

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### DIRECTORS

Our Board is responsible and has general powers for the management and conduct of our business. Our Board consists of four executive Directors, two non-executive Directors and three INEDs.

Name	Age	Position	Date of first becoming a Director	Roles and responsibilities
Mr. Zhao Hongliang (趙洪亮)	47	Executive Director and chairman of our Group	4 May 2012	Overall strategic development of our Group
Mr. Wang Shaogang (王紹崗)	50	Executive Director and vice chairman of our Group	4 May 2012	Overall corporate and business policies of our Group
Mr. Fu Wenguo (付文國)	46	Executive Director and chief executive officer of our Group	4 May 2012	Overall operations of our Group
Ms. Su Shiqin (蘇士芹)	47	Executive Director and chief financial officer of our Group	4 May 2012	Financial reporting and business planning of our Group
Mr. Sun Wei (孫瑋)	34	Non-executive Director	30 April 2013	Attend meetings and decision-making processes of our Board to perform duties as a board member but not participating in the day-to-day management of our business operations
Mr. Lau Ho Fung (劉浩峰)	31	Non-executive Director	30 April 2013	Attend meetings and decision-making processes of our Board to perform duties as a board member but not participating in the day-to-day management of our business operations
Mr. Wu Chi Keung (胡志強)	56	INED	7 November 2013	See note below
Mr. Zhang Yuezhou (張月周)	49	INED	7 November 2013	See note below
Mr. Zhu Zhanbo (朱戰波)	43	INED	7 November 2013	See note below

*Note:* Participating in meetings of the Board to bring an independent judgment to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to our Group as and when required; taking the lead where potential conflicts of interest arise and serving on the audit committee, remuneration committee and the nomination committee (as the case may be).

#### *Executive Directors*

**Mr. Zhao Hongliang (趙洪亮)**, aged 47, is an executive Director and the chairman of our Group. He is primarily responsible for the overall strategic development of our Group. Mr. HL Zhao completed his high school education in July 1983.

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### *Background of Mr. HL Zhao as our founder*

Mr. HL Zhao is the founder of our Group. He has past experience in raising dairy cows and cattle management in Heilongjiang Province, the PRC. Since 1995, he started to invest in various sectors in China including real properties, trading of construction materials and mining. At the same time, he had been all along paying close attention to the dairy farming industry in the PRC. In 2008, he was awarded as one of the “Outstanding Private Entrepreneurs”\* (優秀民營企業家), and in the following year, he was awarded as one of “Top Ten Outstanding Young Entrepreneurs of the Farming District of Heilongjiang” (黑龍江墾區十大傑出青年企業家). Mr. HL Zhao has accumulated substantial experience in making investments in China and has maintained a sound financial capability.

In 2008, Mr. HL Zhao invested in the dairy farming industry in the PRC and as a result, our first operating entity, namely YST Heilongjiang, was established in September 2008.

Before 1996, Mr. HL Zhao worked in Zhao Guang Farm\* (趙光農場) which was a state-owned business in Heilongjiang Province. Some brief details are set out as follows:

Period of time	Name of entity	Principal functions
May 1979 to September 1983	Zhao Guang Farm* (趙光農場) in Heilongjiang Province	Raising of dairy cows and cattle management
September 1983 to December 1995	Rubber factory in Zhao Guang Farm* (趙光農場) in Heilongjiang Province	Factory management

**Mr. Wang Shaogang (王紹崗)**, aged 50, is an executive Director and the vice chairman of our Group. He is primarily responsible for overall corporate and business policies of our Group. Mr. Wang graduated from the Shanghai Light Industry Institute\* (上海輕工業專科學校) (now The Shanghai Institute of Technology\* (上海應用技術學院)) in 1989, majoring in food engineering.

Mr. Wang joined our Group since its establishment in September 2008 as the general manager of our Group and was then in charge of the supervision of the daily business management of our Group (including the operation of our farms). In June 2012, he was appointed as the vice chairman of our Group. He is also a member of the senior management of our Group.

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Before he joined our Group, he worked or assumed offices (as the case may be) in the following companies or entities:

<u>Period of Time</u>	<u>Name of employer/entity</u>	<u>Office</u>	<u>Principal functions</u>
September 1989 to May 2001	Yanwodao Dairy 853 Farm* (853農場雁窩島乳業)	Technician, head of enterprise management department, deputy factory manager	General management of dairy products factory
June 2001 to December 2003	Heilongjiang Wonder Sun Dairy Co., Ltd.* (完達山乳業有限公司)	Commissioner of the public relations department and deputy factory manager	Public relations and general management of dairy products factory
March 2004 to December 2007	Feihe Dairy HLJ (then a member of Feihe Dairy Group)	Head of factory and deputy general manager	General management of dairy products factory

**Mr. Fu Wenguo (付文國)**, aged 46, is an executive Director, the chief executive officer and the general manager of our Group. He is primarily responsible for overseeing the overall operations of our Group. Mr. Fu graduated from the Shanghai Light Industry Institute\* (上海輕工業專科學校) (now The Shanghai Institute Technology\* (上海應用技術學院)) in 1989.

Mr. Fu joined our Group in December 2011 and was then in charge of overseeing the overall operations of our Group. Since January 2012, Mr. Fu has been assuming the office of general manager of our Group. He is also a member of the senior management of our Group.

Before he joined our Group, Mr. Fu worked or assumed offices (as the case may be) in the following companies or entities:

<u>Period of Time</u>	<u>Name of employer/entity</u>	<u>Office</u>	<u>Principal functions</u>
September 1989 to October 1996	(Heilongjiang Lindian County Mega Wave Farm Dairy Factory*) 黑龍江省林甸縣巨浪牧場乳品廠	Deputy head of factory of the production department	Oversee production operations
October 1996 to February 2001	Heilongjiang Hewang Dairy Group Jiangxue Co., Ltd.* (黑龍江省鶴王乳業集團江雪有限公司)	Manager	Oversee production operations
February 2001 to February 2004	Heilongjiang Feihe Dairy Group Kedong Company* (黑龍江飛鶴乳業集團克東公司)(a then member of Feihe Dairy Group)	General manager	Oversee overall operations
February 2004 to April 2008	Heilongjiang Feihe Dairy Group Shanxi Feihe Company* (黑龍江飛鶴乳業集團山西飛鶴公司) (a then member of Feihe Dairy Group)	General manager	Oversee overall operations
April 2008 to December 2011	Jilin Alf Beta Dairy Co., Ltd.* (吉林艾倍特乳業有限公司)	Chairman and general manager	Oversee overall operations

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**Ms. Su Shiqin (蘇士芹)**, aged 47, is an executive Director and the chief financial officer of our Group. She is primarily responsible for financial reporting and business planning of our Group. She graduated from Changchun Finance College\* (長春金融高等專科學院) majoring in accounting and finance in 1998. She is also a holder of the certificate of accounting professional.

Ms. Su joined our Group in September 2011 and was then in charge of financial reporting and business planning of our Group. Since then, Ms. Su has been assuming the office of chief financial officer of our Group. She is also a member of the senior management of our Group.

Before she joined our Group, Ms. Su worked or assumed offices (as the case may be) in the following companies or entities:

<b>Period of Time</b>	<b>Name of employer/entity</b>	<b>Office</b>	<b>Principal functions</b>
February 1984 to May 2003	Zhao Guang Farm (Division 16)* (趙光農場(16隊))	Accounting officer	Accounting and financial reporting activities
January 2004 to October 2007	Heilongjiang Heihe Beian Zhaoguang Farm (4th District)* (黑龍江省趙光農場第四管理區)	Accounting officer	Accounting and financial reporting activities
November 2007 to September 2011	Feihe Dairy Group	Head of finance department of YST Heping and Ruixinda Gannan	Oversees financial accounting and reporting activities

### ***Non-executive Directors***

**Mr. Sun Wei (孫瑋)**, aged 34, was appointed a non-executive Director with effect from 30 April 2013. Mr. Sun is one of the principals in the Ares Private Equity Group. Mr. Sun joined Ares Management LLC in July 2010 from AIG Global Investment where he had been employed since February 2005 in its Shanghai office. From November 2003 to February 2005, Mr. Sun was with KPMG in its corporate finance department as an assistant manager in its Shanghai office. Mr. Sun graduated with merits from the London School of Economics in 2003 with a master degree in Accounting and Finance, after he graduated from the Shanghai International Studies University\* (上海外國語大學) with a Bachelor of Arts in Economics, majoring in International Finance in 2001.

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**Mr. Lau Ho Fung (劉浩峰)**, aged 31, was appointed a non-executive Director with effect from 30 April 2013. Mr. Lau is a private equity associate of VMS Investment Group where he is mainly engaged in deal screening, due diligence, and execution of private equities transactions in the greater China region. He has become a Chartered Financial Analyst charter-holder since 2009 and received a bachelor's degree in Information System and Software Engineering from the University of Hong Kong in 2005. Mr. Lau has around seven years of experience in private equities and asset management industries. Prior to joining VMS Investment Group, Mr. Lau worked as a research analyst trainee at Phoenix Capital Asia Limited during October 2005 and October 2006 and received training on a broad range of fundamental analysis. From November 2006 to May 2010, Mr. Lau worked at Tempus Investment Group where he joined the company as an assistant analyst and was later promoted to a research analyst. During that period, Mr. Lau's responsibilities included conducting industry and company analyses in Hong Kong and China markets and recommending investments.

### *Independent Non-executive Directors*

**Mr. Wu Chi Keung (胡志強)**, aged 56, was appointed an INED with effect from 7 November 2013. Mr. Wu has more than 30 years of experience in financial audit and specializes in providing auditing and assurance services, financial due diligence reviews, support services for merger and acquisitions, corporate restructuring and fund raising engagements. Mr. Wu was a partner of Deloitte Touche Tohmatsu until he retired in December 2008. Mr. Wu is currently the managing director of a family-owned private company engaging in property and other investment activities.

Mr. Wu is an associate of Hong Kong Institute of Certified Public Accountants and a fellow of Association of Chartered Certified Accountants in the United Kingdom. He graduated from Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) in 1980 with a high diploma in accountancy. Mr. Wu is the INED who has the qualifications and experience (as mentioned above) to meet the requirements under Rule 3.10(2) of the Listing Rules.

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As of the Latest Practicable Date and in the three years preceding that date, Mr. Wu held directorship in the following listed companies:

<u>Name of listed issuer</u>	<u>Place of listing</u>	<u>Office and principal functions (if an executive)</u>
Huabao International Holdings Limited (stock code: 336)	Hong Kong	Independent non-executive Director
Jinchuan Group International Resources Co., Ltd. (stock code: 2362)	Hong Kong	Independent non-executive Director
GreaterChina Professional Services Limited (stock code: 8193)	Hong Kong	Independent non-executive Director
Zhong Fa Zhan Holdings Limited (stock code: 475)	Hong Kong	Independent non-executive Director
China Renji Medical Group Limited (stock code: 648)	Hong Kong	Independent non-executive Director
China Medical System Holdings Limited (stock code: 867)	Hong Kong	Independent non-executive Director
JF Household Furnishings Limited (stock code: 776)	Hong Kong	Independent non-executive Director (until 5 October 2012)

**Mr. Zhang Yuezhou (張月周)**, aged 49, was appointed an INED with effect from 7 November 2013. Currently, Mr. Zhang is engaged in the provision of dairy farm management consultancy services in the PRC. Mr. Zhang was awarded a bachelor's degree in animal husbandry in July 1987 and a master's degree in agricultural extension from Nanjing Agricultural University (南京農業大學) in 2006. Mr. Zhang obtained the qualification of animal husbandry expert in the PRC in May 1995.

Mr. Zhang started his full-time work in July 1987. From then on, he worked or assumed offices (as the case may be) in the following companies or entities:

<u>Period of time</u>	<u>Name of employer/entity</u>	<u>Office</u>	<u>Principal functions</u>
July 1987 to September 1992	Gansu Agricultural University (甘肅農業大學)	Teacher	Teaching staff in the Department of Animal Husbandry
October 1992 to February 1999	Xi'an City Dairy Science Institute* (西安市奶業科學 研究所)	Officer in charge	Breeding dairy farm management, assist the Canadian specialist with marketing dairy cattle breeding and management techniques
April 2000 to December 2000	Shanghai ABN Huinong Feed Co., Ltd* (英聯飼料 (上海) 有限公司)	Manager of the ruminant department	Team building and development of a national feed market for ruminant

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<b>Period of time</b>	<b>Name of employer/entity</b>	<b>Office</b>	<b>Principal functions</b>
January 2003 to February 2006	Diamond V (Shenzhen) Biological Fermentation Technology Co., Ltd.* (達農威生物發酵工程技術(深圳)有限公司)	Marketing and sales executive	Marketing of products in the PRC, sales and the management of sales department
March 2006 to February 2007	DeLaval (Shanghai) Co., Ltd. (利拉伐(上海)有限公司)	Managing director	Responsible for the operation of its companies in China
March 2006 to February 2010	DeLaval East Asia Co., Ltd.* (利拉伐東亞公司)	Farm management consultation manager	Guide and develop the dairy management consulting business, to provide large-scale dairy farm paid technical services and to assist in improving dairy production levels and efficiency
Since March 2010	Shanghai Yuanfan Farming Technology Co. Ltd.* (上海源凡牧業科技有限公司)	General Manager	Overseeing overall operations

**Mr. Zhu Zhanbo (朱戰波)**, aged 43, was appointed an INED with effect from 7 November 2013. Mr. Zhang has experience in teaching and scientific research for 20 years. Mr. Zhang graduated from Heilongjiang Bayi Agricultural University\* (黑龍江八一農墾大學) in veterinary science in July 1993, and obtained a master's degree from the Department of Animal Science and Technology of the same university July 2004. He further obtained a doctorate degree from the Jilin University (吉林大學) in July 2012.

By profession, he is an university professor. Mr. Zhu started his full-time work in July 1993. Since then, he served as a working staff at Heilongjiang Bayi Agricultural University\* (黑龍江八一農墾大學) in the following positions:

<b>Period of time</b>	<b>Office</b>	<b>Principal functions</b>
July 1993 to September 1998	Teaching assistant at the animal husbandry and veterinary department	Teaching and research work of animal husbandry and veterinary science
September 1998 to September 2003	Lecturer of the school of animal science and technology	Deliver lectures and research work on animal science and technology
September 2003 to September 2008	Associate professor of the school of animal science and technology	Deliver lectures and research work on animal science and technology
July 2004 to the Latest Practicable Date	Master postgraduates tutor of the school of animal science and technology	Deliver classes for Masters degree courses
September 2008 to the Latest Practicable Date	Professor of the school of animal science and technology	Deliver lectures and research work on animal science and technology

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### *General*

Save as disclosed above, there is no other information relating to our Directors that needs to be disclosed under the requirements under Rule 13.51(2) of the Listing Rules.

Save as disclosed above, none of our Directors:

- (i) held any other positions in the Company or other members of our Group at the Latest Practicable Date;
- (ii) had any other relationship with any Directors, senior management or substantial Shareholders or Controlling Shareholders of the Company as of the Latest Practicable Date; and
- (iii) held any other directorships in listed public companies in the three years prior to the Latest Practicable Date.

Save as disclosed above, to the best of the knowledge, information and belief of our Directors after having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

### *Senior Management*

Mr. Wang Shaogang, Mr. Fu Wenguo and Ms. Su Shiqin, all being executive Directors, are also senior management of our Group.

**Mr. Wang Yongxin (王永信)**, aged 35, is the deputy general manager of our Group. Currently, he is primarily responsible for health care of cattle of our farms and production and operations management of our Group. Mr. Wang graduated from the Southwest Agricultural University\* (西南農業大學) in Veterinarian Science in 2001. He also obtained the certificate of middle-level veterinary in 2006.

Mr. Wang joined our Group in December 2009 and was then in charge of supervision and overall management of our Kedong YST Farm. During the period of his office with our Group, Mr. Wang assumed the following offices and was then in charge of the functions mentioned below:

<u>Period of time</u>	<u>Office</u>	<u>Principal functions</u>
December 2009 to March 2012	Head of farm	Supervision and overall management of Kedong YST Farm
March 2012 to the Latest Practicable Date	Deputy general manager	Monitoring the health of cattle and production and operations management of the operating subsidiaries of our Group



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Before he joined our Group, he worked or assumed offices (as the case may be) in the following companies or entities:

Period of time	Name of employer/entity	Office	Principal functions
July 2001 to October 2004	Canton American Flower Lounge Livestock Company Limited* (廣美香滿樓畜牧有限責任公司)	Veterinarian and head of veterinarian	Health control and treatment of cows
November 2004 to February 2008	Inner Mongolia Mengniu Austasia Model Dairy Farm Company Limited (內蒙古蒙牛澳亞示範牧場有限責任公司) (now the Helingeer Modern Farming Co., Ltd * (現代牧業和林格爾牧場))	Veterinarian, head of veterinarian, ranch assistant manager	Health control and treatment of cows
March 2008 to November 2009	Yili Left-Banner Modern Husbandry Science and Technology Model Zone* (伊利土左現代牧業科技示範園區) (now the Inner Mongolia Yili Animal Husbandry Development Co. Ltd.* (內蒙古伊利畜牧發展有限公司))	Ranch assistant manager	Provide assistance to the head of farm in relation to dairy farm management

**Mr. Luo Qinghua (羅清華)**, aged 33, is the deputy technical manager of our Group. Currently, he is primarily responsible for technical support and technology project management of our Group. Mr. Luo was awarded a Bachelor Degree in Animal Science from the Sichuan Agricultural University (四川農業大學) in 2004.

Mr. Luo joined our Group in April 2009 as directors of YST Honghai and YST Sifang (which are in preparation stage of dairy farming operations). Since September 2011, Mr. Luo assumed the following offices and was then in charge of the functions mentioned below:

Period of time	Office	Principal functions
September 2011 to March 2012	Head of enterprise management department	Supervision and assessment of dairy farm management of our Group
March 2012 to the Latest Practicable Date	Deputy technical manager	Technical support and technology project management of our Group

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Before he joined our Group, he worked or assumed offices (as the case may be) in the following companies or entities:

Period of time	Name of employer/entity	Office	Principal functions
February 2003 to August 2005	Chengdu Daye Embryonic Biological Engineering Co. Ltd.* (成都大業胚胎生物工程有限責任公司)	Technician and head of farm	Production of dairy cattle embryo transplant and cattle production management
August 2005 to December 2006	XY Breeding Livestock Co., Ltd.* (XY種畜(天津)有限公司)	Head of technical department	Technical support
December 2006 to April 2008	Ma On Shan Modern Farm Co., Ltd.* (馬鞍山現代牧場有限公司)	Head of feeding	Management of feeding, calf and bed maintenance
May 2008 to April 2009	Feihe Dairy HLJ (then a member of Feihe Dairy Group)	Head of enterprise management department and the assistant to general manager	Supervision and assessment of dairy farm management

### *Joint Company Secretaries*

**Mr. Liu Gang** (劉剛), aged 39, was appointed as one of our joint company secretaries on 7 November 2013. Mr. Liu was awarded a bachelor's degree in automation, majoring in measuring and control technology and instrumentations, from the Yanshan University\* (燕山大學) in July 1999. Mr. Liu joined our Group in January 2012 and was mainly responsible for providing assistance to the chairman of our Group.

Period of time	Name of employer/entity	Office	Principal functions
October 1999 to July 2002	Shenzhen Huafa Electronics Co., Ltd.* (深圳華髮電子股份有限公司)	Assistant technician	Engaging in electronic board process development
July 2002 to December 2004	Shenzhen Comtech International Electronics Co., Ltd.* (深圳市科通國際電子有限公司)	Sales technician	Provide pre-sales technical support
January 2004 to December 2012	Shenzhen Deruibao Investment Advisory Co., Ltd.* (深圳市德瑞寶投資顧問有限公司)	Investment manager; Chief investment officer	Investment advisory services

**Mr. Kwok Siu Man** (“Mr. Kwok”), aged 54, is our other joint company secretary (who has been appointed by our Board and so nominated by Boardroom Corporate Services (HK) Limited (“BCS”) under an engagement letter made between the Company and BCS, pursuant to which BCS has agreed to provide certain corporate secretarial services to the Company). Prior to joining our Group, between 1 February 2011 and 14 March 2013, he has been the company secretary of a number of companies of the same group listed on the Growth Enterprise Market and the Main Board of the Stock Exchange, respectively and a company of a related group listed on the Main Board of the Stock Exchange

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concurrently. He had about 25 years' legal, corporate secretarial and management experience gained from listed companies in Hong Kong (including Hang Seng Index Constituent and Hang Seng Mid-Cap Index stock companies) and overseas. He was the managing director of a financial printer in Hong Kong with international affiliation and a director of a property management company for residential properties and has been a director of a charity fund since its incorporation in 1992.

Mr. Kwok is a fellow of The Institute of Chartered Secretaries and Administrators and The Institute of Financial Accountants in England and The Hong Kong Institute of Chartered Secretaries (“HKICS”) and a member of the Hong Kong Securities and Investment Institute. He also possesses professional qualifications in arbitration, taxation, financial planning and human resources management. In addition, he matriculated from Queen's College, Hong Kong, holds a bachelor's degree of arts (with honors) and a post-graduate diploma in laws and has passed the Common Professional Examinations in England and Wales. In 1999, he received induction into the International WHO's WHO of Professionals, an international organization which establishes a network of international elite professionals. He was one of the adjudicators for the “Best Annual Reports Awards” organized by the Hong Kong Management Association in the early 1990's and the late 2000's.

Having been the reviewer and the chief examiner of the “Hong Kong Company Secretarial Practice/Corporate Secretaryship” of the international qualifying examinations of the HKICS and participated in the review of the Hong Kong law variant modules thereof for about a decade, Mr. Kwok holds the record of being the HKICS's longest-serving council member and director (i.e. for 18 years). Further, he was a member of the Board of Review appointed by the Hong Kong government under the Inland Revenue Ordinance and has been acting as an external examiner/adviser/member of the validation panel of corporate management courses organized by recognized academic and vocational institutions in Hong Kong since the mid-1990's.

### *Human Resources*

The Company maintains good employee relations. The Company has not experienced any significant problems with the recruitment or retention of experienced employees. In addition, the Company has not suffered from any material disruption of its normal business operations as a result of labor disputes or strikes. The remuneration payable to our employees includes salaries and allowances.

As of 30 June 2013, we had approximately 952 employees, all of whom are located in the PRC. The following table shows a breakdown of our employees by function as of 30 June 2013.

Functions	Number
Production and operations. . . . .	805
Management. . . . .	117
Finance, administration and legal services. . . . .	26
Corporate finance . . . . .	4
Total . . . . .	<u>952</u>

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### *Benefits and Social Insurance*

As required by the PRC regulations on social insurance, the Company participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

### *Remuneration Policy*

The aggregate amounts of remuneration of our Directors for the two years ended 31 December 2012 and the six months ended 30 June 2013 were approximately RMB397,000, RMB970,000 and RMB504,000, respectively (no remuneration was paid to our Directors in the year ended 31 December 2010). Details of the arrangement for remuneration are set out in Note 8 in “Appendix IA — Accountants’ Report — II. Notes to Financial Information” in this Prospectus. Under such arrangement and pursuant to the Directors’ service agreements and letters of appointment referred to in “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Directors’ service contracts and appointment letters” in this Prospectus, the aggregate amount of Directors’ fee and other emoluments payable to the Directors for the year ending 31 December 2013 is estimated to be approximately RMB1 million, excluding any discretionary bonuses.

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. The Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Company or executing their functions in relation to its operations. The Company regularly reviews and determines the remuneration and compensation packages of our Directors and senior management.

After Listing, the remuneration committee of the Company will review and determine the remuneration and compensation packages of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by the Company to, or received by, our Directors as an inducement to join or upon joining the Company.

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### BOARD COMMITTEES

The audit committee, remuneration committee and nomination committee of the Company were approved to be established by resolutions passed by our Board on 7 November 2013. The membership of such committees are as follows:

<u>Name of Director</u>	<u>Audit Committee</u>	<u>Remuneration Committee</u>	<u>Nomination Committee</u>
<i>Executive Director</i>			
Mr. HL Zhao	N.A.	Member	N.A.
Mr. Wang Shaogang	N.A.	N.A.	N.A.
Mr. Fu Wenguo	N.A.	N.A.	Member
Ms. Su Shiqin	N.A.	N.A.	N.A.
<i>Non-executive Director</i>			
Mr. Sun Wei	N.A.	N.A.	N.A.
Mr. Lau Ho Fung	N.A.	N.A.	N.A.
<i>INED</i>			
Mr. Wu Chi Keung	Chairman	Member	Member
Mr. Zhang Yuezhou	Member	Chairman	Member
Mr. Zhu Zhanbo	Member	Member	Chairman

Each of the above three committees has written terms of reference. The functions of the above three committees are summarized as follows:

#### *Audit Committee*

Our audit committee has written terms of reference in compliance with Code C.3 of the Corporate Governance Code and Corporate Governance Report as set forth in Appendix 14 to the Listing Rules. The primary duties of the audit committee of the Company are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and material and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

#### *Remuneration Committee*

Our remuneration committee has written terms of reference in compliance with Code B.1 the Corporate Governance Code and Corporate Governance Report as set forth in Appendix 14 to the Listing Rules. The primary functions of the remuneration committee of the Company are to make recommendation to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

#### *Nomination Committee*

Our nomination committee has written terms of reference in compliance with Code A.5 the Corporate Governance Code and Corporate Governance Report as set forth in Appendix 14 to the Listing Rules. The primary functions of the nomination committee of the Company are to review the structure, size and composition (including the skills, knowledge and experiences) of the Board at least annually and make recommendation to the Board on any proposed changes to the Board to complement

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the Company's corporate strategy; identify individuals suitably qualified as potential board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of INEDs; and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors, in particular that of our chairman and the chief executive officer.

### COMPLIANCE ADVISER

We entered into an agreement with Baron Global Financial Services Limited, who will from the Listing Date act as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on, among other matters, the following:

- (a) (before its publication) any regulatory announcement, circular or financial report;
- (b) a transaction is contemplated, which might be a notifiable or connected transaction or will involve Share issues and Share repurchases;
- (c) where the Company proposes to use the net proceeds of the Global Offering in a manner different from that set forth in this Prospectus or where our business activities, development or results deviate from any forecast, estimate, or other information in this Prospectus; and
- (d) where the Stock Exchange makes any inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of appointment of our compliance adviser will commence on the Listing Date and will end on the date of despatch of our annual report in respect of our financial results for the first full financial year commencing after the Listing Date. Such appointment may be subject to extension by mutual agreement.

### SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme and intends to grant options to our executive Directors and senior management of our Group after Listing.

The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable us to reward our Directors and other selected participants for their contributions to us.

The total number of the Shares which may be allotted and issued upon the exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date.

A summary of the principal terms of the Share Option Scheme is set out in "Appendix IV — Statutory and General Information — D. Share Option Scheme" in this Prospectus.