
WAIVERS FROM COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

I. MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong. Since our principal business operations are located in China, members of our senior management are and will therefore be expected to continue to be based in China. At present, Mr. Lo Wah Wai, one of our joint company secretaries, is ordinarily resident in Hong Kong but none of our executive Directors are ordinarily resident in Hong Kong or based in Hong Kong. We have applied to the Stock Exchange for a waiver from strict compliance with the requirement under Rule 8.12.

We have received from the Stock Exchange a waiver from strict compliance with Rule 8.12 of the Listing Rules subject to the following conditions:

- (a) We appoint two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives appointed are Mr. Zhong, an executive Director, and Mr. Lv Yi Hao, one of the joint company secretaries. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by telephone, facsimile or e-mail. Each of the two authorized representatives has been duly authorized to communicate on our behalf with the Stock Exchange;
- (b) We appoint a compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will also act as our additional communication channel with the Stock Exchange for a period commencing on the Listing Date and ending on the date on which we distribute the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules;
- (c) Both the authorized representatives have means to contact all members of the Board (including the non-executive Directors and the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board for any matters. We will implement a policy whereby (a) each executive Director will provide his or her mobile phone number, residential phone number, fax number and e-mail address to the authorized representatives; (b) each executive Director will provide valid phone numbers or means of communication to the authorized representatives when he or she is travelling; and (c) each executive Director will provide his or her mobile phone number, residential phone number, office phone number, fax number and e-mail address to the Stock Exchange; and
- (d) All executive Directors, non-executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required.

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II. JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, an issuer must have a company secretary who is ordinarily resident in Hong Kong and has the requisite knowledge and experience to discharge the functions of company secretary of the issuer and who:

- (a) in the case of an issuer which was already listed on December 1, 1989 held the office of secretary of the issuer on that date;
- (b) is an Ordinary Member of The Hong Kong Institute of Chartered Secretaries, a solicitor or barrister as defined in the Legal Practitioners Ordinance or a professional accountant; or
- (c) is an individual who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging those functions.

Most of our operations are currently based in the PRC and it is expected that, for the foreseeable future, we will not have a sufficient management presence in Hong Kong. As such, it is vitally important that the company secretary of our Company should possess sufficient knowledge and experience to discharge the functions of a company secretary.

We have appointed Mr. Lv Yi Hao and Mr. Lo Wah Wai as the joint company secretaries of our Company. As Mr. Lo Wah Wai is a member of the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants and is ordinarily resident in Hong Kong, he is qualified to act as the joint company secretary of our Company. Whilst the Directors consider Mr. Lv Yi Hao is capable of discharging his duty as a joint company secretary of our Company by virtue of his background and experience (as detailed in the section headed “Directors, Senior Management and Employees” of this prospectus), he is not a professional accountant, a member of the Hong Kong Institute of Chartered Secretaries, or a solicitor or barrister as defined in the Legal Practitioners Ordinance, as required under Rule 8.17 of the Listing Rules. Therefore, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.17 of the Listing Rules and the following arrangements have been made to satisfy those requirements:

- (i) Mr. Lo Wah Wai, the joint company secretary who meets all the requirements under Rule 8.17 of the Listing Rules, will assist and guide Mr. Lv Yi Hao so that he is able to acquire the relevant knowledge and experience as required under the Listing Rules in order to discharge his functions as a joint company secretary of our Company;
- (ii) Mr. Lv Yi Hao has been appointed as a joint company secretary of our Company for a term commencing from September 8, 2010 and ending on the date which is three years from the Listing Date, a period which should be sufficient for him to acquire the relevant knowledge and experience required by the Stock Exchange;
- (iii) we will further ensure that Mr. Lv Yi Hao has access to the relevant training and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Our Company’s Hong Kong legal advisers have provided training on the Listing Rules to Mr. Lv Yi Hao. In addition, Mr. Lv Yi Hao will endeavor to familiarize himself with the Listing Rules during the three-year period from the Listing Date; and

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- (iv) upon expiry of Mr. Lv Yi Hao's initial term of appointment as a joint company secretary of our Company, we will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 8.17 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Lv Yi Hao's appointment as a joint company secretary of our Company continues to satisfy the requirements under Rule 8.17 of the Listing Rules.

We understand that the Stock Exchange may revoke the waiver from strict compliance with the requirements of Rule 8.17 of the Listing Rules if Mr. Lo Wah Wai ceases to assist and guide Mr. Lv Yi Hao during the three years upon the Listing Date.

III. CONNECTED TRANSACTIONS

Members of our Group have entered into certain transactions, which would constitute non-exempt continuing connected transactions of our Group under the Listing Rules after the Listing. We have received from the Stock Exchange a waiver from strict compliance with the announcement and/or independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules for such non-exempt continuing connected transactions. Further details of such non-exempt continuing connected transactions and the waiver are set out in the section headed "Connected Transactions" in this prospectus.