

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### GENERAL

Our Board consists of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth certain information relating to our Directors:

Name	Age	Group Position
<b>Executive Directors</b>		
Ms. Zhou Yaxian (周亞仙女士)	49	Executive Director, Chairman and President
Ms. Cai Yueqing (蔡月卿女士)	53	Executive Director and Vice President
Mr. Shi Guicheng (施貴成先生)	46	Executive Director and Vice President
Mr. Ru Xiquan (茹希全先生)	46	Executive Director and Vice President
<b>Non-executive Director</b>		
Mr. Low Jee Keong (劉子強先生)	44	Non-executive Director
<b>Independent Non-executive Directors</b>		
Mr. Tsui Yung Kwok (徐容國先生)	40	Independent Non-executive Director
Mr. Meng Qinguo (孟勤國先生)	52	Independent Non-executive Director
Mr. Yang Xiaohu (楊小虎先生)	34	Independent Non-executive Director

Save as disclosed in this section, none of our Directors has any other directorships in listed companies.

### DIRECTORS

#### Executive Directors

**Ms. Zhou Yaxian** (周亞仙女士), aged 49, is an executive Director, the Chairman of our Board and the President of our Company. She is a founder of our Group and a director of all of our subsidiaries except Wuzhou Xingke. She is primarily responsible for our Group's overall strategic planning, technology and business management. Ms. Zhou has nearly 30 years of experience in the collagen sausage casing industry. Before founding our Group, she had been involved in the trial production of collagen sausage casings in the Meat Products Factory of Wuzhou Food Products Corporation (梧州市食品總公司肉類製品廠) from 1979 to 1989 and was employed by Wuzhou Protein Factory in 1989, mainly responsible for technology development. She was appointed the head of Wuzhou Protein Factory and the

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Deputy General Manager of Wuzhou Zhongheng in 1992 and 1997, respectively. Since 2004, Ms. Zhou has been the Chairman of the board of directors and the General Manager of Wuzhou Shenguan.

Ms. Zhou completed the course of Economic Management held by The Central Party School (中共中央黨校) in December 2001. She was a member of the 10th National People's Congress from February 2003 to February 2008 and is a senior engineer in biotechnology. She is one of the inventors of four national patents in respect of production method and facilities for collagen sausage casings and has received special allowances granted by the State Council since 2008. Ms. Zhou was awarded the "The Third Class Prize in National Science and Technology Advancement Award" (國家科學技術進步三等獎) by the National Science and Technology Committee of the PRC (中華人民共和國國家科學技術委員會) in 1995, the "Guangxi Outstanding Expert" (廣西優秀專家) by the Wuzhou Government in 2006, the "Influential Person in China Meat Industry" (中國肉類行業影響力人物) by the China Meat Association (中國肉類協會) in 2007, the "2007 Guangxi Outstanding Entrepreneur" (2007年度廣西優秀企業家) jointly by the Guangxi Enterprises Union (廣西企業聯合會) and the Guangxi Entrepreneurs Association (廣西企業家協會) in 2008, the "China Outstanding Female Entrepreneur" (中國傑出創業女性) by the China Female Entrepreneurs Association (中國女企業家協會) in 2008 and the "Binshan Cup Technological Innovative Figure in China Meat Industry" (冰山杯 – 中國肉類產業科技創新人物) in 2009. She was appointed as a Director on 24 February 2009 and redesignated as an executive Director, and appointed as the Chairman of our Board on 19 September 2009.

**Ms. Cai Yueqing (蔡月卿女士)**, aged 53, is an executive Director and the Vice President of our Company. She is primarily responsible for our Group's production management. She has nearly 17 years of experience in the collagen sausage casing industry. Ms. Cai graduated at Wuzhou Branch of Guangxi University (廣西大學梧州分校) and attained the Professional Qualification Certificate in Quality Management in January 1998. Ms. Cai joined Wuzhou Protein Factory as the Supervisor of the Quality Control Office in 1992. She was appointed as the Deputy Head of Wuzhou Protein Factory in 1994 and has been the Deputy General Manager of Wuzhou Shenguan since 2004, responsible for production management and quality control. She was appointed as a Director on 19 September 2009.

**Mr. Shi Guicheng (施貴成先生)**, aged 46, is an executive Director and the Vice President of our Company. While Mr. Shi's official Chinese name is 施貴成, he has previously used another Chinese name 施桂成. He is primarily responsible for our Group's machinery and equipment management. He is a mechanical engineer and has nearly 17 years of experience in the collagen sausage casing industry. Mr. Shi graduated from Guangxi Central Radio and TV University (廣西廣播電視大學) and attained the Professional Qualification Graduation Certificate in Mechanical Production in July 1987. Mr. Shi joined Wuzhou Protein Factory as the Head of Technology in 1993. He was appointed as the Deputy Head of Wuzhou Protein Factory in 2001 and has been the Deputy General Manager of Wuzhou Shenguan since 2004, responsible for machinery and equipment management, production safety and environmental protection. He was appointed as a Director on 19 September 2009.

**Mr. Ru Xiquan (茹希全先生)**, aged 46, is an executive Director and the Vice President of our Company. He is primarily responsible for matters relating to our Group's accounting, treasury and financial planning. He has nearly 19 years of experience in the collagen sausage casing industry. Mr. Ru graduated from Guangxi Central Radio and TV University (廣西廣播電視大學) and attained the Professional Qualification Graduation Certificate in Finance and Accounting and Finance in July 1989. He also completed the course of Economic Management held by The Central Party School (中共中央黨校) in 2002. Mr. Ru is an accountant and joined Wuzhou Protein Factory as the Head of the Finance and Accounting Department in 1990. He has been the Chief Accountant of Wuzhou Shenguan since 2004, responsible for matters relating to accounting and finance. He was appointed as a Director on 19 September 2009.

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### Non-executive Director

**Mr. Low Jee Keong** (劉子強先生), aged 44, is a non-executive Director. Mr. Low's Chinese name 劉子強 is an unofficial name. He is primarily responsible for our Group's export business. Mr. Low has nearly 17 years of experience in the collagen sausage casing industry. Before founding our Group, Mr. Low, through Exceltech, started his business relationship with Wuzhou Protein Factory for the resale of edible collagen sausage casing products in Malaysia in 1993, and has maintained the relationship with Wuzhou Shenguan after the acquisition of the entire ownership rights of Wuzhou Protein Factory by Wuzhou Shenguan in November 2004. Mr. Low is a founder of our Group and has been a director of Wuzhou Shenguan since 2004. Mr. Low has not been involved in our Group's day-to-day operations as he resides in Malaysia. However, he has participated, and will continue to participate, in the strategic planning and decision-making processes in our business operations. He is also a director of Full Win and Excel Gather. He was appointed as a Director on 19 September 2009.

### Independent Non-executive Directors

**Mr. Tsui Yung Kwok** (徐容國先生), aged 40, is an independent non-executive Director. He was awarded a bachelor degree in Business (Accounting) by Curtin University of Technology, Australia in August 1992 and a master degree in Corporate Governance by The Hong Kong Polytechnic University in December 2007. Mr. Tsui has nearly 15 years of experience in accounting and finance. He held a senior position in an international accounting firm in Hong Kong from 1994 to 2003 and was the Chief Financial Officer of Qin Jia Yuan Media Services Company Limited (Hong Kong Stock Code: 02366), the shares of which are listed on the Stock Exchange, from 2003-2004. Mr. Tsui has been the Chief Financial Officer and the Company Secretary of Ju Teng International Holdings Limited (Hong Kong Stock Code: 03336), the shares of which are listed on the Stock Exchange since 2004. Mr. Tsui became an Executive Director of Ju Teng International Holdings Limited in June 2005. Mr. Tsui is a member of the Institute of Chartered Accountants in Australia, CPA Australia, the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Chartered Secretaries. He was appointed as a Director on 19 September 2009.

**Mr. Meng Qinguo** (孟勤國先生), aged 52, is an independent non-executive Director. He was awarded a Master degree and a Doctorate degree in Law by Wuhan University (武漢大學) in July 1985 and July 2001, respectively. He had been a Senior Visiting Scholar at the University of California, Berkeley, member of the Supervisory Division of Higher Education Institutions Legal Education of Ministry of Education of China (教育部高等學校法學學科教學指導委員會委員), director of China Law Society (中國法學會), the Vice-Chairperson of the Consumer Protection Law Research Centre of China Law Society (中國法學會消費者權益保護法研究會), standing director of China Civil Law Society (中國法學會民法學會), the Vice-Chairperson of Guangxi Law Society (廣西法學會) and Honorary Dean of the law faculty of Guangxi University (廣西大學法學院). Mr. Meng is currently a tutor to Ph.D students in civil and commercial law at Wuhan University (武漢大學) and has received special allowances granted by the State Council.

Mr. Meng is an independent director of Guangxi Wuzhou Communication Co., Ltd. (廣西五洲交通股份有限公司) (Shanghai Stock Code: 600368), the shares of which are listed on the Shanghai Stock Exchange and an independent director of Sealand Securities Limited (國海證券有限責任公司). Mr. Meng was appointed as a Director on 19 September 2009.

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**Mr. Yang Xiaohu** (楊小虎先生), aged 34, is an independent non-executive Director. He graduated from Peking University, majoring in Economics and minoring in Law in July 1997. Mr. Yang has nearly 11 years of experience in the financial industry. He joined Everbright Securities Company Limited (光大證券有限公司), focusing on investment banking in 1998 and is currently the General Manager of the Investment Banking Division of the Shenzhen Second Branch of Everbright Securities Company Limited (光大證券有限公司). He was appointed as a Director on 19 September 2009.

### SENIOR MANAGEMENT

**Mr. Mo Yunxi** (莫運喜先生), aged 41, is the Vice President of our Company. He is primarily responsible for our Group's product and technology developments. He has long been engaged in product development and has nearly 17 years of experience in the collagen sausage casing industry. Mr. Mo graduated from Tianjin College of Commerce (天津商學院), majoring in Food Engineering in July 1990. Mr. Mo joined Wuzhou Protein Factory in 1993 and he has been the Deputy General Manager of Wuzhou Shenguan since 2004. Mr. Mo is a senior engineer in food engineering. He was awarded the "First Prize in Wuzhou Science and Technology Advancement" (梧州市科學技術進步一等獎) and the "First Prize in Guangxi Outstanding Achievement on New Products" (廣西新產品優秀成果一等獎) by the Wuzhou Government and The People's Government of Guangxi, respectively, in 2008.

**Mr. Ng Yuk Yeung** (吳旭陽先生), aged 36, joined our Company as the Financial Controller in February 2009 and is responsible for supervising our financial reporting, corporate finance, tax and other finance related matters. Mr. Ng has nearly 14 years of experience in auditing and financial management, which was mostly gained from positions in one of the international firms of certified public accountants from 1996 to 1999 and from 2001 to 2002, and in China Resources Enterprise, Limited (Hong Kong Stock Code: 00291), the shares of which are listed on the Stock Exchange, from 2002 to 2007. Mr. Ng attained his Bachelor's degree in Computer Science from the University of Hong Kong in November 1995 and is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a CFA Charter holder. Mr. Ng is also the Company Secretary of our Company.

### COMPANY SECRETARY

**Mr. Ng Yuk Yeung** (吳旭陽先生), aged 36, was appointed as the Company Secretary on 19 September 2009 on a full-time basis. His biographical details are set out above under the paragraph headed "Senior Management" of this section.

Our Company has applied to the Stock Exchange for a waiver from compliance with the requirements under Rule 8.12 of the Listing Rules in relation to our management presence in Hong Kong, the details of which are set up in the paragraphs headed "Management Presence in Hong Kong" under the section headed "Waivers from Strict Compliance with Listing Rules" in this prospectus.

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## BOARD COMMITTEES

### Audit Committee

Our Company established an audit committee pursuant to a resolution of our Directors passed on 19 September 2009 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duty of the audit committee of our Company is to review and supervise our Company's financial reporting process and internal control systems of our Group. The audit committee of our Company consists of Mr. Tsui Yung Kwok (徐容國先生), Mr. Meng Qinguo (孟勤國先生) and Mr. Yang Xiaohu (楊小虎先生) (all being independent non-executive Directors). The audit committee of our Company is chaired by Mr. Tsui Yung Kwok (徐容國先生).

### Remuneration Committee

Our Company established a remuneration committee on 19 September 2009 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee of our Company include making recommendations to the Board on our Company's structure and policy for remuneration of Directors and senior management, reviewing the terms of remuneration packages, determining the award of bonuses and considering the grant of options under the Share Option Scheme. The remuneration committee of our Company consists of Ms. Zhou, Mr. Meng Qinguo (孟勤國先生) and Mr. Yang Xiaohu (楊小虎先生), of whom Mr. Meng Qinguo (孟勤國先生) and Mr. Yang Xiaohu (楊小虎先生) are independent non-executive Directors. The remuneration committee of our Company is chaired by Mr. Meng Qinguo (孟勤國先生), our independent non-executive Director.

### Nomination Committee

Our Company established a nomination committee on 19 September 2009 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee of our Company include reviewing the structure, size and composition of the board of Directors, assessing the independence of independent non-executive Directors and making recommendations to the board on matters relating to the appointment of Directors. The nomination committee of our Company consists of Ms. Zhou, Mr. Meng Qinguo (孟勤國先生) and Mr. Yang Xiaohu (楊小虎先生), of whom Mr. Meng Qinguo (孟勤國先生) and Mr. Yang Xiaohu (楊小虎先生) are independent non-executive Directors. The nomination committee of our Company is chaired by Ms. Zhou, our executive Director.

## EMPLOYEES

We enter into employment contracts with all of our staff in accordance with the relevant PRC laws and regulations. All employees are subject to probation periods ranging from one to six months. All workers must complete a six-month on-the-job training program, which is mainly related to production techniques and production safety. We also hold continuous training program like lectures and seminars for our staff. The salary of our workers in our production lines is based on the quantity of their finished products. As at 31 December 2006, 2007, 2008 and 30 June 2009, we had approximately 390, 402, 1,133 and 1,451 employees, respectively. For the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, our total staff costs were RMB17.3 million, RMB22.5 million, RMB33.7

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million and RMB21.3 million, respectively, which accounted for 9.7%, 8.7%, 7.4% and 6.7% of our total revenue. As at the Latest Practicable Date, we employed 1,750 full-time employees. We have not experienced any significant problem with our employees or disruption to our operations due to labor disputes nor have we experienced any difficulty in the recruitment and retention of suitable employees.

The following table sets forth the approximate number of employees by function as at the Latest Practicable Date:

	<b>Approximate number of employees</b>
General and administration	50
Finance and accounting	6
Sales and marketing	21
Raw materials procurement	12
Quality control	52
Research and development	98
Production	1,445
Others	66
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Total	<u>1,750</u>

The Local Labor and Social Protection Bureau or the institution under its supervision and management has confirmed that no contravention of labor laws and regulations by us has been noted and we have duly paid the social insurance premium during the Track Record Period. Based on the legal opinion of C&F, we have complied with the relevant labor laws and regulations (including but not limited to the Employment Contracts Law of the PRC (《中華人民共和國勞動合同法》)).

### SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are summarized in Appendix VII to this prospectus.

### RETIREMENT SCHEMES

Our employees in the PRC participate in various pension schemes organized by the government under which we are required to make monthly contributions to these plans. The local government is responsible for the planning, management and supervision of the schemes, including collecting and investing the contributions, and paying out the pensions to the retired employees.

The total amount of contributions we made for such employee pension schemes for the years ended 31 December 2006, 2007, 2008 and the six months ended 30 June 2009 were RMB1.0 million, RMB1.3 million, RMB3.8 million and RMB3.0 million, respectively.

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### COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our executive Directors receive, in their capacity as our employees, compensation in the form of salaries, bonuses, other allowances and benefits in kind, including our contribution to the pension scheme for our executive Directors, according to the PRC laws. We determine our Directors' (including independent non-executive Directors) salaries based on each Director's qualification, position and seniority. Having considered the additional responsibilities of a Director for managing a listed company, the remuneration of our executive Directors is expected to increase to a reasonably higher level following the Listing. In addition to salaries, our Directors may receive discretionary bonuses and/or options under the Share Option Scheme.

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 was paid to our Directors for the years ended 31 December 2006, 2007, 2008 and the six months ended 30 June 2009 was RMB3.5 million, RMB4.2 million, RMB4.4 million and RMB3.7 million, respectively, of which, performance related bonus of RMB3.2 million, RMB4.0 million, RMB4.1 million and RMB3.6 million was paid to our Directors, respectively. Details of the remuneration of each individual Director during the Track Record Period are set out in note 7 to the Accountants' Report in Appendix I to this prospectus.

During the Track Record Period, Mr. Low, our non-executive Director, had not been involved in our Group's day-to-day operations as he resides in Malaysia. Accordingly, we did not pay any remuneration to Mr. Low.

Except for the year ended 31 December 2008, during which Ms. Zhou, Ms. Cai Yueqing (蔡月卿女士), Mr. Shi Guicheng (施貴成先生) and Mr. Ru Xiquan (茹希全先生) had waived performance bonuses of RMB1,148,000, RMB457,000, RMB457,000 and RMB457,000, respectively, there was no other arrangement under which any of our Directors waived or agreed to waive any remuneration during the Track Record Period.

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 our five highest paid individuals for the years ended 31 December 2006, 2007, 2008 and the six months ended 30 June 2009 were RMB4.1 million, RMB5.0 million, RMB5.2 million and RMB4.4 million, respectively.

It is estimated that remuneration and other benefits in kind equivalent to approximately RMB1.1 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending 31 December 2009 under the arrangements in force at the date of this prospectus, which exclude any option to be granted under the Share Option Scheme and discretionary bonus to be determined by the Board with reference to the financial results of our Group for the year ending 31 December 2009.

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 the Track Record Period. Further information about the service agreements and letters of appointment entered into between our Company and our Directors is set out in the paragraphs headed "Particulars of service agreements" and "Directors' remuneration" in Appendix VII to this prospectus.

**COMPLIANCE ADVISER**

We have appointed China Merchants Securities 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:

- (i) before the publication of any regulatory announcement, circular or financial report (whether required by the Listing Rules or requested by the Stock Exchange or otherwise);
- (ii) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated, including share issues and share repurchases;
- (iii) 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
- (iv) 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 will commence on the Listing Date and end on the date on 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 extended by mutual agreement.