
DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS

Our Board consists of six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors.

The information of our Directors is set out as follows:

<u>Name</u>	<u>Age</u>	<u>Position/Title</u>
Liu Kaijin (劉開進)	51	Executive Director and Chief Executive Officer
Zhou Shuhua (周淑華)	48	Executive Director
Dong Liyong (董立勇)	39	Non-executive Director and Chairman
Leung Mei Han (梁美嫻)	52	Independent non-executive Director
Zhang Jun (張駿)	57	Independent non-executive Director
Peng Cuihong (彭翠紅)	64	Independent non-executive Director

Executive Directors

Mr. Liu Kaijin (劉開進), aged 51, the founder of our Group, was appointed as a Director on May 31, 2010, and was re-designated as our executive Director and Chief Executive Officer on May 24, 2011. Mr. Liu is the spouse of Ms. Zhou, an executive Director of our Company. Mr. Liu is responsible for overseeing the daily operations of our Group.

Mr. Liu has been residing in the PRC for a substantial period of time. He completed his secondary education in 1977. In 2003, Mr. Liu obtained a certificate as a senior construction engineer from the Human Resources Bureau of Yancheng City (鹽城市人事局). Prior to the incorporation of the PRC Operational Entity, Mr. Liu worked in the PRC dredging industry for approximately 20 years. Mr. Liu has been engaged in large-scale dredging projects since the early 1990s, including the Suzhou Wangyuhe Dredging Project (蘇州望虞河疏浚工程), the balancing tank and subaqueous water pipe dredging projects for the construction of Shanghai Pudong International Airport (上海浦東國際機場), the Qingdao Port expansion project (青島港擴建工程) and the Caofeidian Industrial Area project. Mr. Liu also jointly invested with other parties in various PRC companies, whose principal activities included engaging in navigation channels projects in the PRC. As his experience and knowledge in the PRC dredging business grew, Mr. Liu started his own business by establishing the PRC Operational Entity in July 2007. Since then, he has acted as the chairman of the PRC Operational Entity and has been responsible for overseeing its daily operations and planning its business strategies. Mr. Liu has been the chairman and general manager of Xiangyu PRC since its incorporation in June 2010 and he is currently a director of each of our other subsidiaries.

Mr. Liu is currently a member of the 6th session of the committee being a representative of the Industry and Commerce Federation of the Chinese People's Political Consultative Conference of Yancheng City, Jiangsu Province and a member of the 14th session of the People's Congress of Yandu District, Yancheng City.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Zhou Shuhua (周淑華), aged 48, was appointed a Director of our Company on August 18, 2010 and re-designated as our executive Director on May 24, 2011. She is the spouse of Mr. Liu, our executive Director and Chief Executive Officer. Ms. Zhou has acted as a director of the PRC Operational Entity since its incorporation in July 2007. She is responsible for general administrative work of our Group.

Ms. Zhou graduated from The Correspondence Institute of the Party School of the Central Committee of the Communist Party of China (中共中央黨校函授學院), the PRC in December 1999 and obtained a graduation certificate for undergraduate courses in administrative management. She also obtained a graduation certificate for undergraduate courses in broadcasting in May 2001 from Nanjing Normal University (南京師範大學), the PRC. From February 1999 to March 2004, Ms. Zhou was the broadcast leader at Yancheng Broadcast Television Station (鹽城廣播電視台) and she also performed general management duties. From 2007 and up to the Latest Practicable Date, Ms. Zhou was the Deputy Secretary-General at Yancheng City Television Artists Association (鹽城市電視藝術家協會).

Non-executive Director

Mr. Dong Liyong (董立勇), aged 39, was appointed as our non-executive Director and Chairman on May 24, 2011. Mr. Dong is responsible for corporate strategy. He is the Chairman of our Remuneration Committee and Nomination Committee.

Mr. Dong graduated from the Renmin University of China (中國人民大學), Beijing, the PRC in 1995 with a bachelor's degree in economics, majoring in marketing. In May 2005, Mr. Dong obtained a master's degree in business administration from the Haas School of Business, University of California, Berkeley.

Mr. Dong has approximately 15 years' experience in corporate strategy formulation and execution, investor relations and corporate finance. In 1995, Mr. Dong joined a company owned by Jiangsu Yue Da Group Limited (江蘇悅達集團有限公司). He was during that time primarily responsible for corporate policies and for handling the corporate affairs of the company, which subsequently became a subsidiary of Yue Da Mining Holdings Limited ("Yue Da"), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 629). He has been a director of Yue Da since the listing of the shares of Yue Da on the Stock Exchange in November 2001. From January 2007, Mr. Dong also holds office of vice chairman of the board of directors and the chief executive officer of Yue Da. Mr. Dong has been awarded the Excellence in Achievement of World Chinese Youth Entrepreneurs in 2008 jointly issued by *Yazhou Zhoukan* (亞洲週刊) and the World Federation of Chinese Entrepreneurs Organization (世界華商組織聯盟).

Independent non-executive Directors

Ms. Leung Mei Han (梁美嫻), aged 52, was appointed as our independent non-executive Director on May 24, 2011. She is the Chairman of our Audit Committee and a member of both our Remuneration Committee and Nomination Committee.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Leung graduated from the University of Queensland, Australia, with a bachelor degree in Commerce in February 1982. She is a fellow member of CPA Australia. Ms. Leung has extensive experience in accounting, securities, corporate finance and related areas. Ms. Leung has been providing corporate finance advisory services for securities and international merger and acquisition transactions. Since August 2007, Ms. Leung has been the chairman and director of Optima Capital Limited (a firm of corporate finance advisers and a licensed corporation under the SFO). Ms. Leung is also an independent non-executive director of each of the following companies, the shares of which are listed on the Main Board of the Stock Exchange: Yue Da Mining Holdings Limited (stock code: 629, of which Mr. Dong is also a director), Bossini International Holdings Limited (stock code: 592) and Four Seas Mercantile Holdings Limited (stock code 374).

Mr. Zhang Jun (張駿), aged 57, was appointed as our independent non-executive Director on May 24, 2011. He is also a member of our Audit Committee.

Mr. Zhang received his tertiary education in leader and cadre correspondence course at the Party School of the Central Committee of the Communist Party of China (中共中央黨校), the PRC from 1992 to 1994. Since 1981, Mr. Zhang has participated in various activities in relation to development for the youth and providing leading role in various divisions of the Chinese Communist Youth League (中國共產主義青年團). He was the deputy head and head of the office of international liaison department, representative of office in Tokyo and deputy director of the international liaison department of Central Committee, deputy director and director of the general office of Central Committee, deputy party secretary of a direct subordinate of Central Committee, member of the 13th and 14th standing committee of Central Committee, of the Chinese Communist Youth League member of the committee of the 7th All-China Youth Federation (全國青聯), member of the standing committee of the 8th All-China Youth Federation, and the chairman of the 1st, 2nd, 3rd and 4th sessions of the board of directors of China CYTS Tours Holding Co. Ltd. (中青旅控股股份有限公司). Mr. Zhang is currently a member of the 11th session of the National Committee of the Chinese People's Political Consultative Conference and general manager and party secretary of the Head Office of China Youth Travel Service (中國青年旅行社總社) (now known as China Youth Travel Group Limited (中國青旅集團公司)). Mr. Zhang is the chairman and legal representative of China CYTS Tours Holding Co., Ltd., the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600138).

Ms. Peng Cuihong (彭翠紅), aged 64, was appointed as our independent non-executive Director on May 24, 2011. She is a member of our Audit Committee, Remuneration Committee and Nomination Committee.

Ms. Peng graduated from Shanghai Maritime University (上海海事大學) (formerly known as Shanghai Maritime Institute (上海海運學院)) and obtained a graduation certificate for undergraduate courses in marine transport economics in 1970. Ms. Peng worked at the Water Transportation Bureau of the Ministry of Communications (now Ministry of Transport) from July 1975 to November 2006. She was the director of the transportation management division and deputy director and inspector of the water transport department of the Ministry of Communication. Ms. Peng has been engaged in the field of water transport and port management for approximately 30 years. She has conducted in-depth studies and research on the fundamental situation, legal system, development policies and management system of water transport and port of the developed countries such as the European countries and the United States for a considerable period of time, integrating them into the reform and development requirement of the water transport and port of China. Ms. Peng has held, organized and participated in the drafting

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

and the research on laws and regulations such as the “Regulations of the Administration of Water Transport” (《水路運輸管理條例》) and “Port Law” (《港口法》) of China and departmental rules, and the reform of the national port system. Ms. Peng currently serves as the executive vice chairman of the China Pilot Association (中國引航協會) and the independent director of Zhanjiang Port (Group) Co., Ltd. (湛江港(集團)股份有限公司), a joint stock company incorporated in the PRC.

Save as disclosed above, 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 the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save as the interests of Mr. Liu, Ms. Zhou and Mr. Dong in the Shares which are disclosed in the paragraph headed “Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations” 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.

Although both Mr. Dong Liyong and Ms. Leung Mei Han are directors of Yue Da Mining Holdings Limited, there is no relationship (whether business, financial and/or shareholding) between Yue Da Mining Holdings Limited, its substantial shareholders and its directors with our Group.

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.

SENIOR MANAGEMENT

Mr. Wang Julin (王菊林), aged 59, joined our Group as the chief engineer in August 2010, who is responsible for the management of the engineering department of the PRC Operational Entity.

Mr. Wang studied the profession of ports and waterways at Hohai University (河海大學) of the PRC (formerly known as East China Technical University of Water Resources (華東水利學院)) from 1974 to 1978. Mr. Wang has over 30 years of experience in the implementation, management and administration of waterways engineering and held the positions of officer and project manager of the engineering department of CWWEC from 1978 to 1993. Mr. Wang was awarded the Certificate of Senior Engineer in waterways engineering by the Ministry of Communications (now Ministry of Transport) in 1998 and was awarded the Certificate of Registration of Constructor of First Class by the Ministry of Construction in 2008. He has been responsible for dredging and reclamation projects such as Huanghua Port, Wuhan Port, Shenzhen Yantian Port, 30,000 tonnes grade waterways dredging project of Guangdong Maoming Petrochemical Corporation. Mr. Wang held the position of manager of Wuhai Dredging Engineering Company of Zhuhai City (珠海市武海疏浚工程公司) (a subsidiary under the CWWEC) from 1993 to 1996 and has been responsible for projects such as 20,000 tonnes grade waterways dredging project of Zhuhai Gaolan Port, reclamation project of Waisha Island in Beihai City, dredging project of Humen anchorage and Jiuzhou Port. In June 1996, Mr. Wang joined CWWEC again

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

and held the positions of deputy chief and chief of the engineering and business department and deputy chief engineer (constructor of first class) from 1996 to 2004 and was responsible for the inspection, negotiation and overseeing of various projects and entering into relevant contracts.

Mr. Liu Baocheng (劉寶城), aged 47, joined our Group as a senior engineer of the PRC Operational Entity in May 2010, and is mainly responsible for the research, improvement and modification of dredging technologies and equipment. Mr. Liu graduated from Dalian Water Transportation College (大連海運學院) (now Dalian Maritime University (大連海事大學)) in China, majoring in marine machinery management, and obtained a bachelor degree of engineering in 1985. Mr. Liu has over 25 years' experience in implementation and management of dredging and reclamation projects. Mr. Liu worked at Tianjin Dredging Engineering Co., Ltd. (天津航道局工程有限公司) from 1985 to 2004, during which time he was responsible for the operation, management and supervision of several trailing suction hopper dredgers and cutter suction dredgers, and also participated in the dredging projects of the main channels of Tianjin Port and Jingtang Harbor, the dredging and reclamation works of Qingdao Port, and the reclamation works of Bayuquan Port and Dayaowan Port in Dalian. Mr. Liu was re-designated as the machinery supervisor and deputy head of the marine machinery department of First Dredging Company under Tianjin Dredging Engineering Co., Ltd. and he was also the deputy manager of the Huanghua project in 1998. In 2000, Mr. Liu was re-designated as the deputy head and chief engineer of marine machinery of the marine machinery department of Tianjin Dredging Engineering Co., Ltd. He was mainly responsible for the management of ship repair work, the investigation and handling work of major accidents, the management of the quality control system and ISM Code, the preliminary evaluation of ship acquisitions and the subsequent debugging and receiving works, as well as the restructuring of the company and other management and administrative matters. Since 2005 and up to joining our Group, Mr. Liu served as the general manager of the Qingdao Beiya Construction Company Limited and was mainly responsible for the entire process of design, construction, testing and management of dredgers.

Mr. Huang Jianwei (黃建偉), aged 47, is our senior project manager of the capital dredging and reclamation dredging division. Mr. Huang joined our Group in November 2008 as a project manager of the PRC Operational Entity. Mr. Huang was appointed a director of the PRC Operational Entity in December 2010. and is responsible for managing the Dailian project sector. Mr. Huang has about 10 years of experience in the operation and management of dredging projects. Prior to joining our Group, Mr. Huang was a project manager of various PRC dredging companies, and responsible for dredging business. During such time, he was also responsible for the operation and management of various dredging projects including the reclamation project of Jidong Oilfield on Island 5 of the Caofeidian Industrial Area, the reclamation project of Haiyu Saltern of the Coastal Defence Bureau of Qingdao City and the dredging project of the public channel on Dalian Changxingdao.

Mr. Chen Zhaowu (陳兆武), aged 57, joined our Group in July 2007 and is the deputy general manager of the PRC Operational Entity. He is responsible for managing and providing support for engineering technology of our dredging projects. Mr. Chen completed his tertiary education in Jiangsu Radio and Television University (江蘇廣播電視大學), the PRC in 1986, majoring in industrial and civil construction. In 2004, Mr. Chen obtained a certificate as a construction engineer from the Human Resources Bureau of Yancheng City (鹽城市人事局). Mr. Chen has over 10 years of experience in the implementation and management of port construction and dredging projects. Prior to joining our Group, Mr. Chen was a general manager for over 4 years of a PRC company which has been principally engaged in navigation channels projects. Mr. Chen has also acted as a director of Xiangyu PRC since its incorporation in June 2010.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Lee Chih Chiang, Michael (李志強), aged 62, joined our Group in April 2011 as our senior project manager of the environmental protection dredging division. Mr. Lee obtained a master of science degree in multinational operations management in 1979 from the West Coast University, Los Angeles, the United States. Mr. Lee has received water treatment training organized by the National Taipei University of Technology (formerly known as National Taipei Institute of Technology) and the Foundation of Taiwan Industry Service. Mr. Lee has been engaged in the environmental protection dredging, operation and maintenance for 20 years. Before joining our Group and since 1990, Mr. Lee has worked as a manager or a chief engineer with several water treatment and environmental protection dredging companies in Taiwan and the PRC.

Ms. Elsie Wong (黃愛詩), aged 42, joined our Group in May 2010 and was appointed as our Chief Financial Officer and also our Company Secretary on May 24, 2011. She is responsible for the overall financial and company secretarial matters of our Group.

Ms. Wong graduated from the City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) with a bachelor of arts degree majoring in Accountancy in 1991. Prior to joining our Group, Ms. Wong, as a practising certified public accountant, provides auditing and accounting related services including company secretarial services to several companies, including Vongroup Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 318, formerly known as Kamboat Group Company Limited) and Extrawell Pharmaceutical Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 858). She worked in the assurance and advisory business services department of an international accounting firm for over nine years. Ms. Wong is a practising certified public accountant in Hong Kong and also a member of the HKICPA and fellow member of the Association of Chartered Certified Accountants.

COMPANY SECRETARY

Ms. Elsie Wong (黃愛詩) is our Company Secretary. Please refer to the biographical details of Ms. Wong on the sub-section headed “Senior Management” above.

EMPLOYEES

As at December 31, 2010, we had 183 full-time staff including crew workers in the PRC and 1 full-time staff in Hong Kong. The following sets forth the total number of our staff by responsibilities:

	<u>Total Number</u>
Senior management	6
Project engineers and project management personnel	43
Financing and administrative personnel	18
Research and development consultants	1
Crew members and workers	<u>116</u>
Total	<u><u>184</u></u>

We maintain good working relations with our staff. We have not experienced any significant problems with the recruitment and retention of experienced employees. In addition, we have not suffered from any material disruption of our normal business operations as a result of labor disputes or strikes.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Benefits

As required by the PRC regulations on social insurance, we participate in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

The PRC Operational Entity did not make social insurance contributions for all of its employees from the date of the establishment of our Company to December 31, 2009 because most of the employees (mainly those crew members who are working on the dredgers) change their working location from time to time according to the sites of the dredging projects, the turnover rate and the mobility of those employees are relatively high, and those employees indicated their preference of not making their portion of social insurance contributions, which formed part of the contribution to be paid to the social insurance authorities for the PRC Operational Entity in order to fully comply with the relevant social insurance laws and regulations. However, subsequently the PRC Operational Entity has paid all outstanding social insurance contributions for the Track Record Period and up to the Latest Practicable Date.

Our PRC Legal Advisers advised that the relevant social insurance authority of the PRC may require any company failing to pay the social insurance contributions to pay the outstanding contributions within a specified time limit, failing which such company may be required to pay an additional penalty of 0.2% per day for the outstanding amount, which shall be calculated from the date the amount became overdue until full payment is made. Up to the Latest Practicable Date, our Company has not received any order or demand from the relevant social insurance authority of the PRC for payment of such penalty.

Our Group obtained a compliance certificate from Yandu Human Resource and Social Security Bureau (which, as advised by our PRC Legal Advisers, is the appropriate and competent authority to issue the said compliance certificate) on August 6, 2010 which confirmed the PRC Operational Entity's compliance with the relevant laws and regulations related to social security.

Compensation

The aggregate amounts of remuneration (inclusive of pension and bonus) of our Directors for the three years ended December 31, 2008, 2009 and 2010 were approximately RMB94,000, RMB92,000 and RMB951,000 respectively. Details of the arrangement for remuneration are set out in Note 10 to the Accountants' Report in Appendix I to this prospectus. Under such arrangement and pursuant to the Directors' service agreements and letters of appointment referred to in the paragraph headed "Particulars of Directors' service contracts" in Appendix VII to this prospectus, the aggregate amount of directors' fee and other emoluments payable to our Directors for the year ending December 31, 2011 is estimated to be approximately RMB7.1 million, excluding any discretionary bonuses.

Our Directors and senior management receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of our Group. We also reimburse them for expenses which are necessarily and reasonably incurred for providing services to us or executing their functions in relation to our operations. We regularly review and determine the remuneration and compensation packages of our Directors and senior management.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

After Listing, our Remuneration Committee will review and determine the remuneration and compensation packages of our Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

During the Track Record Period, no remuneration was paid by us to, or received by, our Directors as an inducement to join or upon joining us.

Share Option Scheme

We have conditionally adopted the Share Option Scheme whereby such selected classes of participants (as more particularly described in Appendix VII 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 summarized under the paragraph headed “Share Option Scheme” in Appendix VII to this prospectus.

BOARD COMMITTEES

Audit committee

Our Company established an audit committee (“**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules pursuant to a resolution of our Directors passed on May 24, 2011. The primary duties of our Audit Committee are mainly to make recommendations to our Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of our Company. At present, our Audit Committee comprises Ms. Leung Mei Han, Mr. Zhang Jun and Ms. Peng Cuihong, all being independent non-executive Directors. Ms. Leung Mei Han is the chairman of our Audit Committee.

Remuneration committee

Our Company established a remuneration committee (“**Remuneration Committee**”) on May 24, 2011 with written terms of reference. The primary functions of our Remuneration Committee are to make recommendation to our Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensure none of our Directors determine their own remuneration. At present, our Remuneration Committee comprises Mr. Dong Liyong, Ms. Leung Mei Han and Ms. Peng Cuihong. Mr. Dong Liyong is the chairman of our Remuneration Committee.

Nomination committee

Our Company established a nomination committee (“**Nomination Committee**”) on May 24, 2011 with written terms of reference. The primary functions of our Nomination Committee are to make recommendations to our Board regarding candidates to fill vacancies on our Board. At present, our Nomination Committee comprises Mr. Dong Liyong, Ms. Leung Mei Han and Ms. Peng Cuihong. Mr. Dong Liyong is the chairman of the Nomination Committee.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

COMPLIANCE ADVISER

We will appoint Guotai Junan 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, among others, at the following circumstances:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (c) where our Company proposes to use the net 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
- (d) where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

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