You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in the Offer Shares. Our business, financial condition, results of operations or prospects could be materially and adversely affected by any of these risks and uncertainties. The market price of the Offer Shares could significantly decrease due to any of these risks and uncertainties, and you may lose all or part of your investment.

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks can be categorized into (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to doing business in China; and (iv) risks relating to the Global Offering. Additional risks and uncertainties presently not known to us or not expressed or implied below, or that we currently deem immaterial could also harm our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS

Our business model requires significant upfront capital expenditure and we may experience lower return or delay in breaking even.

Our business model involves developing logistics park projects. Significant upfront capital expenditures are required to develop new logistics park projects. During the Track Record Period, we made payment for capital expenditure (representing amount spent on the development of our logistics park projects, the acquisition of land or completed logistics parks and the acquisition of property, plant and equipment) of RMB4,628.4 million in aggregate for developing our logistics park projects. In particular, the development of new logistics park projects involves complicated planning and processes including land acquisitions, project financing and construction of facilities. We may experience lower return on our capital investment or delays in breaking even, if at all, due to a number of reasons beyond our control, including the overall economic condition in China, difficulty in acquiring land, delays in obtaining governmental permits and authorizations, competition from other available logistics facilities and new entrants into the logistics facilities market, fluctuation of rental rates and variable operating costs and any downward cycle of the industries in which our existing and prospective tenants operate, therefore reducing the demand for our logistics facilities from our tenants. If we fail to identify, attract and retain tenants for our completed logistics parks in operation, we will not be able to generate any operating cash flow from these logistics parks to recover significant upfront capital investment, and our business, financial condition and results of operations may be materially and adversely affected.

We may not have adequate financing to fund our future land acquisitions and project developments, and such capital resources may not be available on commercially reasonable terms, or at all.

During the Track Record Period, we financed our logistics park projects primarily through project financings from commercial banks, issuance of hybrid instruments to our pre-IPO Investors and proceeds from the lease of our logistics facilities in our logistics parks. Our ability to obtain external financing in the future and the cost of such financing are subject to uncertainties beyond our control, including:

- requirements to obtain PRC Government approvals necessary for obtaining financing in the domestic or international markets;
- our future results of operations, financial condition and cash flows;
- the condition of the international and domestic financial markets and financing availability;
- changes in the monetary policies of the PRC Government with respect to bank interest rates and lending practices; and
- changes in policies regarding regulation and control of the PRC real estate market.

The PRC Government has implemented a number of measures to manage money supply growth and credit availability, especially with respect to the property development sector. For example:

- the PBOC has adjusted the Renminbi deposit reserve ratio several times since 2010, and has recently adjusted it downward in March 2016; and
- the PBOC has adjusted the benchmark one-year bank lending rate many times since 2008.

In connection with our current expansion plan, we expect to incur capital expenditure of RMB11,900 million in aggregate in 2017, 2018 and 2019. 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 equal to approximately 50% of the total development cost of the logistics park projects; (iv) debt offerings; and (v) other sources of external financings, including equity or equity-linked securities as well as investments from limited partners through investment fund structure. However, there can be no assurance that we will be able to obtain sufficient funding on commercially reasonable terms, or at all.

See "Industry Overview" and "Regulatory Overview" for further details. The above measures and other similar government actions and policy initiatives have limited our ability and flexibility in using bank loans and other borrowing arrangements to finance our logistics park projects. We cannot assure you that the PRC Government will not introduce other initiatives, which may further limit our access to capital and the ways we finance our logistics park projects, or that we will be able to secure adequate external financing or renew our existing credit facilities prior to their expiration on commercially reasonable terms, or at all. If we fail to obtain adequate financing to fund our operation, our business, financial condition and results of operations may be materially and adversely affected.

We face risks inherent in concentrating our business in one asset class, and we generate a significant portion of our revenue from a limited number of tenants.

Our principal business strategy of strengthening our market leadership position and capitalizing on the significant market opportunities in China's logistics facilities market exposes us to the risks inherent in concentrating our business in one asset class. These risks include an economic downturn, which would in turn affect valuations of our logistics facilities, decreases in rental or occupancy rates and insolvency of tenants and other counterparties. These risks may also restrict our ability to raise funds for our business and result in higher financing costs. If these risks were to materialize, or the potential economic and domestic consumption growth in China that we anticipate does not materialize, it could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We generate a significant portion of our revenue from our five largest tenants. In 2013, 2014 and 2015, revenue from our largest tenant accounted for 38.5%, 28.4% and 20.2% of our revenue for the respective periods, while revenue from the five largest tenants for these periods accounted for 86.7%, 70.8% and 54.3% of our revenue for the respective periods. While we endeavor to replace any key tenants we were to lose with other tenants, we cannot assure you that we would succeed.

Since some of our tenants may have stronger bargaining powers than us, we cannot assure you that we can always enter into or renew leases on commercially reasonable terms. Competition is intense among logistics facilities providers. If we are unable to maintain good relationships with our existing tenants, or if we are unable to develop and maintain new tenant relationships, our tenants may choose the service of other logistics facilities providers and our revenue will decrease and our profitability may be adversely affected. If any of our top five largest tenants were to stop leasing from us and we were unable to replace the revenue we generate from them, it would have a material adverse effect on our business, financial condition, results of operations and prospects.

Our profitability is substantially affected by non-recurring fair value changes on investment properties and government grants.

We are required to reassess the fair value of any investment properties that we hold periodically. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Gains or losses arising from changes in the fair value of any such investment properties will be reflected in our results of operations in the period in which they arise. The fair value gains on our investment properties in 2013, 2014 and 2015 were RMB321.0 million, RMB421.2 million and RMB2,670.0 million, respectively, representing 137.3%, 284.9% and 221.5% for our profit of the respective years. Our profit for 2016 will continued be significantly affected by such fair value gains or losses, as the case may be. Despite the recent slowdown in economic growth in China, particularly the downturn in residential real estate market in China, we recorded unaudited fair value gains of RMB382.0 million in the three months ended March 31, 2016 on our investment properties, primarily because the fair value of our logistics facilities is largely based on the projected cash flow to be brought in, which is primarily linked to the demand and supply dynamics of the premium logistics facilities market.

According to the DTZ C&W Report, the demand for premium logistics facilities in China significantly exceeded the supply thereof since 2010, and such supply and demand gap is expected to continue and widen through 2019. In the three months ended March 31, 2016, a 5% decrease in fair value gains on our investment properties will result in a decrease in our profit for the period by RMB14.3 million and our total assets value by RMB19.1 million, while a 10% decrease in fair value gains on our investment properties will result in a decrease in our profit for the period by RMB28.7 million and our total assets value by RMB38.2 million. We cannot assure you that we can recognize comparable fair value gains on investment properties in the future and we may also recognize fair value losses, which would impact our result of operations for future periods. Fair value gains on investment properties would not change our cash position as long as these properties are held by us, and thus would not increase our liquidity in spite of the increased profit. On the other hand, fair value losses on investment properties would have a negative effect on our result of operations, even though such losses would not change our cash position as long as these properties are held by us.

In addition, we received government grants of RMB5.3 million, RMB19.1 million and RMB125.8 million, respectively, in 2013, 2014 and 2015, representing 2.2%, 12.9% and 10.4% of our profit for the respective years. There can be no assurance that we will be able to receive any such government grants in the future. If we stop receiving these government grants in 2016 or any subsequent periods, our profitability for 2016 or such period can be adversely affected.

Investment properties are illiquid.

As of December 31, 2015, the value of our investment properties amounted to RMB9,709.0 million. Our investment property portfolio may increase in the future. Investment properties are generally illiquid and our ability to sell our investment properties in response to changing economic, financial and investment conditions is limited. We cannot assure you that we will be able to sell any of our investment properties at prices or on terms satisfactory to us, if at all. We cannot predict the length of time needed to find purchasers to purchase such investment properties. In addition, should we decide to sell a logistics facility which is subject to a lease agreement, we may have to obtain consent from or pay termination fees to the tenants. We may also need to incur capital expenditure to manage and maintain our properties, or to correct defects or make improvements to these properties before selling them. We cannot assure you that financing for such expenditures would be available when needed, or at all.

Furthermore, aging of investment properties, changes in economic and financial condition, beyond our control, such as change in interest rates, or changes in the competitive landscape in the PRC property market may adversely affect the amount of rentals and revenue we generate from, as well as the fair value of, our investment properties, either completed or under development. However, our ability to convert any of our investment properties to alternative uses is limited as such conversion requires extensive governmental approvals in the PRC and involves substantial capital expenditures for the purpose of renovation, reconfiguration and refurbishment. We cannot assure you that such approvals and financing can be obtained when needed. These and other factors that impact our ability to respond to adverse changes in the performance of our investment in properties may adversely affect our business, financial condition and results of operations.

The appraised value of our properties may be different from their actual realizable value and are subject to change.

The appraised value of our properties as contained in the Property Valuation Report are based on multiple assumptions that include elements of subjectivity and uncertainty. The assumptions, on which the appraised value of our properties are based, include unobservable inputs such as future rental cash inflows, discount rates, estimated vacancy rates, capitalization rates, terminal value and outstanding cost to complete, as well as (i) that transferable land use rights in respect of the properties for its specific term at a nominal annual land use fee have been granted and that any premium payable has already been fully paid; (ii) that we have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the unexpired terms as granted; and (iii) that the properties are free from encumbrance, restrictions and outgoings of any onerous nature which could affect their values.

If we fail to obtain the approvals from regulators necessary for the development of our projects, some assumptions used by Colliers in reaching the appraised value of our properties will prove inaccurate. Therefore, the appraised value of our properties should not be taken as their actual realizable value or a forecast of their realizable value. Unforeseeable changes to the development of our logistics park projects as well as national and local economic conditions may affect the value of the properties we hold.

We may not be as successful in replicating our business model as before when we expand into new cities and build new logistics parks.

We attribute our success to our business model of developing, operating and management of logistics parks in major logistics hubs to create a nationwide logistics facility network. We believe that, through our proven track record, and brand recognition, we have established a competitive advantage in competing for logistics park projects and acquiring land for future development. Whether we can successfully duplicate this business model depends on many factors which are beyond our control, including whether we can find suitable sites at reasonable costs in suburban areas in other cities that satisfy certain criteria and whether we can establish and maintain cooperative relationships with local governments.

We currently plan to establish 54 additional logistics parks up to the end of 2019. In particular, to fully capture the growth potential in China's market for logistics facilities, we plan to continue our focus on and strengthen our presence in the Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone, three of the most prominent economic zones in China, as well as selected provincial capitals, and explore additional emerging development opportunities. Expanding into new geographical locations involve uncertainties and challenges as we may be less familiar with local regulatory practices and tenants' preferences and behavior, the reliability of local contractors and suppliers, business practices and business environments and municipal-planning policies. These uncertainties affect our development schedule and therefore our ability to meet stated goals. In addition, expanding our business into new geographical locations would entail competition with logistics facilities providers who have better-established local presence or better relationships with local governments or greater access to local labor, expertise and knowledge than we do.

As we may face challenges not previously encountered, we may fail to recognize or properly assess risks or take full advantage of opportunities, or otherwise fail to adequately leverage our resources and past experience to meet challenges encountered in these new markets. For example, we may have difficulties in accurately predicting market demand for our logistics facilities in the cities into which we expand. We may also have difficulties in promoting and maintaining high occupancy rates and/or rental rates in the logistics park projects that we are currently developing after these logistics facilities are completed and commence operations. Any such failures may materially and adversely affect our business, financial condition and results of operations.

We may not be able to acquire land in desirable locations that are suitable for our development at commercially reasonable prices.

The sustainable growth and success of our business significantly depend on our ability to continue acquiring additional land in desirable locations at commercially reasonable prices that are suitable for our logistics park projects. In particular, the success of our logistics park projects depend significantly on the infrastructure support in the surrounding area, particularly the public roads and railroads access. Our ability to acquire land depends on a variety of factors that are beyond our control, such as overall economic conditions, the availability of land parcels provided by the government, our effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels. The availability and price of land sold at auctions also depends on factors beyond our control, including government land policies and competition. The PRC Government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Specific regulations are in place to control the methods and procedures by which land parcels are acquired and developed in the PRC. Furthermore, the rapid development in the cities we conduct business in recent decades has resulted in a limited supply of undeveloped land in desirable locations and at reasonable acquisition costs. In addition, land parcels located in convenient locations or supported by quality roads, highways and railroads access may commend a premium price, which may exceed our budget. To the extent that we are unable to acquire suitable land parcels at commercially reasonable prices for our future development in a timely manner or at prices that enable reasonable economic returns to us, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may not obtain the land use rights for our investment projects despite binding investment agreements.

We actively communicate with the local governments with regards to the land acquisition process and enter into binding investment agreements with them in connection with our land acquisitions. However, the signing of these documents does not guarantee that we will obtain the land use rights of the land identified. Such lands need to be granted through a public tender, auction and listing-for-sale process in accordance with PRC laws and regulations. In such process, the local governments may determine that the tender terms offered by other tenderers to be better than ours and grant the land use rights to such other tenderers. As such, there is no assurance that we will always be able to acquire the land use rights of the land desired for our logistics park projects. In particular, as of March 31, 2016, we had executed 32 investment agreements for our 34 investment projects covering an aggregate planned GFA of 3.6 million sq.m. of land to be acquired. The successful acquisition of these lands is crucial in the execution of our nationwide expansion plan, and our prospects will be materially and adversely impacted if we cannot acquire the lands covered by these investment agreements. Furthermore, we did not obtain the land use right certificate of the land for phase II of one of our logistic park projects before we commenced the construction work. See "– We require various approvals, licenses and permits to operate our business, any failure to obtain or renew any of these approvals, licenses or permits could materially and adversely affect our business and results of operations" for further details. If we are not successful in obtaining the land use rights for such lands covered by investment agreements, we will not be able to develop such logistics park projects, which may adversely and materially affect our business, financial condition and results of operations.

We may be unable to acquire logistics facilities at commercially attractive terms or at all, to support our future growth, or any such acquisitions may not perform as well as we anticipate.

In the future, we may acquire existing logistics facilities. The acquisition of these assets entails various risks, including the risk that we may be unable to complete acquisitions or develop facilities on the terms we originally anticipated, that our investments may not perform as well as we expected, that we may be unable to integrate our new acquisitions quickly and efficiently into our existing operations and that our estimate of the cost required to upgrade an acquired logistics facility to our standards may prove inaccurate. We make our developmental and other decisions based on economic, demographic and other data from various sources in addition to published sources. There can be no assurance that these sources are always complete or reliable. The facilities we acquire may not perform commercially as well as we anticipate, and the actual costs for acquisition, renovation and improvements may exceed our estimates.

The success of our logistics parks depends on the infrastructure support of the surrounding area.

Infrastructure support, particularly public roads, highways and railroads access, is critical to the success of our logistics parks and our prospects. While we always conduct thorough research and communication with the local governments with regard to their development plan for transportation infrastructure such as highways, railways, ports and airports before we acquire a parcel of land, there can be no assurance such plan will be timely executed, or at all. If the transportation infrastructure surrounding our logistics park projects is not established in time, or at all, we may not be able to attract tenants for our logistics parks. Failure to lease out our logistics parks will materially and adversely affect our business prospects, and we might not achieve the expected return on our investment, or at all. Furthermore, as China's economy and urban areas continue to develop, existing transportation infrastructure and traffic condition surrounding our logistics parks may deteriorate, which in turn may render the location of our logistics parks undesirable from our tenants' perspective and lead to early termination or non-renewal of their leases. Any such occurrence may adversely and materially affect our business, results of operations and financial condition.

We are dependent on economic growth in general, the growth in the e-commerce and 3PL markets, as well as the general consumer economy, in China.

Since we derive, and expect to continue to derive, our revenue almost entirely from China, and the logistics park markets tend to be very sensitive to overall economic conditions, our business and prospects may be affected by economic conditions in China. In particular, we depend on continued economic growth in the Yangtze River Delta economic zone, the Bohai economic zone and the Pearl River Delta economic zone, as well as selected provincial capitals, where we currently conduct substantially all of our business operations. We cannot assure you that reductions in the needs of, and spending associated with, logistics facilities will not occur in China. As a developer and operator of large-scale logistics parks, we also depend on growth in the consumer economy in China. In our business model, after we complete the development of large-scale logistics park projects, we primarily lease them out to our tenants who have business operations in China. The demand for the logistics facilities offered by us and the success of our business model depend on the development of a consumer-driven economy in China. As the PRC Government has only in recent years started to emphasize the development of a domestic consumption-driven economy, rather than an export-reliant economy, there are uncertainties about whether such a national economic development model will actually be successful. Its failure would undermine our implementation of our business strategies. Any economic downturn in China or failure by the PRC Government to develop a consumer-driven economy from an export-reliant economy could materially and adversely affect our business, financial condition and results of operations. The PRC Government has been endeavoring to develop an economy driven mostly by domestic consumption rather than export. However, the success of this development strategy is closely linked to people's spending and saving habits, and China has traditionally been one of the economies in the world with low level of per capita consumption and high savings rates. If a consumer-driven economy fails to develop sufficiently in China, it may have a cascading effect on industry-specific markets, such as e-commerce and 3PL markets, and demand for our logistics parks from our tenants may weaken or lapse. Any negative trend in the general economy in China or in the operating conditions in the logistics service markets may materially and adversely affect our business, financial conditions and results of operations.

Any failure to obtain or renew any of these approvals, licenses or permits could materially and adversely affect our business and results of operations.

In accordance with the laws and regulations of the PRC, we are required to maintain various approvals, licenses and permits in order to operate our logistics facilities in China. Before commencement of construction work for our logistics park projects, we are required to obtain the project approval, construction planning permit and construction permit, among other approvals, licenses and permits. Each of our logistics parks is also required to obtain an environmental protection assessment and inspection approval, and to pass a fire safety verification or fire safety inspection. These approvals, licenses and permits are achieved upon satisfactory compliance with, among other things, the applicable environmental protection and fire safety laws and regulations. Most of these licenses are subject to examination or verification by governmental authorities and are valid only for a fixed period of time subject to renewal and accreditation.

Complying with such laws and regulations may require substantial expense, and any non-compliance may expose us to liability. In the event of non-compliance, we may have to incur significant expense and divert substantial management time to rectify the incidents. During the Track Record Period, we have complied with all relevant PRC laws and regulations in all material respects in relation to obtaining requisite approvals, licenses and permits from the relevant regulatory authorities for our operations in China, except that, as of the Latest Practicable Date, (i) we were not able to complete the necessary environmental completion verification for two of our logistics parks; and (ii) we were not able to obtain the land use right certificate for a GFA of approximately 20,000 sq.m. before we commenced construction of phase II of a logistics park project. Our maximum penalty in connection with these incidents in aggregate is estimated to be RMB12.8 million. There can be no assurance that we will be able to rectify these non-compliance incidents and that the government authorities will not impose a fine on us. See "Business – Licenses, Regulatory Approvals and Compliance Record" for further details.

In the future, if we fail to obtain all the necessary approvals, licenses and permits, we may be subject to fines, suspension of construction work or the suspension of operations of the logistics parks that do not have all the requisite licenses and permits, which could materially and adversely affect our business and results of operations. See "Regulatory Overview" for further details on the requisite approvals, licenses and permits for our logistics park projects. We may also experience adverse publicity arising from non-compliance with government regulations, which would negatively impact our reputation.

We cannot assure you that we will be able to fulfill all the conditions necessary to obtain the required government approvals, or that relevant government officials will always, if ever, exercise their discretion in our favor, or that we will be able to adapt to any new laws, regulations and policies. There may also be delays on the part of government authorities in reviewing our applications and granting approvals, whether due to the lack of human resources or the imposition of new rules, regulations, government policies or their implementation, interpretation and enforcement. If we are unable to obtain, or experience material delays in obtaining necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

We may not be able to complete our development projects according to our budget or on time, or at all.

Completion of our logistics park projects, requires substantial capital expenditures for, among other things, land acquisition and construction. The construction work for logistics park projects may take over a year or longer before they could generate positive net cash flow through leasing. As a result, our cash flows and results of operations may be significantly affected by our project development schedules and any changes to those schedules may affect whether our developments are completed within the planned budget. The schedules of our project developments and whether a logistics park project can be completed within the planned budgets depend on a number of factors, including the performance and efficiency of our third-party contractors and our ability to finance construction and the associated financing costs. Other specific factors that could adversely affect our project development schedules and budgets include, but are not limited to:

- changes in market conditions, economic downturns, and decreases in business and consumer sentiment in general;

- changes in relevant regulations and government policies;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials, equipment, contractors and skilled labor;
- labor disputes;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites; and
- natural catastrophes and adverse weather conditions.

Construction delays or failure to complete the construction of a logistics park project according to its planned specifications, schedule and budget may harm our reputation as a logistics facilities provider, lead to loss of or delay in recognizing revenue and lower returns on our capital investment. If a logistics park project is not completed on time, the tenants of our pre-leased logistics facilities may be entitled to compensation for late delivery or may be able to terminate their lease agreements with us and claim damages. We cannot assure you that we will not experience any significant delays in completion or delivery of our logistics park projects in the future or that we will not be subject to any liabilities for any such delays.

We may be adversely affected by the performance of third-party contractors.

We engage third-party contractors to carry out various services relating to our logistics park projects, including design, pile setting, foundation building, construction, equipment installation, electromechanical and pipeline engineering, elevator installation and landscaping. We endeavor to engage third-party companies with a strong reputation and track record, high performance reliability and adequate financial resources. However, any such third-party contractor may still fail to provide satisfactory services at the level of quality or within the timeline required by us. While we generally require our construction contractors to fully reimburse us for any losses arising from or relating to the construction work, our results of operation and financial condition may be adversely affect if any of the losses are not borne by them, and our reputation may also be adversely affected. In addition, completion of our project developments may be delayed, and we may incur additional costs, due to a contractor's financial or other difficulties. If the performance of any third-party contractor is not satisfactory, we may need to replace such contractor or take other remedial actions, which could adversely affect the cost structure and development schedule of our logistics park projects and could have a negative impact on our reputation, financial position and business operations. In addition, as we are expanding our business into other geographical locations in the PRC, there may be a shortage of third-party contractors that meet our quality standards and other selection criteria in such locations and, as a result, we may not be able to engage a sufficient number of high-quality third-party contractors in a timely manner, which may adversely affect the construction schedules and development costs of our logistics park projects and may also materially and adversely affect our business, results of operations and financial conditions.

Our business is sensitive to global economic conditions.

The global financial markets are highly turbulent recently. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies, including China's. There have also been concerns over unrest in the Middle East and Africa, which have resulted in significant market volatility. In addition, on June 23, 2016, the United Kingdom voted to exit the European Union. This has caused significant volatility in the global financial markets, and is expected to usher in a period of significant uncertainty and fuel volatility in world markets, which would negatively affect financial conditions and the global economy. A decline in the economic prospects of our current and potential tenants or the economy in general could reduce their needs for our services. Therefore, any prolonged slowdown in the global economy may materially and adversely affect our financial condition and results of operations. In addition, the weak economy could weaken investor confidence, which constitutes the basis of the credit markets. Renewed financial turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict our ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all, which could also materially and adversely affect our business, results of operations and prospects.

Our financing costs may increase significantly in the future.

In connection with our current expansion plan, we expect to incur capital expenditure of RMB11,900 million in aggregate in 2017, 2018 and 2019, to be funded by (i) our existing cash and cash equivalents; (ii) cash flow generated from our operating activities; (iii) bank borrowings equal to approximately 50% of the total development cost of the logistics park projects; (iv) debt offerings; and (v) other sources of external financings, including equity or equity-linked securities as well as investments from limited partners through investment fund structure. Furthermore, on June 27, 2016, we entered into two commitment letters for debt facilities of up to US$100 million in aggregate to repay part of a credit facility from Credit Suisse Singapore of up to US$300 million, develop additional logistics park projects in the future and other general corporate purposes. The additional bank borrowings, debt offerings and other sources of external financings may result in a significant increase in our interest expenses and hence our finance expenses, to the extent such interest expenses cannot be capitalized. If the increase in our finance expenses outpace our revenue growth, our profitability will be materially and adversely affected.

An increase in interest rates may also increase our interest expenses and ultimately affect our results of operations. The interest rate on our outstanding bank borrowings is largely determined by the benchmark lending rate for commercial banks in China. For the years ended December 31, 2013, 2014 and 2015, the weighted average interest rate of our outstanding bank borrowings, which represent actual borrowing cost incurred during the period divided by weighted average bank borrowings that are outstanding during the period, were 6.7%, 6.2% and 5.3% and most of these bank borrowings are subject to floating interest rates. Interest expenses incurred and charged to our income statement for the years ended December 31, 2013, 2014 and 2015 were RMB9.2 million, RMB17.3 million and RMB26.9 million, respectively. Interest expenses and other eligible borrowing costs capitalized in the logistics parks under development and investment properties during the same periods were RMB15.6 million, RMB19.3 million and RMB53.8 million, respectively. While during the Track Record Period, the PBOC continued to reduce its benchmark lending rate for commercial banks in China, there can be no assurance that PBOC will not raise the benchmark lending rate in the future, or that our business, financial condition and results of operations will not be materially and adversely affected as a result.

Fluctuations in the cost of labor and construction materials could adversely affect our financial condition.

Our labor cost has been increasing within the Track Record Period. In addition, most of our building construction materials, such as steel and concrete, and equipment, such as elevators, doors and air-conditioning systems, are procured by the third-party construction contractors we engage. The cost of construction materials, such as steel and concrete, may continue to fluctuate from time to time. Therefore, any significant increase in the labor cost and cost of construction materials, particularly steel and concrete, will adversely impact our liquidity and financial condition.

We recorded net current liabilities as of December 31, 2013 and 2015. There can be no assurance that we will record net current assets in the future.

We recorded net current liabilities of RMB541.5 million and RMB241.6 million as of December 31, 2013 and 2015, respectively. See "Financial Information – Working Capital" for detailed analysis on our net current liability position. There can be no assurance that we will be able to improve our liquidity and record net current assets. If we continue to record net current liabilities, we may face a deficiency of working capital and may not be able to service short term debts. Any of these events could have a material adverse impact on our business and results of operations.

We are subject to risks associated with certain covenants or restrictions under our borrowings which may adversely affect our business, financial condition and results of operations.

We are subject to certain restrictive covenants in the loan contracts between us and certain banks and financial institutions. For instance, some of our operating subsidiaries are subject to covenants that restrict them from carrying out any merger, restructuring, spin-off, reduction of registered share capital, material asset transfer, liquidation, change in shareholding or management structure, or establishment of any joint venture without the lenders' written consents. In addition, borrowings provided under certain loan agreements between our operating subsidiaries with banks or other financial institutions are not allowed to be used for purposes other than the specific project development as provided in the agreement. Our subsidiaries may also be subject to certain financial covenants as provided in the loan agreements, such as meeting certain debt to asset ratio thresholds. Furthermore, some of our loan agreements contain cross-default provisions where a technical default on one of our obligations under other agreements will trigger a technical default under such agreements. We cannot assure you that we will be able to comply with all the restrictive covenants of any of our loan agreements in the future or obtain lenders' consents or waivers in a timely manner or at all. Should we fail to do so, our lenders may be entitled to accelerate repayment of our loans, in which case our business, financial condition and results of operations will be adversely affected.

Our results of operations may fluctuate significantly from period to period due to various factors that are beyond our control.

Our results of operations may fluctuate from period to period due to a combination of various factors, including the overall development schedule of our logistics park projects, the timing and the amount of GFA for lease, our revenue recognition policies, changes in costs and expenses, such as land acquisition and construction costs, changes in fair values of our investment properties, and financial instruments, as well as certain non-recurring expenses. For example, we expect to incur listing expenses in connection with the Global Offering as well as share-based compensation expenses in connection with our Pre-IPO Share Option Scheme in interim and annual result in 2016.

Accordingly, our interim results for a certain period may not be indicative of our performance for that financial year or otherwise comparable to our results in previous periods. In addition, the period-to-period comparisons of our operating results may not be as meaningful to us as a result of our rapid expansion in recent years and in the future. If our operating results in one or more periods do not meet the market's expectations, the price of our Shares could be materially adversely affected.

Natural disasters, acts of war or terrorism, epidemics, or other factors beyond our control may adversely affect our business, results of operations and financial condition.

Natural disasters such as earthquakes, floods, severe weather conditions or other catastrophic events, natural or not, may severely affect the regions where we operate or our main markets. For example, in August 2015, a series of significant explosions occurred in a warehouse in Tianjin that stores hazardous materials. Although our logistics facilities are not designed for the storage and transportation of hazardous substances and we do not lease to tenants that are engaged in the business of manufacturing, transportation and storage of hazardous substances, there can be no assurance that our tenants will not store any hazardous substances in our logistics facilities in breach of our lease agreements. Any catastrophic event resulting therefrom could have a material adverse effect on our reputation, business prospects, financial condition and results of operations. Similarly, threats of war or terrorist activity, social unrest as well as geopolitical uncertainty and international conflict and tension could affect international or regional economic development. In turn, our business, financial condition and results of operations may be materially and adversely affected. In addition, we may not be adequately prepared in terms of contingency planning or have recovery capabilities in place to deal with such incident or crisis. As a result, our operational continuity may be adversely and materially affected.

Our business is subject to general economic and social conditions in China. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of Severe Acute Respiratory Syndrome ("SARS") or an outbreak of any other epidemics in China, such as Middle East Respiratory Syndrome ("MERS"), the avian flu or the human swine flu, especially in the cities where we have operations, may result in material disruptions to our business, which in turn may adversely affect our financial condition and results of operations.

The regulatory authorities in China may impose fines on us or reclaim our land if we fail to comply with the terms of the land grant contracts.

Under PRC laws and regulations, if we fail to develop a logistics park project according to the terms of the land grant contract, including those relating to the payment of land premiums and other fees, the specified use of the land and the time for commencement and completion of the property development, the PRC Government may issue a warning, impose a penalty, or reclaim our land. Specifically, under current PRC laws and regulations, if we fail to pay any outstanding land premiums by the stipulated deadline, we may be subject to a late payment penalty at the rate of 0.1% of the unpaid land premium per day. If we fail to fully pay the land premiums within 60 days after the land grant contract became effective, the assignor is entitled to terminate the land grant contract and claim for indemnities. Furthermore, if we fail to commence development for more than one year from the commencement date stipulated in the land grant contract, the land authorities may serve a decision on levy of idle land fee on us and impose an idle land fee of up to 20% of the land premium. If we fail to commence development for more than two years, the land is subject to forfeiture unless the delay in development is caused by government actions or by force majeure. Moreover, even if we commence development of the land in accordance with the land grant contract, if the area of the developed land is less than one-third of the area of the total site area of the land, or if the total capital expenditure is less than one-fourth of the total investment of the project, and the development of the land is suspended for over one year without government approval, the land will still be treated as idle land. In the Notice on Promoting the Saving and Intensification of Use of Land (《國務院關於促進節約集約用地的通知》) promulgated by the State Council in 2008, the aforesaid policy was reinforced. This notice states, among other things, that the MLR and other authorities are required to conduct research on and commence drafting of implementation rules concerning the levy of land appreciation fees on idle land. Furthermore, the MLR issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (《關於嚴格建設用地管理促進批而未用土地利用的通知》) in August 2009, which reiterates the current rules regarding idle land. We cannot assure you that circumstances leading to imposition of penalty, liquidated damages or forfeiture of our land will not arise in the future. We and our associated companies had to apply to local governments for extension of deadlines for commencement of development of certain parcels of land in the past. If we are deemed as holding land idle for more than one year without cause or are required to forfeit land, we may lose the opportunity to develop the relevant land, our investments in the land, including land premiums paid and development costs incurred, and our ability to bid for other land in the future, any of which could materially and adversely affect our business prospects, results of operations and financial condition.

We cannot assure you that regulations relating to idle land in China will not become more restrictive in the future. If we fail to comply with the terms of land grant contracts due to delays in our developments, or as a result of factors out of our control, we may not only lose the opportunity to develop the logistics park projects on such land, but may also lose all of our past investments in the land, which would materially and adversely affect our business, financial condition and results of operations.

Land use right in China is not perpetual.

In China, land use right is granted by the government with an expiration date. The land use rights for our investment properties, including our completed logistic parks, our logistic parks under development and land held for future development, will expire from 2047 to 2065. It remains uncertain as to what will happen when the land use right expires. To the extent we are required to make substantial payment to renew these land use rights, our financial condition may be materially and adversely affected. In addition, if we are not able to renew these land use rights, we may need to obtain alternative locations, which in turn may materially and adversely affect our prospects, business, result of operations and financial condition.

Our success depends on the services of our current key personnel and our ability to hire, train and retain senior executives and other skilled employees.

The growth and success of our business has depended significantly on certain members of our senior management, in particular, Mr. Li Shifa, the chairman of the Board and president, Mr. Zhang Long, our chief investment officer and Mr. Pan Naiyue, our chief operating officer. See "Directors and Senior Management" for further details. In addition, several other members of our management have served us for many years and have played, and are expected to continue to play, key roles in making major business decisions. If we lose the services of any of our senior management for any reason, we may not be able to find suitable replacements for them in the short time. As competition in the PRC for senior management and key personnel with experience in property development is intense and the pool of qualified candidates is limited, we may not be able to retain the services of key personnel, or hire, train and retain high quality senior executives or other skilled employees in the future. In addition, if any Director or any member of our senior management team or any of our other key personnel joins a competitor or carry on a competing business, we may lose tenants and key professionals and staff members. Furthermore, as our business continues to grow, we will need to recruit and train additional qualified persons. If we are unable to successfully retain the services of our current key personnel and hire, train and retain senior executives and other skilled employees, our ability to develop and successfully market our products could be harmed and our business and prospects could be adversely affected.

We may be involved in legal and other disputes from time to time arising out of our operations and may face significant liabilities as a result.

We may from time to time be involved in disputes with various parties involved in the development and the lease of our logistics facilities, including contractors, suppliers, construction companies, business, joint venture partners and tenants. These disputes may lead to protests or legal or other proceedings and may result in damage to our reputation, substantial costs related to any delay in project development and diversion of resources and management's attention from our core business activities. Tenants of our logistics facilities may take legal action against us if we fail to perform our obligations under the lease agreements. In addition, we may have compliance issues with regulatory bodies in the course of our operations, in respect of which we may face administrative proceedings and unfavorable decisions that may result in liabilities and cause delays to our project developments. We may be involved in other proceedings or disputes in the future that may have a material and adverse effect on our business, financial condition, results of operations or cash flows.

Our current insurance coverage may not be adequate to cover all risks related to our operations.

We purchased insurance for all of our investment properties. The level of insurance coverage acquired for each of the investment properties may not be adequate to cover all losses. In particular, under the PRC laws, construction companies bear the primary civil liability for personal injuries arising out of their construction work. The owners of a property under construction may also bear liability supplementary to the liability of the construction company if the latter is not able to fully compensate the injured. The owners of the property may also bear civil liability for personal injuries, accidents and death if such personal injuries, accidents or death are caused by the fault of such owners.

We may face penalties for the non-registration of our lease agreements in China.

As of the Latest Practicable Date, 50 of our 64 leases with tenants for our logistics facilities have not been registered with the relevant local authorities in China. In addition, one of the two leases for our offices and 21 leases for registered addresses with the lessors had not been registered either. Non-registration of leases does not affect our relevant rights or entitlements to lease out the facilities to tenants, lease the properties from lessors, or the legality and effectiveness of the lease agreements between the parties to the agreements. However, pursuant to the requirements of the PRC Administration Measures of Urban Property Leases and relevant local rules, we may be subject to penalties for the non-registration of lease agreements imposed by the local authorities of up to RMB10,000 per lease and/or requests by the local authorities to complete the registration formalities. In aggregate, we may be subject to a maximum penalty of RMB720,000 for the non-registration of these leases. As of the Latest Practicable Date, we have neither been penalized for the non-registration of our lease agreements nor received a request from any government authority to complete the registration formalities.

We intend to register future lease agreements to the extent practicable. Nevertheless, we cannot assure you that we would not be subject to any penalties and/or requests for undertaking the registration formalities in the future, any of which could increase our costs.

RISKS RELATING TO OUR INDUSTRY

The PRC property market is heavily regulated and subject to frequent introduction of new regulations.

The PRC Government exerts considerable direct and indirect influence on the growth and development of the PRC property market, particularly the supply of land, through industry policies and other economic measures such as setting interest rates, controlling the supply of credit by changing bank reserve ratios and implementing lending restrictions, increasing tax and duties on property transfers and imposing foreign investment and currency exchange restrictions. We cannot assure you that the PRC Government will not implement further tightening measures to restrain the PRC property market and the supply of land at the national, provincial, municipal and/or local levels, and as a result, our prospect and expansion plan may be, and or may continue to be, adversely affected.

We face competition from other logistics facilities providers in China for land and tenants.

We face competition from other large-scale logistics facilities providers in China. We mainly compete with large-scale logistics facilities providers such as Global Logistic Properties, Goodman, Blogis and Prologis on a number of levels, among others, our ability to acquire quality land and retain quality tenant base with a variety of industry background. There is no assurance that we will be able to continue competing effectively in our industry. See "Industry Overview – Competitive Landscape" for further details.

RISKS RELATING TO DOING BUSINESS IN CHINA

Changes in PRC economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We conduct our business operations in the PRC. The PRC economy differs from the economies of most of the developed countries in many aspects, including:

- political structure;
- level of the PRC Government involvement and control;
- growth rate and level of development;
- level and control of capital investment and reinvestment;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market oriented economy. For approximately three decades, the PRC Government has implemented economic reform measures to utilize market forces in the development of the PRC economy. We cannot predict whether changes in the PRC's economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

In addition, many of the economic reforms carried out by the PRC Government are unprecedented or experimental and are expected to be refined and improved over time. This refining and adjustment process may not necessarily have a positive effect on our operations and business development. For example, the PRC Government has in the past implemented a number of measures intended to curtail certain segments of the economy, including the real estate industry, which the government believed to be overheating. These actions, as well as other actions and policies of the PRC Government, could cause a decrease in the overall level of economic activity in the PRC and, in turn, have an adverse impact on our business and financial condition.

Uncertainties with respect to the PRC legal system could have a material adverse effect on us.

Our operating subsidiaries are incorporated under the laws of the PRC. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. In 1979, the PRC Government began to promulgate a comprehensive system of laws and regulations governing economic matters in general, such as foreign investment, corporate organization and governance, commerce, taxation and trade. As substantially all of our businesses are conducted in China, our operations are principally governed by PRC laws and regulations. However, since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties, which may limit legal protections available to us. Furthermore, intellectual property rights and confidentiality protections in China may not be as effective as in the United States or other countries. In addition, we cannot predict the effect of future developments in the PRC legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the legal protections available to us and other foreign investors, including you. In addition, any litigation in China may be protracted and result in substantial costs and diversion of our resources and management attention.

Governmental control over currency conversion and fluctuations in exchange rates may affect the value of your investment and limit our ability to utilize our cash effectively.

The RMB is not currently a freely convertible currency. We receive all of our payments from tenants in RMB and will need to convert RMB into foreign currencies for the payment of possible dividends to holders of our Shares. Under the PRC's existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from SAFE or its local branches by complying with certain procedural requirements. However, the PRC Government may take measures at its discretion in the future to restrict access to foreign currencies for current account transactions if foreign currencies become scarce in the PRC. We may not be able to pay dividends in foreign currencies to our Shareholders if the PRC Government restricts access to foreign currencies for current account transactions. Foreign exchange transactions under our capital account continue to be subject to significant foreign exchange controls and require the approval of SAFE or its local branches. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

The exchange rate of the RMB against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the PRC Government and changes in PRC and international political and economic conditions. Since 1994, the conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. From 1994 to July 20, 2005, the official exchange rate for the conversion of RMB to U.S. dollars was generally stable. On July 21, 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of RMB appreciated by approximately 2% against the U.S. dollar. The PRC Government has since made, and in the future may make, further adjustments to the exchange rate system.

There remains significant international pressure on the PRC Government to adopt a more flexible currency policy, which, together with domestic policy considerations, could result in a further and more significant volatility of RMB against the U.S. dollar, the Hong Kong dollar, or other foreign currencies. For example, in August 2015, the RMB depreciated significantly against the U.S. dollar as a result of the PRC Government's action. If, however, the RMB appreciates against the U.S. dollar and the Hong Kong dollar before we convert the proceeds from the Global Offering and future foreign currency financings into RMB for our operations, such appreciation would reduce the RMB amount we would receive from the conversion. On the other hand, because the possible dividends on our Shares will be paid in Hong Kong dollars, any devaluation of RMB against the Hong Kong dollar could reduce the amount of any cash dividends on our Shares in Hong Kong dollar terms.

We may be deemed to be a PRC tax resident under the EIT Law and our PRC-sourced income may be subject to PRC withholding tax under the EIT Law.

Under the EIT Law, which came into effect on January 1, 2008, enterprises established outside China whose "*de facto* management bodies" are located in China are considered "resident enterprises" and their global income will generally be subject to the uniform 25% corporate income tax rate. Under the Implementation Rules for the EIT Law, "*de facto* management bodies" is defined as the bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. On April 22, 2009, the SAT issued the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82. Circular 82 provides certain specific criteria for determining whether the "*de facto* management body" of a Chinese-controlled offshore-incorporated enterprise is located in China. In addition, on August 3, 2011, the SAT issued Administrative Measures on Income Taxes of Resident Enterprises Incorporated outside Mainland China and Are Controlled by Chinese Enterprises (Trial Implementation) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》), or the Resident Enterprise Administrative Measures, which became effective as of September 1, 2011. The Resident Enterprise Administrative Measures provide clarification for resident status determination, post-determination administration, as well as competent tax authorities. However, Circular 82 and the Resident Enterprise Administrative Measures apply only to offshore enterprises controlled by PRC enterprises, not those invested in or controlled by PRC individuals, like our company. Currently there are no further detailed rules or precedents applicable to us regarding the procedures and specific criteria for determining "*de facto* management body" for the company of our type. We do not believe we are a resident enterprise defined and regulated by the aforesaid regulation, as none of our shareholders is a PRC company or PRC corporate group. However, it remains unclear how PRC tax authorities will determine the tax residency status of companies like us. If the PRC authorities were to subsequently determine, or any future regulation provides, that we should be treated as a PRC resident enterprise, we would be subject to a 25% corporate income tax on our global income, which will significantly increase our tax burden and could materially and adversely affect our financial condition and results of operations.

We rely principally on dividends paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business.

We conduct all of our business through our various subsidiaries incorporated in China. We rely on dividends paid by these subsidiaries for our cash needs, including the funds necessary to pay any dividends and other cash distributions to our shareholders, to service any debt we may incur and to pay our operating expenses. The ability of these subsidiaries to pay dividends is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in their articles of association, applicable laws and restrictions contained in the debt instruments or other agreements of these subsidiaries. Currently, eight of our PRC subsidiaries, namely, Shanghai Yupei, Beijing Linhaitan Trading, Shenyang Yupei Warehousing, Changchun Yupei Warehousing, Zhengzhou Yupei Warehousing, Suzhou Yupei Warehousing, Tianjin Yupei Warehousing and Suzhou Yuzhen Warehousing are restricted from making distributions to us and their respective shareholders under certain of their loan agreements. Under such loan agreements, these subsidiaries are not allowed to pay any dividends in any forms before the principal of the debts and interest accrued thereon and other pertinent expenses are fully paid.

Regulations in China currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China. Each of our PRC subsidiaries is also required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves or statutory capital reserve fund until the aggregate amount of such reserves reaches 50% of its respective registered capital. Our statutory reserves are not distributable as loans, advances or cash dividends. We anticipate that in the foreseeable future our PRC subsidiaries will need to continue to set aside 10% of their respective after-tax profits to their statutory reserves. In addition, if any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Any limitations on the ability of our PRC subsidiaries to transfer funds to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

In addition, under the EIT Law, the Notice of the SAT on Negotiated Reduction of Dividends and Interest Rates, or Notice 112, which was issued on January 29, 2008, the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion, or the Double Taxation Arrangement (Hong Kong), which became effective on December 8, 2006, and the Notice of the SAFE Regarding Interpretation and

Recognition of Beneficial Owners under Tax Treaties, or Notice 601, which became effective on October 27, 2009, dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiary may be subject to a withholding tax at a rate of 10%, or at a rate of 5% if our Hong Kong subsidiary holding at least 25% equity interests of our PRC subsidiaries is considered as a "beneficial owners" that is generally engaged in substantial business activities and entitled to treaty benefits under the Double Taxation Arrangement (Hong Kong). Furthermore, the ultimate tax rate will be determined by treaty between the PRC and the tax residence of the holder of the PRC subsidiary. We are actively monitoring the withholding tax and are evaluating appropriate organizational changes to minimize the corresponding tax impact.

The M&A Rules establishes more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The M&A Rules and other regulations and rules regulating mergers and acquisitions established procedures and requirements that could make merger and acquisition activities by foreign investors time consuming and complex. For example, the M&A Rules requires that MOFCOM should be notified in advance of any transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is involved, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, the Anti-Monopoly Law (《反壟斷法》), which was promulgated by the Standing Committee of the National People's Congress on August 30, 2007 and became effective as of August 1, 2008, as well as Provisions of the State Council on the Standard for Declaration of Concentration of Business Operators (《國務院關於經營者集中申報標準的規定》), which was promulgated by the State Council and became effective as of August 3, 2008, requires that transactions, which are deemed concentrations and involve parties with specified turnover thresholds (i.e., during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeds RMB10 billion and at least two of these operators each had a turnover of more than RMB400 million within China, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB2 billion, and at least two of these operators each had a turnover of more than RMB400 million within China) should be notified and cleared by MOFCOM before the transactions can be completed. In addition, on February 3, 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於建立外國投資者併購境內企業安全審查制度的通知》), or Circular No. 6, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Under Circular No. 6, a security review is required for the mergers and acquisitions by foreign investors, which raise "national defense and security" concerns, and the mergers and acquisitions, by which foreign investors may acquire the "*de facto control*" of domestic enterprises and raise "national security" concerns. In August 2011, for the purpose of implementing Circular No. 6, MOFCOM promulgated the Rules on Implementation of Security Review System (《商務部實施外國投資者併購境內企業安全審查制度的規定》), ("**MOFCOM Security Review Rules**"), to replace the Interim Provisions of the MOFCOM on Matters Relating to the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors

(《商務部實施外國投資者併購境內企業安全審查制度有關事項的暫行規定》), which was promulgated by MOFCOM and became effective since March 2011 and expired by the end of August 2011. The MOFCOM Security Review Rules, which became effective on September 1, 2011, explicitly provides that MOFCOM will look into the substance and actual impact of the transaction and further prohibit foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the abovementioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns.

In addition, the MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and the liquidity, market price and trading volume of our Shares may be volatile.

Prior to the Global Offering, there was no public market for our Shares. The initial issue price range for our Shares will be the result of negotiations among us and the Joint Representatives on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for the listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop or, if it does, that it will sustain or that the market price of our Shares will not decline significantly following the Global Offering. Furthermore, the liquidity, the price and trading volume of our Shares may be volatile, which may be subject to a number of factors, including but not limited to:

- actual or anticipated fluctuations in our results of operations;
- restrictive regulations or limitations imposed on our industry by relevant authorities;
- recruitments or losses of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimates or recommendations by securities analysts;

- actual or potential litigation or regulatory investigations; and
- general economic and market conditions or other developments affecting us and our industry.

In addition, the stock prices of listed companies in the real estate industry have experienced wide fluctuations. Such market fluctuations may also adversely affect the market price of our Shares. Moreover, stock markets and the shares of other China-based companies listed on the Stock Exchange have from time to time experienced significant price and volume fluctuations that are not related or disproportionate to the operating performance of such companies. These broad market fluctuations may also materially and adversely affect the market price of our Shares.

Since there will be a gap of several days between pricing and trading of our Offer Shares, the price of our Offer Shares could fall below the Offer Price when the trading commences.

The Offer Price of our Shares is expected to be determined on the Price Determination Date. However, our Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be the sixth Hong Kong business day after the pricing date. As a result, investors may not be able to sell or deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall below the Offer Price when the trading commences as a result of adverse market conditions or other adverse developments, that could occur between the time of sale and the time trading begins.

Investors will experience immediate dilution to our attributable net tangible assets book value as the Offer Price of our Shares is higher than our net tangible assets book value per Share.

The Offer Price of the Shares is higher than the net tangible assets book value per Share issued to existing holders of our Shares. Therefore, you and other purchasers of the Shares in the Global Offering will experience an immediate dilution in pro forma net tangible assets book value and existing holders of our Shares will receive an increase in net tangible assets book value per share of their Shares. In addition, if we issue additional Shares or equity-linked securities in the future, you and other purchasers of our Shares may experience further dilution in the net tangible assets book value per Share if we issue additional Shares at a price lower than the net tangible assets book value per Share at the time of their issuance.

There can be no assurance if and when we will pay dividends in the future.

Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to shareholders' approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows and financial condition, operating and capital expenditure requirements, distributable profits as determined under IFRSs, our Articles of Association, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation, and any other factors determined by our Board of Directors from time to time to be relevant to the declaration or suspension of dividend payments. No dividend has been declared by the Company in respect of any period subsequent to December 31, 2015. Currently, we do not have any specific dividend payout policy in place. There can be no assurance whether, when and in what form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy. See "Financial Information – Dividend Policy" for more details of our dividend policy.

Future sales or a major divestment of Shares in the public market could adversely affect the prevailing market price of our Shares.

The future sale of a significant number of our Shares or other securities relating to our Shares in the public market after the Global Offering, or the possibility of such sales, could adversely affect the market price of our Shares and could materially impair our future ability to raise capital through offerings of our Shares. Although our Controlling Shareholders and Pre-IPO Investors have agreed to a lock-up of their Shares, any major disposal of our Shares by any of our Controlling Shareholders or Pre-IPO Investors upon expiration of the relevant lock-up periods (or the perception that these disposals may occur) may cause the prevailing market price of our Shares to fall which could negatively impact our ability to raise equity capital in the future.

Our Controlling Shareholders may exert substantial influence over our operation and may not act in the best interests of our independent Shareholders.

Immediately upon completion of the Global Offering, our Controlling Shareholders will together own approximately 26.55% of our issued share capital, assuming that the Global Offering is conducted at mid-point of the Offer Price range, the Over-allotment Option is not exercised and without taking into account of the Shares which may be issued upon the exercise of the options which were granted under the Pre-IPO Share Option Scheme. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of Directors and the approval of significant corporate transactions. They will also have veto power with respect to any shareholder action or approval requiring a majority vote except where they are required by relevant rules to abstain from voting. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of our Group that would otherwise benefit our Shareholders. The interests of the Controlling Shareholders may not always coincide with our Company or your best interests. If the interests of the Controlling Shareholders conflict with the interests of our Company or our other Shareholders, or if the Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of our Company or other Shareholders, our Company or those other Shareholders, including you, may be disadvantaged as a result.

You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in China or Hong Kong based on foreign laws against us and our Directors and senior management.

We are a Cayman Islands company and our corporate affairs are governed by the Cayman Companies Law and other laws of the Cayman Islands. The laws of Cayman Islands relating to the protection of the interest of minority shareholders differ from those under statutes and judicial precedent in existence in Hong Kong and other jurisdictions. Therefore, remedies available to the minority shareholders of our Company may be less effective than those they would have under the laws of Hong Kong or other jurisdictions. See "Appendix IV – Summary of the Constitution of our Company and Cayman Islands Company Law" for further details.

We are organized under the laws of the Cayman Islands. As a result, a shareholder may not be able to enforce a judgment against us or some or all of the Directors and executive officers outside the Cayman Islands. It may not be possible for a shareholder to effect service of process upon the Directors and executive officers within the shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a shareholder will be able to enforce any judgments in civil and commercial matters against the Directors or executive officers who are residents of countries other than those in which judgment is made.

All of our executive Directors and executive officers reside within mainland China, and substantially all of the assets of those persons and substantially all of our assets are located within mainland China. Therefore, it may be difficult for investors to effect service of process upon us or those persons inside mainland China or to enforce against us or them in mainland China any judgments obtained from non-PRC courts.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy and the PRC real estate industry contained in this prospectus.

Facts, forecasts and other statistics in this prospectus relating to China, the PRC economy and the PRC real estate industry have been derived from the DTZ C&W Report. However, we cannot guarantee the quality or reliability of such materials. They have not been prepared or independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside China. We have, however, taken reasonable care in the reproduction and/or extraction of the official government publications for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts, forecasts and statistics in this prospectus may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to China, the PRC economy and the PRC real estate industry contained in this prospectus.