

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

The Board consists of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth certain information in respect of our Directors:

Name	Age	Position/Title
Mr. Chen Qiyuan (陳啟源) . . . . .	47	Chairman and Executive Director
Ms. Wan Yuhua (萬玉華) . . . . .	43	Chief Executive Officer (“CEO”) and Executive Director
Mr. Shen Xiaodi (沈小笛) . . . . .	43	Vice-CEO and Executive Director
Mr. Wong Sin Yung (黃善榕) . . . . .	54	Chief Financial Officer and Executive Director
Ms. Guo Jing (郭晶) . . . . .	42	Non-executive Director
Mr. Ngai Wai Fung (魏偉峰) . . . . .	47	Independent non-executive Director
Mr. Li Bida (李必達) . . . . .	68	Independent non-executive Director
Mr. Chen Kaizhi (陳開枝) . . . . .	69	Independent non-executive Director

### Executive Directors

**Mr. Chen Qiyuan (陳啟源)**, aged 47, co-founder of our Group, our chairman and has been our executive Director since 12 November 2007. Mr. Chen is responsible for the overall strategic planning and management of our Group. Mr. Chen has extensive experience in the Chinese herbal HPC product industry, having been engaged in the consumer chemical product business for over 15 years. Mr. Chen and Ms. Wan entered the HPC product business by establishing Old Guangzhou Bawang in 1994 after considering the growth potential of the HPC product business in the PRC. Mr. Chen was involved in the trading of pesticides in the PRC before the establishment of Old Guangzhou Bawang. He has been serving as a research fellow in the 北京大學公共經濟管理研究中心 (Public Economics Academy of Peking University) since 2007. Mr. Chen is the spouse of Ms. Wan.

**Ms. Wan Yuhua (萬玉華)**, aged 43, co-founder of our Group, our CEO and has been our executive Director since 12 November 2007. Ms. Wan is responsible for the overall strategic planning, marketing planning, sales and distribution and research and development of our Group. Ms. Wan has extensive experience in the Chinese herbal HPC product industry. She has over 15 years experience in the consumer chemical product industry in the PRC. She also has extensive experience in the sales and corporate management. Prior to the establishment of Old Guangzhou Bawang, Ms. Wan worked in 中國科學院華南植物研究所 (South China Botanical Garden, Chinese Academy of Sciences) as an engineer. Ms. Wan has served as the deputy head of the 中華全國工商業聯合會美容化妝品業商會 (Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce) since 2008. She was also elected 中國中藥日化行業魅力領軍人物 (Charismatic Leader in Chinese Herbal Consumer Chemical Industry in China) by 全國行業領先企業品牌推選組委會 (The Election Committee of the National Industry Leading Brand) in 2008. Ms. Wan obtained 廣州新僑回國創業貢獻獎 (Guangzhou Overseas Chinese Entrepreneurship Award) in 2008 from 廣州人事局 (Guangzhou Personnel Bureau), a government body, and 廣州市歸國華僑聯合會 (Guangzhou Overseas Chinese Federation). Ms. Wan was elected 中國品牌建設十大優秀企業家 (Ten Excellent Entrepreneurs for Chinese Brand Building) by China Enterprise Culture Improvement Association in 2006. She obtained a bachelor’s degree in plant genetics from 華南農業大學 (South China Agricultural University) in 1998. Ms. Wan is the spouse of Mr. Chen.

**Mr. Shen Xiaodi (沈小笛)**, aged 43, is our vice-CEO and executive Director. Mr. Shen joined our Group in January 2008 and was appointed as our executive Director on 10 December 2008. Mr. Shen is responsible for the implementation of our Group’s strategic plans and the daily operations and management of our Group. Prior to joining our Group, Mr. Shen held a number of senior management roles, such as deputy chief engineer in high technology enterprises in the PRC and deputy general manager in asset management companies. He has more than 10 years experience in technology

management, introduction of foreign capital and management of enterprises, which could benefit the Group by (i) efficiently and effectively managing the operation of the Group; (ii) implementing the new ERP systems; and (iii) facilitating the Group's future fund raising activities and strategic investments. Mr. Shen obtained a bachelor's degree in engineering in 1986 and a master's degree in engineering in 1989, both from 西安交通大學 (Xi'an Jiaotong University). He also obtained a doctorate degree in engineering and a post-doctoral research certificate in mathematics from 中國科學院 (Chinese Academy of Sciences) in 1994 and 1995, respectively. He was conferred a professional qualification as a deputy researcher by 中國科學院應用數學研究所 (Institute of Applied Mathematics of Chinese Academy of Sciences) in 1995. Mr. Shen is the spouse of Ms. Guo Jing, our non-executive Director.

**Mr. Wong Sin Yung (黃善榕)**, aged 54, is our chief financial officer and executive Director. Mr. Wong joined our Group in April 2008 and was appointed as our executive Director on 10 December 2008. He is responsible for the finance management and control, accounting, auditing, company secretarial and investor relations of our Group. Prior to joining our Group, Mr. Wong was an executive director of 華鼎集團控股有限公司 (China Ting Group Holdings Limited) (03398), the shares of which are listed on the Stock Exchange, from 2005 to 2008. Mr. Wong was the chief accountant and finance manager of Mark Wong & Associates (Industrial Consultants) Limited from 1988 to 1992 and from 1994 to 2003. He also worked for a certified public accountant firm from 1992. Mr. Wong has over 25 years experience in corporate finance, accounting, auditing, corporation administration, and project consulting. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. Wong obtained a master's degree in human resource management from Macquarie University in 1996 and a master's degree in business administration from the University of Hong Kong in 1999.

#### **Non-executive Director**

**Ms. Guo Jing (郭晶)**, aged 42, was appointed as our non-executive Director on 10 December 2008. Prior to joining our Group, Ms. Guo was a senior accountant in a chartered accountants firm in Canada since 2006. From 2002 to 2005, she was a finance manager of FutureWay Enterprise Services Inc., a company providing business consulting, accounting and taxation services. From 1992 to 2001 Ms. Guo held various senior management positions including finance manager, deputy chief accountant, and chief accountant in 北京市大力綜合商業公司 (Beijing Dali Integrated Business Company). She has more than 15 years experience in strategic planning, corporate finance, internal financial control and management, professional accounting, and taxation services, which could benefit the Group by offering professional advice to the Board on the overall financial control and management of the Group. Ms. Guo obtained a bachelor's degree in biomedical engineering and instrumentation from 西安交通大學 (Xi'an Jiaotong University) in 1987 and a master's degree in internal combustion engineering from 北京理工大學 (Beijing Institute of Technology) in 1992. She was awarded a vocational qualification as an accountant by 中國財政部 (the PRC Ministry of Finance) in 1997. Ms. Guo is the spouse of Mr. Shen Xiaodi, our executive Director.

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

**Mr. Ngai Wai Fung (魏偉峰)**, aged 47, was appointed as our independent non-executive Director on 10 December 2008. He is currently the director and head of listing services of KCS Hong Kong Limited (formerly the corporate and commercial divisions of KPMG and Grant Thornton respectively), an independent integrated corporate services provider, a vice president of the Hong Kong Institute of Chartered Secretaries and the chairman of its membership committee. He was the company secretary of 中國工商銀行(亞洲)有限公司 (Industrial and Commercial Bank of China (Asia) Limited) in 2005, executive director of 信東金融(亞洲)有限公司 (Top Orient Capital (Asia) Ltd) from 2003 to 2005, the company secretary of 中國聯通股份有限公司 (China Unicom Limited) from 2001 to 2003, the executive director, the company secretary and the chief financial officer of 東聯控股有限公司 (Oriental Union Holdings Limited) from 1999 to 2001. Mr. Ngai is a member of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators and a fellow of the Hong Kong Institute of Chartered Secretaries. Mr. Ngai obtained a master's degree in corporate

finance from Hong Kong Polytechnic University in 2002 and a master's degree in business administration from Andrews University of Michigan in 1992. He is a doctoral candidate in finance at 上海財經大學 (Shanghai University of Finance and Economics). Mr. Ngai has over 18 years of senior management experience, most of which is in the areas of finance, accounting, internal control and regulatory compliance for issuers including major red chip companies. Mr. Ngai was an independent non-executive director and a member of the audit committee of 中國人壽保險股份有限公司 (China Life Insurance Company Limited) (02628) from 2006 to 2009, and is currently an independent non-executive director and a member of the audit committee of 中國鐵建股份有限公司 (China Railway Construction Corporation Limited) (01186) and 方興地產(中國)有限公司 (Franshion Properties (China) Limited) (0817) and an independent non-executive director and the chairman of the audit committee of 波司登國際控股有限公司 (Bosideng International Holdings Limited) (03998), shares of which are listed on the Stock Exchange and/or the Shanghai Stock Exchange and/or the New York Stock Exchange.

**Mr. Li Bida (李必達)**, aged 68, was appointed as our independent non-executive Director on 10 December 2008. Prior to joining our Group, Mr. Li was the head of 中國司法部律師司 (Department of Lawyers, the Ministry of Justice of the PRC), currently known as 司法部律師公証工作指導司 (Department of Directing Lawyers and Notarization, Ministry of Justice), from 1988 to 1992. He was also an arbitrator in 中國國際經濟貿易仲裁委員會 (China International Economics and Trade Arbitration Commission) from 1989 to 1990. From 1992 to 1995, he served as standing deputy head of 國家商標局 (State Trademark Bureau). From 1992 to 2001, he held various positions in 國家工商行政管理總局 (State Administration of Industry and Commerce) including the head of the 公平交易局 (Fair Trading Bureau) and the head of 企業註冊局 (Registration Bureau). He was a consultant with a number of companies, including 格蘭仕集團 (Galanz Group) from 2001 to 2003, 完美(中國)日用品有限公司 (Perfect (China) Co., Ltd.), 南方李錦記有限公司 (Nanfong Lee Kum Kee Co., Ltd.) from 2001 to 2005, 理光(中國)投資有限公司 (Ricoh China Co., Ltd.) from 2005 to 2006, and 如新(中國)日用保健品有限公司 (NU Skin (China) Co., Ltd.) from 2006 to 2007. He is currently a member of the board of directors of 北京大學知識產權學院 (Intellectual Property Institute of Peking University), professor of 中國人民大學法律學院 (Renmin University of China Law School) and 首都經濟貿易大學 (Capital University of Economics and Business). Mr. Li obtained a bachelor's degree in law from 湖北大學 (Hubei University) in 1965.

**Mr. Chen Kaizhi (陳開枝)**, aged 69, was appointed as our independent non-executive Director on 8 April 2009. Prior to joining us, he held various governmental positions in Guangdong province from 1964 to 1998. He was promoted to executive vice mayor of Guangzhou in 1992 and 廣州市政府黨組副書記 (deputy secretary of the Leading Party Group of Guangzhou Municipal Government) in 1993. From 1998 to 2005, he was 廣州市政協主席、黨組書記 (the chairman and secretary of the Leading Party Group of Guangzhou Political Consultative Conference). Since his retirement from his governmental position in 2005, he held the position of vice president of 中國扶貧基金會 (China Foundation for Poverty Alleviation), a charitable organization in the PRC. He obtained a bachelor's degree in political education from 華南師範學院 (South China Normal College), which is the predecessor of 華南師範大學 (South China Normal University), in 1964.

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### SENIOR MANAGEMENT

The following table sets forth certain information in respect of our senior management:

<u>Name</u>	<u>Age</u>	<u>Position/Title</u>
Mr. Zhu Liangfeng . . . . .	72	Chief Research and Development Officer
Mr. Ma Shaochun . . . . .	30	Chief Planning Officer
Mr. Liang Jinhua . . . . .	44	Finance Manager
Mr. Mo Zhiwen . . . . .	39	Sales Manager
Ms. Huang Weiyan . . . . .	36	Sales Manager
Ms. Chen Quan . . . . .	31	Key Account Manager
Mr. Zhang Jialin . . . . .	48	Manager of Investigation and Supervision Department
Ms. Wan Yuxian . . . . .	46	Chief Administrative Officer
Ms. Luo Hailong . . . . .	29	Chief Media and Publicity Officer
Mr. Li Yihui . . . . .	36	Chief Brand Design and Expansion Officer
Ms. Guo Xiaoping . . . . .	36	Internal Auditor
Ms. He Xinyi . . . . .	34	Chief Training Officer
Mr. Zhu Xiaojun . . . . .	30	Manager of Design Department

**Mr. Zhu Liangfeng (朱亮鋒)**, aged 72, is our chief research and development officer. Mr. Zhu joined our Group in October 2007. He is responsible for overseeing research and development projects for the Group. Mr. Zhu has extensive experience in research and development and refinement of Chinese herbal chemicals. Prior to joining our Group, he was an assistant professor at 哈爾濱理工大學 (Harbin University of Science and Technology) (formerly known as 哈爾濱電工學院 (Harbin Electricity and Engineering College)) from 1960 to 1963. He began working as a research intern in 中國科學院華南植物研究所 (South China Botanical Garden, Chinese Academy of Sciences) in 1963. He was promoted to assistant researcher in 1979, later deputy researcher and deputy director of the research department in 1987 and he was further promoted to a researcher and director of the research department in 1990. From 1989 to 1998, he was the liaison officer for the Asian Pacific Information Network on Medicinal and Aromatic Plants (the “**APINMAP**”) launched by the United Nations Educational, Scientific, and Cultural Organization. During the same period, he was also the responsible person for China National Center of the APINMAP. He obtained his bachelor’s degree in chemistry from 中山大學 (Sun Yat-Sen University) in 1960.

**Mr. Ma Shaochun (馬少春)**, aged 30, is our chief planning officer. Mr. Ma joined our Group as the manager of planning department in April 2004 and was promoted to chief planning officer in September 2007. He is responsible for the design and scheduling of marketing and promotional programs, brand building and management and developing our annual sales and marketing plans. He has extensive experience in brand management and market planning in the HPC product industry in the PRC. Prior to joining our Group, he worked as a market planning specialist with 絲寶集團 (C-bons Group) from 2000 to 2002. From 2003 to 2004, he worked as a brand manager with 索芙特股份有限公司 (Softto Co., Ltd.). He obtained his bachelor’s degree in administrative management from Hubei University in 2000.

**Mr. Liang Jinhua (梁金華)**, aged 44, is our finance manager. Mr. Liang joined our Group in December 2007. He is responsible for the daily operations of our finance and accounts department. Mr. Liang has extensive experience in finance management and company accounting. Prior to joining our Group, he was the financial controller of 廣東康芝投資集團有限公司 (Guangdong Kangzhi Investment Group) from 2006 to 2007. From 2002 to 2006, he was the financial controller of 肯莎維(廣州)有限公司

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(Kensmith (Guangzhou) Co., Ltd.) From 1999 to 2002, he was the general finance manager of 廣州英華企業集團有限公司 (Guangzhou Yinghua Enterprise Group Co. Ltd.). From 1995 to 1999, he was the senior manager of management department financial controller of 豪雅(廣州)光學有限公司 (Hoya Lens Guangzhou Limited). Mr. Liang was awarded an intermediate vocational qualification in finance and economics by 中國人事部 (the PRC Ministry of Personnel) in 1997 and as an accountant by 中國財政部 (the PRC Ministry of Finance) in 1998. He obtained his diploma in industry accounting from 廣東成人財經學院 (Guangdong Adult Finance and Economics College) in 1993 and completed a post graduate program in accounting in 暨南大學 (Jinan University) in 2001.

**Mr. Mo Zhiwen (莫志文)**, aged 39, is our sales manager. Mr. Mo has been with us since the establishment of our Group. He is responsible for our sales and channel management. He has extensive experience in marketing, sales and channel development. Prior to joining our Group, he worked as production supervisor in 湛江裕湛聯合製氧廠 (Zhanjiang Yuzhan Oxygen Factory) from 1995 to 1997. He was the regional sales manager of 埃克森美孚(粵西)機油中心 (Exxon Mobile (Yuexi) Engine Oil Center) in Zhanjiang from 1998 to 1999.

**Ms. Huang Weiyao (黃偉燕)**, aged 36, is our sales manager. Ms. Huang has been with us since the establishment of our Group. She is responsible for the customer service management of our distributor channel. She has extensive experience in sales and customer management. She has held various positions in our Group and was promoted to sales manager in June 2006. She completed a business administration program conducted by 廣州大學 (Guangzhou University) in 2008.

**Ms. Chen Quan (陳權)**, aged 31, is our key accounts manager. Ms. Chen joined our Group in June 2005. She is responsible for managing the key retailer accounts and developing the retailer channel of the Group. She has extensive experience in the HPC product industry. Prior to joining our Group, she was a supervisor of major customers in Guangzhou and Shanghai for 廈門銀鷺食品有限公司深圳分公司 (Xiamen Yinlu Food Industry Co., Ltd., Shenzhen Branch). Ms. Chen was a sales representative for major customers and the leader of the customer department of 廣州頂津食品有限公司 (Guangzhou Ting Jin Food Co. Ltd.) from 2001 to 2003. She completed an international economic and trade program conducted by 暨南大學 (Jinan University) in 1998.

**Mr. Zhang Jialin (張家林)**, aged 48, is the manager of our investigation and supervision department. Mr. Zhang has been with us since the establishment of our Group. Mr. Zhang is responsible for the investigation of counterfeit products and monitoring of infringement of our intellectual property. Mr. Zhang held various positions in the Group over the years including marketing and sales positions. Mr. Zhang is the spouse of Ms. Wan Yuxian.

**Ms. Wan Yuxian (萬玉仙)**, aged 46, is our chief administrative officer. She is responsible for our human resource management and sales cost auditing. She has been with us since the establishment of our Group. She has extensive experience in accounting and marketing cost control. She held various positions in our Group and was promoted to chief administrative officer in June 2008. She was awarded 優秀巾幗金雁 (Outstanding Lady) by 中國共產黨廣州市白雲區委員會 (Baiyun District Committee of Communist Party of China) and 廣州市白雲區人民政府 (People's Government of Baiyun District) in 2003. She is the elder sister of Ms. Wan and the spouse of Mr. Zhang Jialin.

**Ms. Luo Hailong (羅海龍)**, aged 29, is our chief media and publicity officer. Ms. Luo joined our Group in February 2005 as the manager of our media department and was promoted to chief media and publicity officer in April 2008. She is responsible for communicating with various media regarding publicity, advertising and press releases. Ms. Luo has extensive experience in the media and advertising industry. Prior to joining our Group, she was the manager of media department of 廣東潤都藥業有限公司 (Guangdong Rundu Pharmaceutical Co., Ltd) from 2002 to 2004. She was the head of the media department of 深圳市伽儂企業形象策劃有限公司 (Shen Zhen Jianong Company Limited) from 2001 to 2002. Ms. Luo served as a media specialist with 深圳萬基藥業有限公司 (Shenzhen Wanji Pharmaceutical Company Limited).

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**Mr. Li Yihui (黎藝輝)**, aged 36, is our chief brand design and expansion officer. Mr. Li joined our Group in 2004 and was promoted to chief brand design and expansion officer in September 2008. Mr. Li is responsible for the promotion of our corporate and product image, design and planning of our new products and establishing our product display standards and procedures. Mr. Li has extensive experience in the promotion of corporate image and products. Prior to joining our Group, he worked with 絲寶集團 (C-Bons Group) in Hubei from 1999 to 2004. He worked for 江西省對外經濟貿易廳化工進出口公司 (Chemical Import and Export Co., Ltd. under the Department of Foreign Trade and Economic Cooperation, Jiangxi) from 1993 to 1999 where he was responsible for the promotion of corporate image and products. He obtained a diploma in fine arts from 江西師範大學藝術學院 (Art College of Jiangxi Normal University) in 1993.

**Ms. Guo Xiaoping (郭小萍)**, aged 36, is our internal auditor. Ms. Guo joined our Group as deputy finance manager in April 2008 and was appointed as our internal auditor in December 2008. She is responsible for assisting the Group's audit committee in reviewing and supervising the Group's financial reporting process and internal control system and provides advice to the Board. She has extensive experience in finance management of listed companies and auditing in accounting firms. Prior to joining our Group, she was the vice-finance manager and finance manager of 廣東省醫藥貿易中心 (Guangdong Pharmaceutical Trading Company) from 2006 to 2008. From 1999 to 2006, she was the finance manager of 廣西北生藥業股份有限公司 (Guangxi Beisang Pharmaceutical Group Limited) (600556), a company listed on the Shanghai Stock Exchange. From 1995 to 1999, she was an auditor and audit manager in 北海珠城(聯合)會計師事務所 (Beihai Zhucheng Certified Public Accountants). Ms. Guo obtained a diploma in accounting from 廣西大學 (Guangxi University) in 1999. She was awarded a vocational qualification as an intermediate accountant by 中國財政部 (the PRC Ministry of Finance) in 2001. She has been a member of the Chinese Institute of Certified Public Accountants since 2006.

**Ms. He Xinyi (何欣擘)**, aged 34, is our chief training officer. Ms. He joined our Group in June 2005 as manager of the training department and was promoted to as our chief training officer in June 2008. She is responsible for managing and the implementing our training system and organizing training and development programs for our employees. Ms. He has extensive experience in staff training. Prior to joining our Group, she was the manager of the training department and product planning department of 雅蘭國際化妝品有限公司 (Grandway International Cosmetics Co., Ltd.) from 1999 to 2003. Ms. He obtained a diploma in international trade from 黃河科技學院 (Huanghe S & T College) in 1993.

**Mr. Zhu Xiaojun (朱曉俊)**, aged 30, is the manager of our design department. Mr. Zhu joined our Group in August 2003. Mr. Zhu is responsible for the design of logos, packaging, labels and our marketing materials. He has extensive experience in the advertising and design industry. Prior to joining our Group, Mr. Zhu was a designer and art director with 廣州白羊廣告有限公司 (Guangzhou Baiyang Advertising Co., Ltd.) from 1998 to 2001.

### PRE-IPO SHARE OPTION SCHEME

We have adopted the Pre-IPO Share Option Scheme to motivate our Directors, senior management and employees to optimize their performance, efficiency and future contributions to our Group and to reward them for their contributions to our Group.

The total number of Shares which may be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme:

- (i) 14,532,000 Shares, assuming that the Offer Price is set at the high-end of the indicative Offer Price range, representing (a) 0.5190% of the issued share capital of our Company immediately after the completion of the Global Offering and Capitalization Issue (without taking into account any Shares which may be allotted and issued upon the exercise of any options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option); or (b) approximately 0.5163% of the issued share capital of our Company immediately

after the completion of the Global Offering and the Capitalization Issue and assuming that all options granted under the Pre-IPO Share Option Scheme are fully exercised at the same time (without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option); or

- (ii) 17,719,000 Shares, assuming that the Offer Price is set at the low-end of the indicative Offer Price range, representing (a) 0.6328% of the issued share capital of our Company immediately after the completion of the Global Offering and Capitalization Issue (without taking into account any Shares which may be allotted and issued upon the exercise of any options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option); or (b) approximately 0.6288% of the issued share capital of our Company immediately after the completion of the Global Offering and the Capitalization Issue and assuming that all options granted under the Pre-IPO Share Option Scheme are fully exercised at the same time (without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option).

Assuming that all the options granted under the Pre-IPO Share Option Scheme are exercised in full during the year ending 31 December 2009 and that (i) 2,814,532,000 Shares, comprising 2,800,000,000 Shares to be in issue immediately after the Global Offering and the Capitalization Issue and 14,532,000 Shares, assuming that the Offer Price is set at the high-end of the indicative Offer Price range, to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme; or (ii) 2,817,719,000 Shares, comprising 2,800,000,000 Shares to be in issue immediately after the Global Offering and the Capitalization Issue and 17,719,000 Shares, assuming that the Offer Price is set at the low-end of the indicative Offer Price range, to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, were deemed to have been in issue throughout the year ending 31 December 2009, (without taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme) the estimated impact of the Pre-IPO Share Options on our Group's consolidated income statements for the year ending 31 December 2009:

- (i) approximately HK\$7.71 million, assuming that the Offer Price is set at the high-end of the indicative Offer Price range; or
- (ii) approximately HK\$7.67 million, assuming that the Offer Price is set at the low-end of the indicative Offer Price range.

Pursuant to the Pre-IPO Share Option Scheme and the relevant offer letters in respect of the grant of options:

- (a) the subscription price per Share under the Pre-IPO Share Option Scheme shall be at par value or at 50% discount to the Offer Price;
- (b) each option granted under the Pre-IPO Share Option Scheme has a 10-year exercise period;
- (c) the Shares issued within one year from the Listing Date as a result of the exercise of options under the Pre-IPO Share Option Scheme will be subject to a lock-up period of 12 months from the Listing Date; and
- (d) each option granted under the Pre-IPO Share Option Scheme shall not be transferable or assignable and shall not in any way sell, transfer, charge, mortgage, encumber or otherwise dispose or create any interest (whether legal or beneficial) whatsoever in favor of any third-party over or in relation to any option or enter into any agreement so to do.

Our Directors have undertaken to our Company that they will not exercise options granted under the Pre-IPO Share Option Scheme to such extent that the Shares held by the public (as defined in the

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Listing Rules) after the Global Offering and the Capitalization Issue will fall below the required percentage set out in Rule 8.08 of the Listing Rules or such other percentage as approved by the Stock Exchange from time to time.

For details of the Pre-IPO Share Option Scheme, please refer to section headed “Pre-IPO Share Option Scheme” in Appendix V to this prospectus.

### **SHARE OPTION SCHEME**

Our Company has conditionally adopted the Share Option Scheme, the purpose of which is to motivate our Directors, senior management and employees to optimize their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of the executive Directors and senior management of our Group, to enable our Group to attract and retain individuals’ experience and ability and/or to reward them for their past contributions. The principal terms of the Share Option Scheme are summarized in the section headed “Share Option Scheme” in Appendix V to this prospectus.

### **COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT**

The aggregate amount of remuneration our Directors (except Mr. Chen and Ms. Wan, who did not receive any remuneration during the Track Record Period, and Mr. Chen Kaizhi who was appointed on 8 April 2009) have received for the year ended 31 December 2008 was approximately RMB1.4 million. No remuneration was paid to our Directors for the years ended 31 December 2006 and 2007.

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. We also reimburse them for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations. Upon and after Listing, the remuneration package will be extended to include options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme. We regularly review and determine the remuneration and compensation packages of our Directors and senior management.

After Listing, our Remuneration Committee 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 the Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors as an inducement to join or upon joining us. No compensation was paid by us to, or receivable by, our Directors or past Directors for each of the years ended 31 December 2006, 2007 and 2008 for the loss of any office in connection with the management of the affairs of any member of our Group.

Under the arrangements currently in force, the aggregate amount of directors’ fees and other emoluments payable to the Directors for the year ending 31 December 2009 is estimated to be approximately HK\$3.5 million, excluding any discretionary bonuses.

### **BOARD COMMITTEES**

#### **Audit committee**

Our Company established an audit committee pursuant to a resolution of our Directors passed on 20 May 2009 in compliance with Rule 3.21 of the Listing Rules. The primary duties of the audit committee are mainly to make recommendations to the Board on the appointment and removal of the external auditors review the financial statements and material advice in respect of financial reporting



and oversee the internal control procedures of our Company. At present, the audit committee of our Company comprises all three independent non-executive Directors, Mr. Ngai Wai Fung, Mr. Li Bida and Mr. Chen Kaizhi. Mr. Ngai Wai Fung is the chairman of the audit committee.

### **Remuneration committee**

Our Company established a remuneration committee on 20 May 2009 with written terms of reference. The primary functions of the remuneration committee are to make recommendation to the Board on the overall remuneration policy and 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. The remuneration committee comprises our executive Director, Ms. Wan, and our two independent non-executive Directors, Mr. Li Bida and Mr. Chen Kaizhi. Ms. Wan is the chairman of the remuneration committee.

### **Nomination committee**

Our Company established a nomination committee on 20 May 2009 with written terms of reference. The primary functions of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board. The nomination committee comprises our executive Director, Ms. Wan, and our two independent non-executive Directors, Mr. Li Bida and Mr. Chen Kaizhi. Ms. Wan is the chairman of the nomination committee.

### **COMPLIANCE ADVISOR**

Our Company have appointed Kingsway Capital 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 our Company on the following matters:

- (i) 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) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares of our Company.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date and this appointment may be subject to extension by mutual agreement.