
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES ORDINANCE

For the purpose of the Listing, the Company has sought the following waivers from the Listing Division of the Stock Exchange and the SFC in relation to certain of the requirements of the Listing Rules and the Companies Ordinance.

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

Background

It is required under Rule 8.12 of the Listing Rules that a new listing applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

As disclosed in this prospectus, our business, operation and production are primarily located, managed and conducted in the PRC and, as such, none of our executive Directors are Hong Kong residents nor ordinarily based in Hong Kong. As our executive Directors are, and will continue to be, based in the PRC, our Company does not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

In view of our business, management and operations in the PRC, the appointment of additional executive Directors who are ordinarily resident in Hong Kong would increase our administrative expenses and reduce the effectiveness and responsiveness of our Board in making decisions for our Group, particularly when business decisions are required to be made on a timely basis. Furthermore, such additional executive Directors, not being able to be physically present at the place where our daily operations and management take place, may not be able to fully understand the daily operations of our business and management or appreciate the circumstances affecting our business operations and development from time to time. This may adversely affect these Directors' ability to exercise their discretion on a fully informed basis, or to make appropriate business decisions or judgments that are beneficial to the management, operation and development of our Group.

Similarly, if any of the existing PRC-based executive Directors are relocated to Hong Kong for the sole purpose of satisfying the requirement under Rule 8.12 of the Listing Rules, these Directors will no longer be physically present at the place where our daily operations and management take place and may encounter the management difficulties as mentioned above.

For reasons stated above, our Directors consider that appointment of additional executive Directors with ordinary residence in Hong Kong would be practically difficult and commercially infeasible for our Company and may not be in the best interests of our Group and its Shareholders as a whole.

Waiver sought

For the purpose of the Listing, an application has been submitted to the Stock Exchange and the Stock Exchange has granted a waiver from strict compliance with Rule 8.12 of the Listing Rules.

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The following arrangements proposed by us for maintaining regular and effective communication with the Stock Exchange for the purpose of Rule 8.12 of the Listing Rules are as follows:

- We have appointed two authorised representatives (“**Authorised Representatives**”) pursuant to Rule 3.05 of the Listing Rules who will act as our principal channel of communication with the Stock Exchange, namely Mr. Hu Zheng, our executive Director and Mr. Lau Wang Lap, an ordinarily resident in Hong Kong and our company secretary.
- Each of our Authorised Representatives:
 - is authorised to communicate on our behalf with the Stock Exchange;
 - has provided the Stock Exchange with his contact details, including home and office telephone numbers and where available, facsimile number and email address, and will therefore be readily contactable by the Stock Exchange;
 - with regard to Mr. Hu Zheng who is not ordinarily resident in Hong Kong, is holding valid travel document enabling him to travel to Hong Kong within a reasonable time frame to meet with the Stock Exchange in Hong Kong upon request by the Stock Exchange; and
 - has appointed Mr. Hu Hancheng, our executive Director holding valid travel document enabling him to travel to Hong Kong from time to time, as his alternate whenever he is outside Hong Kong and has provided the Stock Exchange with the contact details of his alternate, including home and office telephone numbers and where available, facsimile number and email address, such that his alternate is readily contactable by the Stock Exchange.
- We will appoint CMBI as our compliance adviser (“**Compliance Adviser**”) pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will, in addition to the Authorised Representatives, act as our additional channel of communication with the Stock Exchange in Hong Kong.
- Our Authorised Representatives and Compliance Adviser have full access to their respective contact details, including home and office telephone numbers and where available, facsimile number and email address, and the contact details of each Director and the alternate of our Authorised Representatives such that any one of them is readily contactable by the other whenever required.
- We have provided the Exchange with our Directors’ contact details, including home and office telephone numbers and where available, facsimile number and email address.
- All our Directors who are not ordinarily residents in Hong Kong hold, or can apply as soon as possible, valid travel documents that will enable them to enter Hong Kong to meet with the Stock Exchange within a reasonable time frame.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES ORDINANCE

WAIVER FROM STRICT COMPLIANCE WITH THE ANNOUNCEMENT REQUIREMENT AS APPLICABLE TO CERTAIN OF OUR CONTINUING CONNECTED TRANSACTIONS

Immediately upon the Listing, a number of our business transactions which we have carried on from time to time with certain counterparties will constitute our continuing connected transactions under the Listing Rules when these counterparties become, for the purpose of the Listing Rules, our connected persons immediately upon the Listing.

These transactions are subject to the reporting and announcement requirements as applicable to continuing connected transactions under Chapter 14A of the Listing Rules immediately upon the Listing.

We have pursuant to Rule 14A.42(3) sought a waiver from the Stock Exchange from strict compliance from the announcement requirement in respect of these continuing connected transactions immediately following the Listing and the Exchange had granted us the waiver sought with conditions imposed.

Detailed of these continuing connected transactions and other continuing connected transactions of us as well as the waiver sought and granted and the conditions imposed are set out in the section headed “Connected transactions” of this prospectus.

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH PARAGRAPHS 27 AND 31 OF THE THIRD SCHEDULE TO THE COMPANIES ORDINANCE

Rule 4.04(1) of the Listing Rules requires that the accountants’ report of our Company for inclusion in this prospectus shall include the combined results of our Group for each of the three financial years immediately preceding the issue of this prospectus, or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1)(b) of the Companies Ordinance stipulates that a company incorporated outside Hong Kong proposing to issue, circulate or distribute in Hong Kong any prospectus to offer for subscription or purchase of its shares must state the matters specified in Part I of the Third Schedule to the Companies Ordinance and set out the reports specified in Part II of that Schedule. Under paragraph 27 of Part I of the Third Schedule to the Companies Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as may be appropriate) of our Company during each of the three financial years immediately preceding the issue of this prospectus. Under paragraph 31 of Part II of the Third Schedule to the Companies Ordinances, our Company is also required to include in this prospectus a report by the auditors of our Company with respect to the profits and losses and assets and liabilities of our Group for each of the three financial years immediately preceding the issue of this prospectus.

Pursuant to section 342A(1) of the Companies Ordinance, where it is proposed to offer any shares in or debentures of a company incorporated outside Hong Kong (whether the company has or has not established a place of business in Hong Kong) to the public by a prospectus or class of prospectuses issued generally, the SFC may issue, on the request of the applicant, and subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with any or all of the requirements of section 342(1) of the Companies Ordinance if, having regard to the

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circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of those requirements, would be irrelevant or unduly burdensome or is otherwise unnecessary or inappropriate.

We have applied to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements set out in section 342(1)(b) of the Companies Ordinance in relation to paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance, on the ground that strict compliance with these requirements would be unduly burdensome for our Company in that (1) the reporting accountants of our Company would then have to undertake a considerable amount of audit work to prepare, update and finalise the accountants' report to cover an additional three-month period from 1 October 2010 to 31 December 2010 and there would not have been sufficient time for the reporting accountants of our Company to complete and finalise the audit of the combined financial statements of our Group for each of the three financial years ended 31 December 2010 for inclusion in this prospectus prior to the Global Offering; (2) the additional audit work to be done by the reporting accountants of our Company would not only involve additional costs and expenses but also require substantial volume of work to be carried out for audit purposes; and (3) our Directors consider that the benefits of such additional work to be done by the reporting accountants of our Company to the existing and prospective Shareholders may not justify the additional work, costs and expenses that would be involved and the delay of the timetable for the Listing, given that there has been no significant change in the financial and trading position or prospects of our Group since 30 September 2010.

The Stock Exchange has granted us a waiver from strict compliance with Rule 4.04(1) of the Listing Rules on the condition that (1) the SFC granting us a certificate of exemption from strict compliance with Section 342(1)(b) of the Companies Ordinance in relation to paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance subject to such conditions as the SFC thinks fit in the granting of such certificate of exemption; (2) the Listing Date shall not be later than three months after the latest financial year end of our Company, i.e. on or before 31 March 2011; (3) the Company shall publish its result announcement for the financial year ended 31 December 2010 no later than 31 March 2011 in compliance with Rule 13.49 (1) (ii) of the Listing Rules (the expected date of publication is 31 March 2011); and (4) Rule 8.06 of the Listing Rules shall be complied with. The SFC has granted us a certificate of exemption from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance on the conditions that (1) the particulars of the exemption are to be set out in this prospectus; and (2) this prospectus shall be issued on or before 14 March 2011.

Our Directors have confirmed that (1) based on the sufficient due diligence work performed by them as they consider appropriate, there have been no material adverse changes in the financial and trading position or prospects of our Group since 30 September 2010 and up to the date of this prospectus; (2) there is no event since 30 September 2010 which would materially affect the information as contained in the accountants' report of our Group set out in Appendix I to and other parts of this prospectus; (3) they do not contemplate any change to the share capital structure of our Company and that of each of our subsidiaries immediately following the Listing save as disclosed in this prospectus; and (4) they are of the view that all information that is reasonably necessary for potential public investors to make an informed assessment of the activities or financial position of our Group has already been included in this prospectus and that neither a waiver granted by the Stock Exchange nor an exemption granted by the SFC from strict compliance with the above requirements would prejudice the interests of the public investors.