
DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board of Directors currently consists of seven members, including three executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

CHUN Chi-wai, (秦志威) aged 43

Mr. Chun is an executive Director and the Chairman, Chief Executive Officer and Controlling Shareholder of our Group. Mr. Chun also serves as a member of the remuneration committee of our Company and is a director of each of Guangzhou Asia Steel, Yangzhong Yagang, Zhangjiagang Rongli, Zhongshan Yatong, Huan Bao Steel and Central Steel Macau. Mr. Chun co-founded our Group with Ms. Lai Wun-yin in 2000 and is responsible for the overall strategic planning and business management. Mr. Chun has over 15 years of experience in the business of scrap metal recycling and trading, port operations and shipping, including serving as general manager and executive director of Whampoa Materials (Hong Kong) Company Limited from 1995 to 2000 and Guangzhou Zhujiang Port from 2003 to 2006. He served as a director of the 33rd and the 35th term of the board of directors of Yan Chai Hospital. From 2004 to 2006, he was a committee member of the People’s Political Consultative Committee of Guangzhou Huang Pu District. Mr. Chun is currently a standing committee member of the China Association of Metal Scrap Utilization and a director of Guangzhou Zhujiang Port. Mr. Chun was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

Save for being a spouse of Ms. Lai Wun-yin (a non-executive Director) and the sole shareholder and director of Wellrun Limited, which is a substantial and controlling shareholder of our Company, Mr. Chun does not have any relationship with any Directors, senior management or substantial or controlling shareholders of our Company. As at the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document, Mr. Chun does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

WONG Hok-leung, (王學良) aged 56

Mr. Wong is an executive Director and the Chief Financial Officer and deputy Chief Executive Officer of our Group. Mr. Wong joined our Group in May 2008 and is responsible for our Group’s business and financial matters. Mr. Wong has over 23 years of experience in financial management and business operations in manufacturing, banking and logistics. Prior to joining our Group, Mr. Wong was the Group Head of Financial Control and Business Development of Sun Hung Kai Properties Limited from 2002 to 2008, and during this period, he was also the Chairman of Sun Hung Kai Logistics Holdings Limited, Deputy Chairman of Air Freight Forwarding Center Company Limited, and Director and General Manager of River Trade Terminal Limited. Mr. Wong is currently a director of Hong Kong Sinfonietta Ltd. Mr. Wong received his Bachelor of Science Degree from the University of Hong Kong in 1975. He is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of Chartered Association of Certified Accountants (UK). Mr. Wong was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

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Mr. Wong does not have any relationships with any directors, senior management or other substantial or controlling shareholders of our Company. As of the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document, Mr. Wong does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

JIANG Yan-zhang, (姜延章) aged 54

Mr. Jiang is an executive Director and the Chief Operating Officer of our Group. Mr. Jiang also serves as a director of each of Guangzhou Asia Steel, Yangzhong Yagang, Zhangjiagang Rongli and Zhongshan Yatong. Mr. Jiang joined our Group in December 2003 and is responsible for various aspects of our operations such as production, procurement, quality control, marketing and sales. Mr. Jiang has over 37 years of experience in the business of metal production. Prior to joining our Group, Mr. Jiang served various management positions in Guangdong Shaogang Company Group from 1970 to 2003, including the manger of scrap steel department and the safety and environmental department. Mr. Jiang is currently a director of Guangzhou Zhujiang Port. Mr. Jiang received his Bachelor’s Degree in Philosophy from Zhongshan University in 1989 and a Master’s Degree in Business Administration from Macau University of Science and Technology in 2003. Mr. Jiang was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

Mr. Jiang does not have any relationships with any directors, senior management or other substantial or controlling shareholders of our Company. As of the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document, Mr. Jiang does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

Non-executive Directors

LAI Wun-yin, (黎煥賢) aged 38

Ms. Lai is a non-executive Director and also serves as a non-executive director of each of Guangzhou Yatong, Tianjin Yatong, Huan Bao Steel and Central Steel Macau in non-executive capacity. Ms. Lai co-founded our Group with Mr. Chun in 2000. During the Track Record Period, Ms. Lai had been a director of each of Asia Steel (Holdings), Asia Steel (H.K.), Asia Steel (Investments), Asia Steel (Development), Huan Bao Steel, Central Steel Macau, Guangzhou Yatong and Tianjin Yatong. Ms. Lai had secondary education and has over 8 years of experience in financial and administrative management. Ms. Lai was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

Save that Ms. Lai is the wife of Mr. Chun Chi-wai, she does not have any relationships with any directors, senior management or substantial or controlling shareholders of our Company. As of the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document, Ms. Lai does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

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Independent Non-executive Directors

CHAN Iu-seng, (陳耀星) aged 64

Mr. Chan joined our Company as an independent non-executive Director on 22 May 2009. Mr. Chan also serves as the chairman of the remuneration committee and is a member of the audit committee of our Company. Mr. Chan has served as the Chairman of Vimchamp Holdings Ltd., a company in the garment manufacturing and property investment industries, for over 20 years. Mr. Chan was appointed as a Justice of the Peace after he was actively involved in a variety of public service organisations and has been awarded the Bronze Bauhinia Star in Hong Kong in recognition of his service. He has also served in a number of public positions, including a member of the Elderly Commission and Appeal Panel (Housing), a lay observer of Independent Police Complaints Council Lay Observer Scheme (IPCC), an appointed councilor of Tsuen Wan District Council and the Chairman of Tsuen Wan District Fight Crime Committee. Mr. Chan was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

Mr. Chan does not have any relationships with any directors, senior management or other substantial or controlling shareholders of our Company. As of the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document, Mr. Chan does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

CHAN Kam-hung, (陳錦雄) aged 50

Mr. Chan joined our Company as an independent non-executive Director on 22 May 2009. Mr. Chan also serves as the chairman of the audit committee and is a member of the remuneration committee of our Company. Mr. Chan has over 25 years of auditing, accounting and corporate management experience and he held senior corporate management positions in multi-national companies and listed companies in Hong Kong. He served as the audit director and the group financial controller of Universal Furniture Limited between 1986 and 1995, the chief executive officer of Lamex Holdings Limited (which changed its name to Ezcom Holdings Limited in November 2001 and was formerly a listed company in Hong Kong whose shares were delisted in July 2007) between 1995 and 1998, and a director and the general manager of Hong Kong Teakwood Works Limited (“Teakwood”) between 1998 and 2002. He is currently an executive director and chief operating officer of Road King Infrastructure Limited (Stock Exchange stock code 1098). Mr. Chan received a Bachelor of Economics degree from the University of Sydney in 1980. He is a Chartered Accountant of Australia and a fellow member of The Hong Kong Institute of Certified Public Accountants.

Teakwood was a private company incorporated in Hong Kong with a principal business of carrying out interior fitting-out works. Mr. Chan confirmed that he was employed by Teakwood as a salaried director. Mr. Chan was involved in the day-to-day management of Teakwood together with the other two directors of Teakwood. Mr. Chan confirmed that as a result of Teakwood’s liquidity problem and its business slowdown following the financial crisis in Asia in 1997, Teakwood was unable to pay its debt. On 1 August 2002, a creditor’s petition was filed with the High Court of Hong Kong to wind up Teakwood and the total sum involved was HK\$436,970. The said sum of HK\$436,970

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was fully settled as at the Latest Practicable Date. On 4 November 2002, an order for winding-up against Teakwood was granted by the High Court of Hong Kong. As at the Latest Practicable Date, the winding-up proceeding of Teakwood is still pending. Mr. Chan has confirmed that there are no potential claims and liabilities against him as a director of Teakwood.

Mr. Chan does not have any relationships with any directors, senior management or other substantial or controlling shareholders of our Company. As of the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders ” of this document, Mr. Chan does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

LEUNG Chong-shun, (梁創順) aged 43

Mr. Leung joined our Company as an independent non-executive Director on 22 May 2009. Mr. Leung is also a member of each of the audit committee and the remuneration committee of our Company. Mr. Leung joined Woo, Kwan, Lee & Lo, a law firm in Hong Kong since 1989 and became a partner of Woo, Kwan, Lee & Lo since September 1997. Mr. Leung has served as an independent non-executive director of Lijun International Pharmaceutical (Holding) Co., Ltd. (Stock Exchange stock code 2005) since October 2005 and China National Materials Company Limited (Stock Exchange stock code 1893) since July 2007. Mr. Leung received a Bachelor of Laws degree in 1988 and the Postgraduate Certificate in Laws in 1989 from the University of Hong Kong. He qualified as a solicitor in Hong Kong and England & Wales in 1991 and 1994, respectively.

Mr. Leung does not have any relationships with any directors, senior management or other substantial or controlling shareholders of our Company. As of the Latest Practicable Date, save as disclosed under the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document, Mr. Leung does not have any interest or short positions in the shares or underlying shares in our Company within the meaning of Part XV of the SFO.

Please refer to the section headed “Appendix VII — Statutory and General Information — C. Further Information about Directors and Substantial Shareholders” of this document for the amount of the Directors’ emoluments and the basis of determining such emoluments.

Save as disclosed above, there is no other information in respect of the Directors that is discloseable pursuant to rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders of our Company.

SENIOR MANAGEMENT

Below is the biography of each of our key management members:

LAM Po-kei Kenneth Greg, (林寶基) aged 42

Mr. Lam joined our Group in 2007 and was appointed as the Financial Controller of our Company, responsible for supervising financing and accounting matters for our Group. Mr. Lam has also acted as a director of Zhangjiagang Rongli since December 2007. Mr. Lam has over 19 years of experience in accounting and financial management. Prior to joining our Group, Mr. Lam worked as an audit

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manager at Deloitte Touche Tohmatsu from 1989 to 1998 and as a regional finance manager for Asia Pacific at EGL Eagle Global Logistics (HK) Limited from 2000 to 2007. Mr. Lam received his Bachelor’s Degree in Social Sciences from the University of Hong Kong in 1989, and obtained a Master of Business Administration jointly awarded by the University of Wales and University of Manchester in 2001. He is a qualified Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and an associate member of American Institute of Certified Public Accountants. Mr. Lam was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

LI Wen-zhe, (李文哲) aged 68

Mr. Li joined our Group in 2003 and is Deputy General Manager and Plant Manager of Guangzhou Asia Steel. He was also appointed as the General Manager of Yangzhong Yagang in 2007, responsible for the operation and management matters. Mr. Li has over 33 years of experience in metal production and machinery management. Prior to joining our Company, Mr. Li worked as the head of the Guangzhou Mechanical Engineering Research Institute. Mr. Li is a certified senior engineer. Mr. Li graduated from Dalian University of Technology. Mr. Li was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

WU Yue-xing, (吳岳興) aged 44

Mr. Wu joined our Group in 2007 and is the General Manager of Zhangjiagang Rongli, responsible for overseeing its management and operations. Mr. Wu has over 25 years of experience in the operation of metal recycling industry. During 1983 to 2000, Mr. Wu established and operated various scrap metal collection and recycling depots in Zhangjiagang. In 2002, Mr. Wu further expanded his business to metal processing by establishing Zhangjiagang Xilong in the Zhangjiagang. In 2006, Mr. Wu established another enterprise, Zhangjiagang Rongli, focusing on scrap metal recycling. Mr. Wu was the president and founder of Zhangjiagang Rongli. In 2007, Mr. Wu was elected as a committee member of the People’s Political Consultative Committee of Zhangjiagang City. Mr. Wu was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

LIANG Jian-xiong, (梁建雄) aged 47

Mr. Liang joined our Group in 2006 and is the General Manager of Tianjin Yatong, responsible for overseeing its management and operations. Mr. Liang has over ten years of experience in operations and financial management. Prior to joining our Company, Mr. Liang was the vice general manager and financial controller of Shenzhen Guangnan Investment and Development Company Limited. Mr. Liang was not a director of any other publicly listed company at any time during the three years preceding the date of this document.

COMPANY SECRETARY

LAM Po-kei Kenneth Greg is our company secretary and works for us on a full-time basis. For additional details regarding Mr. Lam’s background, see the section headed “Directors and Senior Management — Senior Management” above.

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BOARD COMMITTEES

Audit Committee

The Board of Directors has established an audit committee in compliance with Rule 3.21 of the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system and to provide advice on accounting and financial reporting matters to the Board of Directors. The audit committee consists of three members, each an independent non-executive Director. The chairman of the audit committee is Mr. Chan Kam-hung, who is a Chartered Accountant of Australia and a fellow member of The Hong Kong Institute of Certified Public Accountants. Mr. Chan Kam-hung possesses the professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The other members of the Audit Committee are Mr. Chan Iu-seng and Mr. Leung Chong-shun.

Remuneration Committee

The Board of Directors has also established a remuneration committee which consists of four members, Mr. Chan Iu-seng, who serves as chairman of the remuneration committee, Mr. Chan Kam-hung, Mr. Leung Chong-shun and Mr. Chun Chi-wai. The appointment of Mr. Chan Iu-seng, an independent non-executive Director, as chairman of the remuneration committee is in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The remuneration committee considers and recommends to the Board or approves (after authorisation by our shareholders, where required) the remuneration and other benefits paid by us to our Directors, senior management and staff. The remuneration of all Directors, senior management and staff is subject to regular review by the remuneration committee to ensure that levels of their remuneration and compensation are at appropriate levels.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration received by Directors (including fees, salaries, discretionary bonus, contributions to defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind) for the years ended 31 December 2006, 2007 and 2008 was approximately HK\$0.4 million, HK\$0.4 million and HK\$3.1 million, respectively. Only Mr. Chun Chi-wai served as an executive Director during the years ended 31 December 2006 and 2007. Mr. Chun Chi-wai, Mr. Wong Hok-leung and Mr. Jiang Yan-zhang served as executive Directors during the year ended 31 December 2008.

The aggregate amount of fees, salaries, discretionary bonus, defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind paid to the five highest paid individuals of our Company, excluding Directors, for the years ended 31 December 2006, 2007 and 2008 was approximately HK\$2.2 million, HK\$2.0 million and HK\$2.3 million, respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of the years ended 31 December 2006, 2007 or 2008. Further, none of our Directors had waived any remuneration during the same period.

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Except as disclosed above, no other payments have been paid or are payable, in respect of the years ended 31 December 2006, 2007 or 2008, by us or any of our subsidiaries to our Directors.

SHARE OPTION SCHEMES

We conditionally approved the Post-IPO Share Option Scheme on 22 May 2009.

The total number of Shares that may be issued upon exercise of all options granted and yet to be exercised under the Share Option Schemes or any other share option schemes adopted by us (and to which the provisions of Chapter 17 of the Listing Rules are applicable) will not exceed 30% of the Shares in issue from time to time. Initially, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Schemes or any other share option schemes adopted by us may not exceed 10% of the aggregate number of Shares in issue immediately following the completion of the [●] and the [●] (without taking into account any Shares that may be issued upon the exercise of the [●]).

The purpose of the Share Option Scheme is to recognise the contribution that certain employees, officers and Directors of the Group made or may have made to the growth of the Group. They aim to give the participants an opportunity to acquire a personal stake in our Company and help motivate such participants to optimise their performance and efficiency, and also to help attract or retain the participants whose contributions are important to the long-term growth and profitability of the Group. Additional information regarding the Share Option Scheme and the grantees under the [●] is set forth in Appendix VII to this document.

COMPLIANCE ADVISOR

We intend to appoint Somerley Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) if we propose to use the proceeds of the [●] in a manner different from that detailed in this document or if our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- (iv) if the [●] makes an inquiry of us regarding unusual movements in the price or trading volume of the Shares.

In addition, the compliance advisor will also provide, inter alia, the following services to us:

- (i) if required by the [●], deal with the [●] in respect of any or all matters listed in paragraphs (i) to (iv) above;
- (ii) in relation to an application by us for a waiver from any of the requirements in Chapter 14A of the Listing Rules, advise us on our obligations and in particular the requirement to appoint an independent financial advisor; and

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- (iii) assess the understanding of all new appointees to the Board regarding the nature of their responsibilities and fiduciary duties as a director of a listed issuer, and, to the extent we form an opinion that the new appointees’ understanding is inadequate, discuss the inadequacies with the Board and make recommendations to the Board regarding appropriate remedial steps, such as training.

The term of the appointment shall commence on [●] and end on the date on which we distribute our annual report in respect of its financial results for our first full financial year commencing after [●], and such appointment may be subject to extension by mutual agreement.

In addition, after the [●], we will retain legal advisors to advise on ongoing compliance and Listing Rules issues and other applicable laws and regulations in Hong Kong.