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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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### DIRECTORS

Our board of directors is responsible and has general powers for the management and conduct of our business. The following table sets forth information regarding members of the board of directors of our Company:

Name	Age	Position
John Zhang . . . . .	46	Chairman, CEO and executive Director
Chau Kwok Keung . . . . .	33	CFO, company secretary and executive Director
Shi Cheng Qi . . . . .	66	CTO and executive Director
He Xin . . . . .	39	Non-executive Director
Leung Ming Shu . . . . .	33	Independent non-executive Director
Daniel DeWitt Martin . . . . .	71	Independent non-executive Director
Kang Sun . . . . .	54	Independent non-executive Director

### Executive Directors

*Mr. John Zhang*, aged 46, was appointed as an executive Director of our Company on 13 November 2007 and he is the chairman of our Board and our CEO, responsible for the overall strategy and operation of our Group. He spent approximately three years from 1996 to 1999 in preparation for the establishment of our Group and founded our Group in December 1999 and principally devotes his time and resources to the development and operation of our Group, particularly in the areas of production, business development and general management. Mr. Zhang has accumulated over ten years of experience in the semiconductor and solar industries from both his founding and development of our Group and his prior professional experience. Prior to founding our Group, Mr. Zhang joined Silicon Systems Inc. which was a semiconductor technology company in California, U.S., in 1992 as an engineer and was responsible for developing and designing communication firmware used in silicon chips. Mr. Zhang graduated from 清華大學 (Tsinghua University) in July 1985 with a Bachelor’s degree in Electrical Engineering and from Utah State University with a Master’s degree in Electrical Engineering in August 1988.

*Mr. Chau Kwok Keung*, aged 33, was appointed as our executive Director on 13 June 2008 and he is our CFO and company secretary, responsible for corporate financial and general management. He joined us in November 2007. Mr. Chau has extensive experience in finance and corporate management, which enables him to competently carry out his corporate finance and general management responsibilities in our Group. Prior to joining us, Mr. Chau served in various positions at China.com Inc., a company listed on the Stock Exchange (Stock Code: 8006) from October 2005 to October 2007, including vice president of the finance department, chief financial officer, company secretary and authorised representative. Prior to joining China.com Inc., he was the deputy group financial controller of China South City Holdings Limited from August 2003 to April 2005 and the financial controller of Shanghai Hawei New Material and Technology Co., Ltd. from June 2002 to August 2003. From January 2001 to June 2002, Mr. Chau Kwok Keung was employed by Andersen & Co. initially as an experienced staff accountant and then he was subsequently promoted to be a senior consultant in the Global Corporate Finance Division of Andersen & Co. in March 2002. Mr. Chau brings extensive financial and general management experience accumulated from the abovementioned prior roles to us. Mr. Chau has been a fellow member of the Association of Chartered Certified Accountants since June 2002, a member of Hong Kong Institute of Certified Public Accountants since July 2005 and a Chartered Financial Analyst of CFA Institute since September 2003. Mr. Chau received a bachelor’s degree in Business Administration from the Chinese University of Hong Kong in May 1998.

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*Mr. Shi Cheng Qi*, aged 66, was appointed as our executive Director on 13 June 2008 and he is our CTO, responsible for production, technology and research and development. He joined us in June 2000 to set up the first facility of Comtec Semi and worked as the assistant chief engineer, responsible for the setup of operating standards and departmental policies, and the organisation, implementation and management of technology development plans. From July 2002 to April 2005, he served as a consultant to Comtec Semi and provided our Group with technical consultation and support on its manufacturing process. During this period, he also assisted Mr. Zhang in coordinating and monitoring the activities of our Group’s technical team. Mr. Shi re-joined our Group on a full-time basis in April 2005 and has since been responsible for overseeing the technology department, and was formally appointed as our CTO in October 2007. He is in charge of the production technology and equipment design of our Group. Mr. Shi has over 30 years of experience in semiconductor, solar and materials engineering, which was accumulated from the multiple engineering and management positions held by Mr. Shi in the production, technology and research and development departments of 上海半導體材料廠 (Shanghai Semiconductor Materials Factory) in the PRC from 1969 to 2000. He was accredited by 上海市有色金屬總公司 (Shanghai Non-Ferrous Metals Company) as a senior engineer in March 1993 based on the review and evaluation of 高級評審委員會 (senior appraisal committee) of Shanghai Non-Ferrous Metals Company taking into account Mr. Shi’s professional expertise, study capabilities, management capabilities and his past professional experience.

### Non-executive Director

*Mr. He Xin*, aged 39, was designated by CMTF and appointed as our non-executive Director on 1 April 2008. The terms of directorship of Mr. He are substantially the same as those of the other Directors. Mr. He is currently an investment manager of the International Business Department at China Merchants Securities Co. Ltd. and he was a senior manager of the Equities Sales & Trading Department at China Merchants Securities Co. Ltd. from 2006 to 2008. Prior to 2006, Mr. He spent approximately seven years from 1997 at Ming River Investments (Australia) Pty. Ltd. as the owners’ representative of Mercure Hotel Lawson City West in Sydney. Mr. He has extensive experience in the area of venture capital and business development from his roles mentioned above and therefore he can provide advice to our Group on compliance, corporate governance, development and business strategies. Mr. He obtained a Bachelor’s Degree in Mechanic Engineering from the 北京交通大學 (Beijing Jiao Tong University), formerly known as 北方交通大學 (Northern Jiao Tong University), in July 1992, a Master’s Degree in International Business from Wollongong University Australia in December 1999, and a Master’s of Business Administration from the University of Technology, Sydney in May 2002. Please refer to the section headed “Corporate Investor — Principal terms — Preferential rights” for further information.

### Independent non-executive Directors

*Mr. Leung Ming Shu*, aged 33, was appointed as our independent non-executive Director on 13 June 2008. Mr. Leung is currently the CFO, qualified accountant and company secretary of China ITS (Holdings) Co., Ltd. Mr. Leung is experienced in the areas of corporate finance and accounting from his various roles detailed below. From November 2006 to January 2008, Mr. Leung served as the CFO of Beijing Lingtu Spacecom Technology Co., Ltd, a subsidiary of Beijing Lingtu Software Co., Ltd, a PRC digital mapping and navigation software company. From February 2006 to October 2006, Mr. Leung served as the CFO of Beijing Xinwei Telecom Technology Co., Ltd, a related party of 大唐電信科技股份有限公司 (Datang Telecom Technology Co., Ltd, a company listed on the Shanghai Stock Exchange) which is engaged in the development of a telecommunications standard and the manufacturer of telecommunications equipment. Prior to that, Mr. Leung spent approximately three years from February 2003 at CDC Corporation, a NASDAQ-listed company, as a senior manager in the mergers and acquisitions department, and as the CFO

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of China.com Inc., a subsidiary of CDC Corporation and a company listed on the Stock Exchange. Mr. Leung started his professional career at PricewaterhouseCoopers in Hong Kong in auditing in 1998, and subsequently worked at the global corporate finance division of Arthur Andersen & Co. in Hong Kong, which subsequently merged with PricewaterhouseCoopers, until December 2000. From July 2001 to February 2003, he also worked as a business consultant in Market Catalyst International (Hong Kong) Limited, where he advised companies on issues of strategy, organisation and operations. Mr. Leung obtained a First Class Honours Bachelor’s degree in accountancy from the City University of Hong Kong in June 1998 and a Master’s degree in accountancy from the Chinese University of Hong Kong in November 2001. He is a Fellow of the Association of Chartered Certified Accountants since February 2007 and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants since March 2006.

*Mr. Daniel DeWitt Martin*, aged 71, was appointed as our independent non-executive Director on 31 July 2009. Mr. Martin is currently the executive vice president of Semiconductor Equipment & Materials International since 1998. Mr. Martin is mainly responsible for the global standards development activity, and leading Semiconductor Equipment & Materials International into the photovoltaic industry. From July 1984 to March 1996, he worked in Siltec Corporation (Mitsubishi Silicon America) as the vice president of operations, mainly responsible for manufacturing, process engineering, facilities engineering, facilities and equipment maintenance, etc. Mr. Martin graduated from Washington State University in June 1961 and received a bachelor degree in Physical Metallurgy.

*Mr. Kang Sun*, aged 54, was appointed as our independent non-executive Director on 31 July 2009. Mr. Sun is currently the president and chief executive officer of RayTracker Inc., Pasadena, California, USA and a venture partner of WI Harper Group, San Francisco, California USA. Prior to that, Mr. Kang worked as the president and chief operating officer and director of the board of JA Solar Holding Ltd, China, a company listed on NASDAQ (Code: JASO) managing director of new business development at Applied Materials Inc., USA, the vice president of Microfabrica Inc., the vice president of Honeywell International Inc., USA and the general manager of Optical Devices Business, AlliedSignal Inc., USA, respectively. Mr. Sun received a Ph.D. degree in Materials Science from Brown University, USA in 1988, a M.S. degree in Physical Chemistry from University of Georgia, USA in 1983 and a B.S. degree in Polymer Chemistry from 南京大學 (Nanjing University), China in 1978.

Our non-executive Director and independent non-executive Directors provide advice to us on compliance, corporate governance, development and business strategies.

Save as disclosed above, there are no other matters concerning all our Directors’ appointment that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### SENIOR MANAGEMENT

*Mr. James J. Wang*, aged 47, is the COO of our Company. He joined our Group in April, 2009 and is mainly responsible for our business development in the PRC and overseas market. Prior to joining Comtec Solar, he was employed for over 10 years by multiple companies in U.S. and China in various senior business management positions, including Sr. Director of business development at JA Solar (NSDQ: JASO), a solar cell manufacturing company; vice president of China Operations at Legend Semiconductor Manufacturing Corp., an IC chip foundry company; and China director of operations at Lam Research Corporation (NADQ: LRCX), a U.S. semiconductor equipment manufacturing company. James received his master of engineering degree in Precision Mechanical Engineering from Tokyo Institute of Technology, Tokyo, Japan in 1988.

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**Ms. Jane Wu**, aged 41, is our President of Global Operation of our Company. She joined our Group in July 2009 and is mainly responsible for the business development in the U.S. Our main business activities in the U.S. is to explore market opportunities in the U.S. Ms. Wu has more than 15 years experience in business development in the semiconductor industry. Prior to joining our Group, she worked in multiple companies in various positions, including the president in eVillage Solar, a system integration company focusing on commercial, military and utility market; the vice president of business development of JA Solar (NSDQ: JASO), a solar cell manufacturing company; senior management of new business development group in Applied Materials, Inc., a world largest semiconductor, display and solar processing equipment manufacturer, etc. Ms. Jane Wu is a member of board of directors of North America Chinese Semiconductor Association. She received a bachelor degree in Solid State Physics from 上海科學技術大學 (Shanghai University of Science and Technology), which is now 上海大學 (Shanghai University), in July 1990.

**Mr. Wu Cheng Xian**, aged 62, is the vice general manager and the head of our manufacturing department. He is mainly responsible for stipulating and implementing manufacturing plan, supervising quality control, coordinating manufacturing and the operations of the other departments in our Group. He joined us in October 2008. Mr. Wu has approximately 40 years of experience in the related industry. Prior to joining us, Mr. Wu worked as the vice general manager in 麥斯克電子材料有限公司 (MCL Electronic Materials Co. Ltd.) from October 1999 to September 2008, responsible for daily manufacturing and sales, quality control and human resources management. He worked in 洛陽單晶硅廠 (Luoyang Monocrystalline Silicon Factory), which is now 洛陽單晶硅有限責任公司 (Luoyang Monocrystalline Silicon Co., Ltd.) from August 1968 to September 2008, as the manufacturing department head and then promoted to vice general manager in February 1994, responsible for daily manufacturing and sales of semiconductor materials, quality control and human resources management. Mr. Wu studied in 建德冶金工業學校 (Jiande Metallurgy Industrial School), which is now 嘉興學院 (Jiaxing Institute) since September 1963, majoring in Statistics and graduated in August 1968 with a secondary technical school degree. Mr. Wu received a junior college degree in Statistics in December 1988 by National self-taught examination. Mr. Wu was appraised as the senior economist in November 2006 by 中國有色金屬工業協會 (China Nonferrous Metals Industry Committee) according to nonferrous metals industry credential requirements.

**Ms. Yi Xin**, aged 33, is the head of our import and export department. She is mainly in charge of importing and exporting and keeping communication documents with our customers. She joined us in July 2002. Ms. Yi has over five years of experience in the trading industry and she is in charge of our imports and exports. Prior to joining us, Ms. Yi Xin worked in the marketing department of 上海智率醫療器械有限公司 (Shanghai Intelligent Medical Apparatus Company Limited) responsible for market survey and analysis from February 2000 to July 2002. Ms. Yi received a junior college degree in economy and trading from 上海冶金高等專科學校 (Shanghai College of Metallurgy), which is now 上海應用技術學院 (Shanghai Institute of Technology) in July 1997.

**Ms. Zhu Hao**, aged 41, is the head of our human resources and administration department. She is mainly responsible for our daily administrative management, human resources management and coordinating with our suppliers. She joined us in March 2004. Ms. Zhu has approximately seven years of experience in the human resources and administrative functions. Prior to joining us, Ms. Zhu Hao was the office manager of 易學(上海)諮詢有限公司 (Yi Xue (Shanghai) Consulting Co., Ltd.) from May 2000 to October 2001. She was the office manager of 上海優異科技有限公司 (Shanghai Youyi Science and Technology Co., Ltd.) from April 2002 to February 2003. During the period she served as the office manager, she was mainly responsible for human resources management. She was the purchasing clerk of 格蘭吉斯(上海)鋁業有限公司 (Granges Shanghai Aluminum Co., Ltd.) from November 1998 to May 2000. Ms. Zhu majored in economy and management at 華東師範大學 (East China Normal University) and graduated in July 1988.

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*Mr. Hu Ru Quan*, aged 41, is the head of our crystal pulling department. He is mainly responsible for quality control and manufacturing costs control. He has been with us since March 2000 and was not with our Group between March 2006 and July 2006 due to family reasons. Mr. Hu rejoined our Group in July 2006. Mr. Hu has about 15 years of experience in the semiconductor and silicon material industry. Prior to joining us, he worked as the cutting operator and was responsible for cutting wafers in 上海半導體材料廠 (Shanghai Semiconductor Factory) from March 1991 to March 2000. Mr. Hu Ru Quan obtained a junior college diploma in law from 中央廣播電視大學 (China Central Radio and TV University) in July 2007.

*Mr. Cheng Yu Wei*, aged 57, is the head of our equipment department. He joined us in October 2000. Mr. Cheng has approximately 15 years of experience in the electrical engineering industry. Prior to joining us, he worked in 中南地質勘查局實業公司 (Zhongnan Geological Prospecting Bureau Industrial Company) as an electrical engineer in 1992 and as a vice chief engineer in 1993. From June 1994 to December 1996, Mr. Cheng worked as an engineer in 中南金剛石工業公司 (Zhongnan Diamond Industry Co., Ltd.). Mr. Cheng majored in electrical engineering of 湖北廣播電視大學 (Hubei TV & Radio University) and graduated in July 1987.

### COMPANY SECRETARY

Details of the qualifications and experience of Mr. Chau Kwok Keung are set out in the paragraph headed “Executive Directors” in this section. Mr. Chau Kwok Keung is employed on a full-time basis as required under Rule 3.24 of the Listing Rules and he is ordinarily resident in Hong Kong as required under Rule 8.17 of the Listing Rules.

### MANAGEMENT CONTINUITY OF OUR GROUP DURING THE TRACK RECORD PERIOD

The business of our Group has been managed and operated under substantially the same management throughout the Track Record Period. In particular, Mr. Zhang, an executive Director of our Company, the chairman of our Board and our CEO, as well as Mr. Shi, our executive Director and CTO, are considered to be the two individuals who are most relevant and responsible for our Group’s track record results. Mr. Zhang and Mr. Shi had also been and are continued to be supported by a team of experienced senior managers of various business units. In order to more effectively manage our Group’s operation and ensure that business decisions are made and executed with proper approval, Mr. Zhang has personally reviewed and approved guidelines to delegate roles and responsibilities to each of these senior managers. These senior managers directly report to Mr. Zhang.

Mr. Zhang principally devotes his time to the development and operation of our Group, and is responsible for the overall management, strategic development and planning, marketing and major decision making of our Group. During the Track Record Period, except the sole proprietorship business carried on under the trade name of Comtec Ltd and the business operations of Comtec Electronics, Mr. Zhang was not involved in any other business or employment. For each of the years during the Track Record Period, Mr. Zhang spent a majority of his time physically in the PRC to manage the Group’s business given that his investment in our Group represents a majority of his personal assets. Mr. Zhang’s involvement in the Relevant Business was primarily to support our Group’s business, and such business has ceased since July 2008. During the Track Record Period, Mr. Zhang was a director of his wholly-owned company in PRC, Comtec Electronics, whose principal business activities consisted of sales of electronic products, semiconductors and related products, provision of processing services, installation and support services. Despite Mr. Zhang’s ownership and directorship in Comtec Electronics, as Comtec Electronics was only a trading company with limited operations, Mr. Zhang did not need to allocate much time or resources to

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Comtec Electronics during the Track Record Period. On the basis of the above, we believe that Mr. Zhang’s shareholding and directorship in Comtec Electronics did not affect and will not affect his time and other resources allocated to our Group. Since the Relevant Business ceased in July 2008 and Comtec Electronics became dormant in April 2008, Mr. Zhang has been able to devote even more of his time and resources to our Group. It is anticipated that Mr. Zhang will continue to allocate a majority of his time in the PRC after the [●] to manage the Group’s business and discharges his duties as a Director of our Company.

Apart from Mr. Zhang, Mr. Shi also played an instrumental role in the continued growth of our Group during the Track Record Period. Mr. Shi joined us in June 2000 to set up the first facility of Comtec Semi and from July 2002 to April 2005, he served as a consultant to Comtec Semi under a temporary consultancy arrangement primarily due to health reasons, which made it unsuitable for him to serve our Group as a full-time employee, and provided our Group with technical consultation and support on its manufacturing process. During this period, he also assisted Mr. Zhang in coordinating and monitoring the activities of our Group’s technical team. Our Group’s business and operations were not affected by Mr. Shi’s absence as a full-time employee, because Mr. Shi continued to keep in close contact with our Group during such period. Mr. Shi rejoined our Group in April 2005 and had since been instrumental in the development of our Group in his position as the head of the technology department throughout the Track Record Period. During his time with our Group, Mr. Shi has been the most senior member of the management team responsible for production technology and design and has been formally appointed as our CTO in October 2007.

### RESTRICTED SHARES GRANT TO DIRECTOR

A total of 3,877,058 restricted Shares (“Restricted Shares”) were granted to Mr. Chau Kwok Keung, an executive Director, at nil consideration for the purpose of giving him an opportunity to have a personal stake in us and to motivate him to optimise his performance and efficiency, and also to retain him as our employee whose contributions are important to our long-term growth and profitability. While share options are most commonly used in a company’s incentive compensation program, restricted share awards are outright grants of shares subject to vesting restrictions, which are intended to induce performance as the grantee will immediately become a shareholder of the company and will be entitled to voting and receiving dividends. We therefore consider that Mr. Chau’s economic interest would be more appropriately aligned with that of the other Shareholders of our Company if Mr. Chau’s compensation package is structured in a way that will also include the grant of Restricted Shares.

The grant of Restricted Shares to Mr. Chau was approved by written resolutions of the Shareholders dated 2 June 2008 and 3 August 2009 and the Company’s Cayman Islands legal advisers, Conyers Dill & Pearman, have advised the Company that Mr. Chau became a legal owner of the Restricted Shares when his name was entered in our share register on the same date in accordance with section 38 of the Companies Law. Immediately after the Corporate Reorganisation, the [●] (assuming the [●] is not exercised) and the [●], the Restricted Shares would represent approximately 1.0% of our total share capital. Under the terms of the grant, the Restricted Shares may not be sold, transferred by gift, pledged or otherwise transferred or disposed prior to the date when the Restricted Shares become vested pursuant to the vesting schedule. All Restricted Shares granted to Mr. Chau shall be vested in the following manner:

- (i) Shares representing 1/4th of the Restricted Shares shall vest immediately after our Company reported an annual net profit after tax (based on audited and consolidated financial statements of the relevant financial year in accordance with IFRS) of RMB500 million or more for any financial year (“First Vesting”).

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- (ii) Shares representing the remaining 3/4th of the Restricted Shares shall vest thereafter in equal quarterly instalments of 1/4th of the Restricted Shares at the end of each three-month period after the First Vesting.

Mr. Chau has undertaken to both our Company and the [●] that, amongst others, he will not dispose of or enter into any agreement to dispose of any Restricted Shares at any time prior to the [●] pursuant to Rule 9.09 of the Listing Rules and under no circumstance would such lock-up be released prior to the [●].

Other than the transfer restrictions as set out above, Mr. Chau will not be subject to any other transfer restrictions or lock-up arrangement in respect of the Restricted Shares after the [●].

### RESTRICTED SHARES GRANT TO SENIOR MANAGEMENT

Mr. James J. Wang, our COO and Ms. Jane Wu, our President of Global Operation were each granted a total of 2,917,590 restricted Shares by our Company, at nil consideration for the purpose of giving them an opportunity to have a personal stake in us and to motivate them to optimise their performance and efficiency, and also to retain them as our employees whose contributions are important to our long-term growth and profitability. The grant of these restricted Shares was approved by written resolutions of the Shareholders dated 3 August 2008, and the terms of the grant are as follows:

- (a) under the terms of the grant, the restricted Shares issued to the members of senior management on 2 June 2008 and 3 August 2008 may not be sold, transferred by gift, pledged or other transferred or disposed prior to the date when the Restricted Shares become vested pursuant to the vesting schedule.
- (b) all restricted Shares granted shall be vested in the following manner:
  - (i) Shares representing 1/4th of the restricted Shares shall vest immediately after our Company reported an annual net profit tax (based on audited and consolidated financial statement of the relevant financial year in accordance with IFRS of RMB500 million or more for any financial year (“First Vesting”)).
  - (ii) Shares representing the remaining 3/4th of the restricted Shares shall vest thereafter in equal quarterly instalments of 1/4th of the restricted Shares at the end of each three-month period after the First Vesting.

### [●] SHARE OPTION SCHEME

We have adopted the [●] Share Option Scheme to motivate our employees to optimise their performance, efficiency and future contributions to our Group and to reward them for their past contributions to our Group. The principal terms of the [●] Share Option Scheme were approved by written resolutions of the Shareholders dated 2 June 2008. Options to subscribe for an aggregate of 230,000 Shares were granted on 3 August 2009 at an original subscription price per Share of HK\$6.27.

The terms of the [●] Share Option Scheme require, in the event of any alteration to the capital structure of our Company including by way of capitalization of profits or reserves, adjustments to be made to, among other things, the aggregate number of Shares subject to any option that have been granted under the [●] Share Option Scheme but have not, at the time, been exercised. We therefore granted, conditional upon the

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completion of the [●], an additional amount of options to subscribe for an aggregate of 344,020 Shares on 2 October 2009. The total number of Shares which may be issued upon the exercise of options granted under the [●] Share Option Scheme is therefore 574,020 Shares (the “Underlying Shares”), representing (i) approximately 0.057% of the issued share capital of our Company immediately after the completion of the [●] and the [●] (without taking into account any Shares which may be allotted and issued upon the exercise of any options which have been granted under the [●] Share Option Scheme or which may be granted under the Share Option Scheme or the exercise of the [●]); and (ii) approximately 0.057% of the issued share capital of our Company immediately after the completion of the [●] and the [●] and assuming that all options granted under the [●] Share Option Scheme are 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 [●]). Assuming that all the options granted under the [●] Share Option Scheme had been exercised in full and that 1,000,574,020 Shares, comprising 1,000,000,000 Shares to be in issue immediately after the [●] and the [●] and 574,020 Shares to be issued upon the exercise of all the options granted under the [●] Share Option Scheme, were deemed to have been in issue, but not taking into account any Shares which may be allotted and issued upon the exercise of the [●] or any option which may be granted under the Share Option Scheme, this will have a dilutive effect of approximately 0.057% on the shareholding of each of our shareholders in our Company. As at the Latest Practicable Date, none of the options granted under the [●] Share Option Scheme had been exercised by the grantees.

Pursuant to the [●] Share Option Scheme and the relevant offer letters in respect of the grant of options:

- (i) [●]; and
- (ii) all options granted under the [●] Share Option Scheme can only be exercised in the following manner: (a) Shares representing 1/12th of the Underlying Shares shall vest on 1 November 2009; and (b) from 1 November 2009 onwards, the remaining 11/12th of the Underlying Shares shall vest in equal quarterly instalments of 1/12th of the Underlying Shares at the end of each three-month period quarterly subject to continued employment with our Company during that period and all other terms and conditions as described in the [●] Share Option Scheme. No option holder shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any options or purport to do so.

Our Directors have undertaken to our Company that they will not exercise options granted under the [●] Share Option Scheme to such extent that the Shares held by the public (as defined in the Listing Rules) after the [●] and the [●] 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.

Please refer to the section headed “[●] Share Option Scheme” in Appendix VI to this document for further details of the [●] Share Option Scheme.

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### **SHARE OPTION SCHEME**

Our Company has conditionally adopted the Share Option Scheme, the purpose of which is to motivate the relevant participants to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going 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. Additionally, in the case of the executive Directors and senior management of our Group, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The principal terms of this scheme are summarised in the paragraph headed “Share Option Scheme” in Appendix VI to this document.

### **MANAGEMENT PRESENCE IN HONG KONG**

Rule 8.12 of the Listing Rules requires that a new applicant applying for [●] must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily residents in Hong Kong. Since we carry on a significant part of our business operations in the PRC and all of our manufacturing facilities are also located in the PRC, our head office and senior management members are and will therefore continue to be based in the PRC. Our Group does not carry on any business nor do we have any other form of presence in Hong Kong. At present, Mr. Chau Kwok Keung, an executive Director, CFO, company secretary and authorised representative of our Company, is the holder of a Hong Kong permanent identity card and will be an ordinary resident in Hong Kong upon [●], but none of the other executive Directors is a Hong Kong resident or based in Hong Kong. We have applied to the Stock Exchange for a waiver from the strict compliance with the requirement under Rule 8.12. For details of the waiver, please refer to the section headed “Waivers from Strict Compliance with the Listing Rules — Management Presence” in this document.

### **OUR RELATIONSHIP WITH STAFF**

We recognise the importance of a good relationship with our employees. The remuneration payable to our employees includes salaries and allowances. We have not experienced any significant problems with our employees or disruption to our operations due to labour disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff. Our Directors believe that we have a good working relationship with our employees. In addition, we continue to provide training to our staff to enhance their skills and knowledge. The scope of our training covers topics such as the basic knowledge of polysilicon, mechanical drawing, quality standard of solar wafer, operation procedures in polysilicon workshop and solar ingots, and manufacturing safety. Our training programs are designed and conducted by a selected group of employees from our various departments who are either managers or senior engineers with many years of related professional experience. These training sessions are typically conducted on a monthly basis.

We have not experienced any significant problems with our employees or disruption to our operations due to labour disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff. Our Directors believe that we have a good working relationship with our employees.

### **BOARD COMMITTEES**

#### **Audit committee**

We established an audit committee pursuant to a resolution of our Directors passed on 2 October 2009 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules. The primary duties of

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the audit committee are mainly to make recommendation to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; oversee our internal control procedures. At present, our audit committee consists of three members who are Mr. Leung Ming Shu, Mr. Daniel DeWitt Martin and Mr. Kang Sun, all of whom are independent non-executive Directors of our Company. Mr. Leung Ming Shu is the chairman of the audit committee.

### **Remuneration committee**

We established a remuneration committee on 2 October 2009 with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. The primary duties of the remuneration committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and our senior management; review performance based remuneration; ensure none of our Directors determine their own remuneration. The remuneration committee consists of three members, namely Mr. Zhang, Mr. Kang Sun and Mr. Leung Ming Shu, and the latter two of whom are independent non-executive Directors. Mr. Zhang is the chairman of the remuneration committee.

### **Nomination committee**

We established a nomination committee on 2 October 2009. The nomination committee consists of three members, comprising Mr. Zhang, Mr. Daniel DeWitt Martin and Mr. Kang Sun. The chairman of the nomination committee is Mr. Zhang. The primary function of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board.

## **DIRECTORS’ AND SENIOR MANAGEMENT REMUNERATION**

The remuneration of our Directors and senior management is determined with reference to their experience, responsibility, workload and the time devoted to us. We will also take into account factors including our operating performance, financial position and business development plan. During 2006, 2007, 2008 and the six months ended 30 June 2009, respectively, the aggregate of the remuneration paid and benefits in kind granted to our Directors and senior management by us and our subsidiaries was approximately RMB343,000, RMB683,000, RMB35,339,000 and RMB1,431,000, respectively. No directors’ emoluments were paid to Mr. Zhang for each of the three years ended 31 December 2008 and the six months ended 30 June 2009 as a result of the management’s discretionary decision. Mr. Chau Kwok Keung is entitled to a pay rise of RMB50,000 per month after the [●] pursuant to his employment agreement as CFO of our Company. Other than the pay rise for Mr. Chau, we currently do not have any plan for a pay rise to our Directors and senior management after the [●], which is however subject to review from time to time, and we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding discretionary bonus) and the senior management by us for the year ended 31 December 2009 will be approximately RMB3.9 million. For further information on our Directors’ remuneration, please refer to the section headed “Further information about the Directors” in Appendix VI of this document.

No retirement benefit contributions were paid to the Directors during the Track Record Period. Our PRC legal advisers, Commerce & Finance Law Offices, confirmed that pursuant to the relevant PRC laws and regulations, the PRC subsidiaries do not have to make retirement benefit contributions to Mr. Zhang and Mr. Chau as under the relevant PRC laws and regulations, they are not considered to have any labour relationship with our PRC subsidiaries. Commerce & Finance Law Offices also confirmed that our PRC subsidiaries are not obliged to make retirement benefit contributions to Mr. Shi Cheng Qi because Mr. Shi joined the Group

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## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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after he had passed the PRC statutory retirement age. In respect of all the other Directors, each of them was appointed as a director of our Company in 2008 or 2009 and retirement benefit contributions are not required to be made with the PRC governmental agencies under the relevant PRC laws and regulations during the Track Record Period. We have not entered into any agreement with our Directors which would specifically require us to make any retirement benefit contributions to them. Our the Cayman Islands legal adviser, Conyers Dill & Pearman, has advised us that subject to any agreement between our Company and our Directors to the contrary, there is no requirement under the Cayman Islands law for us to make any retirement benefit contribution for our Directors during the Track Record Period. Our Hong Kong legal adviser, Orrick, Herrington & Sutcliffe, has also advised us that there is no similar requirement under Hong Kong laws.

### COMPLIANCE ADVISER

We appointed Piper Jaffray Asia Limited 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 [●] in a manner different from that detailed in this document or where its business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- (iv) [●].

The term of the appointment shall commence on the [●] 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 [●] Date and such appointment may be subject to extension by mutual agreement.