

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Given that our core business activities of providing comprehensive marketing, promotion and channel management service for imported pharmaceutical products and medical devices are conducted principally in the PRC and both of our two executive Directors are not ordinarily resident in Hong Kong, we believe that our management is best able to attend to its functions by being based in the PRC. Accordingly, 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 requirements under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and obtained, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain regular communication with the Hong Kong Stock Exchange, we have put in place the following measures:

- Ms. Yung Mei Yee and Mr. Zhu Mengjun have been appointed as authorised representatives of our Company pursuant to Rule 3.05 of the Listing Rules to act as our Company's principal channel of communication with the Hong Kong Stock Exchange. Each of them has confirmed that she or he will be readily contactable by the Hong Kong Stock Exchange and be able to meet with the Hong Kong Stock Exchange on reasonable notice;
- each of the authorised representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors for any matters;
- each of the Directors (including the independent non-executive Directors) not ordinarily resident in Hong Kong has confirmed that he possesses or can apply for valid travel documents that enable him to meet with the Hong Kong Stock Exchange in Hong Kong within a reasonable period, if required;
- pursuant to Rule 3A.19 of the Listing Rules, we have appointed Guotai Junan Capital Limited as our compliance adviser for the period commencing from the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year after the Listing Date to provide us with professional advice on continuing obligations under the Listing Rules and to act as the additional channel of communication with the Hong Kong Stock Exchange; and
- each of our Directors has provided his mobile telephone number, office telephone number, e-mail address and fax number to the Hong Kong Stock Exchange.

WAIVER FROM RULES 3.28 AND 8.17 OF THE LISTING RULES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. Note (1) to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a Member of The Hong Kong Institute of Chartered Secretaries;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

We have appointed Mr. Min Le as a joint company secretary. Mr. Min is a PRC non-practising certified public accountant and has experience in the finance and accounting field. Given that Mr. Min is not a member of the Hong Kong Institute of Chartered Secretaries, a solicitor, barrister or a professional accountant as required under Note (1) of Rule 3.28 of the Listing Rules, his appointment as a joint company secretary does not strictly comply with Rules 3.28 and 8.17 of the Listing Rules. We have appointed Ms. Yung Mei Yee to act as a joint company secretary. Ms. Yung is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in United Kingdom. Accordingly, Ms. Yung fully complies with the requirements as stipulated under Rules 3.28 and 8.17 of the Listing Rules. We have engaged Ms. Yung as joint company secretary for a minimum period of three years commencing from the Listing Date, during which she will assist and guide Mr. Min to enable him to acquire the “relevant experience” under Note (2) to Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and obtained, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules. The waiver is valid for an initial period of three years from the Listing Date. The waiver is granted on the condition that we engage Ms. Yung, who possesses all the requisite qualifications required under Rule 3.28 of the Listing Rules, to assist Mr. Min in discharging his duties as a joint company secretary and in gaining the “relevant experience” as required under Note (2) to Rule 3.28 of the Listing Rules. Upon expiry of the three-year period, a further evaluation of the qualifications and experience of Mr. Min and the need for on-going assistance will be made.