

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

An application has been submitted to the Stock Exchange for a waiver from strict compliance with Rule 8.12 of the Listing Rules which requires a new applicant applying for primary listing on the Main Board to have sufficient management presence in Hong Kong. This will normally mean that at least two executive directors must be ordinarily resident in Hong Kong.

Our business is principally carried out in the PRC. None of our business is located, conducted or managed in Hong Kong. Given that all our executive Directors are ordinarily resident in the PRC, we would need to appoint two additional executive Directors or relocate at least two executive Directors to Hong Kong in order to comply with the requirements under Rule 8.12 of the Listing Rules. In any of these events, it would result in a difficult situation to us and it would not be commercially feasible for us to implement such arrangement.

In this regard, the Stock Exchange has granted a waiver to our Company from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In this respect, our Company has appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules who will act as the principal channel of communication with the Stock Exchange. The two authorised representatives appointed are Mr. Zhu and Mr. Au-Yeung Kwong Wah, with the latter being a resident in Hong Kong and our company secretary and the qualified accountant of our Company. Each of the authorised representatives of our Company has confirmed that he will be available to meet with the Stock Exchange in Hong Kong within a reasonable time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and electronic means. Each of the two authorised representatives will be authorised to communicate on behalf of our Company with the Stock Exchange.

In order to further enhance the communication between the Stock Exchange, our authorised representatives and our Directors, we will implement the policies that:

- each executive Director will provide his/her office phone number, mobile phone number, residential phone number, fax number and e-mail address (if applicable) to the authorised representatives and his/her respective alternate. Each executive Director possesses valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time if required;
- in the event that an executive Director expects to travel and be out of office, he/she will provide the phone number of the place of his/her accommodation to the authorised representatives and his/her respective alternate; and
- all our executive Directors will provide their office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and e-mail addresses (if applicable) to the Stock Exchange.

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In addition, we will appoint, before the Listing Date, ICEA as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on 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 financial year ending 31 December 2008.

Furthermore, we shall also appoint other professional advisers (including legal advisers and accountants) after the Listing to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be efficient communication with the Stock Exchange.

We will maintain a principal place of business in Hong Kong at Room 723, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Hong Kong.

WAIVER FROM STRICT COMPLIANCE WITH CHAPTER 14A OF THE LISTING RULES

Our Group has entered into certain transactions, which would constitute non-exempt continuing connected transactions under the Listing Rules after the Listing. We have applied to the Stock Exchange for waiver from strict compliance with the relevant announcement requirements set out in Chapter 14A of the Listing Rules for such continuing connected transactions. Further details of such waiver are set out in the section headed “Connected transactions” in this prospectus.