

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS

Our Board currently consists of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors. The powers and duties of our Board include convening general meetings and reporting our Board's work at the shareholders' meetings, determining our business and investment plans, preparing our annual financial budgets and final reports; formulating proposals for profit distributions, recovery of losses and for the increase or reduction of our registered capital, as well as exercising other powers, functions and duties conferred by our Memorandum and Articles of Association. We have entered into service contracts with each of our executive Directors and letters of appointment with our non-executive Director and each of our independent non-executive Directors.

The following table sets forth certain information concerning our Directors.

Name	Age	Position
Mr. Zhou Mingming (周明明)	41	Chairman and Executive Director
Mr. Zhou Longrui (周龍瑞)	71	Executive Director
Ms. Yang Yunfei (楊雲飛)	67	Executive Director
Ms. Deng Xihong (鄧喜紅)	45	Non-executive Director
Mr. Wang Jiqiang (汪繼強)	70	Independent non-executive Director
Prof. Ouyang Minggao (歐陽明高)	51	Independent non-executive Director
Mr. Lee Conway Kong Wai (李港衛)	55	Independent non-executive Director

Executive Directors

Mr. Zhou Mingming (周明明), aged 41, is the founder of our Group, and the Chairman and an executive Director. He was appointed as our executive Director on 18 January 2010. Mr. Zhou is mainly responsible for our Group's overall strategy planning and investment decisions. Mr. Zhou received a bachelor degree in chemistry from Hangzhou Normal University (杭州師範學院) in July 1990. Mr. Zhou has over 15 years of experience in the lead-acid battery industry. Mr. Zhou is the son of Mr. Zhou Longrui and Ms. Yang Yunfei, both of whom are our executive Directors.

Mr. Zhou has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus. Save as disclosed herein, there are no other matters in relation to Mr. Zhou which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Zhou Longrui (周龍瑞), aged 71, was appointed an executive Director of our Company on 11 March 2010. He is mainly responsible for the overall supervision of the technical aspects of our production process. Mr. Zhou joined our Group in January 1998. Mr. Zhou has rich experience in the lead-acid battery industry gained at our Group and through previous employment. Early in 1994 and since then, Mr. Zhou published several professional articles in the field of lead-acid batteries on the magazines such as Batteries (《蓄電池》), International Power Information (《國際電源商情》) and Power Technologies (《電源技術》), etc. Mr. Zhou was appointed the vice-chairman of the First Session of Lead-acid Battery Committee (第一屆鉛酸蓄電池專業委員會副主任委員) by China Electrotechnics Technology Academy (中國電工技術學會) in August 2008 and a member of National Lead-acid Battery Standardization Technology Committee (全國鉛酸電池標準化技術委員會) in July 2007. He is the father of Mr. Zhou Mingming, the Chairman and an executive Director, and the spouse of Ms. Yang Yunfei, an executive Director.

Mr. Zhou Longrui has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus. Save as disclosed herein, there are no other matters in relation to Mr. Zhou Longrui which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

Ms. Yang Yunfei (楊雲飛), aged 67, was appointed as an executive Director of our Company on 11 March 2010. She is mainly responsible for the management of the Group's financial planning. She has been with our Group since January 1998. Early in 1980 and since then, Ms. Yang worked in several battery manufacturing factories, responsible for manufacturing or overall operation of the factories and worked for the preparation of our Group. Ms. Yang has accumulated rich experience in the lead-acid battery industry gained at our Group and through previous employment. Ms. Yang Yunfei is the mother of Mr. Zhou Mingming and the spouse of Mr. Zhou Longrui.

Ms. Yang has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus. Save as disclosed herein, there are no other matters in relation to Ms. Yang which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

Non-executive Director

Ms. Deng Xihong (鄧喜紅), aged 45, was appointed as our non-executive director on 11 March 2010. Ms. Deng is a managing director of Hony Capital and is responsible for, among other things, overseeing direct investments and fund raising. Ms. Deng has more than 12 years of experience in investment banking in the U.S., Hong Kong and China. Prior to joining Hony Capital, Ms. Deng worked at J.P. Morgan in the areas of investment banking and equity capital markets. From 2006 to 2007, She served as the executive vice-president of Solarfun Power Holdings Co., Ltd., a company listed in Nasdaq (code: SOLF). Ms. Deng received a master of science degree in computer science and technology from the State University of New York at Stony Brook in December 1989, and a master degree and a bachelor degree in computer science from Tsinghua University in Beijing in 1988 and in 1985 respectively.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Saved as disclosed above, Ms. Deng has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus, and there are no other matters in relation to Ms. Deng which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

Independent Non-executive Directors

Mr. Wang Jiqiang (汪繼強), aged 70, was appointed as our independent non-executive director on 7 June 2010. Mr. Wang has more than 40 years of experience in the field of electrochemistry. Before he retired in December 2008, Mr. Wang worked in China Electronic Technology Group Limited's 18th Research Institute (中國電子科技集團公司第十八研究所) since October 1962 as a vice chief engineer and mainly in charge of battery technology development. In addition, Mr. Wang received various national awards for his expertise on battery technology, such as the first class award on science and technology advancement (科學技術進步一等獎) from the Ministry of Information Technology of the PRC (中華人民共和國信息產業部) on his research on lithium rechargeable battery technology in October 1999. Mr. Wang received a bachelor degree in electrochemistry from Fudan University in 1962.

Mr. Wang has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus. Save as disclose herein, there are no other matters in relation to Mr. Wang which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

Prof. Ouyang Minggao (歐陽明高), aged 51, was appointed as an Independent non-executive Director of our Company on 7 June 2010. Prof. Ouyang graduated from the Technical University of Denmark with a doctorate degree in Engineering in 1993. He worked at Tsinghua University (清華大學) since 1994 at which he held various titles including Ministry of Education Scholar Chang Jiang Special Professor (教育部長江學者特聘教授) and supervisor of the National Key Laboratory for Automobile Safety and Energy-saving Research (汽車安全與節能國家重點實驗室主任). Prof. Ouyang is a Standing Member of the National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會常務委員). Prof. Ouyang is an independent non-executive Director of Sinotruk (Hong Kong) Limited, a company listed on the Hong Kong Stock Exchange.

Saved as disclosed above, Prof. Ouyang has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus. Save as disclosed herein, there are no other matters in relation to Prof. Ouyang which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

Mr. Lee Conway Kong Wai (李港衛), aged 55, was appointed an independent non-executive Director of our Company on 7 June 2010. Mr. Lee is a well-experienced accounting professional, being a member of the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Australia, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Macau Society of Registered Accountants. Mr. Lee currently also serves as an independent non-executive director of China Taiping Insurance Holdings Company

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Limited, a company listed on the main board of the Hong Kong Stock Exchange, and Sino Vanadium Inc., a company listed on the Toronto Stock Exchange since October 2009. Mr. Lee holds a bachelor degree in arts from the Kingston Polytechnic (currently known as Kingston University) in 1980, and a post graduate diploma in business from the Curtin University of Technology in 1988.

Save as disclosed above, Mr. Lee has not held any directorship in any other listed companies in the past three years immediately preceding the date of this prospectus. Save as disclosed herein, there are no other matters in relation to Mr. Lee which are required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

SENIOR MANAGEMENT

The following table sets forth certain information concerning our other senior management members.

Name	Age	Position
Mr. Gao Xinkun (高鑫坤)	46	vice-president
Prof. Chen Tixian (陳體銜)	71	head of the research institute
Mr. Zhou Mingsong (周明松)	38	head of the marketing department
Mr. Qian Shunrong (錢順榮)	40	head of the production department
Mr. Ng Chi Kit (吳智傑)	37	chief financial officer and company secretary

Mr. Gao Xinkun (高鑫坤), aged 46, is our vice-president and is mainly responsible for assisting our Directors in overall management of our Group and strategic planning. Mr. Gao joined our Group in October 2005. Mr. Gao received a bachelor degree in mathematics from Zhejiang Normal University (浙江師範學院) in July 1984. Mr. Gao was enrolled as a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in January 2000. Mr Gao has more than 10 years of experience in financial management. Prior to joining our Group, Mr. Gao worked as the executive director and the vice general manager of Tianneng Power International Limited (天能動力國際有限公司), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited, from April 2003 to September 2005. Mr. Gao worked as the chief financial officer of Hangzhou Auto Parts Factory (杭州汽車零部件總廠) from September 1999 to September 2002.

Prof. Chen Tixian (陳體銜), aged 71, is the head of our research and development department and is responsible for leading the research activities of our Group. Prof. Chen graduated with a bachelor's degree in chemistry and physics from Xiamen University (廈門大學) in 1961. Prof. Chen has over 30 years of experience in the lead-acid battery industry. Prof. Chen lectured in the chemistry department of Xiamen University between 1961 and 1989 when he retired as a professor. Prof. Chen joined our Group in April 2004 and has since held his current position as the head of the research department of our Group.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Zhou Mingsong (周明松) aged 38, is the head of the marketing department of our Group and is responsible for supervising the preparation and execution of the annual sales plan. Mr. Zhou graduated from the Zhejiang Province Jinhua Sales and Marketing College (浙江金華供銷學校) with a certificate in statistics in July 1993. He joined our Group in September 1999 and has held the several positions in our Group including production staff, production team leader, deputy chief of the production department, head of inventory, assistant manager of the after-sales service department, manager of the after-sales service department, head of the sales department and deputy general manager of the marketing department.

Mr. Qian Shunrong (錢順榮), aged 40, is the head of the production department of our Group and is responsible for the overall management of the production department. Mr. Qian completed his junior high school education in 1985. Mr. Qian joined our Group in 2003 and has held several positions in our Group including deputy general manager of Henan Chaowei, head of the supervision and management department and deputy general manager of the production department.

Mr. Ng Chi Kit (吳智傑), aged 37, is our chief financial officer and company secretary. Since joining our group in January 2010, Mr. Ng has been responsible for oversight of our Group's financial and accounting operations, and company secretarial and internal control function. Mr. Ng holds a bachelor degree in accountancy from the Hong Kong Polytechnic University in 1997 and is an Associate Member of Hong Kong Institute of Certified Public Accountants and a Fellow Member of The Association of Chartered Certified Accountants. Prior to joining our Group, Mr. Ng worked in the Assurance and Advisory Business Service Department of Ernst & Young and was promoted as a senior manager in 2004. Mr. Ng has over 10 years of experience in accounting and auditing.

COMPANY SECRETARY

Mr. Ng Chi Kit (吳智傑) is our company secretary of our Company. Please refer to his biography under the paragraph headed “– Senior Management” above.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Hong Kong Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Substantially all of our business operations are located, managed and conducted in China. Our head office and the vast majority of the members of the senior management (other than Mr. Ng Chi Kit, the chief financial officer and the Company Secretary) are and will continue to be based in China. None of our executive Directors are ordinarily based in Hong Kong. We do not and, in the foreseeable future, will not have any management presence in Hong Kong.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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

- (a) We have appointed two authorized representatives pursuant to Rule 3.05 of the Hong Kong Listing Rules, who will act as our principal channel of communication with the Hong Kong Stock Exchange and ensure that they comply with the Hong Kong Listing Rules at all times. The two authorized representatives are Mr. Zhou, our executive Director, and Mr. Ng Chi Kit, our chief financial officer and company secretary. Mr. Ng is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Hong Kong Stock Exchange within a reasonable time frame upon the request of the Hong Kong Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the two authorized representatives is authorized to communicate on our behalf with the Hong Kong Stock Exchange.
- (b) Each of the authorized representatives has means to contact all members of the board of Directors (including the independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors for any matters. To enhance the communication between the Hong Kong Stock Exchange, the authorized representatives and our Directors, we have implemented a policy that (a) our Directors will provide their respective office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses (if applicable) to the authorized representatives; (b) in the event that any of our executive Directors expects to travel or is not working at his/her office, he/she will have to provide the phone number of the place of his/her accommodation to the authorized representatives; and (c) all the Directors and authorized representatives will provide their office phone numbers, mobile phone numbers, fax numbers and email addresses to the Hong Kong Stock Exchange.
- (c) In addition, each of our Directors (including the independent non-executive Directors) who is not ordinarily resident in Hong Kong has confirmed that he or she possesses or can apply for valid travel documents to visit Hong Kong and would be able to come to Hong Kong and meet the Hong Kong Stock Exchange within a reasonable period.
- (d) We have appointed BNP Paribas as our compliance adviser (the “**Compliance Adviser**”) to act an additional channel of communication with the Hong Kong Stock Exchange pursuant to Rule 3A.19 of the Hong Kong Listing Rules. For details of the Compliance Adviser, please refer to the paragraph headed “Compliance Adviser” under this section of the Prospectus.
- (e) Each of our Directors (including the independent non-executive Directors) has provided his or her mobile phone number, office phone number, e-mail address and fax number to the Hong Kong Stock Exchange.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

COMPLIANCE ADVISER

In compliance with Rule 3A.19 of the Hong Kong Listing Rules, we have appointed BNP Paribas as our Compliance Adviser to act as our additional channel of communication with the Hong Kong Stock Exchange for the period commencing on the date of the initial Listing of our Shares on the Main Board of the Hong Kong Stock Exchange and ending on the date on which we comply with Rule 13.46 in respect of our financial results for the first full financial year commencing after the date of our initial Listing. The contact person of our Compliance Adviser will be fully available to answer enquiries from the Hong Kong Stock Exchange.

We have entered into a compliance adviser's agreement with the Compliance Adviser, the material terms of which are summarized as follows:

- (a) we have appointed the Compliance Adviser for the purpose of Rule 3A.19 of the Hong Kong Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Hong Kong Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier;
- (b) the Compliance Adviser shall provide us with services, including guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our channels of communication with the Hong Kong Stock Exchange;
- (c) we have agreed to indemnify the Compliance Adviser for certain actions against it and losses incurred by it arising out of or in connection with the performance by the Compliance Adviser of its duties under the compliance adviser's agreement; and
- (d) we may terminate the appointment of the Compliance Adviser, by service of a one-month notice, only if its work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to it as permitted by Rule 3A.26 of the Hong Kong Listing Rules. The Compliance Adviser will have the right to resign or terminate its appointment by service of a one-month notice to us if we materially breach the agreement.

BOARD COMMITTEES

Audit committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and paragraph C.3 of the Code of Corporate Governance Practices set out in Appendix 14 to the Hong Kong Listing Rules. The audit committee currently consists of three independent non-executive Directors, being Mr. Lee Conway Kong Wai, Mr. Wang Jiqiang and Prof. Ouyang Minggao, with Mr. Lee Conway Kong Wai serving as chairman of the committee. Mr. Lee Conway Kong Wai has the appropriate professional qualification as set out in Rule 3.10(2) of the Hong Kong Listing Rules.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The primary duties of the audit committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management systems, oversee the audit process and perform other duties and responsibilities as assigned by our Board.

Remuneration committee

We have established a remuneration committee with written terms of reference in compliance with paragraph B.1 of the Code of Corporate Governance Practices set out in Appendix 14 to the Hong Kong Listing Rules. The remuneration committee currently consists of an executive director and two independent non-executive Directors, being Mr. Zhou Mingming, Mr. Lee Conway Kong Wai and Mr. Wang Jiqiang, with Mr. Lee Conway Kong Wai serving as chairman of the committee.

The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for the Directors and senior management.

COMPENSATION OF DIRECTORS AND MANAGEMENT

Our executive Directors, who are also our employees, receive compensation in the form of salaries, bonuses and other allowances. The aggregate amount of remuneration (including fees, salaries and discretionary bonuses) which were paid by our Group to our Directors for the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 were approximately RMB0.4 million, RMB1.0 million, RMB0.7 million, and RMB0.1 million respectively.

Upon completion of the Global Offering, our remuneration committee will make recommendations on the remuneration of our directors taking into account the performance of our directors and market standards and the remuneration will be subject to approval by our Shareholders. Accordingly, the historical remuneration to our directors during the years ended 31 December 2007, 2008 and 2009 may not reflect the future levels of remuneration of our Directors.

The aggregate amount of remuneration (including fees, salaries and discretionary bonuses) which were paid by our Group to the five highest paid individuals, including our Directors, during the years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 were approximately RMB0.5 million, RMB1.4 million, RMB1.1 million, and RMB0.2 million, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office in respect of the years ended 31 December 2007, 2008 and 2009. Further, none of our Directors had waived any remuneration during the same period.

Save as disclosed above, no other payments including contributions to pension schemes have been paid or are payable, in respect of the years ended 31 December 2007, 2008 and 2009, by us or any of our subsidiaries to our Directors, and no payments were made during the years ended 31 December 2007, 2008 and 2009 by us to any of our

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors as an inducement to join or upon joining our Group. According to the present arrangements, the aggregate remuneration of our Directors (including benefits in kind and contributions to our Directors as remuneration by us but excluding any discretionary bonus payable to our Directors) for the financial year ending 31 December 2010 is forecast to be approximately RMB1.1 million.

EMPLOYEES

As of 31 March 2010, we had a total of 9,727 full-time employees, of which a total of 7,958 employees were engaged through four employment agencies, each an Independent Third Party. The following table shows an approximate breakdown of our employees by their functions and engagement relationship with us.

Function

	Engaged through employment agency	Engaged by our Group directly	Total
Merchandise	3	25	28
Production	7,366	1,027	8,393
Sales	0	129	129
Administration	297	249	546
Research and development	0	34	34
Quality control and testing	185	180	365
Finance and accounting	6	40	46
Human resources	101	85	186
	7,958	1,769	9,727
	7,958	1,769	9,727

We engage a substantial number of employees through employment agencies in order to benefit from the flexibility of contractual engagement on an as needed basis. According to the agency agreements entered into between the employment agents and us, we shall pay an annual fee ranging from approximately RMB80 to RMB120 for each employee we engage through such agents.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

As advised by our PRC legal advisor, the agreements entered into between the employment agencies and us in relation to such labor outsourcing arrangements are legal, effective and in compliance with all applicable laws and regulations. Pursuant to these agreements, the employment agencies are responsible for the social insurance for such employees. According to the Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》), which became effective on 1 January 2008, we may be jointly liable if the employment agencies fail to comply with all applicable labor laws and any relevant requirements relating to such arrangements and cause any damage to the interests of such contract employees. Nonetheless, having assumed the relevant liabilities, we have the right to claim against such employment agencies in respect of its liabilities arising from such breach or infringement.

We have not experienced any significant problems with our employees or disruption to its operations due to labour disputes not have we experienced any difficulty with the recruitment and retention of experienced staff. Our Directors believe that we maintain a good working relationship with our employees.

The remuneration package of our employees includes salary and bonuses. We made contributions to mandatory social security funds for our employees to provide for retirement, medical, unemployment, work-related injury and maternity benefits as required by the PRC social security regulations. Our contributions to such social insurance funds for the three years ended 31 December 2007, 2008 and 2009 and the three months ended 31 March 2010 amounted to approximately RMB5.1 million, RMB7.7 million, RMB8.9 million and RMB1.5 million, respectively.

The local social insurance authorities where our subsidiaries are located have confirmed that all of our subsidiaries have complied with the requirements under the applicable PRC laws and regulations and the requirements of local government, and that none of our subsidiaries has been penalized for non-compliance with social insurance regulations and no dispute has occurred between our subsidiaries and local government authorities in charge of social security.