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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES

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### **Waivers from Strict Compliance with Rule 14A of the Listing Rules**

Members of the Group have entered into and are expected to enter into certain transactions, which would constitute non-exempted continuing connected transactions of the Company under the Listing Rules after Listing. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with the shareholders' approval and/or reporting and announcement requirements, set out in Chapter 14A of the Listing Rules for such non-exempted continuing connected transactions. Details of such waivers are contained in the section entitled "Connected Transactions" in this Prospectus.

### **Waiver from Strict Compliance with Rule 8.12 of the Listing Rules**

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our Executive Directors must be ordinarily resident in Hong Kong.

Currently, the business and operations of the Group are primarily located, managed and conducted in the PRC. Therefore, for the purpose of the Group's operations, the Directors consider that it is not necessary for the Group to appoint a Director who is ordinarily resident in Hong Kong.

The Board of the Company consists of a total of thirteen directors, including three Executive Directors, three Non-executive Directors and seven Independent Non-executive Directors. The three Executive Directors are Mr. Zhang Mi, Mr. Ren Jie and Mr. Zhang Xu. All three Executive Directors are ordinarily resident in the PRC. To manage the operations of the Group, which are mainly in the PRC, the appointment of two additional Executive Directors who are resident in Hong Kong would not only increase administrative expenses, but would also reduce the effectiveness of the Board's management role, especially when business decisions are required to be made within a short period of time.

Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules.

In order to maintain effective communication with the Stock Exchange, we have put in place the following measures.

- (1) We have appointed two authorized representatives, pursuant to Rule 3.05 of the Listing Rules, who will act as one of our principal channels of communication with the Stock Exchange and ensure that the Company will comply with the Listing Rules at all times. The two authorized representatives are Mr. Zhang Mi, an Executive Director, and Ms. Leung Wai Han Corinna, the Joint Company Secretary of the Company. Ms. Leung is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time, upon the request of the Stock Exchange, and will be available by telephone and facsimile. Each of the two authorized representatives is authorized to communicate on our behalf with the Stock Exchange.
- (2) The two authorized representatives have the means to contact all members of the Board (including the Independent Non-executive Directors), promptly as and when the Stock Exchange wishes to contact the Directors for any matters. To facilitate communication between the Stock Exchange, the authorized representatives and the Directors, we will implement a policy that (a) each Executive Director, Non-executive Director and Independent Non-executive Director must provide their mobile phone numbers, residential phone numbers and fax numbers to the authorized representatives; (b) in the event that an Executive Director, Non-executive Director or Independent Non-executive Director expects to travel and or otherwise be out of office, he will provide the phone number of the place of his accommodation to the authorized representatives; and (c) all the Executive Directors, Non-executive Directors and Independent Non-executive Directors will provide their mobile phone numbers, residential phone numbers, office phone numbers and fax numbers to the Stock Exchange.

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- (3) Each of the members of the Board has confirmed to us that each of them possesses valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and meet with Stock Exchange officials upon reasonable notice.
- (4) We have appointed CCB International Capital Limited, as our Compliance Adviser, to act as our alternative channel of communication with the Stock Exchange, for the period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date.
- (5) We will ensure that during the engagement period, the Compliance Adviser has access to our authorized representatives, the Directors and other senior officers, who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties.
- (6) During the engagement period, in the case of resignation by, or termination of, the Compliance Adviser, the Company will appoint a replacement Compliance Adviser within three months of the effective date of the resignation or termination, pursuant to Rule 3A.27 of the Listing Rules.

### **Waiver from Strict Compliance with Rule 8.17 of the Listing Rules**

Pursuant to Rule 8.17 of the Listing Rules, our secretary must be ordinarily resident in Hong Kong, who has the requisite knowledge and experience to discharge the functions of secretary of our Company, and who (a) is an Ordinary Member of The Hong Kong Institute of Chartered Secretaries, a solicitor or a barrister, as defined in the Legal Practitioners Ordinance, or a professional accountant; or (b) is, by virtue of his academic or professional qualifications or relevant experience, in the opinion of the Stock Exchange, capable of discharging those functions.

We have appointed Dr. Liu Gangqiang ("Dr. Liu"), and Ms. Leung Wai Han Corinna ("Ms. Leung"), as Joint Company Secretaries of our Company. Since Dr. Liu does not, and is not expected to, reside in Hong Kong in the foreseeable future, and he does not possess the formal qualifications normally required under Rule 8.17(2) of the Listing Rules, we have applied to the Stock Exchange for a waiver from strict compliance with Rule 8.17 of the Listing Rules.

Ms. Leung is a senior manager of the Corporate Services Department of Tricor Services Limited. She is an associate of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. She provides corporate services to both companies that are listed on the Main Board, Growth Enterprise Market of the Stock Exchange and private companies.

We have appointed Ms. Leung, who meets the requirements of Rule 8.17, to act as our Joint Company Secretary, to assist Dr. Liu in acquiring the necessary experience (as required by Rule 8.17(3) of the Listing Rules) to discharge his duties as Joint Company Secretary of our Company. Dr. Liu is expected to work closely with Ms. Leung in any communications with the Stock Exchange. Ms. Leung has been nominated by Tricor to be the Joint Company Secretary of the Company. Ms. Leung will provide company secretarial services to the Company on an ongoing basis, subject to her resignation or the termination of the agreement for company secretarial services, between the Company and Tricor. It is expected that she will assist Dr. Liu for a three-year period from the Listing Date.

The waiver from strict compliance with Rule 8.17 was granted for a period of three-years from the Listing Date. At the end of such three-year period, an evaluation of the qualifications and experience of Dr. Liu will be made, to determine whether the appointment of Dr. Liu as the Joint Company Secretary of the Company will satisfy the requirements of Rule 8.17.

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### **Waivers from Strict Compliance with Rule 4.04(1) of the Listing Rules and Paragraph 27 and Paragraph 31 of the Third Schedule to the Companies Ordinance**

In strict compliance with the requirements contained in (i) Rule 4.04(1) of the Listing Rules (“Rule 4.04(1)”); and (ii) paragraph 27 (“Paragraph 27”) and paragraph 31 (“Paragraph 31”) of the Third Schedule of the Companies Ordinance, the Company is required to produce full year audited accounts for the year 2007. The Company has applied to the SFC and the Stock Exchange for waivers from strict compliance with the requirements contained in (i) Rule 4.04(1) and (ii) Paragraph 27 and Paragraph 31 of the Third Schedule of the Companies Ordinance on the grounds that strict compliance with the requirements contained in (i) Rule 4.04(1) and (ii) Paragraph 27 and Paragraph 31 of the Third Schedule of the Companies Ordinance would be unduly burdensome for the Company in that there would not have been sufficient time for the Company to produce and the Reporting Accountants to audit the financial statements for the year ended December 31, 2007 prior to the Global Offering. A certificate of exemption from strict compliance with the requirements under Paragraph 27 and Paragraph 31 of the Third Schedule to the Companies Ordinance has been granted by the SFC to the Company under section 342A of the Companies Ordinance. The Stock Exchange has also granted its waiver to the Company from strict compliance with Rule 4.04(1) of the Listing Rules.

The Directors consider that all information reasonably necessary for the potential investors to make an informed assessment of the Group’s activities and financial position has been included in this Prospectus.

The Directors confirm that they have performed sufficient due diligence on the Group to ensure that as at the date of this Prospectus, there has been no material adverse change in the financial or trading position of the Group since August 31, 2007 and there has been no event since August 31, 2007 which would materially affect the information shown in the accountants’ report of the Group set out in Appendix I to this Prospectus. The Directors have further confirmed that the Reporting Accountants have disclosed all material events which have arisen since August 31, 2007 under the subsequent events note of the Accountants’ Report as set out in Appendix I to this Prospectus.