

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER AND CONNECTED TRANSACTIONS

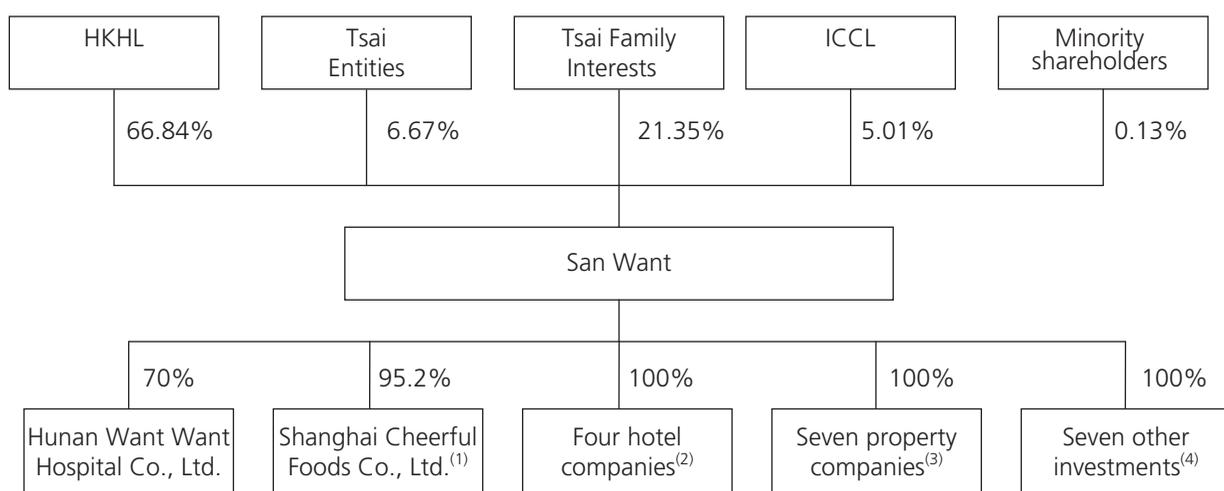
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER

Following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Tsai will be our controlling shareholder indirectly and beneficially interested in approximately 50.93% of our issued share capital.

Pursuant to our Reorganization, we transferred to San Want all of our shareholdings and interests in those of our subsidiaries and business engaged in our Non-core Operations. For details of our Reorganization, please refer to the section headed “Our History and Reorganization” in this prospectus.

Mr. Tsai is also the controlling shareholder of San Want, indirectly interested in approximately 66.84% of the issued share capital of San Want as at the date of this prospectus.

Please see below the shareholding structure of San Want as at the date of this prospectus:



Notes:

- (1) Shanghai Cheerful Foods Co., Ltd is engaged in the manufacturing of fresh baked foods, which is different from the manufacturing of packed food and beverages business of our Group, it will not form part of our Group following the reorganization and it does not compete with the business of our Group.
- (2) The four hotel companies are Nanjing Sun-Want Hotel Co., Ltd., Huaian Sun-Want Hotel Co., Ltd., Xining Sun-Want Hotel Co., Ltd., and Shanghai Sun-Want Hotel Co., Ltd. (formerly known as Shanghai Qianhe Hotel Ltd.). Each of these four hotel companies is 100% wholly-owned by San Want.
- (3) The seven real estate or property companies are Nanjing Want Want Real Estate Co., Ltd., Lianyungang Want Want Real Estate Co., Ltd., Xuzhou Want Want Real Estate Co., Ltd., Huaian Want Want Real Estate Co., Ltd., Luohe Want Want Real Estate Co., Ltd., Anqing Want Want Real Estate Co., Ltd., and Shanghai Sun-Want Property Ltd. Each of these seven real estate or property companies is 100% wholly-owned by San Want.
- (4) The seven other companies are Nanjing Ming-Want Dairy Ltd., Nanjing Ming-Want Agricultural Eco Park Ltd., Shanghai Family-Want Foods Ltd., Ningbo Want Want Plant Biotechnology Co., Ltd., Scione International Management Consulting Co., Ltd., Want Want (China) Investment Co., Ltd., and Shanghai Fore-Want Foods Ltd. Each of these seven other companies is 100% wholly owned by San Want. None of these companies are currently engaged nor will they engage in any food-related business except Shanghai Family-Want Foods Ltd., which is engaged in manufacturing and sale of fresh fast food, including burgers, sandwiches and tea beverages, which is different from the manufacturing of packaged food and beverages business of our Group. Shanghai Family-Want Foods Ltd. will not form part of our Group following the reorganization and does not compete with the business of our Group.

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Certain of our Directors and members of our senior management hold positions in San Want or its subsidiaries, as follows:

- our Chairman and Chief Executive Officer and executive Director, Mr. Tsai, is also the chairman of San Want;
- our executive Director, Mr. Tsai Shao-Chung, is also director of a number of subsidiaries of San Want, however he does not have any management role in such companies;
- our executive Director, Mr. Liao Ching-Tsun, is also a director of Hunan Want Want Hospital Co., Ltd.;
- our non-executive Director, Mr. Lin Feng-I, is also the general manager of San Want and director of a number of subsidiaries of San Want; and
- our non-executive Director, Mr. Cheng Wen-Hsien, is also the chief executive officer of Hunan Want Want Hospital Co., Ltd.

None of the businesses of San Want compete with our business. In particular, we are engaged in the Core Operations relating to the packaged foods and beverages business, whereas San Want operates the Non-core Operations, including hotels, hospital, real estate and other investments not being packaged foods and beverages, including the manufacturing and sale of fresh or fast food. In addition, we have entered into only de minimis connected transactions with San Want, which are not material to our business or operations as a whole. Accordingly, we do not consider that there is any scope for conflicts of interest for those of our directors who also hold positions in San Want.

Our articles of association provide that where one of our Directors is also a director of one of our connected persons or is otherwise interested in a transaction, such Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution relating to any transactions between the Company and such connected person or any transaction in which such Director has an interest, and such Director will absent themselves from board meetings when such matters are discussed unless expressly requested to attend by a majority of the independent non-executive Directors.

Non-competition undertaking

Mr. Tsai, HKHL and San Want have entered into a deed of non-competition dated February 4, 2008 in favour of our Company, pursuant to which each of them has undertaken to our Company that he/it will not, and will procure that his/its associates (except any members of our Group) will not, during the restricted period set out below, directly or indirectly, either on his/its own account or in conjunction with or on behalf of any person, firm or company, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise) any business which is or may be in competition with our business, or the Restricted Business, being the manufacture, distribution and sale of pre-packaged foods and beverages. Such non-competition undertaking does not apply to the following:

- (a) having any interests in the shares of any member of our Group; or

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- (b) having interests in the shares of a company which shares are listed on a recognized stock exchange provided that:
 - (i) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated sales or consolidated assets, as shown in that company's latest audited accounts; and
 - (ii) the total number of the shares held by any of Mr. Tsai, HKHL or San Want and/or their respective associates in aggregate does not exceed 5% of the issued shares of that class of the company in question and Mr. Tsai, HKHL or San Want and/or their respective associates are not entitled to appoint a majority of the directors of that company.

The "restricted period" stated in the non-competition deed refers to the period during which (i) the shares of our Company remain listed on the Hong Kong Stock Exchange; and (ii) Mr. Tsai, HKHL or San Want and/or their respective associates, individually or jointly, are entitled to exercise or control the exercise of not less than 30% of the voting power at general meetings of our Company, or Mr. Tsai remains as a director of any member of our Group.

None of Mr. Tsai, HKHL or any of our Directors has any interest in a business apart from our business which competes or is likely to compete, either directly or indirectly, with our business.

CONNECTED TRANSACTIONS

Following our reorganization, we entered into a number of agreements with San Want to document the basis on which our reorganization was to be effected and to regulate the continuing business relationship between us and San Want.

San Want is controlled by Mr. Tsai. For so long as Mr. Tsai remains our substantial shareholder, transactions between our Group and San Want will constitute connected transactions for us under the Listing Rules.

In the opinion of the Directors, each of the connected transactions were conducted on normal commercial terms and in the ordinary and usual course of the business of our Group.

EXEMPT CONTINUING CONNECTED TRANSACTIONS WITH SAN WANT

A number of the continuing connected transactions between us and San Want are exempt continuing connected transactions under Chapter 14A of the Listing Rules.

Product Sale to San Want

We sell to certain subsidiaries of San Want food and beverage products produced by us at market prices. For each of the three years ended December 31, 2006 and the nine months ended September 30, 2007, the aggregate amount of sales was RMB0.09 million, RMB0.41 million, RMB0.32 million and RMB0.69 million respectively. Our Directors are of the view that these transactions are carried out on normal commercial terms and at market prices.

The aggregate amount of sales for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.70 million, RMB0.80 million and RMB1.00 million, respectively. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules, as they fall within the de minimis threshold under Rule 14A.33 of the Listing Rules.

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Product Purchase from San Want

We purchase fresh baked goods from Shanghai Cheerful Foods Co., Ltd., a subsidiary of San Want, at market prices to give to our employees as gifts. For each of the three years ended December 31, 2006 and the nine months ended September 30, 2007, the aggregate amount of purchases was RMB0.08 million, RMB0.07 million, RMB0.23 million and RMB0.43 million respectively. Beginning in the second half of 2008, we also expect to commence purchasing electrolytic water and equipment to produce electrolytic water from subsidiaries of San Want. The electrolytic water will be used for the cleaning and sanitizing of certain manufacturing equipment and manufacturing environment. Our Directors are of the view that these transactions are carried out on normal commercial terms.

The amount of purchases of fresh baked goods from Shanghai Cheerful Foods Co., Ltd. for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.62 million, RMB1.0 million and RMB1.0 million, respectively. The amount of purchases of electrolytic water and equipment to produce electrolytic water for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed nil, RMB1.5 million and RMB2.5 million, respectively. Accordingly, the aggregate amount of purchases for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.62 million, RMB2.50 million and RMB3.50 million, respectively. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules, as they fall within the de minimis threshold under Rule 14A.33 of the Listing Rules.

Medical Services

We have entered into a medical services agreement with San Want dated November 20, 2007, pursuant to which Hunan Want Want Hospital Co., Ltd., a subsidiary of San Want, has agreed to provide medical services to our employees at market prices. The medical service agreement is for a term valid from January 1, 2008 and ending on December 31, 2009.

The aggregate amount of medical services for the two years ending December 31, 2009 is estimated based on the published price of medical services provided by Hunan Want Want Hospital Co., Ltd. to the general public. Hunan Want Want Hospital Co., Ltd. has been providing medical services to the public for two years. We plan to start an employee annual health check program for certain employees starting from January 1, 2008. It is estimated that there will be approximately 1,000 employees participating in the program each year and the annual cost per person is estimated to be RMB5,000. Accordingly, the aggregate estimated amount for each of the two years ending December 31, 2008 and 2009 is RMB5 million and RMB5 million. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules, as they fall within the de minimis threshold under Rule 14A.33 of the Listing Rules.

Hotel Services provided by San Want

We have been using and will continue to make use of hotel services provided by hotels owned by subsidiaries of San Want, at market prices. For each of the three years ended December 31, 2006 and the nine months ended September 30, 2007, the aggregate amount of charges was nil, RMB0.89 million, RMB1.38 million and RMB0.22 million. Our Directors are of the view that the transactions are carried out on normal commercial terms.

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Our use of hotel services provided by subsidiaries of San Want constitutes the acquisition as a consumer in the ordinary and usual course of business of consumer services from a connected person on normal commercial terms in compliance with the conditions of Listing Rule 14A.31(7) on the following bases: (i) the hotel services provided by subsidiaries of San Want to our employees are of a type ordinarily supplied for private consumption; (ii) the hotel services are for our employees' own consumption, and are used in the same state as when they were acquired; (iii) the aggregate amount of hotel charges during each year has been and is expected to be less than 1% of the our total revenue for the same year; and (iv) the hotel services provided to us by San Want are at market prices and on normal commercial terms no less favorable to us than to those available from independent third parties. Accordingly, such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

Supply of Electricity and Water

We have been sharing electricity and water supply with Nanjing Sun-Want Hotel Co., Ltd., a subsidiary of San Want and collecting payment from Nanjing Sun-Want Hotel at market prices starting from 2006. Nanjing Sun-Want Hotel pays us for the portion of electricity and water consumed by them at the prevailing market price, and we pass this amount together with our own payment for the portion of electricity and water consumed by us to the respective electricity and water suppliers accordingly. We do not make any profit from sharing electricity and water with Nanjing Sun-Want Hotel Co., Ltd. or from collecting payment and paying for electricity and water consumed by Nanjing Sun-Want Hotel Co., Ltd. For the year ended December 31, 2006 and the nine months ended September 30, 2007, the aggregate amount paid by Nanjing Sun-Want Hotel is RMB0.14 million and RMB0.36 million, respectively. Our Directors are of the view that the transactions are carried out on normal commercial terms.

The aggregate amount in respect of such electricity and water supply for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.47 million, RMB0.50 million and RMB0.50 million, respectively. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as they fall within the de minimis threshold under Rule 14A.33 of the Listing Rules.

EXEMPT CONTINUING CONNECTED TRANSACTIONS WITH OTHER CONNECTED PERSONS

We have been engaging in a number of other transactions with certain companies which are associates (as such term is defined in the Listing Rules) of Mr. Tsai, our controlling shareholder. Such transactions include trademark license, sale of food and beverage products and provision of management consulting services, insurance services and hotel services.

Trademark License

We have entered into a trademark licensing agreement with Bu Lan Da Co. Ltd. (布蘭達股份有限公司), or Bu Lan Da, an associate of Mr. Tsai, dated November 20, 2007 pursuant to which Bu Lan Da has granted us a non-exclusive right to use certain trademarks at nil consideration. The trademark licensing agreement is for a term valid from January 1, 2008 to December 31, 2009. Those trademarks licensed to us by Bu Lan Da which may be material in relation to our business are set out in "Appendix VI - Statutory and General Information - B. Further Information About Our Business - 2. Intellectual Property Rights - A. Trademarks - (h)". These trademarks are not currently being used by the Group, and the Group does not anticipate using such trademarks in its business operations in the near future. However, given that such trademarks may relate to our Core Operations, we have entered into the trademark licensing agreement to give us the flexibility to use these trademarks if desired. In addition, we

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have begun the process of transferring all such trademarks from Bu Lan Da to us, and we expect to complete the transfer of such trademarks by March 2009.

As the license is granted at nil consideration, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules, as they fall within the de minimis threshold under Rule 14A.33 of the Listing Rules.

Product Sale

We sell food and beverage products produced by us at market prices to San Want Hotel Co., Ltd., an associate of Mr. Tsai engaged in the hotel, restaurant and food and beverage retailing businesses. For each of the three years ended December 31, 2004, 2005 and 2006 and the nine months ended September 30, 2007, the aggregate amount of sales was RMB0.14 million, RMB0.21 million, RMB0.22 million and RMB0.18 million, respectively. Our Directors are of the view that these transactions are carried out on normal commercial terms and at market prices.

The aggregate amount of sales for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.31 million, RMB0.38 million and RMB0.45 million, respectively. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as they fall within the de minimis threshold under Rule 14A.33 of the Listing Rules.

Management Consulting Services

Three of our employees have been working on secondment for Shanghai Sun-Want Hotel Co. Ltd., an associate of Mr. Tsai, because Shanghai Sun-Want Hotel Co. Ltd. is in need of the professional expertise of these three employees. Shanghai Sun-Want Hotel Co. Ltd. pays for the services of these employees on a monthly basis through us. Accordingly, we pay to the employees the same amount of management consulting service fees that we collect from Shanghai Sun-Want Hotel Co. Ltd. each month, and neither we nor Shanghai Sun-Want Hotel Co. Ltd. makes any profit from the arrangement.

For each of the three years ended December 31, 2004, 2005 and 2006 and the nine months ended September 30, 2007, the aggregate amount of management consulting service fees was RMB0.59 million, RMB0.62 million, RMB0.58 million and RMB0.40 million, respectively. Our Directors are of the view that these transactions are carried out in the ordinary course of business and on normal commercial terms, and the fees paid to these employees are proportionate to their management consulting services provided to us.

The aggregate amount of management consulting service fees for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.61 million, RMB0.64 million and RMB0.67 million, respectively. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules.

Insurance Services

We have purchased asset and inventory fire insurance from Union Insurance Company, an associate company of Mr. Tsai, at market prices since July 2007. The term of the insurance

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policies is normally one year. For the nine months ended September 30, 2007, the aggregate amount of insurance fees was RMB0.32 million. Our Directors are of the view that these transactions are carried out on normal commercial terms and at market prices.

The aggregate amount of insurance fees for each of the three years ending December 31, 2007, 2008 and 2009 is estimated not to exceed RMB0.39 million, RMB0.79 million and RMB0.87 million, respectively. The increase of the estimated amount of insurance fees is because we plan to purchase additional insurance items in the coming years. Based on the projected performance, total assets and market capitalization of our Group, each of the applicable percentage ratios on an annual basis falls below 0.1%, and therefore such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules as it falls within the de minimis threshold under Rule 14A.33 of the Listing Rules.

Hotel Services

We have been using and will continue to make use of hotel services provided by hotels owned by associate companies at market prices. For each of the three years ended December 31, 2004, 2005 and 2006 and the nine months ended September 30, 2007, the aggregate amount of charges was RMB0.82 million, RMB0.67 million, RMB0.88 million and RMB0.73 million, respectively. Our Directors are of the view that the transactions are carried out on normal commercial terms.

Our use of hotel services provided by the associate companies constitutes the acquisition as a consumer in the ordinary and usual course of business of consumer services from associates of a connected person on normal commercial terms in compliance with the conditions of Listing Rule 14A.31(7) because: (i) the hotel services provided by San Want to our employees are of a type ordinarily supplied for private consumption; (ii) the hotel services are for our employees' own consumption, and are used in the same state as when they were acquired; (iii) the aggregate amount of hotel charges during each year has been and is expected to be less than 1% of the our total revenue for the same year; and (iv) the hotel services provided to us by San Want are at market prices and on normal commercial terms no less favorable to us than to those available from independent third parties. Accordingly, such transactions will be exempt from the reporting, announcement and independent shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Framework Property Lease Agreement

In the ordinary course of business, we have entered into a Framework Property Lease Agreement with San Want dated November 20, 2007. Under the Framework Property Lease Agreement, San Want will lease certain properties with a total area of approximately 20,000 square meters to us. The properties leased under the Framework Property Lease Agreement will be used as our offices in Shanghai. The term of each lease granted under the framework property lease agreement is valid from January 1, 2008 to December 31, 2009.

Under the Framework Property Lease Agreement, we also have a right to terminate the lease term of any premises at any time prior to its expiry at our discretion. As such, we enjoy the flexibility to relocate to another site or premise at any time should we consider any property leased under the Framework Property Lease Agreement no longer suitable for our use or no longer cost-competitive.

There was no historical amount in respect of property lease because the properties to be leased to us by San Want were owned by our Group prior to our reorganization, and therefore no

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historical rental payment was incurred. After our reorganization, the lease of properties by San Want to us started from January 1, 2008.

The maximum aggregate rental payable to San Want for the next three years shall not exceed the annual caps set out below:

| | Proposed Annual Cap for the year ending December 31 | | |
|--|--|-------------|-------------|
| | 2007 | 2008 | 2009 |
| | (RMB million) | | |
| Total rental payable (including utility charges) | Nil | 17.70 | 17.70 |

In arriving at the above annual caps, our Directors have considered the current rentals of three other properties in the same area as the properties leased to us by San Want, the expected increase or decrease of the rental rates in the areas in which we lease properties from San Want, and the location of the properties which may affect the rental rates. The above annual caps are based on an estimated rental price per square meter that is approximately at the middle point between the highest end and the lowest end of the current rental prices of the three comparable properties.

The Framework Property Lease Agreement is renewable at the option of our Company. The renewal of the term of the Framework Property Lease Agreement shall comply with the rules applicable to connected transactions under the Listing Rules.

The Framework Property Lease Agreement is entered into on normal commercial terms. The rent payable under the Framework Property Lease Agreement is to be reviewed every three years, taking into account market conditions but should not be higher than the rent applicable to a third-party tenant at the relevant time.

CB Richard Ellis Limited, the independent property valuer to the Company, has reviewed the aggregate rental payable pursuant to the Framework Property Lease Agreement and confirms that the rental payments to be made by us to San Want contemplated therein are consistent with the respective market rates of the relevant regions, and the terms of each lease contemplated under the Framework Property Lease Agreement, including the duration of each lease, are on normal commercial terms.

The Framework Property Lease Agreement constitutes a continuing connected transaction subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Sale of goods to Four Seas Mercantile Limited

Four Seas Mercantile Limited, or Four Seas, is a substantial shareholder of our subsidiary, Want-Want Four Seas Co., Ltd. As a result, Four Seas is our connected person under the Listing Rules. Four Seas is a company involved in food material supply, food manufacturing, food trading and distribution, cafes and restaurants and investment holdings. Four Seas acts as a sales agent for certain of our products, pursuant to which we sell food and beverage products produced by us to Four Seas at wholesale market prices on normal commercial terms. For each of the three years ended December 31, 2004, 2005 and 2006 and the nine months ended September 30, 2007, the aggregate amount of sales to Four Seas was US\$2.89 million, US\$2.60 million, US\$3.10 million and US\$2.77 million, respectively. Such sales are expected to continue following the listing of our Company on the Hong Kong Stock Exchange.

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We have entered into a Sales Distribution Agreement with Four Seas dated January 1, 2008, for a term valid from the date of signing to December 31, 2009, pursuant to which we continue to sell products to Four Seas at wholesale market prices.

The maximum aggregate amounts of sales to Four Seas under the Sales Distribution Agreement for the next three years shall not exceed the annual caps set out below:

| | Proposed Annual Cap for the year ending December 31, | | |
|-----------------------|---|-------------|-------------|
| | 2007 | 2008 | 2009 |
| | (US\$ million) | | |
| Total sales | 3.5 | 4.0 | 4.5 |

In arriving at the above annual caps, our Directors have considered our historical amounts of sales to Four Seas and expected future growth in our business. Our historical sales to Four Seas have been increasing at a rate of approximately 20% per year. Given our history of successful business cooperation with Four Seas, we expect our sales to Four Seas to continue to increase in the coming years. The increase in the annual caps for the sales of goods to Four Seas reflects our expectations for sales in this regard.

The Sales Distribution Agreement constitutes a continuing connected transaction subject to reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Waiver Application for Non-exempt Continuing Connected Transactions

Our non-exempt continuing connected transactions are summarized in the table below:

| Nature of transactions and parties involved | Historical Transaction Amounts | | | | Proposed Annual Caps | | | Applicable Listing Rule and Waiver Sought |
|--|---------------------------------------|-------------|--|-------------|-------------------------------------|-------------|-------------|---|
| | Year ended December 31, | | Nine months ended September 30, | | Year ending December 31, | | | |
| | 2004 | 2005 | 2006 | 2007 | 2007 | 2008 | 2009 | |
| | (RMB million) | | | | | | | |
| Property Lease by San Want to our Company | N/A | N/A | N/A | N/A | Nil | 17.70 | 17.70 | Rule 14A.34(1); Waiver from announcement requirements |
| | (US\$ million) | | | | | | | |
| Sale of goods by our Company to Four Seas Mercantile Limited | 2.89 | 2.60 | 3.10 | 2.77 | 3.50 | 4.00 | 4.50 | Rule 14A.34(1); Waiver from announcement requirements |

In respect of the non-exempt continuing connected transactions described above, as the highest applicable ratio as set out in Rule 14A.07 of the Listing Rules, where applicable, is on an annual basis, in each case expected to be more than 0.1% but less than 2.5%, such transactions are exempt from the independent shareholders' approval requirement but are subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

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Accordingly, we have requested the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has agreed, to grant a waiver to our Company from strict compliance with the announcement requirement relating to the continuing connected transactions under the Listing Rules. In addition, we will comply with the applicable provisions under Rules 14A.35(1), 14A.35(2), 14A.36, 14A.37, 14A.38, 14A.39 and 14A.40 of the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those as of the date of this prospectus on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements.

Confirmation from Directors

Our Directors (including our independent non-executive Directors) are of the view that the connected transactions described above and the related party transactions described in note 37 to the Accountant's Report in Appendix I to this prospectus have been entered into on normal commercial terms and in the ordinary and usual course of business of the Company. Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions described above have been entered into in the ordinary and usual course of business of the Company, are on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole, and the proposed annual caps for the transactions referred to in the section headed "Non-exempt Continuing Connected Transactions" are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Confirmation from the Joint Sponsors

The Joint Sponsors are of the view that the non-exempt continuing connected transactions described above have been entered into in the ordinary and usual course of business of the Company, are on normal commercial terms, fair and reasonable and in the interests of the shareholders of the Company as a whole, and the proposed annual caps for the transactions referred to in the section headed "Non-exempt Continuing Connected Transactions" are fair and reasonable and in the interests of the shareholders of the Company as a whole.