

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### DIRECTORS AND SENIOR MANAGEMENT

Our Board of Directors consists of nine Directors, three of whom are independent non-executive Directors. The powers and duties of our Board of Directors include convening shareholders’ meetings and reporting the Board’s work at the shareholders’ meetings, implementing the resolutions passed on the shareholders’ meetings, determining our business plans and investment plans, formulating our annual budget and final accounts, formulating our proposals for profit distributions and for the increase or reduction of registered capital as well as exercising other powers, functions and duties as conferred by our Memorandum and Articles of Association. We have entered into service contracts with each of our executive Directors and non-executive Directors.

#### Directors

The following table sets forth certain information concerning our Directors.

Name	Age	Position
Hoi Kin Hong (許健康) . . . . .	57	Chairman of the Board of Directors and President
Hoi Wa Fong (許華芳). . . . .	31	Executive Director and Chief Executive Officer
Xiao Qing Ping (肖清平) . . . . .	60	Executive Director, Deputy President
Shih Sze Ni (施思妮) . . . . .	28	Executive Director, Head of Cost Control Center and Audit
Liu Xiao Lan (劉曉蘭) . . . . .	43	Executive Director
Hoi Wa Fan (許華芬) . . . . .	33	Non-executive Director
Ngai Wai Fung (魏偉峰) . . . . .	47	Independent non-executive Director
Mei Jian Ping (梅建平) . . . . .	49	Independent non-executive Director
Nie Mei Sheng (聶梅生) . . . . .	68	Independent non-executive Director

#### Chairman

**HOI Kin Hong (許健康)**, aged 57, is our Chairman of the Board and our president. He was appointed as our executive Director in July 2007. He is primarily responsible for the overall strategy and investment decision. Hoi Kin Hong founded the Xiamen Powerlong Group in 1992 and has served as its chairman and president ever since. Since the establishment of Xiamen Powerlong Group, he has been engaged in the real estate development business, and has completed the development of several residential projects. He started to specialize in the development of commercial properties in 2003. For two consecutive years in 2006 and 2007, Hoi Kin Hong was recognized as a Contributor to Real Estate Brands in China (中國房地產品牌貢獻人物) by the China Index Academy (中國指數研究院). Hoi Kin Hong is a member of the Chinese People’s Political Consultative Conference (全國政協委員) and of the plenary meeting of the Selection Committee of the Macau Special Administrative Region of the People’s Republic of China (澳門特別行政區推委會委員). In addition, Hoi Kin Hong has also made substantial contributions to charitable and social organizations in China and has been appointed as an Ambassador of China Charities (中國公益大使) by Charitable Work Development (中國公益事業發展聯合會).

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Hoi Kin Hong had been a director of Great Dragon Tobacco Trading Limited (“Great Dragon”), which was a private company incorporated in Hong Kong. As Great Dragon was not carrying on business or in operation, it was struck off by the Registrar of Companies pursuant to section 291 of the Companies Ordinance on March 28, 2002 and dissolved on May 10, 2002.

### Executive Directors

**HOI Wa Fong (許華芳)**, aged 31, is an executive Director of our Board. Hoi Wa Fong was appointed as our executive Director in July 2007 and our chief executive officer in August 2009. He is primarily responsible for the overall management of our business operations. Hoi Wa Fong joined Powerlong Decoration in 1999 and served as the deputy general manager. In October 2001, Hoi Wa Fong resigned from his position in Powerlong Decoration and joined Xiamen Powerlong as deputy general manager, responsible for financial and daily operation. He was promoted to deputy president and later became an executive deputy president of Xiamen Powerlong Group in December 2003 and June 2004, respectively, primarily responsible for the overall management of the business of Xiamen Powerlong Group. Hoi Wa Fong will not hold any executive or management positions in Xiamen Powerlong Group. He has approximately nine years of experience in the real estate industry. Hoi Wa Fong was named as one of the Top 10 Outstanding Young Entrepreneurs in Fujian Province (福建省十大傑出青年企業家) in 2006. Hoi Wa Fong received an EMBA from the Cheung Kong Graduate School of Business (長江商學院) in October 2007. He was appointed as our executive Director in July 2007. Hoi Wa Fong is the son of Hoi Kin Hong.

**XIAO Qing Ping (肖清平)**, aged 60, is an executive Director of our Board and our deputy president. Xiao Qing Ping was appointed as our executive Director in November 2007. He is primarily responsible for the administrative management of our Company. He was an officer of Jinjiang Bureau of Land Administration (晉江市土地管理局) from 1997 to 1999. He has over 30 years of experience in administration management. He joined Xiamen Powerlong Group in October 2001 as vice president and head of administration. In November 2007, he resigned from his position in Xiamen Powerlong Group and joined us as an executive Director. He graduated from China Textile Political Distance Learning College (中國紡織政治函授學院) in 1988, majoring in economic management.

**SHIH Sze Ni, Cecilia (施思妮)**, aged 28, is an executive Director of our Board and the general manager of our cost control center and chief audit officer. She is primarily responsible for the audit and internal control of our Company. Shih Sze Ni joined Xiamen Powerlong Hotel in January 2003 as a director and was primarily responsible for financial management. She then joined Xiamen Powerlong Group in May 2005 as a director and chief financial officer. In November 2007, she resigned from her positions in Xiamen Powerlong Hotel and Xiamen Powerlong Group and joined us as an executive Director and the head of our audit department as well as the general manager of our cost control center. She has almost five years of experience in financial management. She graduated from Central Queensland University in Australia with a master’s degree in arts administration in 2001. Shih Sze Ni is the wife of Hoi Wa Fong.

**LIU Xiao Lan (劉曉蘭)**, aged 43, is an executive Director of our Board. Liu Xiao Lan was appointed as our executive Director in August 2009. She is primarily responsible for the external affairs of our Group and general administrative matters of our Board. Before joining us, between 1998 and 2002, she worked as a sales manager and marketing manager in the China office of Beckman Coulter, Inc. She joined Xiamen Powerlong Group in June 2002 and served as the assistant to the chief deputy president and vice general manager of the real estate center of

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Xiamen Powerlong Group in January 2005. In November 2007, she resigned from her position in Xiamen Powerlong Group and joined us as an assistant to the president and secretary of our Board. She graduated from Fujian University of Traditional Chinese Medicine (福建中醫學院) in 1988 and completed the advanced business administration program for the Youth Presidents in China (全國青年總裁工商管理高級研修班) offered by Chinese Academy of Social Sciences (中國社會科學院) in 2004. Liu Xiao Lan has over four years of experience in the real estate industry.

### Non-executive Director

**HOI Wa Fan (許華芬)**, aged 33, is a non-executive Director of our Board. She joined Xiamen Powerlong Group in 2006 as a director and an executive director of its commercial operation center (寶龍商業經營管理中心) in 2006. Hoi Wa Fan is a managing director of Macau Powerlong Group and is responsible for the overall management and business development of Macau Powerlong Group. Between 2000 and 2006, she was a managing director and general manager of Nicole, a fashion brand concept store in Macau. Hoi Wa Fan has approximately nine years of experience in business management. She is a member of All-China Youth Federation (中華青年聯合會委員). She was appointed as our non-executive Director in November 2007 and maintains primarily an advisory role with us. Hoi Wa Fan is the daughter of Hoi Kin Hong.

### Independent non-executive Directors

**NGAI Wai Fung (魏偉峰)**, aged 47, is an independent non-executive Director. He is currently a 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, vice president of the Hong Kong Institute of Chartered Secretaries and the chairman of its China Affairs Committee and Membership Committee, and the non-executive chairman of Top Orient Group of Companies. He was the company secretary of Industrial and Commercial Bank of China (Asia) Limited, a company listed on the Stock Exchange, in 2005, an executive director of Top Orient Capital (Asia) Ltd. from 2003 to 2005, the company secretary of China Unicom Limited, a company listed on the Stock Exchange, from 2001 to 2003, the executive director, the company secretary and the chief financial officer of the then Oriental Union Holdings Limited (now known as CY Foundation Group Limited), a company listed on the Stock Exchange, from 1999 to 2001. Ngai Wai Fung is an associate of the Association of Chartered Certified Accountants in the United Kingdom, an associate 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. Ngai Wai Fung 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 chips companies. Ngai Wai Fung is currently an independent non-executive director and a member of the Audit Committee of China Life Insurance Company Limited, Franshion Properties (China) Limited, Bosideng International Holdings Limited, China Railway Construction Corporation Limited and Bawang International (Group) Holdings Limited, all of which are companies listed on the Stock Exchange. Ngai Wai Fung received 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 currently a doctoral candidate in Finance at Shanghai University of Finance and Economics. He was appointed as our independent non-executive Director in June 2008.

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**MEI Jian Ping (梅建平)**, aged 49, is an independent non-executive Director of our Board. He is currently a professor of finance at Cheung Kong Graduate School of Business (長江商學院). He was a tenured associate professor of finance at the Stern School of Business, New York University, a director of CCFR Real Estate Research Program at Tsinghua University. His major areas of research include international asset pricing and real estate finance. Professor Mei has published more than 30 essays and articles on leading finance and real estate periodicals and has received “Best Real Estate Research Paper Awards”. Mei Jian Ping has extensive experience in real estate finance. In recent years, he has advised numerous top real estate developers and investors in China, including Guangzhou R&F Properties Co., Ltd., a company listed on the Stock Exchange, Gemdale Co., Ltd., a company listed on the Shanghai Stock Exchange, Nanjing Liyuan Group (利源集團), Hengshi Investment Group (亨氏投資集團), Xingguang Group (星光集團) and Hairong Holdings (海榮控股), on investment, development, profit-making, financing, capital increase and long-term investment strategies. Mei Jian Ping was a consultant and financial advisor to some of the largest financial institutions, including Prudential Insurance of America, Fidelity Investment, UBS Warburg, Asia Development Bank, NCH capital, Koo’s Group, and W.P. Carey. He was also an advisor to several major Chinese asset management companies as well as an advisor to the Yunan Investment Trust Company responsible for market data analysis, preparation of investment proposals and Asia real estate market analyst reports, and advice on strategic investment. He was a faculty director of numerous international residency programs at New York University. He was also an organizer of several investment conferences, including as chairman for the Greater China Real Estate Investment Session for the American Real Estate and Urban Economics Association (美國房地產及都市經濟研究協會). He has a Ph.D. in economics from Princeton University and a bachelor degree from Fudan University (復旦大學) majoring in mathematics. He was appointed as our independent non-executive Director in June 2008.

**NIE Mei Sheng (聶梅生)**, aged 68, is an independent non-executive Director of our Board. She was appointed as our independent non-executive Director in August 2009. And she is also the independent non-executive Director of NEO-China Land Group (Holdings) Limited (00563) since October 2003. She has more than 18 years experience working at the China Southwest Municipal Engineering Design Institute (中國市政工程西南設計院). From 1994 to 1998, she served as the director general of the Science & Technology Department and was a member of the Science and Technology Committee of the Ministry of Construction. She has been the deputy director of the Science and Technology Committee and the chairwoman of the Housing Industrialization Office since 1998. Nie Mei Sheng has also served as the chairwoman of the Estate Chamber of the China National Federation of Industry and Commerce since 2001. She has been a standing committee member of the China National Federation of Industry and Commerce since 2004. In addition, she has served as the vice chairwoman of the China Urban water supply and drainage Association and the economic consultant to Jieyang City, Guangdong Province since 2006 and the chairwoman of Jing Rui (China) Real Estate Research Institution (精瑞(中國)不動產研究院) since 2007.

Nie Mei Sheng won numerous awards in China and overseas, including A-level Science and Technology Progress Prize by the Ministry of Construction, A-level Science and Technology Progress Prize by the State Education Commission, Jinguo Jiangong Pacesetter (巾幗建功標兵) by the Center Government Office etc. She was praised by the 4th Women Conference of the UN as a female scientific & technological expert. Nie Mei Sheng is a visiting professor of Shanghai University and an academician of the World Productivity Academy. Nie Mei Sheng graduated from civil engineering department of Tsinghua University specializing in water supply and drainage in 1963.

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Save as disclosed herein, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

### Senior Management

The following table sets forth certain information concerning our other senior management members.

Name	Age	Position
Au-Yeung Po Fung (歐陽寶豐).	41	Deputy President, Chief Financial Officer and Company Secretary
Lin Feng Li (林峰利) . . . . .	41	Deputy President
Hong Qun Feng (洪群峰). . . . .	36	Deputy President
Liu Xi Cai (劉喜才) . . . . .	39	Special Assistant to the President and General Manager of Administration Management Center
Leung Yuk Ming (梁旭明) . . . .	34	Head of Corporate Finance and Investor Relations Director
Wang Yan Qin (王燕芹). . . . .	45	General Manager of Technology R&D Management Center
Qian Hua (錢華). . . . .	42	General Manager of Commercial Property Management Center
Zhou Li Hua (周麗華) . . . . .	43	Deputy Chief Audit Officer
You Xiao Di (尤曉笛) . . . . .	34	Deputy Chief Financial Officer
Ku Wei Hong (庫衛紅) . . . . .	41	Chief Legal Officer

**AU-YEUNG Po Fung (歐陽寶豐)**, aged 41, is our deputy president, chief financial officer and company secretary. Before joining us, Au-Yeung Po Fung was in charge of financial management for a number of companies across different industries, including property developers, financial institutions, conglomerates and international audit firms. He was a financial controller at SPG Land Holdings Limited, a company listed on the Stock Exchange. Au-Yeung Po Fung graduated from the Hong Kong Polytechnic University, is a charterholder of the CFA Institute, member of Hong Kong Society of Financial Analysts, fellow member of the Hong Kong Institute of Certified Public Accountants and associate member of the Institute of Chartered Accountants in England and Wales. He joined us in November 2007.

**LIN Feng Li (林峰利)**, aged 41, is the deputy president. He is responsible for project management, construction, cost, marketing and quality management. He graduated from Zhong Nan University of Finance (中南財經大學) in 1990, majoring in investment and economics. Between 1994 to 2008, he was the deputy general manager, director and general manager for Eastern China in Xiamen Ju Heng Xing Real Estate Development Company (廈門聚恒興房地產開發公司), Xiamen Beifu Real Estate Marketing Agency (廈門北孚房地產營銷代理公司) and Xiamen Haosi Housing Investment Company Limited (廈門豪斯房屋投資有限公司). He joined our Company in 2008.

**HONG Qun Feng (洪群峰)**, aged 36, is the deputy president. Hong Qun Feng is responsible for investment, strategic co-operation and product planning of our Group. Between 1992 to 2005, he was the market manager, assistant to the general manager and manager of Xiamen Jindu Property Company (廈門金都物業公司), Xiamen Chengyi Property Company (廈門誠毅地產公司) and Xiamen Bairun Property Consulting Company Limited. He joined our Company in 2004.

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**LIU Xi Cai (劉喜才)**, aged 39, is the special assistant to the President, Head of the President's Office and the general manager of administration management center of our Company. Liu Xi Cai is responsible for human resources management. He received a Degree in Finance from the Hunan University in 1992 and a Master of Education from the Xiamen University in 1995. In 2006, he received a Ph.D in Finance from the Xiamen University. Between 1995 and 2008, he worked in Xiamen Jianfa Group Company Limited (廈門建發集團有限公司) and acted as the general manager of the human resources department. He joined our Company in 2008.

**LEUNG Yuk Ming (梁旭明)**, aged 34, is our Head of Corporate Finance and Investor Relations Director. He has extensive experiences in investment banking, Listing Rules compliance and accounting. In his career, Leung Yuk Ming has worked for Macquarie Capital (Hong Kong) Limited, DBS Asia Capital Limited, the listing division of the Stock Exchange and Ernst & Young.

Leung Yuk Ming received his Bachelor's Degree in Commerce and Bachelor's Degree in Laws from the University of Calgary and the University of London respectively. He is a charterholder of the CFA Institute, member of Hong Kong Society of Financial Analysts and member of the Hong Kong Institute of Certified Public Accountants. He joined us in May 2009.

**WANG Yan Qin (王燕芹)**, aged 45, is the general manager of our technology research and development management center. She is primarily responsible for the management of project construction progress and quality management. Wang Yan Qin graduated from Hebei Mining and Civil Engineering Institute (河北煤炭建築工程學院) in 1987, majoring in architectural and engineering management. She was the infrastructure engineer of Tangshan Mining Bureau (唐山開煤礦務局) and Shengli Group Design Institute (勝利集團設計院) from 1987 to 1998. Wang Yan Qin joined us in 1998. She was seconded to a large-scale commercial joint venture project as the on-site chief deputy commander in 2005. She was transferred back to our Company in March 2008 and worked as the chief general manager of our construction management center.

**QIAN Hua (錢華)**, aged 42, is the general manager of our commercial property management center. She is primarily responsible for the business positioning, business opportunities and business operation management of our projects. Qian Hua graduated from Lanzhou University of Finance and Economics (蘭州商學院) majored in business and economics in 1991. Between 1991 to 2007, she was the floor manager, the marketing department manager and the chief general manager of Xiamen Department Store Company Limited (廈門百貨有限公司), Xinda Duty Free Shopping Center (信達免稅商場) and Mingsheng Group Business Management Company (明升集團經營管理公司), respectively. She joined us in April 2007.

**ZHOU Li Hua (周麗華)**, aged 43, is our deputy chief audit officer. She is primarily responsible for our audit and internal control. She is a qualified accountant. She has over 20 years of experience in financing, accounting and internal control. She served as the head of the financial department in manufacturing and foreign corporation and deputy general manager of Zhuzhou Golden Hotel (株州黃金大酒店). Before joining us, she was a manager of the audit department of Xiamen Oriental Capital Investment Company Limited (廈門東方偉業資本管理有限公司) in 2001. She joined Xiamen Powerlong Group in March 2002 and served as the manager of the audit department, assistant to the chief financial officer and deputy chief financial officer of Xiamen Powerlong Group. In November 2007, she resigned from her position in Xiamen Powerlong Group and joined us as our deputy chief audit officer. She graduated from Dalian College of Economics and Management (大連經濟管理學院) in 1987 and is currently studying a course in financial management at Xiamen University (廈門大學).

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**YOU Xiao Di (尤曉笛)**, aged 34, is our deputy chief financial officer. He is primarily responsible for our capital and asset management. He worked in Zhong Ke Xin Securities Company (中科信證券) from 1997 to 2002 in the investment banking department. Before joining us, he worked as the head of investment banking of Xiamen Enrich Asset Management Company Limited (廈門銀池資產管理有限公司). You Xiao Di joined Xiamen Powerlong Group in February 2005. In November 2007, he resigned from his position in Xiamen Powerlong Group and joined us as our deputy chief financial officer and our chief investment officer. He graduated from Xiamen University (廈門大學) with a bachelor's degree in finance in 1997 and obtained a Master of Business Administration degree in 2007.

**KU Wei Hong (庫衛紅)**, aged 41, is our chief legal officer. She is primarily responsible for our legal and compliance matters. She has over 15 years of legal experience. She worked as a solicitor in Xiamen Jin Zhao Law Office (廈門今朝律師事務所) from 1996 to 2000. Ku Wei Hong joined Xiamen Powerlong Group in July 2000 as the head of the legal department. In November 2007, she resigned from her position in Xiamen Powerlong Group and joined us as our chief legal officer. She graduated from Peking University (北京大學) majoring in economics law in 1990 and obtained a post graduate degree from Xiamen University (廈門大學) in international economics law in 1999.

### MANAGEMENT PRESENCE IN HONG KONG: RULE 8.12 REQUIREMENTS

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. The business and operation of our Group, are primarily located, managed and conducted in the PRC. Substantially all customers of our Group are also located in the PRC. None of the executive Directors are ordinarily based in Hong Kong. Our Company does not and, in the foreseeable future, will not have any management presence in Hong Kong.

Accordingly, our Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, our Company will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

- (a) Our Company has appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange and ensure that our Group complies with the Listing Rules at all times. The two authorized representatives are Hoi Wa Fong, the chief deputy president and an executive Director, and Au-Yeung Po Fung, the company secretary of our Company. Au-Yeung Po Fung is an ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone and facsimile. Each of the two authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange. Au-Yeung Po Fung will also be authorized to accept service of legal process and notices in Hong Kong on behalf of the Company.
- (b) Each of the authorized representatives has means to contact all members of the Board of Directors (including the non-executive Directors and the independent non-executive Directors) and of the senior management team promptly at all times as and

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when the Stock Exchange wishes to contact the Directors for any matters. To enhance the communication between the Stock Exchange, and our Directors, each of our Directors has provided their respective mobile phone numbers, office phone numbers, email addresses and fax numbers to the Stock Exchange, and our Company will implement a policy that (i) each executive Director, non-executive Director, and independent non-executive Director will have to provide their respective mobile and office phone numbers, residential phone numbers and fax numbers and email addresses, if applicable, to the authorized representatives; (ii) in the event that an executive Director, non-executive Director, or independent non-executive Director expects to travel and be out of office, he or she will have to provide the phone number of the place of his or her accommodation to the authorized representatives; and (iii) all the executive Directors, non-executive Directors, independent non-executive Directors and authorized representatives will provide their mobile phone numbers, residential phone numbers, office phone numbers and fax numbers and email addresses, if applicable, to the Stock Exchange.

- (c) In addition, all executive Directors, who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong for business purpose and would be able to come to Hong Kong and meet the Stock Exchange upon reasonable notice.

In compliance with Rule 3A.19 of the Listing Rules, our Company has appointed WAG Worldsec as the compliance advisor of our Company.

### **BOARD AUDIT COMMITTEE**

We have established a Board audit committee in compliance with the Code of Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal controls. The audit committee currently consists of three independent non-executive Directors, Ngai Wai Fung, who serves as its chairman, Mei Jian Ping and Nie Mei Sheng.

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The responsibilities of our audit committee will include, among others:

- appointing and overseeing the work of our independent auditors and pre-approving all non-audit services to be provided by our independent auditors;
- reviewing our annual and interim financial statements, earnings releases, critical accounting policies and practices used to prepare financial statements, alternative treatments of financial information, the effectiveness of our disclosure controls and procedures and important trends and developments in financial reporting practices and requirements;
- reviewing the planning and staffing of internal audits, organization, responsibilities, plans, results budgets and staffing of our internal audit team and the quality and effectiveness of our internal controls;
- reviewing our risk assessments and management policies; and
- establishing procedures for the treatment of complaints received by us regarding accounting, internal accounting controls, auditing matters, potential violations of law and questionable accounting or auditing matters.

We believe that the composition and functioning of our audit committee will comply with the applicable requirements of the Stock Exchange. We intend to comply with future requirements to the extent they become applicable to us.

### **BOARD REMUNERATION COMMITTEE**

We have established a Board remuneration committee in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to formulate the training and compensation policies and to determine and manage the compensation of our senior management. The remuneration committee currently consists of one executive Director, Hoi Wa Fong, who serves as its chairman, and two independent non-executive Directors, Mei Jian Ping and Nie Mei Sheng. The responsibilities of our remuneration committee include, among others:

- approving and overseeing the total compensation package for our executive officers, evaluating the performance of and determining and approving the compensation to be paid to our senior management;
- reviewing and making recommendations to our Board with respect to Directors' compensation, including equity-based compensations;
- administering and periodically reviewing and making recommendations to our Board regarding the long-term incentive compensation or equity plans made available to our Directors, employees and consultants; and
- reviewing and making recommendations to our Board regarding executive compensation philosophy, strategy and principles and preparing annual reports on the compensation of our senior management.

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### **BOARD NOMINATION COMMITTEE**

We have established a Board nomination committee. The primary duties of the nomination committee are to establish, or recommend to the Board, criteria for identifying appropriate director candidates and to approve and select, or recommend that the Board select, director nominees. The nomination committee currently consists of one executive Director, Hoi Kin Hong, who serves as its chairman, and two independent non-executive Directors, Mei Jian Ping and Nie Mei Sheng. The other responsibilities of our nomination committee include, among others:

- reviewing the structure, size and composition of our Board on a regular basis;
- making recommendations to the Board regarding the responsibilities, organization and membership of all Board committees;
- making recommendations to the Board a successor to the President in the event of retirement or termination of service, and reviewing and approving proposed changes in other senior management positions;
- developing, recommending to the Board and monitoring a statement of corporate governance principles or guidelines; and
- evaluating the effectiveness of the Board, Board committees and senior management.

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

We reimburse our Directors for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations. The executive Directors are also our employees and receive, in their capacity as our employees, compensation in the form of salaries and other allowances and benefits in kind.

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 December 31, 2006, 2007 and 2008 was approximately Rmb 599,000, Rmb 753,000 and Rmb 2,692,000, respectively.

No emoluments were paid to any Directors or independent non-executive Directors during the years ended December 31, 2006, 2007 and 2008. The Directors' emoluments borne by the then equity owners of our Group during the years ended December 31, 2006, 2007 and 2008 amounted to Rmb 599,000, Rmb 753,000 and Rmb 2,692,000, respectively.

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

Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, of our Directors payable for the year ending December 31, 2009 to be approximately Rmb 3.1 million.

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### EMPLOYEES

As of June 30, 2009, we had 1,485 full time employees and 83 temporary employees. The table below sets forth the number of our employees by their functions:

	<u>Number of employees</u>
Senior management . . . . .	161
Business management . . . . .	126
Administrative personnel . . . . .	120
Project development . . . . .	257
Project planning & design . . . . .	16
Interior decoration . . . . .	—
Cost control . . . . .	70
Marketing . . . . .	41
Sales . . . . .	113
Property management . . . . .	421
Finance and audit . . . . .	90
Human resources . . . . .	43
Others . . . . .	<u>27</u>
Subtotal . . . . .	1,485
Temporary employees . . . . .	<u>83</u>
<b>Total . . . . .</b>	<b><u><u>1,568</u></u></b>

We recruit our employees from Chinese universities, vocational schools and the public. As of June 30, 2009, over 57% of our 1,485 full-time employees had college or associate college degrees. Given our rapid business expansions in recent years, we intend to establish more structured employee training programs to consolidate the experience we accumulated in the property development industry to date, and to enhance the knowledge and expertise of our employees and executives. We also plan to work with external academic institutions to jointly implement training courses for our employees. We believe these initiatives will help us to standardize our business operations, increase employee productivity and enhance our overall competitiveness.

The remuneration package of our employees includes salary, bonus and cash subsidies. In general, we determine employee salaries based on each employee’s qualification, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our determination on salary raise, bonus and promotion. As required by PRC regulations, we participate in various defined retirement contribution plans organized by the PRC provincial and municipal governments for our employees. In accordance with the relevant national and local labor and social welfare laws and regulations, we are required to pay on behalf of our employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, work place accidents insurance and housing provident fund. We believe that the salaries and benefits that our employees receive are competitive in comparison with market rates.

## **DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

Our employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. We believe that we have been maintaining fine relationships with our employees. As of the Latest Practicable Date, no material labor disputes had occurred which adversely affected or were likely to have an adverse effect on the operations of our business.

### **COMPLIANCE ADVISOR**

We have appointed WAG Worldsec as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules. We have entered into a compliance advisor's agreement with WAG Worldsec, the material terms of which are summarized as follows:

- (a) we have appointed WAG Worldsec as our compliance advisor for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on [●] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after [●], or until the agreement is terminated, whichever is earlier;
- (b) WAG Worldsec shall provide us with services, including guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our channels of communication with the Stock Exchange;
- (c) we have agreed to indemnify WAG Worldsec certain actions against it and losses incurred by it arising out of or in connection with the performance by WAG Worldsec of its duties under the agreement; and
- (d) we may terminate the appointment of WAG Worldsec as our compliance advisor, by service of a one-month notice, only if its work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to it as permitted by Rule 3A.26 of the Listing Rules. WAG Worldsec will have the right to resign or terminate its appointment by service of a one-month notice to us if we breach the agreement.