

DIRECTORS

Executive Directors

Mr. TAN Wenhua (譚文華), aged 51, the President and General Manager of the Jinzhou Plants. He was one of the founders of the Jinzhou Plants. Mr. TAN completed an economic management undergraduate course in the Central Party College and an electrical engineering undergraduate course with the 遼寧廣播電視大學 (Liaoning Broadcasting and TV University*). He is also a visiting professor of 遼寧工業大學 (Liaoning Industrial University*). Prior to founding the Jinzhou Plants, he was the Chairman of 錦州新華石英玻璃(集團)有限責任公司 (Jinzhou Xinhua Quartz Glass (Group) Co., Ltd.*) and the President and the Vice President of Jinzhou 155 Factory, a state-owned factory engaging in quartz crucibles manufacturing. When Mr. TAN was the chairman of Xinhua Quartz Glass, he was responsible for the establishment and operations of Jinzhou Xinri and Jinzhou Huachang. Prior to the establishment of Jinzhou Xinri and Jinzhou Huachang, Xinhua Quartz Glass mainly engaged in the manufacturing and sale of quartz glass and crucible. He has been granted a special subsidy by the State Council since 2004 for his contribution in engineering technology.

Mr. HSU You Yuan (許祐淵), aged 53, the Chief Executive Officer of Solartech and a director of Jinzhou Youhau. He joined the Group on 6 February 2007 and was appointed an executive Director on the same date. He graduated with a master degree in Business Administration from the Chinese Culture University in 1980. Prior to joining the Group, Mr. HSU was the President of WWX from February 1998 to June 2003, a manufacturer of silicon wafer for the semiconductor industry, which is listed on the Gre-Tai Securities Market in Taiwan since May 2002 and later became the Vice-Chairman of the board of WWX in June 2003. He is the managing director of STIC and has been appointed the Chief Executive Officer of Solartech, responsible for overseeing, amongst others, WWX's investment in the solar energy industry. In March 2006, he was appointed a director and he was subsequently appointed as the Chairman of the board of Jinzhou Youhau in September 2006. Mr. HSU's previous work credentials also included acting as Vice-President of Mosel Electronics Taiwan Inc, and a member of the board of directors and Executive Vice-President of Mosel Vitelic (Hong Kong) Limited, a subsidiary of Mosel Vitelic Inc., a company listed on the Taiwan Stock Exchange. Mr. HSU had also made contributions to non-commercial sectors in the past. He served as a researcher, a deputy director, and the director of Business Department of the Executive Yuan Development Fund. He was also a lecturer of Statistics for the Business Administration and Banking departments at the Chinese Culture University.

Ms. ZHANG Liming (張麗明), aged 50, the Director of Administration (行政總監) of the Jinzhou Plants. She joined the Original Group on 1 April 2003 responsible for overseeing, amongst others, the administration of the Original Group. She is also the chairman of the labour union of the Jinzhou Plants. She graduated from 中共中央黨校經濟管理系 (Central Party School in Economic Management*) in 1996. Prior to joining the Group, she was appointed as the head of the supply division of 錦州石英玻璃儀器廠 (Jinzhou Quartz Glass Instrument Factory*), the director of management of 錦州京旭晶體材料制造有限責任公司 (Jinzhou Crystalline Material Co., Ltd.*) during 1993 to 1994 and the general manager of 錦州華明水晶工藝品有限公司 (Jinzhou Huaming Crystal Art & Craft Co., Limited*) during 1994 to 2003.

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Non-executive Directors

Mr. CHIAO Ping Hai (焦平海), aged 56, the Chairman of the Board. He was appointed a non-executive Director in July 2007. He graduated from the Chung Yuen University with a bachelor degree in Chemical Engineering and master degree in Chemistry from the University of California, San Jose in 1973 and 1978, respectively. He is the Chairman and General Manager of WWX, a company listed on the Gre-Tai Securities Market in Taiwan, the President of Helitek Company Ltd., a subsidiary of WWX, and the Chairman of Shanghai Jingji, a subsidiary of the Company. Mr. Chiao is also a director of ACME Electronics Corp., which is also listed on the Gre-Tai Securities Market in Taiwan.

Mr. CHONG Kin Ngai (莊堅毅), aged 55, a non-executive Director. He joined the Group in June 2002 when PLC became a joint venture partner of Jinzhou Huachang. He was appointed a non-executive Director in July 2007. Mr. CHONG obtained his bachelor of Arts degree from the University of Hong Kong and obtained his Master of Business Administration degree from the Chinese University of Hong Kong. He is the Chairman of board of director of PLC, Vice Chairman of the board of director of Foshan Electrical and Lighting Company Limited, a company listed on Shenzhen Stock Exchange, and Vice Chairman of Jinzhou Youxin. He has been engaging in the production and trading of electro-optical products for more than 30 years.

Independent Non-executive Directors

Mr. WONG Wing Kuen Albert (王永權), aged 56, was appointed as an independent non-executive Director on 12 January 2008. Mr. Wong is a fellow member of The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Chartered Secretaries, The Taxation Institute of Hong Kong, Securities & Investment Institute, Hong Kong Institute of Directors, Chartered Management Institute, UK, Association of International Accountants, Society of Registered Financial Planners, Hong Kong, as well as a member of Hong Kong Securities Institute, The Chartered Institute of Arbitrators, Macau Society of Certified Practising Accountants, The Institute of Certified Public Accountants in Ireland, UK and an associate member of The Chartered Institute of Bankers in Scotland, UK. Mr. WONG had also been a director and Chief Executive Officer of Minghua Group International Holdings Limited, a listed public company in the United States, until 30 September 2004. According to the filings made available to public through the EDGAR database in U.S., for the quarterly period ended 30 September 2005, Minghua Group International Holdings Limited was “a small business issuer” and “a development stage company”. Mr. WONG has been the Managing Director of Charise Financial Consultants Limited, a private professional consulting firm in Hong Kong and an independent non-executive director of APAC Resources Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since July 2004.

Ms. FU Shuangye (符霜葉), aged 39. Ms. FU was appointed an independent non-executive Director on 12 January 2008. Ms. FU graduated from Wuhan University with a bachelor degree in English Literature in 1990 and obtained her further legal studies certificate in the Law School of China Politics and Law University in 1997. She was qualified as a PRC lawyer in 1998. She was a partner of Zhong Lun W&D Law Firm in Beijing. Ms. FU is now the Managing Partner of Zhong Hao Attorneys-at-Law. She is also a member of the Foreign Direct Investment Expertise Committee of the Beijing Judiciary Bureau.

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Dr. LIN Wen (林文), aged 68, an independent non-executive Director, joined the Group on 12 January 2008. Dr. LIN received his bachelor degree in Science, master degree in Science and Ph.D. degrees in Metallurgy, Chemical Engineering and Materials Science & Engineering, respectively. He joined AT&T Bell Laboratories (subsequently, Lucent Bell Labs/Agere) in 1975. He is the author of many articles published by internationally recognised science magazines. Together with other collaborators, Mr. LIN wrote about the properties of uniform oxygen Czochralaski silicon crystals in an article and such article was published in the Vol. 51(10), October 1980 edition of J. Appl. Phys., a publication of the American Institute of Physics. Czochralaski process is the very process employed by the Group in the manufacturing of monocrystalline silicon ingots. He has also authored/co-authored technical papers, book chapters and owns several patents. Dr. LIN was a recipient of the 1983 Bell Laboratories Distinguished Technical Staff Award. He is a member of Phi Tau Phi Honor Societies. Since 1999, he has been a member of the Starting Materials Team of ITRS (International Technology Roadmap of Semiconductor). As a life member of the Chinese Institute of Engineers-USA, he has served the Institute in various capacities in the last two decades. He served as its president in 1987 and National Council Chairman in 1995. Dr. LIN also served as Chairman of METS (Modern Engineering and Technology Seminars), as well as Vice Chairman and Chairman of Sino-American Technology and Engineering Conference.

Mr. ZHANG Chun (張椿), aged 75, an independent non-executive Director, joined the Group on 12 January 2008. Mr. ZHANG graduated from Tianjin University in 1955 and conducted research in silicon in the early years of his career in various institutions including 北京有色金屬研究總院 (Beijing Non-Ferrous Metal Research Institution*). During 1979 to 1992, he was in charge of a semiconductor material research centre of Beijing Non-Ferrous Metal Research Institution. From 1992 to 1998, he had been the person in charge of the 國家半導體材料工程研究中心 (State Semi-conductor Material Engineering Research Centre*) and he also acted as the general manager of 金鑫半導體材料有限公司 (Jinxin Semi-conductor Material Company Limited*). Mr. ZHANG was awarded as a 全國先進工作者 (National Pioneer*) by the State Council in 1995. He was awarded First Class Prizes by 金屬工業總公司 (中國有色China Non-Ferrous Industry Corp*) in 1991 and 1997 for his contributions towards research on (a) 3 inches to 4 inches monocrystalline silicon for use in integrated circuit; and (b) the manufacturing of 125mm monocrystalline silicon wafers for use in integrated circuit. He was also granted special subsidy from the State Council since 1992.

SENIOR MANAGEMENT

Mr. CHUANG Jen Wen (莊仁文), aged 58, the Chairman of the Shanghai Plant. He oversaw the establishment of Shanghai Jingji in 1998. He obtained his bachelor degree in Chemical Engineering from Chung Yuan University. Prior to joining Shanghai Jingji, he was the general manager of 上海合晶硅材料有限公司 (Wafer Works (Shanghai) Corp.*), then an affiliate of WWX. He joined the Group on 28 June 2007 upon the Original Group's acquisition of the Acquisition Group.

Mr. SAITO Noboru, aged 57, the Chief Technical Officer of the Group. He joined Shanghai Jingji in January 2007. He graduated with a bachelor degree in Metallic Materials and Engineering from Suzuka National College of Technology. Prior to joining Shanghai Jingji, he was appointed the General Manager of Manufacturing Department of Sumco Solar Corporation. He joined the Group on 28 June 2007 upon the Original Group's acquisition of the Acquired Group.

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Mr. TONG Wan Sze (湯雲斯) (CPA, FCCA, MBA), aged 39, is the Chief Financial Officer of the Group, Qualified Accountant and Company Secretary, and he joined the Company on 16 April 2007. Mr. TONG has over 15 years' experience in overseeing corporate finance, merger and acquisition activities, accounting, investor relations and company secretarial matters. Prior to joining the Company, he was the Financial Controller and Company Secretary of China Paradise Electronics Retail Limited, which was listed in Hong Kong. Previously, he was an auditor with Deloitte Touche Tohmatsu. He is a Fellow of the Association of Chartered Certified Accountants and an Associate of the Hong Kong Institute of Certified Public Accountants. He obtained a Master of Business Administration from the University of Strathclyde, the United Kingdom.

Ms. ZHAO Xiuzhen (趙秀珍), aged 53, the Director of Production (生產總監) of the Jinzhou Plants. She joined the Group on 31 January 2005. She graduated from 錦州黨校黨務行政管理系 (Jinzhou Communist Party School in Administration and Management for Party Affairs*). Prior to joining the Group, she was the deputy general manager of Jinzhou Hualian Shopping Centre.

Mr. WANG Chun Wei (王君偉), aged 36, the Chief Financial Officer of the Jinzhou Plants. He joined the Group on 1 January 2007. He obtained a Master of Business Administration from the State University of New Jersey (Rutgers). He is a certified public accountant in Maryland, the United States. Prior to joining the Group, he was a Special Assistant to President & Deputy Spokesman of The Office of General Manager of WWX, the Spokesman and Chief Financial Officer of Panram International Corp., a company listed on the Gre-Tai Securities Market in Taiwan.

Mr. ZHANG Yaowen (張躍文), aged 42, the Director of Marketing (營銷總監) of the Jinzhou Plants. He joined the Group on 16 May 2003. He graduated from 錦州黨校經濟管理本科 (Jinzhou Communist Party School in Economic and Management*). Prior to joining the Group, he worked in the supply division of Jinzhou Xinhua Quartz Glass (Group) Co., Limited as a deputy division head and then the division head.

Dr. CHEN Wei (陳蔚), aged 37, the Special Assistant to the President of the Jinzhou Plants. She joined the Group on 1 July 2006. She obtained her doctorate degree of Philosophy in Management at Wuhan University of Technology in 2005. Prior to joining the Group, she was the vice president of 西安市外經貿商務展覽公司 (Xi'an International Trade Promotion Co. Ltd.*) and the vice president of 陝西機械設備進出口公司 (International Transport Division of Shaanxi Machinery & Equipment Import & Export Corp.*).

Mr. CHEN Limin (陳立民), aged 40, the Deputy Technical Director of Jinzhou Plants. He joined the Group on 30 December 2000. He graduated from the Ore Mining Faculty of the 四川建材學院 (Sichuan College of Construction Materials*). Prior to joining the Group, he worked for 新華石溪玻璃(集團)有限公司 (Xinhua Shixi Glass (Group) Co., Ltd.*).

Ms. LI Xuexin (李學新), aged 54, the Division Head of Audit and Legal Affairs (審計法務部長) of the Jinzhou Plants. She joined the Group on 5 March 2007. She graduated from the Faculty of Financial Management, of 遼寧省委黨校財會管理大學本科 (Liaoning Party School in Financial Management*). Prior to joining the Group, she was the Vice General Manager of 錦州盛達糖酒有限責任公司 (Jinzhou Shengda Tanjiu Co., Ltd.*) and the Vice General Manager of 錦州市金屬材料總公司 (Jinzhou City Metal Materials Co., Ltd.*).

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Mr. MAO Jui Yuan (毛瑞源), aged 35, the Chief Financial Officer of the Shanghai Plants. He joined Shanghai Jingji on 1 January 2007. He obtained a bachelor degree in Accounting from Fu Jen Catholic University and was qualified as a Certified Public Accountant (Taiwan) in 1995. Prior to joining Shanghai Jingji, he was a principal of Ernst & Young based in Taiwan and a manager of the finance department of WWX. He joined the Group on 28 June 2007 upon the Original Group's acquisition of the Acquired Group.

Mr. LIU Shih Wan (劉詩灣), aged 48, the Special Assistant to the General Manager of the Shanghai Plant and the Assistant Vice President of the Greater China Region (大中華區業務協理). He joined Shanghai Jingji on 1 January 2003. He obtained a bachelor Degree in Civil Engineering from Chung Yuan University in 1988. Prior to joining the Group, he was appointed the General Manager of TaoYuan Real Estate Investment Consortia. He joined the Group on 28 June 2007 upon the Original Group's acquisition of the Acquired Group.

CONSULTANT

Dr. Stephen Sun Hai CHIAO (焦生海), aged 59. He was appointed a consultant of the Company on 12 January 2008. Dr. CHIAO has been a director of Shanghai Jingji since 1998. Dr. CHIAO received his bachelor degree in Science from the National Cheng-Kung University, master degree in Science from the University of Southern California, and Ph.D. degree from Stanford University. Dr. CHIAO is a Professor in the Department of Electrical Engineering at San Jose State University. In 2002, Dr. CHIAO was appointed as the Honorary and Guest Professor at The University of Shanghai for Science and Technology and China Institute of Metrology. Dr. CHIAO has published and presented technical articles internationally, held several U.S. patents in semiconductors and microelectronics related technologies. Dr. CHIAO's recent publication includes "Alternative Energy Saving Devices/System", a book with three chapters on solar cell technologies, applications and trend. Dr. CHIAO is the elder brother of Mr. CHIAO Ping Hai.

CORPORATE GOVERNANCE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

In order to fulfill their fiduciary duties and duties of skill, care and diligence, the Directors will constantly seek advice and assistance from the Company's internal legal team and if in further doubt, seek advice from external legal advisors in Hong Kong and the PRC. The Company also adopted internal control procedures relating to, among others, signing authority and procedures since February 2007. The Company has an audit and legal department consisting 3 members, one of whom was formerly a registered PRC lawyer with extensive experience in the legal field. The main duties of the audit and legal department are:

- providing legal advice in reaching major business decisions
- reviewing and drafting legal documents

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- handling legal disputes
- advising on legal issues related to daily operations
- conducting internal training for compliance issues

Furthermore, a Director is not allowed to attend or vote at (nor be counted in the quorum) any board meeting for the purpose of discussing or approving any contract or arrangement or other proposal in which he or any of his associates has any conflict in relation thereto.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee in compliance with the Code on Corporate Governance Practices as set out in appendix 14 of the Listing Rules and appointed a qualified accountant to oversee the financial reporting procedures and internal controls of the Group so as to ensure compliance with the Listing Rules.

To further enhance the Group's corporate governance and its transparency, the Company has also established a nomination committee and a remuneration committee. The Group has implemented a compliance manual which covers areas such as ongoing compliance obligations of the Company and the Directors, business operations of the Group, financial management systems, human resources management systems, internal control systems, quality assurance and property management systems.

Audit Committee

The Company established an audit committee pursuant to a resolution of the Directors passed on 12 January 2008 in compliance with Rules 3.21 to 3.23 and appendix 14 of the Listing Rules. The primary duties of the audit committee are to oversee the financial reporting process and internal control procedure of the Group, to review the financial information of the Group and to consider issues relating to the external auditors. The audit committee consists of five non-executive Directors (including the four independent non-executive Directors and Mr. CHONG Kin Ngai, a non-executive Director) and Mr. WONG Wing Kuen Albert, an independent non-executive Director, is the Chairman of the audit committee.

Remuneration Committee

The Company established a remuneration committee pursuant to a resolution of the Directors passed on 12 January 2008 in compliance with appendix 14 of the Listing Rules. The primary duties of the remuneration committee are to make recommendations to the Board on the Company's structure for remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The remuneration committee consists of five members (including the four independent non-executive Directors and Mr. TAN) and Ms. FU Shuangye, an independent non-executive Director, is the Chairman of the remuneration committee.

Nomination Committee

The Company established a nomination committee pursuant to a resolution of the Directors passed on 12 January 2008 in compliance with appendix 14 of the Listing Rules. The primary duties of the nomination committee are to make recommendations to the Board on the Company's policy and structure for recruiting Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such recruitment. The nomination committee consists of five members (including the four independent non-executive Directors and Mr. HSU) and Dr. LIN Wen, an independent non-executive Director, is the Chairman of the nomination committee.

DIRECTORS' REMUNERATION

For the three years ended 31 December 2006 and the nine months ended 30 September 2007, the total remuneration (comprising fees, salaries and allowances, discretionary bonuses and pension scheme contributions) and benefits in kind of the Directors were approximately RMB138,000, RMB506,000, RMB830,000 and RMB3,605,000, respectively.

The aggregate remuneration and benefits in kind payable to the Directors for the year ended 31 December 2007 was approximately RMB6,919,000.

In respect of the three years ended 31 December 2006, no remuneration was paid to the Directors as an inducement to join or upon joining the Group. No compensation was paid to, or receivable by, the Directors or past Directors for the loss of office as director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group. None of the Directors has waived any emoluments. Further information about the service agreements entered into between the Company and the Directors is set out in the section headed "Further information about Directors and Substantial Shareholders" in appendix VII to this prospectus.

EMPLOYEES

General

A breakdown of the employees of the Enlarged Group as at the Latest Practicable Date is as follows:

	As at the Latest Practicable Date
Management	48
Finance	12
Production	588
Technical and Engineering	76
Sales	13
Administration and Support	46
Total	783

Most of the management and employees of the Group are located in the PRC.

During the Track Record Period, the Original Group incurred staff cost of approximately RMB2.15 million, RMB6.46 million, RMB14.73 million and RMB20.3 million, respectively, representing approximately 3.7%, 3.7%, 3.6% and 2.8%, respectively, of the Original Group's total turnover. The increase in staff costs by RMB4.31 million in 2005 as compared to 2004 was mainly due to the increase in staff number as a result of the commencement of operations of Jinzhou Huari in the first quarter of 2005 and the increase of staff cost of RMB8.27 million in 2006 as compared to 2005 was mainly due to the increase in staff number as a result of the commencement of operations of Jinzhou Yangguang which nearly doubled the Original Group's production capacity when compared with that for the previous year. In addition, with the increase in net profits, the bonus (which was calculated with reference to net profits) to staff increased accordingly. However, in 2007, the Group reduced the bonus percentage to net profits compared with that for the previous year.

Relationship with staff

The Group has not experienced any significant problem with its employees or disruption to the Group's operations due to labour disputes, nor has the Group experienced any difficulties in the recruitment and retention of experienced staff. The Directors are of the view that the Group has good working relations with its employees. The Group has also complied with all the relevant requirements of fair labour standards, working environment and code of conduct for the Group's employer and has never been penalised in this regard during the Track Record Period.

Training

In relation to positions which require special skills and professional qualifications, the Group will prepare special training and/or sponsor outside training sessions for its staff. Newly recruited employees are required to attend introduction course covering topics including the Group's corporate information, general employment terms and conditions, the Group's benefits, staff obligations, work safety, working schedule and spirit of team work.

Benefit schemes

In compliance with the applicable regulations of the PRC, both the Original Group and the Acquired Group participate in the State-sponsored retirement plan operated by the local governments in the PRC and makes mandatory contributions to the State-sponsored retirement plan to fund the retirement benefits of the employees in the PRC. The retirement contributions paid are based on certain percentage of the relevant portion of the payroll of all qualified employees in accordance with the relevant regulations in the PRC and are charged to the combined income statement as incurred. The Original Group and the Acquired Group discharge their respective retirement obligations upon payment of the retirement contributions to the State-sponsored retirement plan operated by the local government in the PRC. The contributions accounted for approximately RMB225,000, RMB281,000, RMB412,000, and RMB692,000, respectively, by the Original Group on an accrual basis for the three years ended 31 December 2006 and the nine months ended 30 September 2007.

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In addition, the Original Group and Jinzhou Youhua have also registered and made payments for social insurance, housing fund, as well as birth insurance under the Provisional Regulations on Birth Insurance for Employees of Enterprises 《企業職工生育保險試行辦法》 and The Regulations on Birth Insurance for Employees of City and Township Enterprises 《遼寧省城鎮企業職工生育保險規定》 during the Track Record Period. The Company has established a compliance team of three staff to handle labour and insurance related issues to ensure full compliance with labour and insurance related requirements.

The Group is required to participate in defined contribution retirement benefit schemes administered and operated by Bureau of Labour Insurance of Taiwan for employees employed in Taiwan. Under the scheme, the employer is required to make contributions to the plan at 6% of the employees' relevant income. Contributions to the plan vest immediately.

The Group also operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Mandatory Provident Fund Schemes Ordinance of Hong Kong for employees employed under the Employment Ordinance of Hong Kong. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, an employer and its employees are each required to make contributions to the plan at 5% of the employees' income, subject to a cap of monthly income of HK\$20,000. Contributions to the plan vest immediately.

Share Option Scheme

The Company has conditionally approved and adopted the Share Option Scheme on 12 January 2008 in which certain participants may be granted options to subscribe for Shares. The Directors believe that the Share Option Scheme will be important for the recruitment and retention of quality executives and employees. Summary of the principal terms of the Share Option Scheme is set forth under “Other information — Share Option Scheme” in appendix VII to this prospectus.

SHARES OFFERED TO CERTAIN SENIOR MANAGEMENT, EMPLOYEES AND CONSULTANTS OF THE GROUP

For the purpose of providing compensation to certain senior management and employees of the Acquired Group and/or have made past contribution to the development of the Acquired Group and/or as an incentive for their future performance, on 24 June 2007, Solartech allotted and issued an aggregate of 126,114,814 ordinary shares of HK\$0.10 each (the “Solartech Shares”) for an aggregate subscription price of HK\$12,611,481.4 to Mr. TAN, Mr. HSU You Yuan (an executive Director), Mr. CHIAO Ping Hai (a non-executive Director), Ms. ZHANG Liming (an executive Director), Mr. CHONG (a non-executive Director); and the members of the senior management of the Group including Mr. CHUANG Jen Wen, Mr. WANG Chun Wei, Mr. MAO Jui Yuan, Mr. LIU Shih Wan, Mr. TONG Wan Sze, Mr. ZHAO Xiuzhen, Dr. CHEN Wei, Mr. ZHANG Yaowen and Mr. CHEN Limin, 43 employees and two consultants (the “Relevant Officers”) whose shares were all held by Mr. CHONG in trust.

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The Solartech Shares held by each of the Relevant Officers were subject to certain disposal restrictions for a period from 24 June 2007 to 30 November 2011. To better monitor compliance of the relevant lock-up undertakings, the Solartech Shares of the five Directors, nine members of the senior management of the Group, 43 employees and the two consultants were registered in the name of Mr. CHONG who was entitled to exercise voting rights and hold the dividends and other distributions made in respect of such Solartech Shares (if any) in trust. The Relevant Officers (other than Mr. TAN, Mr. HSU You Yuan and Mr. CHIAO Ping Hai) who are the senior management, employees or consultants of the Acquired Group have undertaken with Mr. TAN, Mr. HSU You Yuan, Mr. CHIAO Ping Hai and Mr. CHONG (as the case may be) (the “Relevant Directors”), and the Relevant Directors have undertaken with one another, that the Relevant Directors are entitled to require any Relevant Officers to sell the Solartech Shares that remain subject to the lock-up period to the Relevant Directors if such Relevant Officer ceases to be employed or otherwise engaged for reasons other than the Relevant Officer being incapacitated by work-inflicted injury or the Relevant Officer’s death before the end of the relevant lock-up period (the “Return Condition”).

In light of the above arrangements, at the end of each financial period, the Acquired Group is required senior management, to estimate the number of Solartech Shares which will continue to be held by the original senior management, employees and consultants at the end of the relevant lock-up period and recognise the value of such shares as an employee expense on a straight-line basis over the relevant lock-up period. As a result of the allotment of the Solartech Shares to the Relevant Officers, the employee expenses of the Acquired Group is estimated to be increased by approximately RMB8.9 million, RMB17.0 million, RMB9.0 million, RMB4.8 million and RMB1.9 million for the year ended 31 December 2007, and each of the financial years ending 2008, 2009, 2010 and 2011, respectively, assuming no Return Condition is triggered with respect to any Relevant Officer before the end of the relevant lock-up period.

Pursuant to the Reorganisation, on 26 June 2007, Mr. CHONG subscribed 114,973 Shares for an aggregate subscription price of HK\$12,611,481.40 on behalf of the Relevant Officers, which was satisfied by the transfer of 126,114,814 Solartech Shares to the Company. On 30 August 2007, Mr. CHONG transferred the legal title of 17,978 Shares, 18,587 Shares and 6,271 Shares, to Mr. TAN, Mr. HSU You Yuan and Mr. CHIAO Ping Hai. Mr. CHONG was personally interested in 2,509 Shares. Mr. CHONG continues to act as a trustee to hold 69,628 Shares on behalf of Ms. ZHANG Liming, nine members of the senior management of the Group, 43 employees and the two consultants.

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Upon completion of the Global Offering, the Relevant Officers will be interested in 57,486,500 Shares, representing approximately 3.4% of the issued share capital of the Company after Listing (assuming the Over-allotment Option is not exercised), and the effective purchase price per Share will be equal to approximately HK\$0.22, representing approximately 95.6% discount to the Offer Price (assuming an Offer Price of HK\$4.48, being the mid-point of the stated range of the Offer Price). The following tables set out the details of the Relevant Officers' interests in the Shares:

	Number of Shares	% of shareholding
<i>Directors</i>		
Mr. TAN	8,989,000	0.53%
Mr. HSU You Yuan	9,293,500	0.55%
Mr. CHIAO Ping Hai	3,135,500	0.19%
Mr. CHONG	1,254,500	0.07%
Ms. ZHANG Liming (<i>Note</i>)	3,133,500	0.19%
<i>Senior Management</i>		
Mr. CHUANG Jen Wen (<i>Note</i>)	6,898,500	0.41%
Mr. WANG Chun Wei (<i>Note</i>)	1,401,500	0.08%
Mr. MAO Jui Yuan (<i>Note</i>)	977,500	0.06%
Mr. LIU Shih Wan (<i>Note</i>)	690,000	0.04%
Mr. TONG Wan Sze (<i>Note</i>)	547,000	0.03%
Ms. ZHAO Xiuzhen (<i>Note</i>)	1,043,000	0.06%
Ms. CHEN Wei (<i>Note</i>)	894,000	0.05%
Mr. ZHANG Yaowen (<i>Note</i>)	819,500	0.05%
Mr. CHEN Limin (<i>Note</i>)	819,500	0.05%
Other 43 employees and the two consultants (<i>Note</i>)	17,590,000	1.04%
	57,486,500	3.4%

Note: These Shares are held by Mr. CHONG in trust for Ms. ZHANG Liming, nine members of the senior management of the Group, 43 employees and the two consultants. For details, please refer to the subsection headed "Reorganisation" in the section headed "History and Business Development" of this prospectus.

Each of the Relevant Officers has undertaken to Mr. TAN, Mr. HSU You Yuan and Mr. CHIAO Ping Hai (as the case may be), and each of Mr. TAN, Mr. HSU You Yuan, Mr. CHIAO Ping Hai and Mr. CHONG has undertaken with one another, not to dispose of or otherwise create any options, rights, interests or encumbrances of whatever nature in respect of his/her Shares (the "Relevant Shares") during the period from 26 June 2007, being the date on which the Shares were issued to the date falling 4 years after the Listing Date in the manner appearing below:

- (i) 100% of the Relevant Shares allotted and issued to the Relevant Officers will be subject to the above disposal restrictions from 26 June 2007, being the date of allotment up to (but excluding) the date of the first anniversary of the Listing Date;
- (ii) 75% of the Relevant Shares allotted and issued to the Relevant Officers will be subject to the above disposal restrictions on or after the first anniversary of the Listing Date;

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- (iii) 50% of the Relevant Shares allotted and issued to the Relevant Officers will be subject to the above disposal restrictions on or after the second anniversary of the Listing Date;
- (iv) 25% of the Relevant Shares allotted and issued to the Relevant Officers will be subject to the above disposal restrictions on or after the third anniversary of the Listing; and
- (v) none of the Relevant Shares allotted and issued to the Relevant Officers will be subject to the above disposal restrictions after the fourth anniversary of the Listing Date.

The Relevant Directors are entitled to require any Relevant Officer who is the senior management, employees or consultants of the Acquired Group to sell his or her Relevant Shares that remain subject to the lock-up period to the Relevant Directors upon the Return Condition for such Relevant Officer having been triggered, provided that in the event that a Relevant Officer ceases to be employed or otherwise engaged within one year after the Listing Date, the Relevant Directors shall not be entitled to require the Relevant Officer to sell the relevant Shares to the Relevant Directors until the first anniversary of the Listing Date.

In respect of the Shares held by Mr. CHONG on behalf of Ms. ZHANG Liming, nine members of the senior management of the Group, 43 employees and the two consultants, Mr. CHONG was entitled to exercise voting rights and hold the dividends and other distributions made in respect of such Shares (if any) in trust during the aforesaid lock-up period. Each of the senior management, employees and consultants required to comply with applicable laws, rules and regulatory requirements (including but without limitation to applicable rules promulgated by the State Administration of Foreign Exchange of the PRC (the "Relevant Requirements")). The PRC employees and the Relevant Directors agreed that any dividends declared before the relevant PRC employees could fully comply with the Relevant Requirements will be paid to the Relevant Directors, and the PRC employees concerned will not be entitled to such dividend. Each of Ms. ZHANG Liming, nine members of the senior management of the Group, 43 employees and the two consultants has charged his or her Shares in favour of the Relevant Directors who will be entitled to require such employee or consultant to transfer the Relevant Shares to the Relevant Directors (or as they may direct) in the event that such employee or consultant fails to comply with the Relevant Requirements.

SUBSTANTIAL SHAREHOLDER'S INVESTMENT IN PV INDUSTRY

As confirmed by Mr. TAN, except for the equity interest in the Group, Mr. TAN and his associates also engage in the following activities within the solar power industry: (a) manufacturing and sales of graphite materials; and (b) manufacturing of PV cells. The other businesses of Mr. TAN and his associates do not involve the production and sale of monocrystalline silicon ingots and wafers, and do not compete and are not likely to compete with the business of the Group. These businesses are directly or indirectly related to the business of the Enlarged Group in terms of its industry segments, customers bases and technology. Mr. TAN's graphite material business is an upstream player and Mr. TAN's solar cell business is a downstream player in the solar energy industry as compared with the Group. While the Group's customers are mainly wafer manufacturers and cell manufacturers, the customers of Mr. TAN's graphite material business are providing raw material to ingot manufacturers, like the Group, and the customers of his cell manufacturing business include solar module producers. In addition, the technologies employed by Mr. TAN's other businesses are not the same as that of the Group.

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The Sponsor concur with the Directors' view that such businesses owned by Mr. TAN and his associates will not be in competition with the business of the Group.

Jinzhou Youxin is currently owned as to 30% by PLC, a company controlled by Mr. CHONG. Jinzhou Youxin is a quartz crucible producer and is not engaged in the production and sale of monocrystalline silicon ingots and wafers.

NON-COMPETITION UNDERTAKING

The Directors confirm that they have no interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the Group's business. The Directors have also signed a Non-competition Undertaking with the Company, the principal terms of which are summarized as follows:

- (a) Each Director will not directly or indirectly be involved in or undertake any business that directly or indirectly competes with the Group's business or undertaking, or invest or be interested in any companies or business that compete directly or indirectly with the Group's business on and subject to the terms of the Non-competition Undertaking.
- (b) The independent non-executive Directors would review the compliance with the terms contained in the Non-competition Undertaking on an annual basis.
- (c) Each Director would provide all information necessary for conducting annual review and the enforcement of the Non-competition Undertaking by the independent non-executive Directors, including but not limited to, confirmations stating their equity interest and directorship in other businesses, copy of audited accounts of companies in which he/she is interested.
- (d) The Company would disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of the Non-competition Undertaking in the annual reports of the Company.
- (e) Each Director would make an annual declaration on compliance with the Non-competition Undertaking in the annual reports of the Company.

Disclosure on how the Non-competition Undertaking has been complied with and enforced would be consistent with the principles of making voluntary disclosures under the Corporate Governance Report under appendix 23 to the Listing Rules.

Pursuant to the Non-competition Undertaking, Mr. TAN shall continue to be bound by the terms of the Non-competition Undertaking in the event that he ceases to be a Director but remains a substantial shareholder of the Company.

The interested Director shall abstain from the meeting where there is actual or potential conflict in interest.

COMPLIANCE ADVISOR

In accordance with Rule 3A.19 of the Listing Rules, the Company will appoint BNP Paribas to be the compliance advisor, who will have access to the Company's authorised representatives, Directors and other officers at all times. The compliance advisor will advise the Company on on-going compliance requirements and other issues under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing. The material terms of the compliance advisor's agreement entered into between the Company and the compliance advisor are as follows:

- (a) the compliance advisor's appointment shall be for a period commencing on the date on which the Shares are listed on the Stock Exchange and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the financial results of the Group, or until the agreement is terminated, whichever is earlier;
- (b) the compliance advisor shall provide the Company with services including guidance and advice as to compliance with the requirements of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany the Company to any meetings with the Stock Exchange;
- (c) the Company agrees to indemnify the compliance advisor for certain actions against and losses incurred by the compliance advisor arising out of or in connection with the performance by the compliance advisor of its duties under the agreement, except where the loss occurs as a result of the gross negligence or wilful default of the compliance advisor; and
- (d) the Company may terminate the appointment of any of the compliance advisor if the compliance advisor's work is of an unacceptable standard or if there is a material dispute over fees payable to the compliance advisor (which cannot be resolved within 30 days) pursuant to the terms of the compliance advisor's agreement. The compliance advisor will have the right to terminate its appointment as compliance advisor by giving written notice to the Company.

During the period of appointment, the Company must consult with and, if necessary, seek advice from the compliance advisor on a timely basis in 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 the Company proposes to use the proceeds of the initial public offering in a manner different from that detailed in this prospectus or where the business activities, developments or results of the listed issuer deviate from any forecast, estimate, or other information in this prospectus; and
- (d) where the Stock Exchange makes an inquiry of the Company under Rule 13.10 of the Listing Rules.