
CONNECTED TRANSACTIONS

EXEMPT CONTINUING CONNECTED TRANSACTION

Following the Listing, the following transaction will constitute an exempt continuing connected transaction for our Company pursuant to Rule 14A.33 of the Listing Rules and accordingly, will be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements stipulated under the Listing Rules.

Lease Agreement with Hongguo Industry

Nanjing Mayflower has been leasing the premises of a total GFA of approximately 1,526.63 sq.m. located at 31st Floor, Nanjing International Trade Center, No. 18 Zhongshan East Road, Nanjing, the PRC from Hongguo Industry since January 2005 as its office and will continue to lease the same premises from Hongguo Industry in its ordinary course of business. For the years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, Nanjing Mayflower paid a rental of RMB900,000, RMB500,000, RMB900,000 and RMB225,000 to Hongguo Industry for the lease.

To continue to lease the same premises from Hongguo Industry, on January 1, 2011, Nanjing Mayflower and Hongguo Industry entered into a lease agreement for a term of one year commencing from January 1, 2011 to December 31, 2011 at an annual rental of RMB900,000.

As Hongguo Industry is owned as to 37%, 33% and 30% by Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen, our Directors, Hongguo Industry is an associate of our Directors and is therefore a connected person of our Company under Chapter 14A of the Listing Rules. The rental payable by Nanjing Mayflower to Hongguo Industry under the lease agreement was determined on an arm's length basis after making reference to the prevailing market rent at the time. Based on the terms of the lease agreement, the aggregate rent payable by Nanjing Mayflower to Hongguo Industry for the year ending December 31, 2011 will not exceed RMB900,000 (the "Lease Annual Cap").

Our Directors consider that the lease agreement and the Lease Annual Cap are fair and reasonable and in the interests of our Group and our Shareholders as a whole. DTZ has reviewed the rent payable pursuant to the lease agreement and confirmed that the terms of the lease agreement reflect the prevailing market condition in the PRC and that the rent payable by Nanjing Mayflower to Hongguo Industry reflects the prevailing market rates of comparable properties in the locality and is fair and reasonable. Since each of the percentage ratios (other than the profits ratio) for the lease agreement is less than 0.1%, the transactions under the lease agreement are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements applicable under Chapter 14A of the Listing Rules as it falls within the de minimus threshold under Rule 14A.33(3) of the Listing Rules.