

## DIRECTORS

### Executive Directors

*Mr. Guo Qing Ren* (郭慶人), aged 64, is the Chairman and a founder of the Group. Mr. Guo obtained a bachelor's degree from Xinjiang Technology College with a major in Geological Metal and Non-metal Mining and Exploration in 1964. He obtained a senior economist qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部) in 1993. He has been a director of Tianye Holdings since 1996 and has been the chairman of Tianye Holdings since 6th June, 2007. He has been the chairman (until 30th June, 2007) and a director of Tianye Company since 1997. He has been a Director since he joined the Group in 1999. The R & D project of One-off Recycled Plastic Dripline Products undertaken by Mr. Guo was awarded the First Prize of Technology Improvement of the Eighth Agricultural Division and Shihezi City in 1999. In 2000, the water-saving irrigation pipelines project primarily developed by Mr. Guo was awarded the Innovative Technology Prize of the Autonomous Region. Mr. Guo joined the Group in 1999 and is responsible for overseeing all strategic planning of the Group as well as responsible for the overall management of the Group's operations. He is also responsible for the design and development of new products of the Group.

*Mr. Shi Xiang Shen* (師祥參), aged 63, is an executive Director. Mr. Shi graduated from Beijing Economic Correspondence University with a major in Economic Management in 1989. He obtained a senior accountant qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部) in 1991. He had worked as chief accountant in No. 141 Unit of No. 8 Division of Agricultural Construction of XPCR for more than 10 years until 1995. Mr. Shi had been employed as the chief accountant of Tianye Holdings and was a director of Tianye Company from 1997 to August 2005. He has become a Director since he joined the Group in 2000 and has been responsible for the Group's financial management and capital operation, and assisting the Chairman in overall strategic planning and management and business development of the Group.

*Mr. Li Shuang Quan* (李雙全), aged 43, is an executive Director and general manager of the Company. Mr. Li graduated from Nanjing Glass Fiber Research and Design Vocational University with a major in Silicate Technology in 1988. He obtained a senior engineer qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部) in 2001. In 1998, he was recognized as the "Sixth Session Outstanding Calibre of the Agricultural No. 8 Division" in 1998, Mr. Li was also recognized as the "Tenth Session Outstanding Calibre of the Agricultural No. 8 Division" in 2003. He had worked as manager of technology and R & D department and was later promoted to factory director in Shihezi Plastic Factory (石河子塑料總廠) for more than 10 years until 1996. He was a director of Tianye Company from April 2001 to June 2007 and was granted the special subsidies by the State Council of the PRC in 2004. He joined the Group in 1999 and has been a Director since 2002 and a deputy general manager of the Company since 2003. Mr. Li is responsible for the management of technology and R & D of the Group. He has extensive experience in the development, manufacture and sales of the products of the Group and the management of the Group.

*Mr. Zhu Jia Ji* (朱嘉冀), aged 44, is an executive Director and deputy general manager. Mr. Zhu graduated from Agricultural and Machinery School of Shihezi, Xinjiang. Mr. Zhu obtained an engineer qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部) in 2002. He has been a deputy sales manager of the Company since he joined the Group in December 1999. He is also the Chairman of Kuitun Tiantun and Hami Tianye, both are subsidiaries of the Company. Mr. Zhu was appointed as an executive Director on 10th May, 2007 and was appointed as a director of Tianye Company on 30th June, 2007.

### Independent Non-Executive Directors

*Mr. He Lin Wang* (何林望), aged 66, is an independent non-executive Director. Mr. He obtained a senior engineer qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部). He had held the position of the chief engineer of Shihezi Water Conservation Bureau (石河子市水利局) and a director of the Xinjiang Agricultural Engineering Society. Mr. He has more than 10 years of experience in agricultural engineering industry. He has been an independent non-executive Director since he joined the Group in April 2005.

*Mr. Xia Jun Min* (夏軍民), aged 37, is an independent non-executive Director. He graduated from Xinjiang Finance and Economic College majoring in Accounting in 1995 and obtained a bachelor's degree from the Central Communist Party Institution with a major in Politics and Law in 1998. He has obtained qualifications as a registered accountant and a registered assets valuer in the PRC. He is presently a deputy president of Xinjiang Fangxia Assets Valuation Company Limited, a president and a chief accountant of Xinjiang Fangxia Certified Public Accountants Company Limited. Mr. Xia has extensive experience in auditing, accounting and financial management. He has been an independent non-executive Director since he joined the Group in April 2005.

*Mr. Gu Lie Feng* (顧烈峰), aged 68, is an independent non-executive Director. Mr. Gu attained university level and graduated from Water Conservancy Engineering Department of Tsinghua University in 1965. Mr. Gu obtained a senior engineer qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部) in 1991. He had been appointed as chief commander of XPCR Water Conservation Bureau since August 1995 and was retired in August 2000. Mr. Gu has more than 20 years experience in agriculture industry. Since he joined the Group in April 2005, he has been an independent non-executive Director.

*Mr. Mak King Sau* (麥敬修), aged 33, is a proposed independent non-executive Director. Mr. Mak has more than 10 years of experience in corporate finance and private equity fund investment industry. He was an associate director of an investment bank in Hong Kong for 3 years. He had served as the chief investment officer in a Hong Kong listed company for about 3 years. Mr. Mak also worked for a private equity fund for 3 years. He is a member of American Institute Certified Public Accountant, and graduated from Boston University with a bachelor degree in business administration in 1995 and from the University of London with a master degree in financial and management in 1997. Mr. Mak will be appointed as independent non-executive Director in the forthcoming extraordinary general meeting of the Company expected to be held on 15th October, 2007.

### SUPERVISORS

*Mr. He Jie* (何杰), aged 62, is a Supervisor. Mr. He graduated from Tianjin Light Industry College in 1968 with a major in Plastic Modelling and Processing. Mr. He obtained a senior engineer qualification as approved by the Office of Professional Technical Staff of Xinjiang Uygur Autonomous Region (新疆維吾爾自治區專業技術人員職稱辦公室) in 1992. He has been a Supervisor since he joined the Group in April 2005.

*Mr. Huang Jun Lin* (黃俊林), aged 68, is a Supervisor. Mr. Huang graduated from Xinjiang University in 1990 having attained education in political theory. He is a senior administrator (高級政工師), and an outstanding caliber in Shihezi. He has been a Supervisor since he joined the Group in April 2005.

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## DIRECTORS, SUPERVISORS, MANAGEMENT AND STAFF

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*Ms. Ni Mei Lan* (倪美蘭), aged 48, is a Supervisor. Ms. Ni graduated from Urumqi Vocational University with a major in Economic Management in 1995. Ms. Ni obtained an assistant economist qualification certificate issued by Ministry of Agriculture of the PRC (中華人民共和國農業部) in 2000. She joined the Group in 2001 and has been a deputy general manager of the Company since 2003 and until 10th May, 2007. Ms. Ni was appointed as a Supervisor on 10th May, 2007.

### QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

*Mr. Wong Hon Kei, Anthony* (黃漢基), aged 34, is the financial controller, company secretary, qualified accountant and one of the authorised representatives of the Company. He is responsible for the financial reporting procedures and internal control of the Group and secretarial affairs of the Company. Mr. Wong is a member of Hong Kong Institute of Certified Public Accountants. Mr. Wong worked for an international accounting firm in Hong Kong. He has over 10 years of experience in the fields of professional accounting services, finance, and management. He joined the Group in August 2006.

### COMPLIANCE OFFICER

Mr. Shi Xiang Shen, is an executive Director, assumes responsibility for acting as the Group's compliance officer, including advising on and assisting the Board in implementing procedures to ensure that the Group complies with the Listing Rules and other relevant laws and regulations applicable to the Group.

### AUDIT COMMITTEE, COMPLIANCE COMMITTEE AND REMUNERATION COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) on 7th February, 2006 with written terms of reference in compliance with the Listing Rules. The duties of the Audit Committee include reviewing the Company's annual report and accounts, half-year report and quarterly report and providing advice and suggestion to the Board. In this regard, members of the Audit Committee will liaise with the Board, senior management and its qualified accountant, the Company's auditors. The Audit Committee will also consider any significant or usual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by the qualified accountant, compliance officer or auditors of the Company. The Audit Committee are also responsible for reviewing the financial reporting system and internal control procedures of the Company.

The Audit Committee comprises three independent non-executive Directors, namely He Lin Wang, Xia Jun Min and Gu Lie Feng. He Lin Wang is the chairman of the Audit Committee.

In order to ensure that the Group is in compliance with all relevant laws and regulations and the Listing Rules (the “**Relevant Regulations**”) after listing, the Company has set up a compliance committee (the “**Compliance Committee**”) comprising (i) the compliance officer of the Company, Shi Xiang Shen; (ii) the independent non-executive Directors, namely He Lin Wang, Gu Lie Feng and Xia Jun Min; and (iii) the company secretary of the Company, Wong Hon Kei, Anthony. During the listing on the GEM, the duties of the Compliance Committee include, inter alia, (i) to supervise the implementation of the corporate compliance measures of the Company; and (ii) to review the disclosure policy of the Company in compliance of the requirements of the GEM Listing Rules and other regulatory authorities, and provide advice and suggestion to the Board in this regard. In addition, regular meetings will be held between the Company and Sun Hung Kai, being the compliance adviser appointed in accordance with Rule 6A.19 of the GEM Listing Rules during the

period under the compliance adviser agreement dated 20th February, 2006 entered into between the Company and Sun Hung Kai. Upon the listing on the Main Board, the Compliance Committee will continue to discharge its duties as required under the Relevant Regulations.

The Group has also established a remuneration committee on 7th February, 2006 with written terms of reference in compliance with Appendix 14 to the Listing Rules, comprising an executive Director, namely Shi Xiang Shen, and three independent non-executive Directors, namely He Lin Wang, Xia Jun Min and Gu Lie Feng. Shi Xiang Shen is the chairman of the remuneration committee of the Company. The primary duties of the remuneration committee are to formulate and make recommendations to the Board on the Group's policy for all remuneration of the Directors and senior management of the Group. After the Introduction, the Directors will be remunerated in accordance with their performance, experience and industry practices.

### Compliance adviser

Pursuant to an agreement (the “**Compliance Adviser Agreement**”) between the Company and KGI Capital, the Company has appointed KGI Capital as the compliance adviser of the Company pursuant to the requirements under Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.19 of the Listing Rules, the appointment is for a term commencing on the Listing Date and ending on the date on which the Company distributes the annual report for the financial year ending 31st December, 2008 or the date on which such agreement is terminated pursuant to the terms thereof, whichever is the earlier.

### SENIOR MANAGEMENT

*Mr. Wang Zhenhai* (王振海), aged 39, graduated from Shihezi Workers' University (石河子職工大學) with a major in Economic Management in 2003. He joined the Group in 2004 and has been a deputy general manager of the Company since 2007.

*Mr. Xiong Xin Yi* (熊新義), aged 36, graduated from Xinjiang Finance and Economic College with a major in Economic Management and had passed the legal examinations of Xinjiang University. Mr. Xiong obtained an industrial economist qualification certificate issued by the Ministry of Personnel of the PRC in November 1997. He joined the Group in January 2003 and has been the secretary to the Board since 2005.

Save as disclosed in the paragraphs headed “Competing interest of the senior management” under the section headed “Business”, Mr. Guo Qing Ren, Mr. Li Shuang Quan (until 30th June, 2007) and Mr. Zhu Jia Ji are directors of Tianye Company, the Directors and senior management of the Company are not holding any current and past directorship in other listed public companies in the last three years.

The Directors confirm that there is no information to be disclosed in pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

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## DIRECTORS, SUPERVISORS, MANAGEMENT AND STAFF

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### STAFF

As at the Latest Practicable Date, the Group had a total of 778 staff, the breakdown of which with reference to functions and geographical regions are set out below:

	PRC	HK
Management and general administration	88 persons	1 person
R & D	15 persons	
Sales and marketing	75 persons	
Technical support service	38 persons	
Production	<u>561 persons</u>	<u>                    </u>
Total:	<u>777 persons</u>	<u>1 person</u>

During the peak season of the Group, that is during the months of March to May and October to December of each year, the Group will assign the technical support service staff to the production department of the Group. Therefore, the number of staff in the technical support service department drops accordingly.

### The Company's relationship with its staff

From the date of its establishment to the Latest Practicable Date, the Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff. The Directors have confirmed that the Group had complied with all the relevant laws, regulations and requirements in relation to child protection, fair labour standards, working conditions and code of conduct for its employees or workers in the place(s) where the Group carries on business and had not been penalised in this regard during the Track Record Period.

### Retirement benefit scheme and other benefits

The Company provides employee benefits covering old-aged insurance scheme, medical insurance scheme, unemployment insurance scheme, labour injury insurance scheme and maternity insurance scheme (collectively under the social insurance scheme) for its staffs, whereby the Company is required to make monthly contributions to these schemes. The Company has no obligation for the payment of retirement and other post-retirement benefits of employees other than the monthly contributions described above. Expenses incurred by the Company in connection with the retirement benefit plans were approximately RMB2,228,000, RMB2,262,000, RMB2,426,000 and RMB1,231,000 respectively for each of the three years ended 31st December, 2006 and the six months ended 30th June, 2007.

As confirmed by the PRC legal advisers of the Company, the Company has complied with the relevant regulations and provisions under PRC laws in respect of the management of the social insurance scheme.

The Group provides its staff in Hong Kong with a provident fund scheme in compliance with the Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong). The Group is responsible for contributing 5% of the salary of the employees (up to a maximum of HK\$1,000 in respect of each employee) on a monthly basis to the fund.

### **Housing pension scheme**

According to the relevant requirement under “The Decision Regarding the Reinforcement of Reform on Housing Systems in Cities and Towns by the State Council” (國務院關於深化城鎮住房制度改革的決定), “The Notice Regarding the Further Reinforcement of Reform on Housing Systems and Acceleration of Housing Facilities in Cities and Towns by the State Council” (國務院關於進一步深化城鎮住房制度改革加快住房建設的通知) and “Housing Pension Administrative Rules” (住房公積金管理條例), all administrative and business units and their staff shall make contribution to a housing pension for the establishment of a housing pension scheme. Both the housing pensions contributed by each staff and by their respective units are vested to the staff. The percentage of the housing pension contributed by the staff and their unit shall not be less than 5% of the average monthly wages of the previous financial year of such staff. Such contribution may be varied with those cities with better conditions. The housing pension scheme is mandatory. The PRC legal advisers of the Company are of the opinion that the proportion of the housing pension contributed by the Group and its staff is in compliance with the legal and regulatory requirements mentioned above.

As confirmed by the PRC legal advisers of the Company, the Company has complied with relevant regulations and provisions under PRC laws in respect of the provision of retirement benefit scheme and housing pension scheme to the PRC staff of the Group.