

BOARD OF DIRECTORS

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

Executive Directors

Mr. Chai Wei (柴偉), aged 38, is the President and an executive Director of the Company. Mr. Chai is a co-founder of the Group and a substantial shareholder of the Company. Mr. Chai was appointed a Director on 8 September 2008. He is responsible for the overall business strategy and corporate development of the Group, sourcing and development of new projects and maintaining the relationship between the Group and the local government authorities in which the Group's power plants are located. Mr. Chai is also a director of each of the Intermediate Hong Kong Companies and De-Neng Power Plant. Mr. Chai has over 16 years of experience in corporate development and management in a variety of sectors, including energy and public media. Prior to joining the Group, Mr. Chai worked in public media industries. Mr. Chai was the founder of Zhejiang King Island Limited (浙江金島廣告有限公司) and Zhejiang Expressway Advertising Co. (浙江高速廣告公司). He was a director and general manager of Zhejiang King Island Limited (浙江金島廣告有限公司) during the period from 1992 to 2003 and was the vice-chairman and general manager of Zhejiang Expressway Advertising Co. (浙江高速廣告公司) during the period from 1998 to 2003. Mr. Chai has been responsible for the overall management of Our Power Plants since 2005. Mr. Chai has been a director of Shanghai Pu-Xing since 2002 and was the general manager of Shanghai Pu-Xing during the period from 2002 to December 2008 (please refer to section headed "Relationship with Controlling Shareholders" in this Prospectus for information on the relationship between the Company and Shanghai Pu-Xing). He is currently the Vice President of China Energy Association deputy director of the editors committee of 《Zhejiang Economic》 Magazine* (浙江經濟雜誌編委會), and member of the 《China Natural Gas Industry》 Magazine council* (《中國天然氣工業》雜誌理事會). Mr. Chai graduated from Zhejiang Art and Craft School* (浙江省工藝美術學校) majoring in industrial design.

Mr. Chai has entered into a service contract with the Company for a term of three years commencing on the Listing Date.

Mr. Hu Xian Wei (胡先偉), aged 31, is an executive Director, Finance Director and Vice President of the Company, responsible for the financial management, treasury, budgeting and financial reporting matters of the Group. Mr. Hu joined the Group in May 2005. He was appointed a Director on 21 March 2009. He has over 12 years' experience in the field of auditing, accounting and financial management. Mr. Hu is also a director of De-Neng Power Plant, Blue Sky Power Plant and Jing-Xing Power Plant. As a director of Our Power Plants, Mr. Hu has been involved in the management of Our Power Plants and is therefore experienced in the operations of Our Power Plants. Prior to joining the Group, Mr. Hu had worked for Wan Xiang Qian Chao Co., Ltd.* (萬向錢潮股份有限公司), Wanxiang Finance and Zhejiang Hangmin Co. Ltd* (浙江省航民股份有限公司), a company listed on Shanghai Stock Exchange, as the finance chief. He graduated from Southwest University of Science and Technology in 2005, majoring in accounting. He is a certified accountant, economist and certified tax advisor in the PRC.

Mr. Hu has entered into a service contract with the Company for a term of three years commencing on the Listing Date.

Non-executive Directors

Mr. Ding Guang Ping (丁光平), aged 51, a non-executive Director of the Company and the Chairman of the Board. Mr. Ding was appointed a Director on 21 March 2009. Mr. Ding has over 10 years of experience in corporate management and had worked for the government for over 10 years. Prior to joining the Group in March 2009, Mr. Ding was the head of the Urumqi Commission for Economic System Restructuring Production Department (烏魯木齊體改委生產處) during the period from July 1989 to March 1994 and was the deputy director of the Urumqi Economic Commission* (烏魯木齊經濟委員會) and chief of the Urumqi Bureau of Exploration & Development of Geology & Mineral Resources* (烏魯木齊地礦局) during the period from April 1994 to 1999. He was the chairman of SDIC Xinjiang Luobupo Potash Co., Ltd* (國投新疆羅布泊鉀鹽有限公司) and was the chief executive of D'Long International Strategic Investment Company* (德隆國際戰略投資有限公司). Mr. Ding has been the managing president of Wanxiang Holding since 2005 and is responsible for the overall management of the company. He has been a director of Shanghai Pu-Xing since December 2008. Mr. Ding graduated from Xi'an University of Science & Technology* (西安礦業學院) in 1989 with a Bachelor's degree in Engineering, majoring in industrial electric automation, and completed his post-graduate study in political economics in 1999. Mr. Ding is nominated to the Board by Mr. Lu, a Controlling Shareholder.

Mr. Ding has entered into a service contract with the Company for a term of three years commencing on the Listing Date.

Mr. Feng Li Min (馮立民), aged 47, a non-executive Director of the Company. Mr. Feng joined this Group when he was appointed a Director on 21 March 2009. Mr. Feng has over 20 years of experience in banking and corporate finance. Mr. Feng has been the vice-president of Wanxiang Holding since 2005. He was a director of Shanghai Pu-Xing from February 2007 until December 2008. He had worked for Woncore Communications Co., Ltd from 2001 to 2004 as vice-president and chief financial officer. Prior to that, he worked for Bank of China during the period from 1983 to 1990 and for P&O Steam Navigation from 1993 to 2000. Mr. Feng graduated from University of International Relations* (國際關係學院) in 1983 with a BA Degree in English literature and international relations. Mr. Feng is nominated to the Board by Mr. Lu, a Controlling Shareholder.

Mr. Feng has entered into a service contract with the Company for a term of three years commencing on the Listing Date.

Independent Non-executive Directors

Mr. Zhang Shou Lin (張守林), aged 49, an independent non-executive Director of the Company. Mr. Zhang was appointed a Director on 25 May 2009. Mr. Zhang is currently the Managing Director of Barclays Capital. He has over 20 years of experience in corporate finance and investment banking. Mr. Zhang had worked for Securicor Asia Management Limited as Managing Director. Mr. Zhang holds a Master Degree in Business Administration from Harvard University and a Bachelor's Degree in Engineering from The University of Queensland.

Mr. Zhang has entered into a letter of engagement with the Company for a term of three years commencing on the Listing Date.

Mr. Tse Chi Man (謝志文), aged 55, an independent non-executive Director of the Company. Mr. Tse was appointed a Director on 25 May 2009. Mr. Tse has over 20 years of experience in finance

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and business development management. Prior to joining the Group, Mr. Tse held various position in a number of organizations including Chase Manhattan Asia Limited as a director, Inchcape Pacific Limited as mergers and acquisitions director, Lerado Group Holdings Limited as executive director and Dresdner Kleinwort Benson China Limited as managing director. Mr. Tse had worked for Imagi International Holdings Limited, a company listed on the Stock Exchange, from 1999 to 2008 where he served as a director since 2004 and chief financial officer since 2007 overseeing the company's accounting and finance, administration and human resources functions. Mr. Tse was also a member of the Vocational Training Council Design Institute Advisory Board. Mr. Tse holds a Bachelor's Degree and a Master Degree in Business Administration, both from the University of Texas, Arlington.

Mr. Tse has entered into a letter of engagement with the Company for a term of three years commencing on the Listing Date.

Mr. Yao Xian Guo (姚先國), aged 56, an independent non-executive Director of the Company. Mr. Yao was appointed a Director on 25 May 2009. Mr. Yao is the dean, professor of the College of Public Administration, Zhejiang University. He is also a judge of the National Natural Science Foundation Committee Management Science Department* (國家自然科學基金委員會管理科學部), vice-chairman of the China Industrial Economic Association* (中國工業經濟學會), member of the Zhejiang Government Advisory Council* (浙江省政府諮詢委員會) and the chairman of the Zhejiang Public Administration Association* (浙江省公共管理學會). Mr. Yao holds a Master Degree in Economics from Fudan University. Mr. Yao is currently an independent non-executive director of Xinhua Zhongbao Co., Ltd. and Zhejiang Southeast Electric Power Company Limited, both are companies listed on Shanghai Stock Exchange, and Zhejiang Hailiang Co., Ltd., a company listed on Shenzhen Stock Exchange. Mr. Yao also served as independent non-executive directors in Zhejiang Guangsha Co., Ltd. and Zhejiang Xinhua Venture Investment Co., Ltd., both are companies listed on Shanghai Stock Exchange.

Mr. Yao has entered into a letter of engagement with the Company for a term of three years commencing on the Listing Date.

Save as disclosed, each of the Directors confirms with respect to him that: (i) he has not held any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; (iii) he does not hold any positions in the Company or other members of the Group; (iv) he does not have any interests in the Shares within the meaning of Part XV of SFO; (v) there is no other information that should be disclosed for him pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v); and (vi) there are no other matters that need to be brought to the attention of holders of securities of the Company.

SENIOR MANAGEMENT

Mr. Shen Jian Ping (沈建平), aged 55, is the Vice President of the Company and a director of Blue Sky Power Plant. Mr. Shen joined the Group in July 2004. Mr. Shen is responsible for the strategic planning and overall management of the Group. He has over 35 years' experience in the power industry. Mr. Shen had worked at Hang Zhou Thermal Power Plant* (杭州熱電廠) as deputy factory manager and at Hang Zhou Xie Lian Thermoelectricity Co., Ltd. (杭州協聯熱電有限公司) as general manager. He is the Visiting Professor of Wuhan Electric Power Technical College* (武漢電力職業技術學院) since 2006 and a member of the Zhejiang Engineering Thermophysics

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Committee* (浙江省工程熱物理學會) since 1995. He graduated from Correspondence College of the Party School of the Central Committee of C.P.C. (中共中央黨校函授學院) in 2000, majoring in economics; and Zhejiang University* (浙江大學) in 2000 majoring in thermal energy and power engineering.

Mr. Zheng Xiao Dong (鄭小東), aged 37, is the Vice President of the Company and a director of Blue Sky Power Plant and Jing-Xing Power Plant. Mr. Zheng joined the Group in December 2004. Mr. Zheng is responsible for investment and infrastructure management of the Group. He has over 13 years' experience in the power industry. Before joining the Company, he worked as the Deputy Chief Engineer at Jiang Su Dong Tai Thermal Power Plant* (江蘇東台熱電廠). He graduated from Hohai University (河海大學) in 2003, majoring in electrical engineering and automation.

Mr. Chen Huai Zhong (陳懷忠), aged 40, is the Vice President of the Company and a director of De-Neng Power Plant. Mr. Chen joined to Group in October 2007. Mr. Chen is responsible for production and technology management of the Group. He has over 19 years' experience in the power industry. Before joining the Group, he worked as the General Manager of Senda Jianhu Thermal Power Co., Ltd.* (森達建湖熱電有限公司). He graduated from Nanjing Aviation Institute* (南京航空學院) in 1990, majoring in thermal energy and power engineering. Mr. Chen qualified as a senior engineer in 2003.

COMPANY SECRETARY

Mr. Lai Chun Yu (黎振宇), aged 32, is the company secretary of the Company. Mr. Lai joined the Group in May 2009. Mr. Lai is ordinarily resident in Hong Kong and is employed by the Company on full-time basis pursuant to Rule 8.17 of the Listing Rules. Mr. Lai is responsible for the overall secretarial matters of the Company. Prior to joining the Group, Mr. Lai was the qualified accountant and company secretary of a PRC-based computer-aided software solution provider and was an associate director of Financial PR HK Limited. Prior to that, he worked at Qin Jia Yuan Media Services Company Limited, a company listed on the Stock Exchange, as the financial controller during the period from July 2006 to June 2007 and as accounting manager during the period from August 2005 to June 2006. Mr. Lai obtained a bachelor's degree in business from Queensland University of Technology in August 1999. Mr. Lai is a member of CPA Australia since 2002 and a member of Hong Kong Institute of Certified Public Accountants since 2004.

MANAGEMENT CONTINUITY

Pursuant to Rule 8.05(1)(b) of the Listing Rules, we are required to demonstrate management continuity for at least three preceding financial years.

The core management team of the Group during the Track Record Period comprised five members including two executive Directors, namely Mr. Chai and Mr. Hu Xian Wei and three other senior management members, namely Mr. Shen Jian Ping, Mr. Zheng Xiao Dong and Mr. Chen Huai Zhong. The management responsibilities of the Group has always been vested in Mr. Chai and the core management team throughout the Track Record Period and up to the time of Listing. Among the five members of the core management team, Mr. Chai, starting from the establishment of each of our Power Plants and throughout the Track Record Period, has been the person-in-charge responsible for the overall management of the Group as assisted by the core management team in discharging financial, strategic development, investment and technological functions of the Group. Throughout the Track Record Period, all except one of the members of the core management team sat on the boards of Our

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Power Plants. At the same time, the directors of Our Power Plants reported and were accountable to Mr. Chai and the core management team. The Directors confirmed that all five members of the core management team have been actively involved in day-to-day operations of the Group and four members of the core management team most relevant to the results of the Group during the Track Record Period joined the Group before the beginning of the Track Record Period. Accordingly, the Directors are of the view that the three-year management continuity requirement pursuant to Rule 8.05(1)(b) of the Listing Rules is fulfilled.

EMPLOYEES

As at the Latest Practicable Date, we had a total of 238 full-time employees. The following table shows a breakdown of employees of the Company by function as at that date:

	<u>No. of Employees</u>
Senior Management	10
Strategic Investment	3
Finance, Accounting and Administration	25
Technology and Engineering	32
Operation and Others	<u>168</u>
Total	<u>238</u>

THE COMPANY'S RELATIONSHIP WITH EMPLOYEES

The Company recognizes the importance of maintaining good relationships with its employees. The remuneration payable to the employees includes salaries and allowances. The Company continues to provide training for its staff to enhance technical and product knowledge as well as knowledge of industry quality standards and work place safety standards.

The Company has not experienced any significant problems with its employees or disruption to its operations due to labor disputes, nor has it experienced any difficulties in recruitment and retention of experienced staff. The Directors believe that the Company has a good working relationship with its employees.

AUDIT COMMITTEE

We have established an audit committee in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the audit committee will be to make recommendation to the Board on the appointment of and removal of auditors, to review and supervise our financial reporting process and internal control system and provide advice and comments to the Board. The audit committee is also empowered to review and report to the Board on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The audit committee consists of four members, namely Mr. Zhang Shou Lin, Mr. Tse Chi Man and Mr. Yao Xian Guo, our independent non-executive Directors and Mr. Feng Li Min, our non-executive Director. The chairman of the audit committee is Mr. Tse Chi Man.

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REMUNERATION COMMITTEE

We have set up a remuneration committee which consists of three members, namely Mr. Zhang Shou Lin and Mr. Yao Xian Guo, our independent non-executive Directors and Mr. Ding Guang Ping, our non-executive Director. The chairman of the committee is Mr. Zhang Shou Lin, an independent non-executive Director. The Remuneration Committee considers and recommends to our Board of Directors the remuneration and other benefits paid by the Company to the Directors and the senior management of the Company. The remuneration of all the Directors and the senior management is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate.

COMPENSATION OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

We reimburse the Directors for expenses which are necessarily and reasonably incurred for providing services to the Company or executing their functions in relation to the operations of the Company. The executive Directors are also employees of the Company and receive, in their capacity as employees of the Company, certain compensation.

Prior to the Listing, the remuneration policy of the Group to reward its employees and directors is based on their performance, qualifications, competence displayed and market comparables. Remuneration package typically comprises salary, housing allowances, contribution to pension schemes and bonuses relating to the profit of the relevant company.

Upon and after the Listing, the remuneration package of the executive Directors and the senior management will be linked more to the performance of the Group and the return to its Shareholders. The remuneration committee will review annually the remuneration of all the Directors to ensure that it is attractive enough to attract and retain a competent team of executive members.

The employee costs of the Group (including Directors' and senior management's emoluments) in the years ended 31 December 2006, 2007 and 2008 were approximately RMB8,771,000, RMB18,235,000 and RMB10,705,000 respectively.

The aggregate amount of salaries and other allowances and benefits in kind paid by us to our five highest paid individuals during the years ended 31 December 2006, 2007 and 2008 was approximately RMB1,863,000, RMB3,159,000 and RMB1,005,000 respectively. Approximately RMB53,000, RMB58,000 and RMB90,000 was paid by the Company as contribution to the pension schemes in respect of such individuals in the three years ended 31 December 2006, 2007 and 2008 respectively.

The aggregate amount of salaries, bonuses and contributions to pension schemes we paid to the relevant Directors in respect of each of the three years ended 31 December 2008 and the financial year ending 31 December 2009 were approximately RMB1,002,000, RMB1,609,000, RMB531,000 and RMB1,387,000 respectively. Further information on the remuneration of each Director during the Track Record Period is set out in note 6 of Section C to the Accountants' Report as set out in Appendix I to this prospectus.

Except as disclosed above, no other payments have been made or are payable, in respect of the years ended 31 December 2006, 2007 and 2008, by the Company or any of the subsidiaries to or on behalf of any of the Directors.

Welfare contributions

We confirm that we comply in all material respects with all statutory social insurance and housing accumulation fund obligations applicable to us under PRC laws. In accordance with applicable PRC laws and regulations on social insurance, we contribute to various social insurance plans which are defined contribution plans such as pension contribution plans, medical insurance plans, work-related injury insurance plans and unemployment insurance plans for our employees in the PRC. With respect to our non-PRC employees, we also comply with all statutory insurance obligations applicable to us under the laws of the respective jurisdictions. We funded the welfare contributions from our internal financial resources.

The amount of retirement benefit contributions we made for the financial years ended 31 December 2006, 2007 and 2008 amounted to approximately RMB492,000, RMB660,000 and RMB682,000, respectively.

COMPLIANCE ADVISER

We shall appoint Piper Jaffray Asia 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 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 we propose to use the proceeds of the Share Offer 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 us regarding unusual movements in the price or trading volume of the Shares of our Company.

The term of appointment of Piper Jaffray Asia shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be further extended subject to mutual agreement.