

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD OF DIRECTORS

The Board is responsible for the overall management of the business of the Group. The table below sets out information in respect of members of the Board:

Name	Age	Position in the Group	Date of appointment
Mr. Qiu Jianfa	40	Non-executive Chairman	26 July 2010
Mr. Chen Binghui	46	Executive Director	26 July 2010
Mr. Chen Zhifeng	46	Executive Director	1 November 2010
Mr. Wu Shoumin	60	Executive Director	1 November 2010
Mr. Lin Shuqing	39	Non-executive Director	1 November 2010
Mr. Yang Guohao	48	Independent non-executive Director	1 November 2010
Mr. Kwong Kwan Tong	45	Independent non-executive Director	1 November 2010
Ms. Xue Fang	47	Independent non-executive Director	1 November 2010

Non-executive Chairman

Mr. Qiu Jianfa (邱建法), aged 40, is a Director and the non-executive Chairman of the Company. He is the founder of the Group responsible for its overall strategic direction development. Mr. Qiu graduated from Jin Jiang County Vocational School (晉江縣職業學校) (now known as Fujian Jin Jiang Vocational School (福建省晉江職業中專學校) majoring in finance and accounting in 1991. He had worked in Shishi Rural Credit Cooperatives (石獅市農村信用合作社聯合社) (now known as Fujian Shishi Rural Cooperative Bank (福建石獅農村合作銀行)) as accountant from 1994 to 2004 and a privately-owned clothing manufacturing company, Shishi City Hongjiahao Textile Company Limited (石獅市鴻杰濠服飾織造有限公司), as vice general manager from 2004 and 2007. Since 2007, he has been working in a privately-owned property development and management company, Dalin City Fengyu Property Development Limited (大連市豐裕房地產開發有限公司), as a project development manager responsible for property project planning and execution. After the establishment of Jing Yang Golden Shield in 2001, he has engaged in cotton textile business and has been the general manager of Jing Yang Golden Shield since then. Mr. Qiu has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Executive Directors

Mr. Chen Binghui (陳秉輝), aged 46, is an executive Director and the managing director of the Company. He is responsible for the Group's general management, corporate development and strategic planning of the day to day operation of the Group. Mr. Chen graduated from Fujian Agriculture University (福建農業大學) (now known as Fujian Agriculture and Forestry University (福建農林大學)) with a bachelor degree in agricultural economics and management in 1989 and also holds a master degree in economics awarded by The School of Economics at Xiamen University (廈門大學經濟學院) in 2003. Prior to joining the Group in 2001, he worked in Shishi branch of Agricultural Bank of China (中國農業銀行石獅市支行) from 1989 to 1996 as supervisor. Between 1996 and 2001, Mr. Chen worked for Shishi City Hong Ji Trading and Development Company Limited* (石獅市宏基貿易聯合發展有限公司), a privately-owned company engaged in textile, clothing, footwear and leather product trading, as a general manager responsible for its corporate planning and daily operations. Mr. Chen has been the chairman of Jing Yang Golden Shield since its establishment in 2001 and has approximately 10

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years of experience in the cotton textile industry. Since 2007 and 2009, he has been a deputy to the People's Congress of Jing Yang County (涇陽縣人大代表) and Xian Yang City (咸陽市人大代表) respectively. In February 2011, Mr. Chen was awarded as one of the 2010 Outstanding Entrepreneurs in Xian Yang City (優秀民營企業家) by the People's Government of Xian Yang City. He has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Mr. Chen is one of the shareholders of Shaanxi Golden Shield, a PRC domestic enterprise which is owned as to 90% and 10% by him and Mr. Lin respectively. For further details of Shaanxi Golden Shield, please refer to the section headed "History and Corporate Structure" and the paragraph headed "Leased properties" in the section headed "Business" in this prospectus.

Mr. Chen Zhifeng (陳志峰), aged 46, is an executive Director and a deputy vice general manager of Jing Yang Golden Shield responsible for its general management. Mr. Chen graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) majoring in cotton textile manufacturing in 1986 and also received a bachelor degree in economics and management from the School of Distance Learning at China Communist Party Institute (中共中央黨校函授學院) in 2000 and master degree in economics and management from the Shaanxi Province Communist Party Institute (陝西省委黨校) in 2005. He has over 22 years of experience in the cotton textile industry and worked for a number of state-owned cotton textile manufacturing enterprises, including Jing Yang Spinning Mill from 1986 to 1991, in various capacities including technician, engineer and general manager, and 13th Weaving Mill from 2000 to 2005 in capacities of factory manager (廠長) and committee member of Communist Party of China (黨委委員). He also served as a supervisor of yarn division (紡紗車間主任), head of export and import department (進出口部長) and deputy chief engineer (副總工程師) from 1991 to 2000 in Northwest No.2 Cotton Group Co., Ltd (西北二棉集團有限公司), a company engaged in the manufacturing and sales of cotton textile products. Mr. Chen joined the Group in November 2009. He has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Mr. Wu Shoumin (吳守民), aged 60, is an executive Director and the financial controller of the Group responsible for the Group's financial control and tax matters. Mr Wu has approximately 40 years of experience in tax, finance and accounting. He joined Jing Yang Spinning Mill as an account clerk in 1969 and promoted to accounting supervisor in 1988. After the Group's acquisition of the production facilities of Jing Yang Spinning Mill in 2001, he joined the Group and was appointed as financial controller of Jing Yang Golden Shield in May 2002. He has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Non-executive Director

Mr. Lin Shuqing (林樹青), aged 39, a non-executive Director, is responsible for the strategic development and supervision of the Group. Mr. Lin graduated from Fujian Institute of Financial Administrators (福建金融管理幹部學院) (now known as Fujian Jiangxia College (福建江廈學院)) majoring in finance in 1999. He had worked for Shishi City Qiao Lian Logistics Company Limited (石獅市僑聯物流有限責任公司), a PRC travel agency company, as financial manager, from 1991 to 2000 and Shishi City Xin Cheng Chemicals Trading Company Limited (石獅市信成化工工貿有限公司), a PRC chemicals and textile wholesaler, as sales manager, from 2001 to 2003. He currently works in Shishi City Xin Yi Chemicals Trading Company Limited (石獅市信義化工工貿有限公司), a PRC chemicals and textile trading company as the authorised representative and general manager since 2004.

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He joined the Group in 2001 and has approximately 10 years of experience in the cotton textile industry. He has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Mr. Lin is also a shareholder of Shaanxi Golden Shield, a PRC domestic enterprise the jointly controlled by him and Mr. Chen. For further details of Shaanxi Golden Shield, please refer to the section headed “History and Corporate Structure” and the paragraph headed “Lease properties” in the section headed “Business” of this prospectus.

Independent Non-Executive Directors

Mr. Yang Guohao (楊國豪), aged 48, is an independent non-executive Director. He graduated from Dalian Maritime College (大連海運學院) (now known as Dalian Maritime University (大連海事大學)), with a bachelor degree in electrical engineering for shipbuilding in 1984 and obtained his master degree in electrical engineering for shipbuilding from Marine Engineering College (海軍工程學院) (now known as China People’s Liberation Army Marine Engineering University (中國人民解放軍海軍工程大學)) in 1989. Mr. Yang has extensive teaching and research experience in maritime engineering discipline and was a vice president and committee member of Communist Party at Jimei University (集美大學) in Fujian Province until December 2010. Currently, he is the full time secretary of Communist Party Committee at Xiamen University of Technology (廈門理工學院). He joined the Group in November 2010 and has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Mr. Kwong Kwan Tong (鄺焜堂), aged 45, is an independent non-executive Director. He is a fellow member of the Association of Chartered Certified Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants. Mr. Kwong has over 20 years of experience in accounting, auditing and financial control through his various employment with different companies in Hong Kong and the PRC. During the tenure in his career, he was an independent non-executive director, chairman of audit committee, member of remuneration and nomination committee of China Investment Fund Company Limited (a company listed on the Stock Exchange with stock code 612) from 2008 to 2010. He is currently an independent non-executive director of Qunxing Paper Holdings Company Limited (a company listed on the Stock Exchange with stock code 3868) and the chief financial officer and company secretary of Damin International Holdings Limited (大閩國際控股有限公司), a privately held manufacturing company. Mr. Kwong joined the Group in November 2010 and save as disclosed above, he has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

Ms. Xue Fang (薛芳), aged 47, is an independent non-executive Director. Ms. Xue graduated at Shaanxi Province Finance and Economic Institute (陝西省財經學校) (now known as Shaanxi Province Technical Institute of Finance and Economics (陝西財經職業技術學院)) majoring in corporate accounting in 1987 and received her bachelor degree in law from Xi’an Political Institute (西安政治學院) in 2005. She has more than 20 years of experience in accounting and financial control matters with the finance department of state-owned Shaanxi Steel Factory (陝西鋼廠) from 1987 to 1994, subsequently merged with Shaanxi Province Military Food Supplies and Procurement Centre (陝西省軍糧採購供應站) since 1994. She has served as its assistant accountant since 1993. Prior to joining the Group in November 2010, Ms. Xue has not been a director of any listed companies in the three years immediately preceding the date of this prospectus.

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SENIOR MANAGEMENT

Mr. Dang Ming (黨明), aged 46, is the director of operations of Jing Yang Golden Shield responsible for the management and supervision of its sale and purchase department since 2010. Mr. Dang graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) majoring in mechanical engineering in 1983 and obtained a bachelor degree in management engineering through distance learning from Xi'an Electronic Engineering and Technology University (西安電子科技大學) in 1989. He has over 14 years of experience in the cotton textile industry and began his career with 13th Weaving Mill. He was appointed as a deputy factory manager of 13th Weaving Mill in 2003. After the acquisition of the production facilities of 13th Weaving Mill by the Group, Mr. Dang joined the Group and was appointed as vice general manager of Jing Yang Golden Shield in 2009.

Mr. Xu Xiaoni (許小牛), aged 45, is the director of production of Jing Yang Golden Shield responsible for the supervision of operations and technical aspects of all of its production plants since 2010. Mr. Xu has over 15 years of experience in the cotton textile industry. He joined Jing Yang Spinning Mill as a technician in 1985 after he obtained a bachelor degree in Light Industry Mechanical Engineering from Northwest Light Industry Institute (西北輕工業學院) (now known as Shaanxi University of Science and Technology (陝西科技大學)) in the same year. After the acquisition of production facilities of Jing Yang Spinning Mill by the Group, Mr. Xu joined the Group in 2001 and was appointed as an assistant to the chairman since 2002.

Mr. He Baomin (何保民), aged 49, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Yongle Production Plant since 2009. He graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) majoring in cotton textile manufacturing in 1983 and also received a bachelor degree in corporate management through distance learning from Northwest Light Industry Institute (西北輕工業學院) (now known as Shaanxi University of Science and Technology (陝西科技大學)) in 1989. Mr. He has over 17 years of experience in the cotton textile industry. Prior to joining the Group in 2009, he worked as a production manager in Northwest No. 7 Weaving Plant (西北第七棉紡廠), currently known as Xian Yang China Resources Textile Co., Ltd (咸陽華潤紡織有限公司) from 1983 to 2004 and served as the general manager of Yong Sing Textile Company Limited (永勝紡織有限公司) from 2004 to 2007.

Mr. Xing Jigang (邢繼剛), aged 46, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Guang Hua Production Plant since 2009. Mr. Xing obtained a bachelor degree in cotton textile engineering from Northwest Textile Engineering Institute (西北紡織工學院) (now known as Xi'an Polytechnic University (西安工程大學)) in 1987. He has over 11 years of experience in the cotton textile industry. Prior to joining the Group in 2008, Mr. Xing worked in various positions (including deputy factory manager) in 13th Weaving Mill from 1987 to 2003 and served as a general manager in Dong Run Textile Company Limited (東潤紡織有限公司) from 2005 to 2008.

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Mr. Wang Wentao (王文濤), aged 45, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Dali Production Plant since 2009. Mr. Wang received a bachelor degree in cotton textile engineering from Northwest Textile Engineering Institute (西北紡織工學院) (now known as Xi'an Polytechnic University (西安工程大學)) in 1989. He has over 15 years of experience in the cotton textile industry and joined the Group in 2005 and appointed as vice general manager in charge of Dali Production Plant after the acquisition of production facilities of 13th Weaving Mill by the Group in 2008. Prior to joining the Group, Mr. Wang worked as the head of production technology department and deputy factory manager for Shaanxi Province Textile Supply and Sales Factory (陝西省供銷紡織廠) from 1993 to 1999, as deputy factory manager of Xinjiang Manasi County Long Xing Cotton Spinning Mill (新疆瑪納斯縣隆興棉紡織廠) from 1999 to 2003, as factory manager for Shandong Linyi Ramie Textile Company Limited (山東臨沂苧麻紡織有限公司) from 2004 to 2005.

Mr. Yao Wen (姚文), aged 40, is the vice general manager of Jing Yang Golden Shield responsible for the supervision and production management of Jing Yang Production Plant since 2009. Mr. Yao has over 20 years of experience in the cotton textile industry. He graduated from Shaanxi Xian Yang Textile Vocational Institute (陝西咸陽紡織工業學校) (now known as Shaanxi Polytechnic Institute (陝西工業職業技術學院)) in 1989 and was awarded a bachelor degree in mechanical engineering by Shaanxi Province Higher Education Self-Learning Examination Board (陝西省高等教育自學考試委員會) of the Xi'an Jiaotong University (西安交通大學) in 1991. He worked as a technician and production manager in Jing Yang Spinning Mill since 1989. After the acquisition of the production facilities of Jing Yang Spinning Mill by the Group, Mr. Yao joined the Group in 2001.

Mr. Chan Cho Chak (陳祖澤), aged 48, has been the joint company secretary of the Company since June 2011. Mr. Chan is a practising accountant in Hong Kong and has over 16 years of professional experience in public accounting and company secretarial work. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Chan holds a Professional Diploma in accountancy from the Hong Kong Polytechnic University. Mr. Chan joined PriceWaterhouseCoopers in 1986 since his graduation from the Hong Kong Polytechnic University and held the position of senior tax consultant when he left PriceWaterhouseCoopers in 1989. After his departure, Mr. Chan commenced his own consulting business in advising accounting and tax related matters to other businesses from 1989 to 1994. In 1995, Mr. Chan formed Chan Fan & Co., an audit firm established in Hong Kong, as a founder partner. Currently, Mr. Chan has also been the company secretary of Brilliance Worldwide Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock code: 8312), since September 2010.

Ms. Cheung Wing Yin Winnie (張穎賢), aged 32, is the joint company secretary and finance manager of the Company. She holds a bachelor degree in commerce from The University of Auckland, New Zealand and is also a member of the Association of Certified Chartered Accountants. Ms Cheung has approximately 10 years of accounting and auditing experience. Ms. Cheung had worked as an audit staff in T.W. Chan & Co, Certified Public Accountants, from 2001 to 2004 and as an audit senior in RSM Nelson Wheeler from 2004 to 2008. During her tenure in RSM Nelson Wheeler, she was responsible for the audits of a number of new listing applicants and companies listed on the Stock Exchange and other securities market. Subsequently, she joined QAD Asia Limited from 2008 to 2009, a subsidiary of QAD Inc., a company listed on Nasdaq, as a tax accountant responsible for company secretarial, financial reporting and tax matters. She joined the Group in July 2010.

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AUDIT COMMITTEE

The Group has established an audit committee in compliance with Rule 3.21 and Appendix 14 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Yang Guohao, Mr. Kwong Kwan Tong and Ms. Xue Fang. Mr. Kwong Kwan Tong is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and the internal control procedures of the Group.

REMUNERATION COMMITTEE

The Group has established a remuneration committee in compliance with Appendix 14 to the Listing Rules. The remuneration committee consists of three independent non-executive Directors, namely Mr. Yang Guohao, Mr. Kwong Kwan Tong and Ms. Xue Fang. Mr. Yang Guohao 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 the Directors and senior management and to determine on behalf of the Board specific remuneration packages and conditions of employment for the Directors and senior management.

STAFF

As at the Latest Practicable Date, the Group had about 2,735 and 1 full time employees in the PRC and in Hong Kong respectively. The following is a breakdown of the staff by functions:

	Total number
Management and administration	192
Sale and Purchase	
— Sale	18
— Purchase	15
Production	
— Engineers and Technicians	45
— Workers	2,387
Quality control	54
Finance and accounting	<u>25</u>
	<u><u>2,736</u></u>

SOCIAL INSURANCES AND HOUSING FUND

Jing Yang Golden Shield is required to make social insurance contributions, such as retirement fund insurance, work-related injury insurance and housing fund, for the benefit of its own employees in accordance with relevant PRC laws and regulations. Due to lack of guidance issued by the local authority in respect of the operation of all types of contributions under the social insurance and housing fund contribution system, for each of the three years ended 31 December 2009, Mr. Qiu, the non-executive Chairman of the Company, has only made social insurance contribution of approximately RMB126,000, RMB170,000 and RMB298,000 for the benefit of the senior management of Jing Yang Golden Shield at his own expense. Jing Yang Golden Shield has not made additional social insurances contribution for all other employees.

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In order to minimize regulatory risks associated with non-contribution to the relevant funds, Jing Yang Golden Shield estimated the required contribution amount in accordance with calculation methods promulgated in various notices issued by the provincial level authorities in Shaanxi Province. For each of the three years ended 31 December 2009 (the “Period”), Jing Yang Golden Shield had a total of 660, 2,480 and 2,615 full time employees respectively. According to the contribution rates enacted in Shaanxi provinces, the estimated contribution for social insurances and housing fund for the Period amounted to approximately RMB1,694,000, RMB3,886,000 and RMB11,247,000 respectively. As such, the total outstanding amount for social insurances contribution after deducting the amount made by Mr. Qiu mentioned above for the Period was approximately RMB1,568,000, RMB3,079,000 and RMB9,105,000 respectively whereas the estimated contribution for housing fund for the Period amounted to approximately RMBNil, RMB637,000 and RMB1,844,000 respectively. As at 31 December 2010, all outstanding social insurance in relation to prior year contributions were settled in full. As such, the Directors consider that the social insurance contribution had been sufficiently and adequately provided during the Track Record Period.

On 12 May 2010, Jing Yang Golden Shield made an application to Labour and Social Insurance Bureau of Jing Yang County, Xian Yang City (咸陽市涇陽縣人事和勞動社會保障局) (“Jing Yang Social Insurance Bureau”) to make contribution in respect of the above outstanding amounts for social insurances.

On 20 May 2010, Jing Yang Social Insurance Bureau issued a confirmation letter to Jing Yang Golden Shield to confirm that Jing Yang Golden Shield (i) was permitted to make outstanding social insurance contributions by installments by the end of 2010; (ii) would not be subject to any penalties; and (iii) had complied with the relevant social insurance laws and regulations for the three years preceding the issue of the confirmation letter.

On 9 July 2010, Jing Yang Social Insurance Bureau issued another confirmation letter that Jing Yang Golden Shield had made sufficient amount for each of the social insurance contributions in accordance with relevant laws and regulations since its establishment to 31 December 2006. As advised by the PRC legal advisers to the Company, Jing Yang Social Insurance Bureau is the competent authority to issue the confirmation letters dated 20 May and 9 July 2010 respectively and will not be challenged by higher authority and no potential penalties or other liabilities will be imposed for the deferrals in settlement.

On 25 September 2010, Jing Yang Golden Shield made an application to Xian Yang Housing Fund Administration Centre (咸陽市住房公積金管理中心) to make an outstanding contribution in respect of housing fund for the Period and current year contribution.

On 9 October 2010, the Xian Yang Housing Fund Administration Centre issued a confirmation to Jing Yang Golden Shield that (i) no penalty had been imposed on outstanding housing fund contribution; and (ii) the Xian Yang Housing Fund Administration Centre agreed to waive the right to seek outstanding housing fund contributions, including any penalties, prior to 2010. According to the confirmation, Jing Yang Golden Shield is only required to settle the housing fund contributions with effect from 2010 and hence, the outstanding contributions for housing fund as at 31 December 2010 was related to current year contribution. As confirmed by the PRC legal advisers to the Company, Xian

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Yang Housing Fund Administration Centre is the competent authority to issue the confirmation letter dated 9 October 2010 which will not be challenged by higher authority, and no potential penalties or other liabilities will be imposed for non-payments.

Save as disclosed above, Jing Yang Golden Shield complies with all relevant laws and regulations related to social insurance and housing fund payment. As at the Latest Practicable Date, Jing Yang Golden Shield did not receive any complaints or requests from its employees requiring payment for the social insurance and housing fund, and did not receive any relevant legal documents issued by any organization handling employment disputes or any court in respect of disputes related to the social insurance and housing fund payments. Mr. Qiu has indemnified Jing Yang Golden Shield in relation to the non-compliance of social insurance contributions in pursuance of a confirmation issued by Mr. Qiu on 3 September 2010. In addition, a deed of indemnity dated 27 June 2011 was executed by the Controlling Shareholders in favour of the Group to jointly and severally indemnify the Group, among other things, for all costs, expenses, penalties, losses and damages which any company in the Group may suffer from the Group's failure to register and/or to contribute towards social insurance, including, but without limitation, retirement fund insurance, work-related injury insurance and housing fund, for the benefit of the employees of the Group in accordance with relevant PRC laws and regulations on or before the date on which the Share Offer becomes unconditional. For further details of the PRC regulatory requirements in respect of social insurance and housing fund, please refer to sub-paragraph headed "Social Insurance and Housing Fund" of the paragraph headed "Labour Laws and Safety Matters" in Appendix V to this prospectus.

The Group has introduced new internal control measures to avoid non-compliance. Designated staff of finance/administration department is assigned to prepare the calculation of the monthly contribution and such calculation is reviewed by a supervisor in the finance department to ensure its accuracy. Second review is performed by designated staff before submission and contribution to the local authority. Different person is designated to perform the above roles of calculation, review and second review.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The executive Directors receive, in their capacity as the Group's employees, remuneration in the form of salaries, bonus, other allowances and benefits in kind, including the Group's contribution to the pension scheme for the executive Directors, according to the PRC law. The Group determines the Directors' (including independent non-executive Directors) salaries based on each Director's qualifications, position and seniority. Having considered the additional responsibilities of a Director for managing a listed company, the remuneration of the executive Directors is expected to increase to a reasonably higher level following the Listing. In addition to salaries, the Directors may receive year-end bonuses.

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to the Directors for the three years ended 31 December 2008, 2009 and 2010 were approximately RMB206,000, RMB235,000 and RMB670,000, respectively. No bonus was paid to the Directors during the Track Record Period.

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The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to the five highest paid individuals for the three years ended 31 December 2008, 2009 and 2010 were approximately RMB245,000, RMB290,000 and RMB347,000, respectively.

It is estimated that remuneration equivalent to approximately HK\$2.04 million in aggregate will be paid to the Directors by the Group in respect of the financial year ending 31 December 2011 under arrangements in force at the date of this prospectus.

No remuneration was paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office in respect of the Track Record Period. Further information about the service contracts entered into between the Company and the Directors is set out in the section headed “Further Information about the Directors, Management and Staff” in Appendix VI to this prospectus.

STAFF COSTS

The staff costs of the Group (including Directors’ emoluments, which are set out above) charged to the combined statements of comprehensive income for each of the three years ended 31 December 2010 were approximately RMB19.44 million, RMB48.67 million and RMB63.45 million respectively. Due to the commencement of operation of Dali Production Plant and Guang Hua Production Plant, the production activities of the Group had been continuously increasing and led to the significant increase in the staff costs during the Track Record Period.

COMPLIANCE ADVISER

The Company will appoint Guotai Junan Capital Limited as the 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 the Company 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 under Chapters 14 or 14A of the Listing Rules, is contemplated including shares issues and shares repurchases;
- where the Company proposes to use the proceeds of the New Issue in a manner different from that detailed in this prospectus or where the business activities or developments deviate from information of this prospectus; and
- where the Stock Exchange makes an inquiry of the Company under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.