
DIRECTORS, MANAGEMENT AND STAFF

GENERAL

The following table sets forth information regarding our current Directors and senior management:

Name	Age	Position
<i>Directors</i>		
Mr. Hu Zheng (胡正)	48	Chairman and executive Director
Mr. Hu Hancheng (胡漢程)	51	Executive Director
Mr. Hu Hanchao (胡漢朝)	53	Executive Director
Mr. Hu Hanxiang (胡漢祥)	56	Non-executive Director
Mr. Zhu Hongwei (朱宏偉)	47	Independent non-executive Director
Mr. Wu Youjun (吳友俊)	43	Independent non-executive Director
Mr. Chung Kwok Mo John (鍾國武)	42	Independent non-executive Director
<i>Senior management</i>		
Mr. Chu Deliang (褚德亮)	45	Vice president of finance
Mr. Yin Wenxin (尹文欣)	54	Vice president of packaging division
Mr. Li Jun (李俊)	48	Vice president of packaging division
Mr. Zhang Xiaoming (張曉明)	48	Vice president of packaging division
Mr. Jiang Xianfan (江賢范)	40	Chief engineer of Yong Fa Paper
Mr. Hong Guanghua (洪光華)	47	Deputy general manager of Yong Fa Paper
Mr. Fu Zhongyang (符中揚)	52	Deputy general manager of Yong Fa Paper

DIRECTORS

Executive Directors

Mr. Hu Zheng (胡正), aged 48, is the Chairman of the Board and one of the founders of our Group. Mr. Hu Zheng was initially appointed as a Director on 3 September 2010, and was subsequently designated as an executive Director on 4 March 2011. Mr. Hu Zheng has also been appointed as the legal representative of Yong Fa Paper since 2003. Mr. Hu Zheng is responsible for overseeing the overall corporate management, operation and development planning of our Group. Mr. Hu Zheng has been involved in the paper-making and packaging industries for more than 20 years, during which he has acquired proven expertise in paper-making and packaging technologies while working at paper-making and packaging-related enterprises. Prior to founding our Group, Mr. Hu Zheng worked as a technician and an assistant engineer at a then state-owned paper factory from 1983 to 1990, and was a director of a PRC paper and packaging products manufacturing factory, responsible for the management of daily operation and strategic planning from 1990 to 2003. Mr. Hu Zheng is currently the vice president of the China Packaging Federation. Mr. Hu Zheng graduated from Guangdong Foshan Vocational College (廣東佛山職業技術學院) formerly known as 廣東省佛山地區農業機械化學校 (Guangdong Foshan Region Agricultural Mechanical College*) in October 1981 and completed a Master of Business Administration at the Macau University of Science and Technology (澳門科技大學) in August 2001. Mr. Hu Zheng obtained the professional qualification as an assistant engineer (助理工程師) awarded by 中山市科學技術委員會 (Zhongshan Science and Technology Committee*) in June 1988. Mr. Hu Zheng is brother of Mr. Hu Hancheng, Mr. Hu Hanchao, executive Directors and Mr. Hu Hanxiang, non-executive Director.

Mr. Hu Hancheng (胡漢程), aged 51, was appointed an executive Director of the Company on 4 March 2011. Mr. Hu Hancheng joined our Group in 2003 and has been the legal representative of Zheng Ye Packaging (Zhongshan) since December 2007. Mr. Hu Hancheng is the president of the

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packaging division of our Group in charge of the management and operation of the packaging division. Prior to joining our Group, Mr. Hu Hancheng was the general manager of a PRC packaging products manufacturing factory from 1997 to 2003 responsible for the overall operational management of the business. Mr. Hu Hancheng is currently the vice president of Zhongshan Association of Packaging Industry. Mr. Hu Hancheng completed an economic management program at the Guangdong Polytechnic College (廣東省工程職業技術學院) formerly known as 廣東省成人科技大學 (Guangdong Province Adult Technology University*) in January 1995. Mr. Hu Hancheng is brother of Mr. Hu Hanchao and Mr. Hu Zheng, executive Directors and Mr. Hu Hanxiang, non-executive Director.

Mr. Hu Hanchao (胡漢朝), aged 53, was initially appointed Director on 3 September 2010 and was designated as an executive Director on 4 March 2011. Mr. Hu Hanchao joined our Group in 2003 and is responsible for the operations management of Yong Fa Paper. Mr. Hu Hanchao has been involved in corporate management for more than 25 years and was the assistant manager of Xinhua Bookshop from 1985 to 1994. Prior to joining our Group, Mr. Hu Hanchao was the deputy general manager at Zhong Fa Equipment from 2000 to 2003 responsible for the overall operational management of the business. Mr. Hu Hanchao graduated from Zhongshan Municipal Communist Party Cadre School (中山市幹部學校) in August 1985. Mr. Hu Hanchao is brother of Mr. Hu Hancheng and Mr. Hu Zheng, executive Directors and Mr. Hu Hanxiang, non-executive Director.

Each of the executive Directors has entered into a service contract with the Company for a period of three years commencing from 4 March 2011. Under such contract, each Director will receive a fixed monthly salary and may receive a discretionary bonus. Further details of the terms of the service contracts of the executive Directors are set out under the paragraph headed “Further information about our Directors and our Shareholders — 12. Directors — (b) Particulars of Directors’ service contracts” in Appendix V to this prospectus. Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, payable to the Directors for the year ended 31 December 2011 is estimated to be approximately RMB5.8 million.

Non-executive Director

Mr. Hu Hanxiang (胡漢祥), aged 56, was appointed a non-executive Director of the Company on 4 March 2011. Mr. Hu Hanxiang joined our Group in 2004 and is a supervisor of Yong Fa Paper. Prior to joining our Group, Mr. Hu Hanxiang has worked for the Guangdong Provincial Light Industry Bureau for 20 years and was the department chief of the Personnel Affairs and Education Department of Guangdong Provincial Light Textile Industry Office from 1995 to 2000, responsible for human resources management. Mr. Hu Hanxiang graduated from 廣東省經濟管理幹部學院 (Guangdong Province Economic Management Bureau College*) in July 1986. Mr. Hu Hanxiang is brother of Mr. Hu Hancheng, Mr. Hu Hanchao and Mr. Hu Zheng, executive Directors.

Independent Non-Executive Directors

Mr. Zhu Hongwei (朱宏偉), aged 47, joined the Company as an independent non-executive Director on 4 March 2011. He was an independent director of Guangdong Hydropower Engineering Group Company Limited during the period from September 2003 to December 2009. Mr. Zhu was an associate professor of Guangdong Polytechnic Normal University from February 2006 to December 2010 after which he has been appointed as a professor. He has in-depth knowledge in corporate management, having received tertiary education and undertaken faculty and research positions at various universities. Mr. Zhu graduated from Sichuan University (四川大學) with a Bachelor of Science degree in July 1983 and holds a Master of Science degree awarded by Zhejiang

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University (浙江大學) formerly known as Hangzhou University (杭州大學) in June 1990 and a doctorate degree in corporate management awarded by Zhongnan University of Economics and Law (中南財經政法大學) in June 2000.

Mr. Wu Youjun (吳友俊), aged 43, joined the Company as an independent non-executive Director on 4 March 2011. Mr. Wu was the vice supervisor of the Guangzhou Representative Office of Ng & Shum Solicitors & Notaries of Hong Kong and acted as its head of the China Department from 1994 to 1998 and advised state-owned enterprises regarding overseas investments, mergers and acquisitions. Mr. Wu is currently chairman of the Guangdong Branch of Yinji Bank of Investment Guarantee Company Limited (銀基擔保有限公司) since May 2008. Mr. Wu has received tertiary education with proven knowledge in law and finance. Mr. Wu studied industrial enterprises management at the Southwestern University of Finance and Economics (西南財經大學) and graduated in June 1989, and studied banking and currencies at the Jinan University (暨南大學) and graduated in January 1998, followed by a Master of Business Administration degree from the Macau University of Science and Technology in October 2001.

Mr. Chung Kwok Mo John (鍾國武), aged 42, joined the Company as an independent non-executive Director on 4 March 2011. Mr. Chung has acted as the chief financial officer of Xiwang Sugar Holdings Company Limited (a company listed on the Stock Exchange and stock code: 2088) since May 2008. Mr. Chung has over 19 years of experience in auditing, financial management and corporate finance. Mr. Chung was an auditor in an international accounting firm during 1992 to 1999. Since 2000, Mr. Chung had held several senior management positions, including chief financial officer, executive director and independent non-executive director, in listed companies in Hong Kong. Mr. Chung obtained a Bachelor of Economics degree from Macquarie University, Australia in April 1992. Mr. Chung first became a member of Hong Kong Institute of Certified Public Accountants in February 1996 and that of CPA Australia in November 1995.

The aggregate amount of fees, salaries, pension scheme contributions, other allowances and benefits-in-kind paid by us to the Directors for each of the three years ended 31 December 2010 was approximately RMB0.2 million, RMB0.7 million and RMB1.2 million respectively.

Save as disclosed above, no other payments had been paid or are payable, in respect of the three years ended 31 December 2010, by our Company or any of our subsidiaries to the Directors.

Save as disclosed above, each of the Directors (i) did not hold other positions in the Company or 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 the 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 disclosed in the section headed “Interest discloseable under the SFO and Substantial Shareholders” and the paragraph headed “Further information about Directors and our Shareholders” in Appendix V to this prospectus, each of the 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 the Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders and there was no information relating to the 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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SENIOR MANAGEMENT

Mr. Chu Deliang (褚德亮), aged 45, joined our Group in 2003. Mr. Chu is the vice president of finance responsible for overseeing the financial matters of our subsidiaries in the PRC and formulating our Group's investment strategies. Mr. Chu has over 19 years of experience in the accounting field. Prior to joining our Group, Mr. Chu was the financial controller of a PRC company from October 2002 to July 2003. Mr. Chu was conferred the title of accountant by 湖北省人事廳 (Human Resources Bureau of Hubei Province*) in September 1992 and the title of PRC certified public accountant in September 1999. Mr. Chu qualified as a certified public valuer approved jointly by the Ministry of Personnel and the Ministry of Finance of the PRC in September 2000. Mr. Chu further qualified as a registered tax agent as approved by the State Administration of Taxation of the PRC in June 2001.

Mr. Yin Wenxin (尹文欣), aged 54, joined our Group in 2003. Mr. Yin is vice president of our Group's packaging division responsible for the operations management. Mr. Yin has been involved in the production management and research of recycled paper and packaging products for over 30 years. Mr. Yin worked for 贛南造紙廠 (Gannan Paper Factory*) as an engineer from 1976 to 1994. Prior to joining our Group, Mr. Yin was the vice president at a PRC packaging products manufacturing factory from 1995 to 2003 responsible for the operations management. Mr. Yin graduated from Jiangxi Radio & TV University (江西廣播電視大學) in August 1983 majoring in mechanics.

Mr. Li Jun (李俊), aged 48, joined our Group in 2003. Mr. Li is the vice president of our Group's packaging division responsible for the management of the marketing centre of the division. Mr. Li has been involved in paper-making process technologies and sales management of packaging products since graduation. Mr. Li worked for 郴州紅旗造紙廠 (Chenzhou Hongqi Paper Factory*) from 1982 to 1993 and was responsible for the production technology and subsequently at 郴州第二造紙廠 (Chenzhou Hongqi Paper Factory II*) as assistant plant manager till 1996. Prior to joining our Group, Mr. Li was the head of the transportation department at a PRC packaging products manufacturing factory from 1999 to 2003 responsible for the inventory and logistic management of the business. Mr. Li graduated from 湖南省輕工業專科學校 (Hunan Vocational College for Light Industry*) in July 1982, majoring in paper-making processes, and obtained professional qualification as an engineer (工程師) awarded by 湖南省人事廳 (Human Resources Bureau of Hunan Province*) in July 1992.

Mr. Zhang Xiaoming (張曉明), aged 48, joined our Group in 2003. Mr. Zhang is vice president of our Group's packaging division responsible for the project and corporate management of the division. Mr. Zhang has been involved in the paper-making and packaging industry for 25 years with a strong edge in administration having spent years in a management capacity. Prior to joining our Group, Mr. Zhang worked for 中山造紙廠 (Zhongshan Paper Factory*) and was the deputy general manager of a PRC packaging products manufacturing factory from 1995 to 2003 responsible for the overall sales management of the business. Mr. Zhang graduated in July 1985 from 廣州輕工業學校 (Guangzhou College of Light Industry*) administered by the Ministry of Light Industry, majoring in pulp paper making.

Mr. Jiang Xianfan (江賢范), aged 40, joined our Group in 2009. Mr. Jiang is the chief engineer of Yong Fa Paper in charge of the overall project and technology management. Mr. Jiang has 18 years of experience in paper-making, having been posted to 中國輕工業南寧設計工程有限公司 (China Light Industry Nanning Design Work Company Limited*) since graduation, during which he was involved in the design of numerous large-scale projects. Mr. Jiang graduated from Nanjing

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Forestry University (南京林業大學) in June 1992 majoring in pulp paper manufacturing and holds the title of senior engineer awarded by 中國海誠國際工程投資總院 (China Haicheng International Engineering Investment Institute*) in December 2003.

Mr. Hong Guanghua (洪光華), aged 47, joined our Group in 2003. Mr. Hong is the deputy general manager of Yong Fa Paper assisting with the operation and management of Yong Fa Paper. Mr. Hong has 26 years of experience in the management of paper production, during which he has developed from technical and production supervision to system management of the entire paper-making process. Mr. Hong has worked in the paper manufacturing division of Zhongshan Sugar Group as the assistant engineer (助理工程師). Prior to joining our Group, Mr. Hong was the production manager at Zhong Fa Equipment from 2000 to 2003 responsible for the production management of the business. Mr. Hong graduated from South China University of Technology (華南理工大學) in 1984 majoring in light industry mechanics and completed the Master of Business Administration from Asia International Open University (Macau) in August 2004. He holds the title of light-industry mechanical engineer (輕工機械工程師) awarded by 中山市工程技術人員中級職務評審委員會 (Zhongshan Intermediate Engineering Technician Assessment Committee*) in April 1992.

Mr. Fu Zhongyang (符中揚), aged 52, joined our Group in 2003. Mr. Fu is deputy general manager of Yong Fa Paper and is in charge of the sales operation. Mr. Fu has 20 years of experience in paper sales with expertise in paper-making and economics. Mr. Fu was a technician at Zhongshan Sugar Group from 1980 to 1986 and was involved in the marketing of paper products since 1988. Prior to joining our Group, Mr. Fu was the sales manager at Zhong Fa Equipment from 2001 to 2003 responsible for the sales of paper products. Mr. Fu graduated from the Department of Management Engineering of South China University of Technology (華南理工大學) in July 1988, majoring in industrial management. Mr. Fu was awarded the titles of assistant engineer (助理工程師) in paper-making processes in December 1989 and assistant economist in 1992 by 中山市科學技術委員會 (Zhongshan Science and Technology Committee*) in July 1992 and economist by the Ministry of Personnel of the PRC in October 1996.

COMPANY SECRETARY

Mr. Lau Wang Lap (劉宏立), aged 32, joined our Group as financial controller on 18 August 2010 and was appointed as company secretary of our Company on 18 February 2011. Mr. Lau is responsible for financial reporting and budgeting matters. Mr. Lau is also the head of our Group's risk management and internal control committee responsible for overseeing the risk management and internal control issues of our Group. Mr. Lau has over seven years experience in accounting and auditing firms. Prior to joining our Group, Mr. Lau was the financial manager of a subsidiary of Win Hanverky Holding Limited, a listed company on the Stock Exchange (Stock Code: 3322), from July 2007 to August 2010 and was with PricewaterhouseCoopers from January 2004 to January 2007. Mr. Lau obtained a Bachelor of Business Administration degree in accountancy from City University of Hong Kong in November 2003. Mr. Lau first became a member of the Hong Kong Institute of Certified Public Accountant in May 2007.

AUDIT COMMITTEE

We have established an audit committee in compliance with Rules 3.21 and 3.23 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Chung Kwok Mo John, Mr. Wu Youjun and Mr. Zhu Hongwei. Mr. Chung Kwok Mo John is the chairman of the audit committee. The primary duties of the audit committee are to make recommendation to our Board on the appointment of the external auditors, review and supervise the financial reporting process and the internal control procedures of our Group.

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REMUNERATION COMMITTEE

We have established a remuneration committee in compliance with Appendix 14 to the Listing Rules. The remuneration committee consists of four members, namely Mr. Chung Kwok Mo John, Mr. Wu Youjun, Mr. Zhu Hongwei and Mr. Hu Zheng. Mr. Chung Kwok Mo John is the chairman of the remuneration committee. The primary functions of the remuneration committee are to make recommendations to the Board on the remuneration of our Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors and senior management.

NOMINATION COMMITTEE

We have established a nomination committee to make recommendations to the Board regarding candidates to fill vacancies on the Board and senior management. The nomination committee consists of four members, namely Mr. Chung, Kwok Mo John, Mr. Wu Youjun, Mr. Zhu Hongwei and Mr. Hu Zheng. Mr. Hu Zheng is the chairman of the nomination committee.

STAFF

As at the Latest Practicable Date, we had 3,604 full-time staff in the PRC. The following sets forth the total number of our staff by functions:

	Total number
Management	20
General Administration	223
Finance	35
Information Technology Management	5
Production	2,537
Quality Control	358
Sales & Marketing	71
Logistics	<u>355</u>
Total	<u><u>3,604</u></u>

Relationships with our employees

We have not experienced any significant problems with our employees or disruptions to our operations due to labour disputes, nor has we experience any difficulties in the recruitment and retention of experienced employees during the Track Record Period. We believe we have a good working relationship with our employees.

Remuneration policy

The remuneration package we offer to our employees includes salary, bonuses and other cash subsidies. In general, we determine employee salaries based on each employee's qualifications, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

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Compensation

Compensation of our employees includes salaries, contributions to housing fund and contributions to pension scheme. For each of the three years ended 31 December 2010, our Group incurred staff costs (including Directors' remuneration) of approximately RMB70.6 million, RMB71.8 million and RMB102.6 million respectively, representing approximately 8.4%, 9.7% and 9.7% of our Group's turnover for the respective periods.

Benefit schemes

Save as disclosed in the section headed "Risk factors" in this prospectus, we comply in all material aspects with all statutory requirements on retirement contribution in the jurisdictions where we operate. We have contributed retirement benefits for our staff in the PRC in accordance with the applicable PRC rules and regulations. We have operated a mandatory provident fund scheme for our employees in Hong Kong in accordance with the applicable Hong Kong laws and regulations.

Share Option Scheme

We have conditionally adopted the Share Option Scheme whereby such selected classes of participants (as more particularly described in Appendix V to this prospectus) may be granted options to subscribe for Shares at the discretion of the Board. The principal terms of the Share Option Scheme are summarised under "Other information — 15. Share Option Scheme" in Appendix V to this prospectus.

COMPLIANCE ADVISER

We will appoint CMBI 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 shares issues and shares repurchases;
- where we propose to use the proceeds from 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 of this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

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