
DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS

Our board of directors is responsible and has general powers for the management and conduct of our business. The table below shows certain information in respect of members of the board of directors of our Company:

<u>Name</u>	<u>Age</u>	<u>Position</u>
HUANG Yi	47	Chairman and executive director
LI Guoqiang	46	Vice-chairman, executive director and chief executive officer
DU Qingshan	47	Executive director
YU Guangming	52	Executive director
LENG Xuesong	40	Non-executive director
SHIGENO Tomihei	57	Independent non-executive director
NG Yuk Keung	45	Independent non-executive director
SHEN Jinjun	52	Independent non-executive director

EXECUTIVE DIRECTORS

HUANG Yi (黃毅), aged 47, is our chairman and executive director. Mr. Huang is one of our two founders, and has been chairman of our Group since its inception in 1998. Mr. Huang was appointed an executive director of our Board on 23 June 2008. He is responsible for the strategic management of our Group and for formulating our overall corporate direction and focus. Prior to founding our Group, Mr. Huang was a director and deputy general manager at China Resources Machinery Co., Ltd. (“**China Resources Machinery**”), a state-owned enterprise engaged in importing and exporting automobiles and other machinery. Mr. Huang held numerous management positions in business administration, product procurement and sales operations in China Resources Machinery during his tenure between 1984 and 1994. In 1994, Mr. Huang joined China Automobile Company Limited (“**China Automobile**”) as a director, and was responsible for China Automobile’s procurement and sales divisions. In 1996, Mr. Huang invested in, and became a shareholder of, China Automobile. China Automobile, currently known as Hokuryo Holdings Company Limited, which is presently an indirect wholly-owned subsidiary of our Group. Mr. Huang is currently a council member of the Lexus China Dealer Council, as well as a council member of the National Dealer Advisory Council of FAW Toyota Motor Sales Co., Ltd. Mr. Huang has substantial senior management experience and more than 22 years’ of experience and in-depth knowledge of the PRC automobile industry. He received a bachelor’s degree in Economics from Xiamen University in 1983 and was awarded the title of “Economist” by MOFCOM in 1990, a work-related qualification title usually awarded to the government officials or managerial staff in state-owned enterprises by the government in recognition of their relevant working experiences. Mr. Huang also served on a *pro bono* basis as a director of Pok Oi Hospital, a charitable organization providing medical and educational services in the New Territories in Hong Kong, between 1997 and 1999.

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LI Guoqiang (李國強), aged 46, is the other founder of our Group, and has served as our Group's chief executive officer and vice-chairman since 1998. Mr. Li was appointed an executive director of our Board on 23 June 2008. He is responsible for the overall management and operations of our Group. Mr. Li has served as deputy chairman and a member of standing committee for China Automobile Dealers Association since December 2009. In 1995, Mr. Li founded Dalian Aotong Automobile Repair & Assembly Factory ("**Aotong Repair & Assembly**"), a company engaged in automobile repair and maintenance services. Mr. Li served as the factory director and legal representative of Aotong Repair & Assembly, and he was responsible for its overall management and operations. From 1996 to 1998, Mr. Li served as the vice chairman of Dalian Toyota Maintenance & Service Co., Ltd. and general manager of Dalian Bonded Zone Toyota Automobile Sales Co., Ltd., and Mr. Li was responsible for the decisions of procurement and sales of automobiles as well as the management of the national distribution networks during his tenure. In 1998, Mr. Li founded Dalian Aotong Industry Co., Ltd. ("**Aotong Industry**"), a company engaged in distribution of automobiles. Aotong Industry is the predecessor of Zhongsheng (Dalian) Holdings Co., Ltd., which is presently an indirect wholly-owned subsidiary of our Group. Mr. Li has substantial senior management experience and more than 20 years' of experience and in-depth knowledge of the PRC automobile industry. Mr. Li also received a Distinguished Lexus Dealer award in 2007 from Toyota Motor (China) Investment Co., Ltd., as part of the Lexus Certification Program.

DU Qingshan (杜青山), aged 47, has served as deputy general manager of our Group since 2007. Mr. Du was appointed an executive director of our Board on 23 June 2008. He is responsible for the financial planning, strategy and management of our Group, and oversees all the accountancy and financial aspects of our Group. Prior to joining our Group in 2007, Mr. Du was appointed by State-owned Assets Supervision and Administration Commission of Dalian Municipal Government to serve as the chief financial officer of a large PRC corporation, Dalian DHI.DCW Group Co., Ltd. ("**Dalian DHI.DCW**") and was in charge of the general financial and accounting affairs of Dalian DHI.DCW. Mr. Du was primarily responsible for the financial operations of Dalian DHI.DCW, which contributed to his over 20 years' experience in the areas of accountancy and finance. Mr. Du received a bachelor degree in Economics from the Shanghai University of Finance and Economics in 1986 and a master's degree in Business Administration from Dongbei University of Finance and Economics in 2002.

YU Guangming (俞光明), aged 52, has served as deputy general manager of our Group since 2004. Mr. Yu was appointed an executive director of our Board on 23 June 2008. He is responsible for the strategic business development of our Group as well as selecting and training middle-to-senior level managers of 4S dealerships of our Group. Since joining our Group in 2000, Mr. Yu has held numerous management positions in several of our principal subsidiaries, including Zhongsheng (Dalian) Holdings Co., Ltd., Dalian Aotong Dongfeng Honda Automobile Sales & Services Co., Ltd., Shanghai Guoxin Automobile Sales Co., Ltd. and Shanghai Zhongsheng Toyota Automobile Sales & Services Co., Ltd., primarily in charge of setting up, overseeing and improving the management teams of our subsidiaries, implementing the strategic decisions of our Group and liaising with the automakers and customers regarding business relationship building. Prior to joining our Group, Mr. Yu served as a manager of Shanghai Material Office of the PRC Ministry of Railways from 1975 to 1994, and he was primarily responsible for the management of its business operations. From 1994 to 2000, Mr. Yu served as a deputy managing director of Hong Kong Union Park Company Limited, a Hong Kong subsidiary of China Railway Materials Commercial Corporation, a large-scale PRC state-owned enterprise, and was in charge of its overall management and operations during his tenure. Mr. Yu has more than eight years' of relevant experience in the PRC automobile industry. Mr. Yu received a graduation certificate in respect of an associate degree majoring in English from Shanghai International Studies University in 1985.

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NON-EXECUTIVE DIRECTOR

LENG Xuesong (冷雪松), aged 40, was appointed as a non-executive director of our Board on 1 August 2008. Mr. Leng is a managing director at General Atlantic LLC. He is based in Hong Kong, where he focuses on General Atlantic LLC's investment opportunities in North Asia. Prior to joining General Atlantic LLC, Mr. Leng served as a managing director at Warburg Pincus, an international private equity firm from 1999 to 2007. Mr. Leng also served as non-executive director of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1886) from July 2006 to August 2007. Mr. Leng earned his master's degree in Business Administration from the Wharton School of the University of Pennsylvania in 1999, and his Bachelor of International Industrial Trade degree from Shanghai Jiao Tong University in 1992.

INDEPENDENT NON-EXECUTIVE DIRECTORS

SHIGENO Tomihei (茂野富平), aged 57, was appointed an independent non-executive director of our Board on 1 August 2008. Mr. Shigeno is currently the head of the Beijing office of Minebea Trading (Shanghai) Ltd., a division of sales of Minebea Electronics & Hi-Tech Components (Shanghai), which was established in 1994 by Minebea Co., Ltd., manufacturing miniature ball bearing and other electronics products. Prior to joining Minebea Shanghai in 2007, Mr. Shigeno worked for Nissan Motor Co., Ltd. ("Nissan Motor") from 1976 to 2006. Mr. Shigeno was part of the team which established Nissan Motor's Beijing office, and he served as its chief representative from 1991 to 1997. He was also chief representative of Nissan Motor's China operations from 2000 to 2003, specialising in sales and marketing, and was primarily responsible for developing Nissan Motor's distribution and service networks by establishing authorized distributors and automobile dealerships across the PRC. Mr. Shigeno was assigned by Nissan Motor to assist the president of Dongfeng Commercial Vehicle Company. Mr. Shigeno has over 31 years' of experience and in-depth knowledge of the automobile industry, sales and business management. He earned his bachelor's degree in Chinese language studies from Tokyo University of Foreign Studies in 1976.

Mr. NG Yuk Keung (吳育強), aged 45, was appointed an independent non-executive director of our Board on 27 October 2009. Mr. Ng is a vice-president, the chief financial officer, the company secretary and the qualified accountant of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司) (stock code: 1886), a company listed on the Hong Kong Stock Exchange. Mr. Ng also serves as an independent non-executive director of Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司) (stock code:0631), a company listed on the Hong Kong Stock Exchange. Mr. Ng worked with PricewaterhouseCoopers for over 12 years from 1988 to 2001. From November 2004 to August 2006, he was the deputy chief financial officer, a joint company secretary and the qualified accountant of Irico Electronics Group Company Limited (彩虹集團電子股份有限公司) (stock code: 0438), a company listed on the Hong Kong Stock Exchange. Mr. Ng is also an independent non-executive director of Xinjiang Xinxin Mining Industry Co., Ltd. (新疆新鑫礦業股份有限公司) (stock code: 3833) and Beijing Capital Land Ltd. (首創置業股份有限公司) (stock code: 2868), both of which are listed on the Hong Kong Stock Exchange. Mr. Ng graduated from The University of Hong Kong with a Bachelor degree in Social Sciences in 1988 and a Master degree in Global Business Management and E-commerce in 2002. He is a professional accountant and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants in England and Wales.

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SHEN Jinjun (沈進軍), aged 52, was appointed an independent non-executive director of our Board on 16 November 2009. Mr. Shen has served as deputy chairman and secretary chief for China Automobile Dealers Association since 2005. Mr. Shen has also worked as the deputy chief of the Transport and Mechanical section of the State Administration of Supplies, and the chief of the Automobile section and Electrical, Mechanical and Metallic section of the State Administration of Domestic Commerce. During that time, Mr. Shen was mainly responsible for administering the automobile dealing industry and participated in formulations of related regulations. Mr. Shen completed all the related courses of an associate degree majoring in electronic at the Beijing Open University in 1982.

OTHER SENIOR MANAGEMENT

The table below shows certain information in respect of our senior management (excluding Directors who also hold executive positions):

<u>Name</u>	<u>Age</u>	<u>Position</u>
WU Hailong	45	Vice-president of new automobile sales business
ZHANG Zhicheng	37	Vice-president of luxury brand automobile sales business
LIU Geng	40	Vice-president of after-sales and accessories businesses
LAI Hau Yin	42	Group Financial Controller and Company secretary

WU Hailong (吳海龍), aged 45, joined our Group at its inception in 1998 and currently serves as vice-president of our new automobile sales business. Since 1998, he has served in senior management positions for several of our principal subsidiaries, including Zhongsheng (Dalian) Holdings Co., Ltd., Dalian Zhongsheng Toyota Automobile Sales & Services Co., Ltd., Dalian Zhongsheng Group Automobile Accessories Co., Ltd., Dalian Zhongsheng Automobile Sales & Services Co., Ltd. and Dalian Zhongsheng Dongfeng Honda Automobile Sales & Services Co., Ltd., primarily responsible for the day-to-day administration of 4S dealerships of our Group, including both sales and after-sales businesses. Mr. Wu currently oversees the sales and management of our Group's mid-to-high-end brand automobile sales business. Prior to joining our Group, Mr. Wu worked in the Dalian City representative office of Toyota Tsusho Corporation, a company listed on the Tokyo Stock Exchange (stock code: 8015) and the sole trading company of the Toyota group, between 1990 and 1996, and his work was closely related to the PRC automobile industry. Mr. Wu has over 17 years' of relevant experience and in-depth expertise in automobile sales. Mr. Wu received a bachelor's degree in Chemical Engineering and Machinery from East China Institute of Technology in 1986.

ZHANG Zhicheng (張志誠), aged 37, has served as vice-president of our Group's luxury brand automobile sales business since 2008. Mr. Zhang joined our Group in 2003, and has held numerous management positions in several of our key operating subsidiaries, including Fuzhou Zhongsheng Toyota Automobile Sales Co., Ltd., Dalian Zhongsheng Lexus Automobile Sales & Services Co., Ltd. and Dalian Zhongsheng Toyota Automobile Sales & Services Co., Ltd., primarily responsible for implementing the strategic decisions of our Group and liaising with the automakers regarding

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developing our luxury brand automobile sales business. Mr. Zhang currently oversees the sales and management of our luxury brand automobile sales business. Mr. Zhang has over five years' of relevant experience and in-depth expertise in the PRC automobile industry. Mr. Zhang received a master's degree in Business Administration from Dongbei University of Finance and Economics in 2003. Mr. Zhang also received Peak Performance General Manager awards in both 2006 and 2007 from Toyota Motor (China) Investment Co., Ltd., as part of the Lexus Certification Program.

LIU Geng (劉耕), aged 40, joined our Group in 2000 and currently serves as vice-president of our Group's after-sales and accessories businesses. Mr. Liu held management positions in two of our principal subsidiaries before being promoted to be our vice-president in 2009. Mr. Liu served as service manager of Dalian Zhongsheng Toyota Automobile Sales & Services Co., Ltd. from 2000 to 2004, and as general manager of Dalian Yingbin Zhongsheng Toyota Automobile Sales & Services Co., Ltd. from 2004 to 2008, and he served as general manager of Dalian Zhongsheng Group Automobile Accessories Co., Ltd. from 2008 to 2009. Mr. Liu joined the PRC automobile industry since 1993 and has more than 16 years' of experience and in-depth understanding of the PRC automobile industry. Mr. Liu earned a bachelor's degree in the automobile department of Harbin Institute of Technology in 1991.

Company Secretary

LAI Hau Yin (黎孝賢), aged 42, joined our Group as the group financial controller in 2008 and he was appointed our company secretary on 4 January 2010. He is responsible for the financial management, accounting, and management reporting of our Group. Mr. Lai has over 16 years' of experience in the areas of audit and accounting. He is a certified public accountant registered with the Hong Kong Institute of Certified Public Accountants, and a certified practising accountant registered with the Australian Society of Certified Practising Accountants. Prior to joining our Group, Mr. Lai was the group financial controller and company secretary of L.K. Technology Holdings Limited (stock code: 0558) and the project controller of Carry Wealth Holdings Limited (stock code: 0643), both of which are companies listed on the Hong Kong Stock Exchange. Mr. Lai received a bachelor's degree in Business from Deakin University of Australia in 1992, a master's degree in Business Administration from West Coast Institute of Management & Technology in Australia in 2000, and a master's degree in Business Administration from The European University of Ireland in 2001.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong including that normally at least two of the issuer's executive directors must be ordinarily resident in Hong Kong. Currently, none of our executive Directors, except for Mr. Huang Yi, reside in Hong Kong. Since our principal locations are located outside Hong Kong, we do not, and for the foreseeable future, will not have a significant management presence in Hong Kong. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules subject to the condition that among other things, we maintain the following arrangements to maintain effective communications between us and the Hong Kong Stock Exchange.

We have appointed two authorized representatives, namely Mr. Huang Yi, our Chairman and executive Director, and Mr. Lai Hau Yin, our company secretary. Both Mr. Huang and Mr. Lai ordinarily reside in Hong Kong. Each of our authorized representatives has means for contacting all Directors of our Company promptly at all times as and when the Hong Kong Stock Exchange wishes to

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contact the Directors on any matters, and will be readily contactable by telephone, facsimile or email to deal promptly with inquiries from the Hong Kong Stock Exchange and will be available at reasonable notice to meet with the Hong Kong Stock Exchange as and when required. Each of our Directors, through the authorized representatives, will be readily contactable by telephone, facsimile or email, and each of our Directors have also confirmed that he either holds or will be able to apply for a valid travel document to visit Hong Kong if required to meet with the Hong Kong Stock Exchange, at reasonable notice.

We have also appointed Taifook Capital Limited as our compliance adviser in accordance with Rule 3A.19 of the Listing Rules.

BOARD COMMITTEES

Audit Committee

We have established an audit committee 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 as set out in Appendix 14 to the Listing Rules. The audit committee consists of two independent non-executive directors being Mr. Ng Yuk Keung and Mr. Shen Jinjun and one non-executive director being Mr. Leng Xuesong. The chairman of the audit committee is Mr. Ng Yuk Keung, who holds appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of two independent non-executive directors being Mr. Tomihei Shigeno and Mr. Shen Jinjun and one executive director being Mr. Li Guoqiang. The remuneration committee is chaired by Mr. Tomihei Shigeno, an independent non-executive director. The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to the Directors on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of our Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) considering and approving the grant of share options to eligible participants pursuant to the Share Option Scheme.

Nomination Committee

Our Company has established a nomination committee. The current members of the nomination committee are Mr. Shen Jinjun, Mr. Huang Yi and Mr. Shigeno Tomihei. The nomination committee is chaired by Mr. Shen Jinjun. The primary function of the nomination committee is to make recommendations to our board to fill vacancies on our board.

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Compliance Committee

Our Company has established a compliance committee. The current members of the compliance committee are Mr. Huang Yi, Mr. Li Guoqiang and Mr. Du Qingshan. The compliance committee is chaired by Mr. Du Qingshan. The primary function of the compliance committee is to ensure compliance on regulatory matters and corporate governance.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration (including salaries, allowances and other benefits and contributions to pension schemes) which were paid to our Directors for the three years ended 31 December 2006, 2007, 2008 and the nine months ended 30 September 2009, were approximately RMB1.7 million, RMB1.7 million, RMB4.6 million and RMB3.7 million, respectively.

The aggregate amount of remuneration (including salaries, allowances and other benefits and contributions to pension schemes), which were paid by our Group to our five highest paid individuals for the three years ended 31 December 2006, 2007, 2008 and the nine months ended 30 September 2009, were approximately RMB2.3 million, RMB2.3 million, RMB5.0 million and RMB4.5 million, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office in respect of the three years ended 31 December 2006, 2007, 2008 and the nine months ended 30 September 2009. Further, none of our Directors had waived any remuneration during the same period.

Under our arrangements currently in force, the aggregate remuneration of our Directors for the year ended 31 December 2009 is estimated to be approximately RMB5.4 million in aggregate.

DIRECTORS' INTERESTS

Save as disclosed in this prospectus, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial or controlling shareholders of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in listed public companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save as Mr. Huang Yi's and Mr. Li Guoqiang's interests in the Shares which are disclosed in the section entitled "Interests and short position of our Directors in the share capital of our Company and its associated corporation immediately before and following the Global Offering" and the paragraph entitled "Further information about our Directors, management, staff and experts" in Appendix VII to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as at the Latest Practicable Date.

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SHARE OPTION SCHEME

We have conditionally adopted a share option scheme. Details of the principal terms of our share option scheme are summarised in the paragraph entitled “Share Option Scheme” set out in “Appendix VII — Statutory and General Information” to this prospectus.

STAFF BENEFITS

We also provide other benefits to our staff including bonuses and medical insurance.

Since our inception, we have not experienced any strikes or other labor disputes which materially affected our business activities. We consider our labor relations to be good.

Remuneration of our employees primarily includes salaries, commissions, discretionary bonuses, and contributions to defined contribution benefit plans (including pensions). Bonuses are generally discretionary and based on the overall performance of our business. We incurred staff costs of approximately RMB45.1 million, RMB79.1 million, RMB127.0 million and RMB116.0 million, for each of the three years ended 31 December 2006, 2007 and 2008 and the nine months ended 30 September 2009, respectively, representing 0.70%, 0.87%, 1.20% and 1.26%, of our revenue for those periods, respectively.

The total amount of contributions we made for welfare plans, including social security funds and housing accumulation funds for the three years ended 31 December 2006, 2007 and 2008 and the nine months ended 30 September 2009 was approximately RMB5.8 million, RMB9.0 million, RMB16.6 million and RMB17.0 million, respectively.

The increase in staff costs during the Track Record Period was consistent with the increase in our Group’s staff strength to support the new 4S dealerships which were added to our Group’s distribution network throughout the Track Record Period. Salary expenses and welfare costs also increased as the strong growth of the PRC economy and the PRC automobile industry resulted in intense competition for our Group’s store management, sales personnel, and automotive engineers.

COMPLIANCE ADVISER

We have appointed Taifook Capital 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 circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Hong Kong Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

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The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.