurance coverage may not be adequate to cover all risks related to our operations" for further details.

RISK MANAGEMENT

We recognize that risk management is critical to our success. Key operational risks faced by us include changes in general market conditions and the regulatory environment of the PRC property market, availability of suitable sites for logistics parks at commercially reasonable prices, local economic environment and urbanization process, expansion risks relating to entering into new geographic regions, ability to timely complete our construction projects with sound quality, available financing to support our growth, competition from other logistics facilities providers and our ability to promote and lease out our logistics facilities.

In addition, we also face various policy risks. In particular, we are exposed to credit, liquidity, interest rate and currency risks that arise in the normal course of our business.

In order to meet these challenges, we have established the following structures and measures to manage our risks:

- at the board level, our Board of Directors is responsible and has general powers over the management and conduct of our business, and is in charge of our overall risk control. Any significant business decision involving material risks, such as decisions to expand into new geographic regions or to incur significant corporate finance transactions, are reviewed, analyzed and approved at the board level to ensure a thorough examination of the associated risks at our highest corporate governance body;

- at the daily corporate management level, our management team, led by our chief executive officer, is in charge of our daily business operations. Our two executive Directors in charge of design and planning, sales and marketing, construction, human resources and branding, our senior vice president and two vice presidents work closely with other executive Directors and our project companies to supervise the risks relevant to their respective areas of operations on a daily basis. In addition, our senior vice president is also responsible for the review and control the risks in connection with the supervision of financial reporting and disclosure matters;

- for major business activities, such as site selection for new projects, we adopt a centralized approach to review and approve the business plan. See "– Our Project Development Cycle" for further details. In addition, after discussing with local governments and conducting a comprehensive analysis and research of city development plans and local market conditions, our final site selection decisions are made by our investment committee. This committee is specifically formed to review and approve such business development and consists of seven members including our executive Directors and senior management members;

- for particular operational and market risks, control measures are adopted at an operational level. For example, we control major construction risks by engaging qualified construction contractors with strict contractual requirements while maintaining daily quality control supervision. We also engage reputable financial, accounting and legal professionals to assist us in conducting significant corporate transactions, such as material investments for capital expenditure, incurrence of indebtedness or other financing activities;

- we enforce strict control and accountability policies and manuals at an individual employee level and conduct on-going on-site training. Our policies and manuals are updated regularly based on our operational needs. We seek to maintain a corporate culture with a high level of responsibility, integrity and reliability to manage our operational and market risks; and

- we maintain insurance coverage in line with the customary practice in the PRC real estate industry. We also closely monitor the quality and safety measures adopted on our construction sites with the construction contractors to lower the risks of damage to our property and liabilities that may be attributable to us. See "– Insurance" for further details.

COMPETITION

We mainly compete with large-scale logistics facilities providers such as Global Logistic Properties, Goodman, Blogis and Prologis. We compete with these logistics facilities providers and operators on a number of levels, including, among others, our ability to acquire suitable site and retain quality tenant base with a variety of industry backgrounds. We believe our competitive advantage lies in our strong network effect, scalable business model, our high quality tenant base with a variety of industry backgrounds, and our ability to offer integrated value-added solutions. However, there is no assurance that we will be able to continue competing effectively in our industry. See "Risk Factors – Risks Relating to Our Industry – We face competition from other logistics facilities providers in China for land and tenants" and "Industry Overview – Competitive Landscape" for further details.

PROPERTIES FOR OUR OWN USE

As of the Latest Practicable Date, we used part of an office building with a total GFA of approximately 4,000 sq.m. in our Shanghai Yuhang Huangdu Logistics Park as office facilities for our headquarters. We also lease office spaces with an aggregate GFA of approximately 340 sq.m. in Beijing and Hong Kong.

We have obtained land use right certificates and building ownership certificates for all of our land and buildings for our own use.

INTELLECTUAL PROPERTY

We have two trademark registrations in China and one trademark registration in Hong Kong in different classes. We have also registered the trademark “” in Hong Kong. We are the owners of four domain names. For further information on these intellectual property rights, see “Appendix V – Statutory and General Information – B. Further Information About Our Business – 2. Our Intellectual Property Rights” for further details.

As of the Latest Practicable Date, we are not aware of any infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

EMPLOYEES

We had 113 employees as of December 31, 2015. The following table sets forth a breakdown of our employees by function as of December 31, 2015.

Function	Number of Employees	Percentage of Total Number of Employees
		(%)
Senior management	7	6.2
Finance	19	16.8
Investment	8	7.1
Marketing and leasing	12	10.6
Project development	40	35.4
Administration	27	23.9
Total	**113**	**100.0**

We actively recruit skilled and qualified personnel in the local markets, including graduates from universities as well as employees with relevant working experience. The remuneration package of our employees includes salary, bonuses and other cash subsidies. In general, we determine employee salaries based on each employee’s qualifications, experience, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our determinations on salary raises, bonuses and promotion. We are subject to social insurance contribution plans organized by the local governments. In accordance with national and local labor and social welfare laws and regulations, we are required to pay monthly social insurance premiums covering pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing reserve funds. We believe the salaries and benefits that our employees receive are competitive with market standards in each geographic location where we conduct business.

We believe we have maintained good relationships with our employees. Our employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. We have not experienced significant labor disputes, which have adversely affected or are likely to have an adverse effect on our business operations.

We have established comprehensive training programs that aim to support and encourage members of our management team to continue improving their management skills, including arranging for seminars and external training opportunities. We also provide comprehensive training for our employees to improve their skills and develop their careers. We provide orientation training for newly hired employees as well as continuing training for existing employees. We organize on-the-job training on a regular basis on various topics, which are designed to improve the skills of our employees.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

We are subject to PRC environmental protection laws and regulations. These laws and regulations govern a broad range of environmental matters, including air pollution, noise emissions and water and waste discharge. We are required to engage qualified agencies to conduct a comprehensive environmental assessment on each of our projects and to submit our environmental impact study reports to the government for approval. The PRC Government will not grant us a construction permit with respect to any property project absent of an acceptable environmental impact study report. We are committed to complying with these environmental protection laws and regulations. We also actively participate in the environmental assessment process and fully cooperate with accredited environmental assessment organizations.

We do not carry out any production activities at our logistics parks, and therefore produce and discharge minimum waste. We also plan to increase the use of clean and renewable energy and reduce our carbon footprint by installing solar panel on top of our logistics facilities. We encourage our construction contractors to use equipment and facilities and to adopt or develop new technologies in order to reduce the impact of our projects on the environment. In this regard, we have attempted to design our logistics facilities to reduce their impact on the environment and reduce energy costs. Upon completion of each property project, the local government authorities will also inspect the property site to ensure that we have complied with the applicable environmental protection standards. In 2013, 2014 and 2015, our cost of compliance with applicable environmental rules and regulations for the respective periods amounted to nil, RMB0.2 million and RMB0.3 million, respectively. As we continue to grow our business and expand our geographic presence, we expect such costs and expenses to increase in the near future but do not expect such increase to have a material and adverse effect on our business, financial condition or results of operation.

Under PRC laws and regulations, most of the potential liabilities to the workers and visitors of our construction sites rest with the construction contractors we engage, who are our construction contractors. Under the Construction Law of the PRC, the construction contractor assumes responsibility for the safety of the construction site. The main contractor will take overall responsibility for the site, and the subcontractors are required to comply with the protective measures adopted by the main contractor. A contractor is also required to adopt effective occupational injury control measures, to provide workers with necessary protective devices, and to offer regular physical examinations and training to workers who are exposed to the risk of occupational injuries.

LEGAL PROCEEDINGS

We are currently not a party to, and we are not aware of any threat of, any legal, arbitral or administrative proceedings, which, in our opinion, is likely to have a material and adverse effect on our business, financial conditions or results of operations. We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business.

LICENSES, REGULATORY APPROVALS AND COMPLIANCE RECORD

Our Directors, as advised by our PRC Legal Adviser, confirm that as of the Latest Practicable Date, we had complied with all relevant PRC laws and regulations in all material respects and have obtained all material approvals, licenses and permits from relevant regulatory authorities for our operations in China, and there is no substantial legal impediment in renewing any existing licenses, approvals and permits where necessary, except as disclosed below.

Land Use Right Certificate, Project Approval, Construction Planning Permit and Construction Permit

We were not able to complete the acquisition process and obtain the land use right certificate for phase II of one of our logistics park projects with a planned GFA of 21,317.2 sq.m. when we started the construction work. Accordingly, we were not able to obtain the subsequent approvals and permits that are conditional upon the land grant contract or land use right certificate, including the project approval, construction planning permit and the construction permit.

We subsequently completed the land acquisition process and signed the land grant contract for the parcel of land on April 26, 2016 with the land premium fully settled thereafter and obtained the land use right certificate on April 29, 2016. The project approval, construction planning permit and construction permit were obtained on April 27, 2016, May 4, 2016 and May 6, 2016, respectively.

Reasons for Non-compliance

The non-compliance incident occurred primarily because the relevant local government urged us to commence the construction work for both phases of the logistics park project at the same time, and indicated that no negative governmental action would be taken against us despite the lack of construction planning permit and construction permit. Relying on such indication and considering the fact that the planning of this logistics park project was made for both phases, our senior management commenced the construction work upon request.

Rectification Measures

We have obtained the land use right certificate and all the subsequent approvals and permits, including the project approval, construction planning permit and the construction permit.

In response to such non-compliance incident, our senior management has (i) enhanced their understanding of the PRC laws and regulations; and (ii) strengthened our internal controls to avoid the recurrence of such non-compliance incidents in the future. In particular, to ensure full compliance of the PRC laws and regulations, we have undertaken the following enhanced internal control measures:

- We have formed a compliance committee in January 2016 consisting of members from our legal, accounting, investment and construction management departments and headed by Mr. Xue Zhiyu, who passed the PRC National Bar Examination, and was awarded the Legal Professional Qualification Certificate in February 2007, and has been working in the legal and real estate related field for over 10 years.

- Our compliance committee is primarily responsible for monitoring and ensuring the full legal compliance in terms of the application and obtainment of all requisite licenses, permits and approvals for a development stage before a project company undertakes activities in that stage, regardless of government requests or influences.

- Our compliance committee has compiled a list of all necessary licenses, permits and approvals for different stages of a development project, and each project company shall report their progress and status with regard to obtaining such licenses, permits and approvals to the compliance committee for verification of project progress and compliance.

- Without approval from our compliance committee, a project company is prohibited to proceed with the development. Such prior approval is conditioned upon the obtainment of all requisite licenses, permits and approvals.

- In the event that a project company proceeds without the approval from our compliance committee, the responsible person will be held accountable.

- If the local government authorities require us to start our construction work without all the necessary approvals, we will turn down any such request to ensure full compliance with the PRC laws and regulations. As the government authorities cannot compel us to violate the laws and regulations, we have the sole discretion in turning down such requests. There has been no similar non-compliance incident after we formed our compliance committee.

- To the extent necessary, we will also consult with external legal experts to ensure full compliance with the PRC laws and regulations considering the complexity of the regulatory framework in China.

Legal Consequences

The maximum penalty for the non-compliance incidents for this logistics park project will potentially be (i) a fine of RMB12.6 million in aggregate, representing the sum of (x) a fine of

RMB30 per sq.m. of the land occupied without land use right certificate; (y) a fine of 10% of the price of the construction contract for failure to obtain the construction planning permit; and (z) a fine of 2% of the construction contract for failure to obtain the construction permit; and (ii) suspension of the construction work or demolition of the completed construction work at this logistics park project. During the Track Record Period, we did not generate any revenue from this logistics park project as the construction work had not been completed.

Despite the fact that we failed to obtain the land use right certificate and the subsequent approvals and permits before the commencement of construction work, we had completed, and the relevant government authorities had approved, all the relevant assessment studies related to the logistics park project on both phases and had otherwise comply with the relevant laws and regulations as confirmed by the local government authority. As a result, the lack of these permits does not relate to any public safety, work place safety or environmental protection concern.

After our interview with the relevant government authorities, the relevant government authorities confirmed that the government would not impose any fine or other penalties on the logistics park project due to the historical non-compliance incident. Our PRC Legal Adviser is of the view that (i) the relevant government authorities which verbally confirmed these matters are the competent government authorities; and (ii) the risk of such verbal confirmation being challenged by higher level of government authorities is remote. Our PRC Legal Adviser considered these verbal confirmations and advised us that the probability of being penalized by the government authorities due to the lack of permits is remote.

Having considered the advice from our PRC Legal Adviser and based on our assessment of the likelihood of the imposition of fines, we believe that the potential penalty would not have a material and adverse impact on our business, results of operations or financial condition. Furthermore, our Directors believe that this parcel of land is not crucial to our operation after considering its planned GFA. As a result, we did not make any provisions in connection with this non-compliance incident during the Track Record Period. Furthermore, having considered that (i) this parcel of land was not crucial to our operation after considering its planned GFA; (ii) our PRC Legal Adviser's view that the probability of the maximum amount of fines that could be imposed on us is remote even before we rectified the non-compliance incident; (iii) we have rectified the non-compliance incident; and (iv) the probability of the maximum amount of fines that could be imposed on us retrospectively is remote, our Directors are of the view that this non-compliance incident does not have a material adverse impact on our business, results of operations or financial condition. Having considered the factors considered by the Directors and their view, the Joint Sponsors concur with the Directors' view that this non-compliance incident does not have a material adverse impact on the Company's business, results of operations or financial condition.

Environmental Protection Verification

Reasons for Non-compliance

As of the Latest Practicable Date, we were not able to complete the environmental protection verification for two logistics parks before we formally commenced operation at these logistics parks, as the relevant local governments had not yet completed the necessary sewage discharge infrastructure in the area where logistics parks are located, which caused a delay in our application for environmental protection verification. When we commenced the trial operation at these logistics parks, we were not aware of the fact that the relevant local government authorities have not completed the sewage discharge infrastructure necessary for the environmental protection verification. After we submitted the application for the environmental protection verification (which is required to be submitted within three months after the commencement of a trial operation) and were notified that our application cannot be proceeded due to the incompletion of the necessary sewage discharge infrastructure. However, the local government authorities permitted us to continue our operation and verbally assured us that (i) the sewage discharge infrastructure will be completed in due course; (ii) no negative governmental actions (including fines, closure of logistics parks or other penalties) will be taken against us despite the environmental protection verification not being completed; and (iii) there will not be any substantial legal impediment for us to complete the environmental protection verification once the sewage discharge infrastructure is completed. Relying on the permission and assurance from the local government authorities, and having considered that neither we nor our tenants carry out any production activities at our logistics parks, and therefore our logistics parks do not discharge any waste or pollutants in their ordinary course of business, we determined to continue our operations at these logistics parks.

Rectification Measures

We are actively following up with the relevant government authorities for and closely monitor the progress of the sewage discharge infrastructure, and will submit the application for environmental protection verification for these two logistics parks once the relevant local governments complete the necessary sewage discharge infrastructure, which is a precondition for the relevant authorities to complete the environmental protection verification. We have been informed by the relevant local government authorities that the sewage discharge infrastructure at these two locations are expected to be completed before the end of 2016, and we have been advised by our PRC Legal Adviser that the environmental protection verification for these two logistics parks can be completed shortly afterwards.

Neither we nor our tenants carry out any production activities at our logistics parks, and therefore our logistics parks do not discharge any waste or pollutants in their ordinary course of business. In addition, prior to the commencement of operation at these logistics parks, we had conducted the environmental assessment studies which had been approved by the local governments. Furthermore, we have undertaken various environmental protection measures as required by PRC laws and regulations, and have also engaged an independent third party to prepare the verification reports for these logistics parks, which have been submitted to the local government as part of the prerequisite of the official environmental protection verification.

In addition, to prevent recurrence of non-compliance incidents of similar nature, we have implemented the following enhanced internal control measures:

- We will ensure the timely completion of the environmental assessment studies, the progress of implementation of various environmental protection measures as required by

PRC laws and regulations and engage independent third parties to prepare the verification reports prior to the commencement of operation at all of our logistics parks in the future. The progress of these measures will be reported to our compliance committee by the respective project managers, who will be responsible for ensuring the completeness and accuracy of such report.

- We will conduct due diligence investigation as to the infrastructure necessary for us to complete the environmental protection verification prior to the commencement of trial operation at each logistics park.

- The finding of the due diligence investigation will be reported to our compliance committee, and our compliance committee will only approve of the commencement of trial operation upon evidence to its satisfaction that the infrastructure necessary for the completion of environmental protection verification has been completed.

Legal Consequences

The maximum penalty for these two logistics parks will potentially be (i) a fine of up to RMB0.2 million in aggregate, or a fine of RMB0.1 million per logistics park; and (ii) closure of these two logistics parks. Revenue generated from Wuhan Yupei Warehousing and Wuhu Yupei Warehousing, the project companies operating these two logistics parks, amounted to nil, RMB2.6 million and RMB13.5 million for 2013, 2014 and 2015, respectively, representing nil, 3.9% and 8.4% of our revenue for the respective periods.

Once the relevant local governments complete the necessary sewage discharge infrastructure, we will immediately submit applications for the environmental protection verifications for these logistics parks. After our interview with the relevant government authorities, the relevant government authorities confirmed that once we submit applications, there would not be any substantial legal impediment for us to complete the environmental protection verifications. Furthermore, we were verbally assured by the relevant government authorities that no negative governmental actions (including fines, closure of logistics parks or other penalties) will be taken against us despite the lack of environmental protection verification. Our PRC Legal Adviser is of the view that (i) the relevant government authorities verbally confirmed these matters are the competent government authorities; and (ii) the risk of such verbal confirmation being challenged by higher level of government authorities is remote. Considering these verbal confirmations, our PRC Legal Adviser advised us that (i) there would not be any substantial legal impediment for us to complete the environmental protection verifications once we submit applications; and (ii) the probability that the government authorities will take any negative action toward these logistics parks is remote.

Having considered the advice from our PRC Legal Adviser and based on our assessment of the likelihood of the imposition of fines and taking into account the potential maximum amount of fines and revenue contribution of these logistics parks, we believe that the potential penalty would not have a material and adverse impact on our business, results of operations or financial condition. As a result, we did not make any provisions in connection with this non-compliance during the Track

Record Period. Furthermore, having considered (i) our PRC Legal Adviser's view that the probability of any negative governmental action (including fines, closure of logistics parks or other penalties) that could be imposed on us is remote; (ii) the maximum amount of fines of RMB0.2 million as compared with our operational scale is insignificant; and (iii) the historical revenue contribution of these two logistics parks will decrease in the future as our operational scale continues to grow, our Directors are of the view that this non-compliance incident does not have a material adverse impact on our business, results of operations or financial condition. Having considered the factors considered by the Directors and their view, the Joint Sponsors concur with the Directors' view that this non-compliance incident does not have a material adverse impact on the Company's business, results of operations or financial condition.

Lease Registration

As of the Latest Practicable Date, 50 out of the 64 leases for our logistics facilities (covering GFA of 0.6 million sq.m. out of a total GFA of 0.8 million sq.m.) had not been registered and filed with the relevant land and real estate administration bureaus in the PRC. In addition, one of the two leases for our offices and 21 leases for registered address with the lessors had not been registered either.

Reasons for Non-compliance

The registration of the leases requires cooperation of the tenants or lessors, including the provision of various original documents to the local authority by the tenants or lessors. As the relevant tenants or lessors did not cooperate and provide us with the necessary documentation required under the relevant PRC legislation and/or by the relevant local authorities, such as (i) original or certified copy of land use right certificate (for our lessors); (ii) original or certified property title certificate (for our lessors); (iii) original or certified copy of business licenses (for our tenants or lessors); (iv) original or certified copy of certificates of organizational code (for our tenants or lessors); and (v) original or certified copy of personal identification of the legal representatives (for our tenants or lessors) to register the leases with the local government authorities, we were not able to complete these registration processes. While we have been trying to register these leases throughout the Track Record Period, our tenants were not willing to cooperate primarily because (i) the non-registration does not affect the validity of the leases; and (ii) the inconvenience and privacy concern caused by providing the various original documents. Furthermore, cooperating in lease registration process was not the contractual obligation of our tenants under corresponding lease agreements in the past.

Rectification Measures

While we have no control over the cooperation efforts of tenants or lessors, we endeavor to complete the lease registration in a proper manner. As of the Latest Practicable Date, we had registered a total of 14 leases out of the 64 leases for our logistics facilities (covering GFA of approximately 240,400 sq.m.). We are in the process of registering the remaining 50 leases and will take all practicable and reasonable steps to ensure that such leases are registered. In particular, we started to undertake the following enhanced internal control measures to ensure cooperation by our tenants or lessors in March 2016, including the following:

- We have established a team to work on the lease registration by proactively communicating with the tenants or lessors in order to obtain their cooperation and collect the application documents for the relevant lease registration.
- Each team member was designated to specific projects that they will be responsible for.
- The team must report its status with regard to lease registration to our compliance committee on a quarterly basis and, in the event that any non-compliance incident persists, the designated team member will be held accountable for any oversight.
- We have also revised our lease templates to include the cooperation of tenants for lease registration as a contractual obligation for our tenants. We will insist on the inclusion of such terms during negotiation. To the extent any tenants breach this obligation, we are entitled to take necessary legal actions to enforce this contractual obligation.
- We will also requested for such term with our lessors upon renewal of existing leases or signing of future leases to ensure our lessors are also contractually obligated to cooperate with us in the lease registration process.

After Listing, we will continue to disclose the rectification progress of the non-registration of leases in our annual reports and interim reports.

Legal Consequences

As advised by our PRC Legal Adviser, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements or the binding effect of the lease agreements over contracting parties or result in us being required to vacate the leased properties. However, according to the Administrative Measures for Commodity House Leasing, if the parties to a lease do not register and file the lease with the competent government authorities, the competent government authorities may order the non-compliant parties to register and file the lease within a prescribed time limit, and the relevant parties that fail to do so may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. The aggregate amount of maximum fine will potentially be approximately RMB720,000, which our directors believe will not have any material adverse impact on our business operations if imposed on us by the relevant authorities. Mr. Li, one of our Controlling Shareholders, has agreed to indemnify us against all the fines and penalties arising from such non-compliance incidents. See "Risk Factors – Risks Relating to Our Business – We may face penalties for the non-registration of our lease agreements in China" for further details.

We believe that the risk of receiving penalty imposed by the competent government authorities on us with respect to these leases is remote, on the basis that (i) no penalty was imposed on us for our failure to register and file the relevant lease agreements during the Track Record Period and up to the Latest Practicable Date; and (ii) during the Track Record Period and up to the Latest Practicable Date, we did not received any notice or order from the competent government authorities that requires us to rectify our failure to complete the registration and file lease agreements within a prescribed time limit.

Having considered the advice from our PRC Legal Adviser and based on our assessment of the likelihood of the imposition of fines and taking into account the potential maximum amount of fines, we believe that the potential penalty would not have a material and adverse impact on our business, results of operations or financial condition. As a result, we did not make any provisions in connection with these non-compliance incidents during the Track Record Period.

Review of Enhanced Internal Control Measures

For the purpose of assessment of the effectiveness of our internal controls associated with historical non-compliance incidents as disclosed in this prospectus, we engaged Protiviti Shanghai Co., Ltd. ("**Protiviti**" or the "**Internal Control Consultant**"), an independent global business risk consulting and internal audit firm to further identify deficiencies, if any, in our internal control system and to furnish recommendation, if any, on enhanced internal control measures established by us to prevent future violations and ensure on-going compliance with applicable laws and regulations. Pursuant to the terms of the engagement, Protiviti would perform testing for the implementation status of such enhanced internal control measures and prepare a written report in this regard in 2016 up to the Latest Practicable Date.

The Internal Control Consultant has reviewed the design effectiveness of the enhanced internal control measures associated with our historical non-compliance incidents since January 2016, and has not identified any further deficiencies of our enhanced internal control measures. The Internal Control Consultant has conducted a follow up review of the implementation status and effectiveness of those enhanced internal control measures which have been adopted since January 2016 and confirmed that we had effectively implemented all the enhanced internal control measures as of the Latest Practicable Date. Based on the results of the follow-up review, the Internal Control Consultant is of the view that the enhanced internal control measures are adequate and effective in preventing future non-compliance incidents as described above.

Suitability

Considering that (i) the nature of non-compliance incidents were insubstantial as compared with our operational scale. In particular, despite that our core business is property leasing, the non-registration of leases does not affect the validity and enforceability of the leases and our ability to collect rent; (ii) the non-compliance incidents were not caused by any lack of experience or integrity of the Directors but by (x) less than comprehensive understanding of the regulatory framework and legal risks that resulted in inadvertent reliance on local government's request and indication in the case of commencing construction without all the necessary permits and approvals, (y) delay in public infrastructure construction by relevant local government in the case of failure to complete environmental protection verification, or (z) uncooperative tenants and/or lessors in the case of failure to register leases; (iii) the precautionary and rectification measures that we have adopted; (iv) the enhanced internal control measures we implemented and the trainings attended by our Directors in relation to their obligations and duties as directors of a listed company; and (v) the deep industry experience of many of our executive Directors as demonstrated by our decade long operating history and strong growth during the Track Record Period, our Directors are of the view, and the Joint Sponsors concurred, that our Directors are suitable to serve as directors of a listed company under Listing Rules 3.08 and 3.09.