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## CONNECTED TRANSACTIONS

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### CONTINUING CONNECTED TRANSACTIONS

We have entered into a number of continuing agreements and arrangements with our connected persons in our ordinary and usual course of business. Upon the listing of the Shares on the Stock Exchange, the transactions disclosed in this section will constitute continuing connected transactions under the Listing Rules.

#### Connected Persons

##### *Sinochem Group*

Sinochem Group, as one of the Controlling Shareholders of our Company, is a connected person of our Company.

##### *Sinochem Corporation*

Sinochem Corporation is owned as to 98% by Sinochem Group, a connected person of our Company. Pursuant to the Listing Rules, Sinochem Corporation is an associate of Sinochem Group and hence a connected person of our Company.

##### *Sinochem HK*

Sinochem HK is a wholly-owned subsidiary of Sinochem Corporation. Pursuant to the Listing Rules, Sinochem HK is an associate of Sinochem Group and hence a connected person of our Company.

##### *Franshion*

Franshion is owned as to approximately 62.87% as of the Latest Practicable Date by Sinochem Group, a connected person of our Company. Pursuant to the Listing Rules, Franshion is an associate of Sinochem Group and hence a connected person of our Company.

##### *Chemsunny*

Chemsunny is a wholly-owned subsidiary of Franshion. Sinochem HK is the controlling shareholder of Franshion and is a wholly-owned subsidiary of Sinochem Corporation. Pursuant to the Listing Rules, Chemsunny is an associate of Sinochem Group and hence a connected person of our Company.

##### *Jin Mao*

Jin Mao is a wholly-owned subsidiary of Franshion. Pursuant to the Listing Rules, Jin Mao is an associate of Sinochem Group and hence a connected person of our Company.

#### Exempt Continuing Connected Transactions

We set out below a summary of the continuing connected transactions between our Company and Sinochem Corporation which are all exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### *Information Technology Service Agreement*

On March 11, 2011, our Company and Sinochem Corporation entered into an information technology service agreement (the “**IT Service Agreement**”) whereby Sinochem Corporation agreed to provide and to procure the relevant service providers (which are all branches, subsidiaries or other entities controlled by Sinochem Corporation) to provide equipments of servers including ERP server and mail server and provide system management and operation and maintenance service, back-end support service and other information technology services to our Group.

Prior to the signing of the IT Service Agreement, Sinochem Corporation has been providing information technology services to our Group. Sinochem Corporation provides a standardized ERP system and related services to Sinochem Group and our Group. In view of the economies of scale achieved by Sinochem Corporation in providing such services, our Company considers that it may not be in the best interests of our Company to establish and operate our own ERP system. Nevertheless, our Directors will review the need for an independent ERP system if and when it considers appropriate.

The IT Service Agreement is terminable by either party by giving written notice at least six months in advance to the other side, or if either party has committed a breach of any terms of the agreement and such breach is not remedied within a reasonable period of time, the non-defaulting party is entitled to terminate the IT Service Agreement.

The IT Service Agreement has a term of three years. Our Company may request for a renewal of the agreement on the same terms for a term of three years before the expiry of the agreement, subject to compliance with the Listing Rules. The annual service fee payable under the IT Service Agreement from us to Sinochem Corporation is RMB850,000, which we believe reflects the fair market value of services provided by Sinochem Corporation under the IT Service Agreement.

The IT Service Agreement is entered into on normal commercial terms and each applicable percentage ratio calculated by reference to Rule 14.07 of the Listing Rules is, on an annual basis, less than 0.1% and accordingly will qualify as continuing connected transactions under Rule 14A.33(3) of the Listing Rules which will be exempt from reporting, announcement and independent shareholders’ approval requirements.

### *Trademark License Agreement*

On March 11, 2011, our Company and Sinochem Corporation entered in to a trademark license agreement (the “**Trademark License Agreement**”) whereby Sinochem Corporation agreed to grant a license, on a non-exclusive and non-transferable basis, to our Company for a consideration of RMB 1 to use certain trademarks registered in the name of Sinochem Corporation. During the term of the Trademark License Agreement, our Company, Far Eastern, Shanghai Donghong and Shanghai Domin are entitled to use the trademarks listed therein as part of each of their corporate logos, in their official documentation and records, and in conducting any publicity-related activities, in accordance with the terms and conditions of the Trademark License Agreement. Where Sinochem Corporation obtains registration of any other trademark under its name and such trademark is required by our Company for its business use, then upon the application by our Company, Sinochem Corporation may license the use of such other trademark to our Company by entering into a separate agreement with our Company.

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## CONNECTED TRANSACTIONS

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The Trademark License Agreement is terminable if our Company commits a breach of the agreement which is not rectified within 10 days of Sinochem Corporation giving written notice to us, or if and when Sinochem Group ceases to be the ultimate controlling shareholder of our Company.

The Trademark License Agreement has a term of three years. The term of the Trademark License Agreement can be extended by entering into a written agreement by our Company and Sinochem Corporation, and the period of each extension will be three years.

Full particulars of the trademarks licensed to our Company by Sinochem Corporation under the Trademark License Agreement are set out in Appendix VII to this prospectus.

The Trademark License Agreement is entered into on normal commercial terms and each applicable percentage ratio calculated by reference to Rule 14.07 of the Listing Rules is, on an annual basis, less than 0.1% and accordingly will qualify as continuing connected transactions under Rule 14A.33(3) of the Listing Rules which will be exempt from reporting, announcement and independent shareholders' approval requirements.

### **Non-Exempt Continuing Connected Transactions**

We set out below a summary of the continuing connected transactions between our Group and Chemsunny, Jin Mao and Sinochem HK which are exempt from independent Shareholders' approval requirement but are subject to the reporting and announcement requirements under the Listing Rules (the “**Non-Exempt Continuing Connected Transactions**”), including the background, the reasons and the consideration of the Non-Exempt Continuing Connected Transactions.

#### ***Lease Agreements with Chemsunny***

##### **(1) Chemsunny Plaza Lease Agreement and Supplementary Chemsunny Plaza Lease Agreement**

On May 25, 2007, Far Eastern entered into a lease agreement (the “**Chemsunny Plaza Lease Agreement**”) with Chemsunny whereby Far Eastern leased from Chemsunny Room C608 on Floor 6 of Beijing Chemsunny World Trade Centre (“**Chemsunny Plaza**”) with a gross floor area of 297.62 square meters to be used as office space. The initial term of the Chemsunny Plaza Lease Agreement was from June 1, 2007 to December 31, 2009. Pursuant to the Chemsunny Plaza Lease Agreement, Far Eastern agreed to pay a monthly rental of RMB68,452.60 (calculated based on RMB230 per square meter per month) to Chemsunny on a quarterly basis with a three-month rent free period. Far Eastern also agreed to pay car parking fees and water, electricity, gas, telephone, overtime air conditioning and other miscellaneous fees and to pay a monthly management fee of RMB8,928.60 (calculated based on RMB30 per month per square meter) to Beijing Chemsunny Property Management Company Limited (北京世紀凱晨物業管理有限公司), a subsidiary of Franshion. After the Chemsunny Plaza Lease Agreement expired, Far Eastern and Chemsunny entered into a supplementary agreement (the “**Supplementary Chemsunny Plaza Lease Agreement**”) to extend the term of the Chemsunny Plaza Lease Agreement to a new period from January 1, 2010 to December 31, 2011. Other provisions of the Chemsunny Plaza Lease Agreement remain unchanged for the extended term. The Chemsunny Plaza Lease Agreement and the Supplementary Chemsunny Plaza Lease Agreement were agreed upon following arm's length negotiations and were based on normal commercial terms.

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## CONNECTED TRANSACTIONS

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### (2) Supplementary Chemsunny Plaza Lease Agreement II

According to a confirmation letter entered into between Sinochem Group, Sinochem Corporation, Chemsunny and Far Eastern on August 26, 2010, the parties confirmed as follows:

- On May 25, 2007, Sinochem Group entered into a lease agreement (the “**Original Lease Agreement**”) with Chemsunny pursuant to which Sinochem Group leased a total gross floor area of 538.19 square meters on Floor 6 of Chemsunny Plaza from Chemsunny (“**Floor 6 Leased Property**”). The monthly rental under the Original Lease Agreement was approximately RMB123,783.7 (calculated on RMB230 per square meter per month). The initial term of the Original Lease Agreement was from June 1, 2007 to December 31, 2009.
- From June 1, 2008 to June 30, 2009, Sinochem Group sub-leased to Far Eastern an office space with respect to 143 square meters on Floor 6 of Chemsunny Plaza (the “**Additional Area on Floor 6**”). Far Eastern paid a monthly rental of approximately RMB32,890 (calculated on RMB230 per square meter per month) to Sinochem Group according to the terms stipulated in the Original Lease Agreement. The initial term of the sub-lease with respect to the Additional Area on Floor 6 was from June 1, 2008 to December 31, 2009. After the reorganization of Sinochem Group and the incorporation of Sinochem Corporation, Sinochem Corporation took over the Original Lease Agreement as the lessee from July 1, 2009 and continued to sub-lease the Additional Area on Floor 6 to Far Eastern until June 30, 2010, during which Far Eastern paid a rental of approximately RMB394,680 (calculated on RMB230 per square meter per month) to Sinochem Corporation.

On May 26, 2010, Far Eastern entered into a lease agreement (the “**Supplementary Chemsunny Plaza Lease Agreement II**”) with Chemsunny (together with Chemsunny Plaza Lease Agreement and Supplementary Chemsunny Plaza Lease Agreement, the “**Lease Agreements with Chemsunny**”) whereby Far Eastern leased the Additional Area on Floor 6 from Chemsunny. The term of the Supplementary Chemsunny Plaza Lease Agreement II is from July 1, 2010 to December 31, 2011, and the monthly rental and management fee are calculated on the same basis as that under the Chemsunny Plaza Lease Agreement, i.e. RMB32,890 per month for the rental (calculated based on RMB230 per square meter per month) and RMB4,290 per month for the management fee (calculated based on RMB30 per square meter per month). Far Eastern also needs to pay a deposit of RMB98,670.00 to Chemsunny for the lease of the Additional Area on Floor 6. The Supplementary Chemsunny Plaza Lease Agreement II was agreed upon following arm’s length negotiations and was based on normal commercial terms.

### *Jin Mao Tower Lease Agreements*

Far Eastern and Shanghai Donghong have entered into a number of lease agreements (collectively the “**Jin Mao Tower Lease Agreements**”, and each a “**Jin Mao Tower Lease Agreement**”) with Jin Mao for office space and other ancillary facilities located at Jin Mao Tower, Pudong New Area, Shanghai. Each of the Jin Mao Tower Lease Agreements was entered into following arm’s length negotiations and on normal commercial terms. In addition to the rental amounts set out below, Far Eastern and Shanghai Donghong are also required to pay applicable car parking fees, electricity, telephone, overtime air conditioning and other miscellaneous fees to Jin Mao (or Shanghai Jin Mao Imtech Facility Services Co., Ltd. (上海金茂英泰設施管理有限公司), a subsidiary of Franshion).

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## CONNECTED TRANSACTIONS

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The principal details of the Jin Mao Tower Lease Agreements are as follows:

- (a) Lease agreement with respect to Units 01, 02, 04, 08, 09 on 33/F, Units 01, 02, 03, 04, 07, 08, 09, 10 on 35/F and Units 04, 05, 06, 09, 10 on 36/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: June 16, 2009  
Term: August 1, 2009 to July 31, 2011  
Property: Units 01, 02, 04, 08, 09 on 33/F, Units 01, 02, 03, 04, 07, 08, 09, 10 on 35/F and Units 04, 05, 06, 09, 10 on 36/F of Jin Mao Tower (Block 4)  
Gross floor area: 4,209.80 square meters  
Use: Office space  
Rent/fees: For the period from August 1, 2009 to June 30, 2011:

- Monthly rental: RMB1,084,375.09 (Unit 09 on 33/F, Units 09 and 10 on 35/F and Units 09 and 10 on 36/F for RMB129.42 per square meter per month; all other units for RMB275.00 per square meter per month)

For the period from July 1, 2011 to July 31, 2011:

- Monthly rental: RMB156,815.05 (based on RMB37.25 per square meter per month)

Far Eastern is also required to pay RMB3,253,125.27 (three months' rental) to Jin Mao as deposit.

- (b) Lease agreement with respect to Units 06 and 07 on 33/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: June 16, 2009  
Term: August 1, 2009 to July 31, 2011  
Property: Units 06 and 07 on 33/F of Jin Mao Tower (Block 4)  
Gross floor area: 560.96 square meters  
Use: Office space  
Rent/fees: For the period from August 1, 2009 to June 30, 2011:

- Monthly rental: RMB154,264.00 (based on RMB275.00 per square meter per month)

For the period from July 1, 2011 to July 31, 2011:

- Monthly rental: RMB20,895.76 (based on RMB37.25 per square meter per month)

Far Eastern is also required to pay RMB462,792.00 (three months' rental) to Jin Mao as deposit.

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## CONNECTED TRANSACTIONS

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(c) Lease agreement with respect to Unit 10 on 37/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: September 28, 2010  
Term: October 1, 2010 to July 31, 2011  
Property: Unit 10 on 37/F of Jin Mao Tower (Block 4)  
Gross floor area: 178.21 square meters  
Use: Office space  
Rent/fees: Monthly rental: RMB 24,058.35 (based on RMB135.00 per square meter per month)  
Far Eastern is also required to pay RMB72,175.05 (three months' rental) to Jin Mao as deposit.

(d) Lease agreement with respect to Unit 05 on 33/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: November 16, 2009  
Term: January 1, 2010 to July 31, 2011  
Property: Unit 05 on 33/F of Jin Mao Tower (Block 4)  
Gross floor area: 189.50 square meters  
Use: Office space  
Rent/fees: For the period from January 1, 2010 to June 30, 2011:  
● Monthly rental: RMB52,112.50 (based on RMB275.00 per square meter per month)  
For the period from July 1, 2011 to July 31, 2011:  
● Monthly rental: RMB7,058.88 (based on RMB37.25 per square meter per month)  
Far Eastern is also required to pay RMB156,337.50 (three months' rental) to Jin Mao as deposit.

(e) Lease agreement with respect to Unit 03 on 33/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: April 9, 2010  
Term: June 1, 2010 to July 31, 2011  
Property: Unit 03 on 33/F of Jin Mao Tower (Block 4)  
Gross floor area: 136.11 square meters  
Use: Office space  
Rent/fees: For the period from June 1, 2010 to June 30, 2011:  
● Monthly rental: RMB37,430.25 (based on RMB275.00 per square meter per month)  
For the period from July 1, 2011 to July 31, 2011:  
● Monthly rental: RMB5,070.10 (based on RMB37.25 per square meter per month)  
Far Eastern is also required to pay RMB112,290.75 (three months' rental) to Jin Mao as deposit.

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## CONNECTED TRANSACTIONS

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(f) Lease agreement with respect to Unit 04 on 32/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: September 28, 2010  
Term: November 15, 2010 to July 31, 2011  
Property: Units 04 on 32/F of Jin Mao Tower (Block 4)  
Gross floor area: 292.73 square meters  
Use: Office space  
Rent/fees: Monthly rental: RMB79,037.10 (based on RMB270.00 per square meter per month)  
Far Eastern is also required to pay RMB237,111.30 (three months' rental) to Jin Mao as deposit.

(g) Lease agreement with respect to Unit 04A on 35/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: September 28, 2010  
Term: November 15, 2010 to July 31, 2011  
Property: Units 04A on 35/F of Jin Mao Tower (Block 4)  
Gross floor area: 257.57 square meters.  
Use: Office space  
Rent/fees: Monthly rental: RMB69,543.90 (based on RMB270.00 per square meter per month)  
Far Eastern is also required to pay RMB208,631.70 (three months' rental) to Jin Mao as deposit.

(h) Lease agreement with respect to Unit 03 on 36/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: September 28, 2010  
Term: November 15, 2010 to July 31, 2011  
Property: Units 03 on 36/F of Jin Mao Tower (Block 4)  
Gross floor area: 269.23 square meters  
Use: Office space  
Rent/fees: Monthly rental: RMB72,692.10 (based on RMB270.00 per square meter per month)  
Far Eastern is also required to pay RMB218,076.30 (three months' rental) to Jin Mao as deposit.



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## CONNECTED TRANSACTIONS

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- (i) Lease agreement with respect to Unit 03 on 32/F, Unit 05 on 35/F and Units 01 and 02 on 36/F of Jin Mao Tower (Block 4)

Lessee: Far Eastern  
Date of lease: September 28, 2010  
Term: November 15, 2010 to July 31, 2011  
Property: Unit 03 on 32/F, Unit 05 on 35/F and Units 01 and 02 on 36/F of Jin Mao Tower (Block 4)  
Gross floor area: 1,384.8 square meters  
Use: Office space  
Rent/fees: Monthly rental: RMB373,896.00 (based on RMB270.00 per square meter per month)  
Far Eastern is also required to pay RMB1,121,688.00 (three months' rental) to Jin Mao as deposit.

- (j) Lease agreement with respect to Units 07 and 08 on 36/F of Jin Mao Tower (Block 4)

Lessee: Shanghai Donghong  
Date of lease: June 16, 2009  
Term: August 1, 2009 to July 31, 2011  
Property: Units 07 and 08 on 36/F of Jin Mao Tower (Block 4)  
Gross floor area: 510.02 square meters  
Use: Office space  
Rent/fees: Monthly rental: RMB140,255.50 (based on RMB275.00 per square meter per month)  
Shanghai Donghong is also required to pay RMB420,766.50 (three months' rental) to Jin Mao as deposit.

On November 29, 2010, each of Far Eastern and Shanghai Donghong entered into an agreement (collectively the “**Renewal Agreements**”) with Jin Mao to extend the term of each of the Jin Mao Tower Lease Agreements to December 31, 2011 based on substantially the same monthly rental payment. All other major terms of these agreements remain unchanged.

### ***Convention Plaza Lease Agreement***

On March 1, 2011, our Company entered into a lease agreement (the “**Convention Plaza Lease Agreement**”) with Sinochem HK whereby our Company leases from Sinochem HK Unit 4706, 47th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong with a gross floor area of 1,378 square feet (approximately 128 square meters) for commercial use. The term of the Convention Plaza Lease Agreement is from March 1, 2011 to February 28, 2013. Pursuant to the Convention Plaza Lease Agreement, our Company agrees to pay a monthly rental of HK\$92,326 (based on HK\$67 per square foot per month) to Sinochem HK. Our Company also agrees to pay management fees and air conditioning fees of HK\$8,916 per month to Sinochem HK. Our Company also needs to pay HK\$303,726 (three months' rental, management fees and air conditioning fees) to Sinochem HK as deposit. The Convention Plaza Lease Agreement was agreed upon following arm's length negotiations and was based on normal commercial terms.

The Lease Agreements with Chemsunny, the Jin Mao Tower Lease Agreements and the Convention Plaza Lease Agreement are similar in nature and entered into with parties that are



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## CONNECTED TRANSACTIONS

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associates of Sinochem Group. As such, the transactions are aggregated pursuant to Rules 14A.25 and 14A.26 of the Listing Rules.

The total amounts (including the rental, management fees and other fees) paid by our Group for the premises leased under the Lease Agreements with Chemsunny and the Jin Mao Tower Lease Agreements for the three years ended December 31, 2007, 2008 and 2009 and the nine months ended September 30, 2010 were approximately US\$1,567,000, US\$2,518,000, US\$3,020,000 and US\$2,324,000, respectively. As confirmed by our Directors, the total estimated amount (including the rental, management fees and other fees) paid by our Group under the Lease Agreements with Chemsunny and the Jin Mao Tower Lease Agreements during the year ended December 31, 2010 was approximately RMB29,500,000. As the term of a number of lease agreements (Jin Mao Tower Lease Agreements (c), (f), (g), (h) and (i)) entered into between our Group and Jin Mao started after September 30, 2010, there was a significant increase of the amount paid for the year ended December 31, 2010 as compared to the historical amount paid for the nine months ended September 30, 2010 (i.e. US\$2,324,000).

The rental, other fee and management fee are estimated based on arm's length negotiations between our Group and Chemsunny, Jin Mao and Sinochem HK, respectively, on the then prevailing market rates and on normal commercial terms.

Based on the terms of the Lease Agreements with Chemsunny, the Jin Mao Tower Lease Agreements and the Convention Plaza Lease Agreement, our Company estimates that the aggregated amount (including the rental, management fees and other fees) payable by our Group for the premises leased under the Lease Agreements with Chemsunny, the Jin Mao Tower Lease Agreements and the Convention Plaza Lease Agreement for the year ending December 31, 2011 will not exceed RMB36,104,091 (based on the exchange rate of HK\$1 to RMB0.843613 as at March 3, 2011).

The proposed annual cap for the year ending December 31, 2011 is determined on the following basis: (i) the total gross floor area being leased under the Lease Agreements with Chemsunny, the Jin Mao Tower Lease Agreements and the Convention Plaza Lease Agreement will not increase further; (ii) rental level under the Renewal Agreements remains substantially the same; (iii) the amount of management fee, car park fee and other miscellaneous fees under the Lease Agreements with Chemsunny and the Jin Mao Tower Lease Agreements will increase by approximately 10% in 2011; (iv) the monthly management fees and air conditioning fees under the Convention Plaza Lease Agreement will remain the same during its term; and (v) the proposed annual cap for the year ending December 31, 2011, being RMB36,104,091, represents an increase of approximately 22% as compared to the year ended December 31, 2010, which is a result of our Group paying a full year's rental under many of the lease agreements in 2011 as opposed to a portion of the year during the year ended December 31, 2010 and the payment of rental under the Convention Plaza Lease Agreement.

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## CONNECTED TRANSACTIONS

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A breakdown of the total gross floor area leased under the Lease Agreements with Chemsunny and the Jin Mao Tower Lease Agreements and the annual percentage increase for the years ended December 31, 2007, 2008, 2009 and 2010 are set out below:

<u>Year ended</u>	<u>Total gross floor area (square meters)</u>	<u>Percentage increase (%)</u>
December 31, 2007 .....	3,500.90	N/A
December 31, 2008 .....	5,322.91	52.04
December 31, 2009 .....	5,578.40	4.80
December 31, 2010 .....	8,429.55	51.11

In calculating the proposed cap for the year ending December 31, 2011, we have taken into account the increase of the total gross floor area rented in 2010. As many of the new leases were entered into during the course of 2010 and our Group therefore only paid rental under those leases for part of the year ended December 31, 2010, the total amount of rental to be paid by our Group in the year ending December 31, 2011 is expected to increase by a substantial amount as compared to the amount paid for the year ended December 31, 2010. As confirmed by our Directors, the total estimated amount (including the rental, management fees and other fees) paid under the Lease Agreements with Chemsunny and the Jin Mao Tower Lease Agreements during the year ended December 31, 2010 was approximately RMB29,500,000. The proposed annual cap for the year ending December 31, 2011, being RMB36,104,091, represents an increase of approximately 22% as compared to the year ended December 31, 2010. As the increase is a result of our Group paying a full year's rental under many of the lease agreements in 2011 as opposed to a portion of the year during the year ended December 31, 2010 and the payment of rental under the Convention Plaza Lease Agreement, our Company and our Directors believe that the proposed cap for the year ending December 31, 2011 is fair and reasonable as compared to the historical value of transactions.

Since each of the applicable percentage ratios (other than the profit ratio) in respect of the annual transaction amount for the Non-Exempt Continuing Connected Transactions for the year ending December 31, 2011 will exceed 0.1% but be less than 5%, these continuing connected transactions are subject to the reporting and announcement requirements but are exempt from the requirement of independent Shareholders' approval under Chapter 14A of the Listing Rules.

We will assess the applicable percentage ratios (other than the profit ratio) in respect of the Non-Exempt Continuing Connected Transactions after the year ending December 31, 2011 and will comply with the requirements of Chapter 14A of the Listing Rule depending on the circumstances at the relevant time.

### THE DIRECTORS' VIEWS

In the view of our Directors (including our independent non-executive Directors), it is in the interests of our Group to continue with all of the connected transactions described in this section after the Listing, and that all these transactions are conducted on normal commercial terms, were entered into in the ordinary and usual course of business of our Group, the terms and the proposed annual cap are fair and reasonable and are in the interests of the Shareholders as a whole.

### THE INDEPENDENT VALUER'S VIEWS

CBRE, an independent property valuer, has confirmed that in the view of the prevailing market conditions and rental level of similar types of properties in the vicinity, the premises under each of the

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## **CONNECTED TRANSACTIONS**

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Lease Agreements with Chemsunny, the Jin Mao Tower Lease Agreements and the Convention Plaza Lease Agreement are leased on normal commercial terms and the rentals payable under each of these agreements are at market level and are fair and reasonable.

### **CONFIRMATION FROM THE JOINT SPONSORS**

The Joint Sponsors are of the view that the Non-Exempt Continuing Connected Transactions described above, and for which a waiver has been sought, have been entered into in the ordinary and usual course of business of our Group, on normal commercial terms that are fair and reasonable and in the interest of the Shareholders as a whole, and that the proposed annual cap is fair and reasonable and in the interests of the Shareholders as a whole.

### **APPLICATION FOR WAIVER**

The transactions described in “—Non-Exempt Continuing Connected Transactions” above constitute our non-exempt continuing connected transactions and would normally require reporting and announcement but are exempt from the requirement of independent Shareholders’ approval for the year ending December 31, 2011 under Chapter 14A of the Listing Rules. As these transactions are expected to continue after Listing and have been fully disclosed in this prospectus, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver pursuant to Rule 14A.42(3) of the Listing Rules from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules in respect of the Non-Exempt Continuing Connected Transactions for the year ending December 31, 2011 subject to the condition that the annual transaction value shall not exceed the estimated annual cap as stated above.

We will comply with the applicable requirements under the Listing Rules, and will immediately inform the Stock Exchange if there are any changes to the Non-Exempt Continuing Connected Transactions.