

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

OVERVIEW

The following table provides certain information about our Directors.

Name	Age	Position
Wu Yueshi (伍躍時)	51	Chairman
Yan Weibin (顏衛彬)	43	[●]
Chen Yuanrong (陳遠榮)	50	Chief Executive Officer
Ng Siu Hung (吳少虹) (formerly known as Wu Shaohong) . .	40	joint company secretary
Qiu Weifa (仇為發)	54	[●]
Jason Wan (萬賢生) (formerly known as Wan Xiansheng)	45	[●]
Chan Yuk Tong (陳育棠)	47	[●]

DIRECTORS

Wu Yueshi (伍躍時), aged 51, is one of the co-founders and the chairman of our Group and became our Director on 8 June 2009. Mr Wu has lived in China for a substantial period of time. He joined our Group at the establishment of Ausnutria Hunan in September 2003. Mr Wu graduated from Beijing University with an executive master’s of business administration degree (“EMBA”) in 2006 and from the Management School of Fordham University with a Master’s degree of Business Administration (“MBA”) in 2006. He was employed full time in the Labour Department of Hunan Province (湖南省勞動廳), a governmental body, from 1988 to 1993. From 1996 to 2007, he was the chairman of board of directors of Changsha Xin Da Xin Group Company* (長沙新大新集團有限公司) which changed its name to Changsha Xin Da Xin Vilmorin Agri-Business Co., Ltd* (長沙新大新威邁農業有限公司) in July 2007. Changsha Xin Da Xin Vilmorin Agri-Business Co., Ltd is a company established in the PRC on 20 September 1996 and is principally engaged in activities including the development, promotion and application of advanced agricultural technology. Changsha Xin Da Xin Vilmorin Agri-Business Co., Ltd is owned by Xin Da Xin and Vilmorin Hong Kong Limited. From 2001 to 2002, he was a director and the chief executive officer of Hunan Ava Seed Co., Ltd* (湖南亞華種業股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange and which owned Hunan Ava Nanshan Dairy Products Company Limited* (湖南亞華南山乳品營銷有限公司) at the time. From 2004 to present, he is a director of Yuan Longping High-tech Agriculture Co., Ltd* (袁隆平農業高科技股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange and which is principally engaged in the promotion and sale of seeds for rice, cotton, corn, wheat and vegetables, and the development, production and sale of herbicide & pesticide. From 2007 to present, Mr Wu is the chairman and a director of Xin Da Xin, Changsha Xin Da Xin Vilmorin Agri-Business Co., Ltd and our Company, as well as the vice chairman of the Chamber of Commerce and Industry (Hunan)* (湖南省工商業聯合會). He is also a director of Ausnutria BVI, Ausnutria Hong Kong, Ausnutria (HK), Ausnutria Australia, Ausnutria Hunan and Spring Choice. Mr Wu is primarily responsible for the overall corporate strategy, planning and business development of our Group.

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Mr Wu was awarded the Medal for Glorious Business* (光彩事業獎章) from the China Society for Promotion of the Glorious Business Programme* (中國光彩事業促進會) in September 2003, and was recognised as one of the first Outstanding Builder to Socialism with Chinese Characteristics* (優秀中國特色社會主義事業建設者) in December 2004 by several PRC regulatory authorities, including the United Front Work Department, the Central Committee of the Communist Party of China, the National Development and Reform Commission of the People’s Republic of China, the Ministry of Personnel of the People’s Republic of China, the State Administration for Industry and Commerce of the People’s Republic of China, the All-China Federation of Industry and Commerce, the Hunan Provincial Committee of the Communist Party and the People’s Government of Hunan Province.

Yan Weibin (顏衛彬), aged 43, is one of the co-founders of our Group and became our Director on 8 June 2009. He joined our Group since the establishment of Ausnutria Hunan in September 2003. Mr Yan graduated from Hunan University with a degree in Bachelor of Engineering and MBA. From 2001 to 2003, he was a director of Changsha Xin Da Xin Real Estate Company* (長沙新新大新置業有限公司), a director and the vice president of Hunan Ava Seed Co., Ltd* (湖南亞華種業股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange. He was the chairman of Ausnutria Hunan, and the chief executive officer and director of Changsha Xin Da Xin Group Company* (長沙新新大新集團有限公司) from 2003 to 2007. From 2004 to present, he is the chief executive officer of Yuan Longping High-tech Agriculture Co., Ltd* (袁隆平農業高科技股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange and which is principally engaged in the promotion and sale of seeds for rice cotton, corn, wheat and vegetables, and the development, production and sale of herbicide & pesticide. He is also a director of Ausnutria BVI, Ausnutria Hong Kong, Ausnutria (HK), Ausnutria Australia, Ausnutria Hunan and Spring Choice. Mr Yan is primarily responsible for the overall corporate strategy, planning and business development of our Group.

Mr Yan was awarded the First China MBA Top Ten Managers* (首屆中國MBA十大職業經理人) in September 2006.

Chen Yuanrong (陳遠榮), aged 50, is the chief executive officer of our Group and became our Director on 8 June 2009. He joined our Group in December 2003. Mr Chen graduated at Hunan University* (湖南大學) with a MBA in 1998 and has taken a business administration course at University of Helsinki in 2003. Mr Chen held various management positions in dairy factories and food production companies before joining our Group. From 1986 to 1998, Mr Chen was employed as the plant manager and general manager of Hunan Nanshan Dairy Farm* (湖南省南山牧場). From January 1999 to November 2000, Mr Chen was a director and assistant of the president of Hunan Ava Nanshan Dairy Products Company Limited* (湖南亞華南山乳品營銷有限公司), a company owned by Hunan Ava Holding Co Ltd* (湖南亞華種業股份有限公司) at the time, and established in the PRC whose shares are listed on the Shenzhen Stock Exchange. Hunan Ava Nanshan Dairy Products Company Limited is a company principally engaged in production and distribution of dairy products. It has its own pasture for cattle rearing which provides source of its dairy products. Mr Chen gained experience in cattle rearing and cattle farm management during that period. From November 2000 to November 2003, he also became the marketing manager and general manager of this company. He is also a director of Ausnutria Hong Kong, Ausnutria (HK), Ausnutria Hunan and Spring Choice. From 2004 to present, he is the chief executive officer of Ausnutria Hunan. Mr Chen is primarily responsible for the day-to-day management and operation of the Group.

Ng Siu Hung (吳少虹), formerly known as Wu Shaohong, aged 40, became our Director on 19 September 2009. She studied Applied English and British culture at Changsha University and graduated at The University of Westminster with a Master of Arts degree in Human Resource Management. She

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was the representative of a computer network company and then, a manager of a textile company for about two years. From 2004 to present, Ms Ng is a director of Hunan Yukai Real Estate Development Co., Ltd (湖南宇凱房地產有限公司), a company established in the PRC on 2 April 2003 and is principally engaged in real estate development. Its current shareholders are Hong Kong Yue Cheng Company Limited* (香港宇城實業有限公司), Anhui Yue Wa Real Estate Development Limited* (安徽宇華房地產開發有限公司), and Chi Chau Yu Cheng Company Limited* (池洲宇城實業有限公司). From December 2006 to present, she is the assistant to the chairman of Xin Da Xin. Ms Ng is primarily responsible for investor relations and the Group’s public announcements.

Qiu Weifa (仇為發), aged 54, became a Director on 19 September 2009. Mr Qiu graduated from the Central University of Finance and Economics* (中央財政金融學院) with a bachelor’s degree in international finance in August 1970. He has senior economist qualifications* (高級經濟師). From October 1990 to March 1995, he was the vice general manager of the Bank of China (Singapore branch). From March 1995 to March 1996, Mr Qiu was the alternate general manager of the Bank of Guangdong province (Singapore branch). From March 1996 to December 2004, he became the head of branch (行長) of the Bank of China (Hunan province branch). He has over 30 years of experience in the banking sector, holding management and directorship positions at various banking institutions. Mr Qiu retired from the banking sector in March 2005.

Jason Wan (萬賢生), formerly known as Wan Xiansheng, aged 45, became a Director on 19 September 2009. Mr Wan completed a Doctor of Philosophy (PhD) Degree at Deakin University, Australia in 1992. Prior to that, he graduated with a Bachelor of Science at Hunan Agricultural University and a Master of Science in dairy science and processing at Northeast Agricultural University. Mr Wan was a lecturer in the department of food science and technology at the Northeast Agricultural University during the period from 1986 to 1989, and a visiting scientist at the Food Research Institute at the Department of Agriculture in Victoria, Australia from 1989 to 1990. From 1992 to 1995, Mr Wan was a post-doctoral researcher in the department of biochemistry at the University of Melbourne. From 1995 to June 2009, Mr Wan was a senior research scientist at CSIRO Food Science Australia. Since July 2009, he has been a research professor in food microbiology and biotechnology at the Illinois Institute of Technology, USA. Mr Wan has extensive knowledge and expertise in the areas of processing technologies for food safety, dairy processing and the functionality of various ingredients of dairy products. He has written many articles over the years on various subjects, including microbiology and biotechnology, and continues to develop his expertise in these subjects. Mr Wan has also received numerous scholarships and research grants, with the most recent research grants being a PhD scholarship relating to whey proteins and biological properties (from 2006 to 2009), as well as a major research grant for research relating to dairy processing (from 2007 to 2010).

Chan Yuk Tong (陳育棠), aged 47, became a Director on 19 September 2009. Mr Chan graduated from the University of Newcastle in Australia with a bachelor’s degree in Commerce, and from the Chinese University of Hong Kong with a master’s degree in business administration. Mr Chan is a practising fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Mr Chan joined Ernst & Young in November 1988, and was appointed as audit principal in 1994. Mr Chan joined G2000 (Apparel) Limited in 2000 and worked as a finance director and sales director from August 2000 to October 2003 and from October 2003 to May 2004, respectively. Mr Chan also holds directorships in the following companies, whose shares are listed on the Main Board of the Stock Exchange: executive director of Asia Cassava Resources Holdings Limited (亞洲木薯資源控股有限公司); non-executive director of Vitop Bioengery Holdings Limited (天年生物控股有限公司); independent non-executive director of Sichuan Xinhua Winshare Chainstore Co., Ltd (四川新華文軒連

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鎖股份有限公司); independent non-executive director of Jia Sheng Holdings Limited (formerly known as Carico Holdings Limited) (嘉盛控股有限公司); independent non-executive director of Daisho Microline Holdings Limited (大昌微綫集團有限公司); independent non-executive director of Kam Hing International Holding Limited (錦興國際控股有限公司); independent non-executive director of BYD Electronic (International) Company Limited (比亞迪電子(國際)有限公司); independent non-executive director of Anhui Conch Cement Company Limited (安徽海螺集團有限責任公司), which is also listed on the Shanghai Stock Exchange; and independent non-executive director of Global Sweeteners Holdings Limited (大成糖業控股有限公司). Moreover, Mr Chan also held the following positions in the following companies, whose shares are listed on the Main Board of the Stock Exchange: executive director of Tak Sing Alliance Holdings Limited (達成集團); director of Luks Group (Vietnam Holdings) Company Limited (formerly known as Luks Industrial (Group) Limited) (陸氏集團(越南控股)有限公司); director of China Pipe Group Limited (formerly known as World Trade Bun Kee Limited) (中國管業集團有限公司); and the deputy head of the accounting and finance department of Dongfeng Motor Group Company Limited (東風汽車集團股份有限公司). Mr Chan has over 22 years of experience in audit, accounting, management consulting and financial consulting services.

SENIOR MANAGEMENT

The following table provides certain information about our senior management.

Name	Age	Position
Xiao Shihu (肖詩弧)	34	Chief Marketing Officer
Dai Lianyu (戴聯宇)	40	Vice President (Finance)
Liu Yuehui (劉躍輝)	46	Vice President (Human Resources and Administration)
Dai Zhiyong (戴智勇)	34	Vice President (Research & Technology)
Li Wei (李偉)	32	Vice President (Production)
Yang Mingqing (楊明清)	44	CEO Assistant & General Manager (Finance)

Xiao Shihu (肖詩弧), aged 34, is the chief marketing officer of Ausnutria Hunan. He joined our Group shortly after the establishment of Ausnutria Hunan on 26 December 2003. Mr Xiao studied at Hunan Engineering College* (湖南工程學院) and graduated from the Huazhong Institute of Science and Technology* (華中理工大學) with a degree in Master of Economics in March 2000. Mr Xiao has 11 years of experience in this industry and has held management positions at pasteurising, marketing and dairy products companies since 1997. From December 2003 to present, he is the general manager of the marketing department of our Group and is primarily responsible for all marketing activities of our Group. Mr Xiao has not held any directorship position in any listed company in the last three years.

Dai Lianyu (戴聯宇), aged 40, is the vice president of Ausnutria Hunan and the head of the finance department. He joined our Group on 27 December 2005. Mr Dai graduated from Hunan Finance and Economy College* (湖南財經學院) and is a chartered accountant. From April 2005 to December 2005, Mr Dai was employed at Changsha Xindaxin Group Company* (長沙新大新集團有限公司) as the vice manager in the auditing department. From February 2006 to present, he is the chief financial controller

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of Ausnutria Hunan and is primarily responsible for overseeing the financial affairs of the Group. He has approximately two years of experience in the industry. Mr Dai has not held any directorship position in any listed company in the last three years.

Liu Yuehui (劉躍輝), aged 46, is the vice president of Ausnutria Hunan and the head of the human resources and administration department. He joined our Group shortly after the establishment of Ausnutria Hunan on 26 December 2003. Mr Liu studied dairy techniques at the Inner Mongolia Light Manufacturing School* (內蒙古輕工業學校). Mr Liu has held management positions in various dairy factories and has approximately eight years of experience in the industry. During January 2001 to October 2003, Mr Liu was the assistant of the chief executive officer of Hunan Ava Nanshan Dairy Products Company Limited* (湖南亞華南山乳品營銷有限公司), a company owned by Hunan Ava Holding Co. Ltd.* (湖南亞華種業股份有限公司) at the time, and established in the PRC whose shares are listed on the Shenzhen Stock Exchange. From 2003 to present, Mr Liu is the vice president of Ausnutria Hunan and is primarily responsible for recruitment, human resourcing and administrative functions of our Group. Mr Liu has not held any directorship position in any listed company in the last three years.

Dai Zhiyong (戴智勇), aged 34, is the vice president of Ausnutria Hunan and the head of the research and technology department. He joined our Group shortly after the establishment of Ausnutria Hunan on 26 December 2003. Mr Dai graduated from Xiang Tan University* (湘潭大學) with a degree in Bachelor of Chemistry in July 1997. Mr Dai held a management position in a dairy products company for a few years and has nine years of experience in the industry. From April 2000 to March 2001, Mr Dai was employed by Hunan Ava Nanshan Dairy Products Company Limited* (湖南亞華南山乳品營銷有限公司) as the vice factory manager of Inner Mongolia Ya Ke Shi Ru Factory* (內蒙古牙克石乳廠). From March 2001 to September 2003, he was the person in charge of the research and development department and engaged in milk powder research and development works in the same company. From August 2005 to November 2006, and also from July 2008 to present, Mr Dai has been the chief engineer of Ausnutria Hunan. Mr Dai is primarily responsible for managing the daily operations of the technical department of our Group and for ensuring the overall compliance status of the Group’s new products and their development. He will also supervise Hou Yanmei (侯豔梅)’s work as a compliance officer to oversee the compliance status of our operations and report to Chen Yuanrong, our chief executive officer from time to time. Mr Dai has not held any directorship position in any listed company in the last three years.

Li Wei (李偉), aged 32, is the vice president of Ausnutria Hunan and the head of the production department. He joined our Group shortly after the establishment of Ausnutria Hunan on 26 December 2003. Mr Li graduated from Hunan Agriculture University* (湖南農業大學) with a degree in Bachelor of Food Technique in July 2000. Prior to joining our Group, Mr Li held management positions at a dairy products company. Mr Li has eight years of experience in the dairy industry. During September 2001 to August 2002, he was employed by Hunan Ava Nanshan Dairy Products Company Limited* (湖南亞華南山乳品營銷有限公司), a company owned by Hunan Ava Holding Co Ltd* (湖南亞華種業股份有限公司) at the time, a company established in the PRC whose shares are listed on the Shenzhen Stock Exchange, as the supervisor of the quality control centre. Hunan Ava Nanshan Dairy Products Company Limited is a company principally engaged in production and distribution of dairy products. It has its own pasture for cattle rearing which provides source of its dairy products. From August 2002 to December 2002, he became the external supervisor for quality control. From December 2002 to November 2003, he was the external vice department head of the same company. From December 2003

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to present, he is the general manager of the production department of our Group and is primarily responsible for managing the plant and production at Ausnutria Hunan. Mr Li has not held any directorship position in any listed company in the last three years.

Yang Mingqing (楊明清), aged 44, is the assistant to the chief executive officer and also the general manager of the finance department. Mr Yang graduated from Hunan Forestry School* (湖南省林業學校). He joined our Group shortly after the establishment of Ausnutria Hunan on 26 December 2003. Prior to joining our Group, Mr Yang was in charge of the accounting department of various companies and has eight years of experience in this industry. From July 2000 to December 2000, he was employed by Hunan Ava Nanshan Dairy Products Company Limited* (湖南亞華南山乳品營銷有限公司) as the chief accountant of the finance department. From January 2001 to August 2003, he was the vice department head of the finance department. From September 2003 to present, he has been the department manager as well as the assistant to the chief executive officer and general manager of the finance department of Ausnutria Hunan and is primarily responsible for accounting and financial matters relating to our Group. Mr Yang has not held any directorship position in any listed company in the last three years.

COMPANY SECRETARIES

Ng Siu Hung (吳少虹), aged 40, is a joint company secretary. She works for our Company on a full-time basis. Her biographical details are set out under the section headed “Directors, Senior Management and Employees — Directors” above.

Li Wing Sum Steven (李永森), aged 52, is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr Li was appointed as a joint company secretary on 19 September 2009. Mr Li has over 25 years’ experience in auditing, accounting, company secretarial services, taxation and financial management. Mr Li had worked in an international accounting firm and had been employed as financial controller of various companies including a Hong Kong listed company as well as a multinational organisation. Mr Li was an independent non-executive director and an executive director of Dynamic Global Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange, from 9 September 2004 to 6 July 2005 and from 6 January 2006 to 30 June 2009 respectively. Since July 2000, Mr Li has been the Qualified Accountant and the Company Secretary of Shanghai Fudan Microelectronics Company Limited, a company whose shares are listed on the Growth Enterprises Market of the Stock Exchange.

AUDIT COMMITTEE

The Board has established an audit committee on 19 September 2009 with written terms of reference. The primary duties of the audit committee are to provide our Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management of our Group, to oversee the audit process and to perform other duties and responsibilities stated in the written terms of reference.

The audit committee currently comprises Chan Yuk Tong, Qiu Weifa and Jason Wan. Chan Yuk Tong is the chairman of the audit committee.

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REMUNERATION COMMITTEE

The Board has established a remuneration committee on 19 September 2009 with written terms of reference. The primary duties of the remuneration committee are to consider and recommend to the Board the emoluments and other benefits paid by us to our Directors and to assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum Shareholder benefit from the retention of talented individuals.

The remuneration committee currently comprises Mr Wu, Chan Yuk Tong, Qiu Weifa and Jason Wan. Mr Wu is the chairman of the remuneration committee.

NOMINATION COMMITTEE

The Board has established a nomination committee on 19 September 2009 with written terms of reference. The primary duties of the nomination committee are to formulate the nomination procedures and standards for candidates for Directors and senior management, to conduct preliminary review of the qualifications and other credentials of the candidates for Directors and senior management and to recommend suitable candidates for Directors and senior management to the Board.

The nomination committee currently comprises Mr Wu, Chan Yuk Tong, Qiu Weifa and Jason Wan. Mr Wu is the chairman of the nomination committee.

DIRECTORS’ REMUNERATION

Our Directors receive remuneration in the forms of fees, salaries, allowances and other benefits-in-kind, including our contribution to the pension plan on their behalf.

The aggregate remuneration paid to our Directors for each of the three financial years ended 31 December 2008, and the six months ended 30 June 2009 was approximately RMB285,000 and RMB580,000, RMB580,000 and RMB250,000, respectively.

The annual Directors’ fee and other emoluments paid by our Group for the year ended 31 December 2008 were approximately RMB580,000. The expected annual Directors’ fee and other emoluments to be paid by our Group for the year ending 31 December 2009 will be approximately RMB544,000.

The Directors’ remuneration is subject to review by the remuneration committee and the Board at the end of each financial year of our Company.

Particulars of the service agreements and appointment letters are set out in the section headed “Appendix VI — Statutory and General Information — Further information about Directors, management and staff — Particulars of Directors’ service agreements and letters of appointment” in this document.

NON-COMPETITION

Each of the Controlling Shareholder, Directors and their respective [●] has confirmed that none of them is interested in any business which competes or is likely to compete with that of our Group.

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EMPLOYEES

As at 30 June 2009, we had a total of 272 full-time employees. The following table provides the number of our Group’s full-time employees by function:

	Number of employees
Sales and marketing	165
Production	73
Quality assurance	11
Research and development	5
Human resources	6
Accounts and finance	<u>12</u>
Total	<u><u>272</u></u>

STAFF BENEFITS

Our employees in Hong Kong have joined a Mandatory Provident Fund retirement benefit scheme (“**MPF Scheme**”) in accordance with the arrangements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

In the PRC, in accordance with the relevant national and local labour and social welfare laws and regulations, we are required to pay, in respect of our employees in the PRC, various social insurance including pension insurance, medical insurance, unemployment insurance, occupational injury insurance and maternity insurance. In accordance with applicable PRC regulations on housing funds, we are also required to contribute to a housing fund plan for our employees. We have made provisions for the payment of the various social insurance and the housing fund which were payable by us during the Track Record Period. We currently make full payments in respect of the various social insurance and the housing fund in accordance with applicable PRC laws and regulations.

The contributions by us for each of the three financial years ended 31 December 2008, and the six months ended 30 June 2009 were approximately RMB0.95 million, RMB1.1 million, RMB1.47 million and RMB0.79 million, respectively.

SHARE OPTION SCHEME

We have conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are set out in the section headed “Appendix VI — Statutory and General Information — Share Option Scheme” in this document.