

DIRECTORS

Executive Directors

Mr. GUO Deying, aged 39, is a founding member and the chairman and chief executive officer of the Group. He is responsible for the Group's overall management and the strategic development. Mr. Guo has been the chairman, the legal representative and the general manager of the Group since its establishment in 1993. Mr. Guo has about 11 years of experience in wireless communication industry. Mr. Guo was certified as an engineer by 深圳市工程技術中評委 (Shenzhen City Engineering Technical Central Examination Board) in December 1991. He holds a master's degree in engineering from 上海交通大學 (Shanghai Jiao Tong University). Mr. Guo was appointed as a guest professor by 西安電子科技大學 (Xidian University) for its computer network and information security department in November 2003. In October 2004, Mr. Guo was accredited as 中國優秀民營科技企業家 (Excellent Entrepreneur of Private-owned Technology Companies in the PRC) by 中華全國工商業聯合會 (China National Industrial and Commercial Association) and 中國民營科技實業家協會 (China Private-owned Technology Industrialists Association).

Mr. JIANG Chao, aged 33, is the chief financial officer, vice president and the company secretary of the Group and is responsible primarily for the finance and administrative functions of the Group. He is an associate member of the Association of Chartered Certified Accountants and a certified public accountant in the PRC. Mr. Jiang joined the Group in June 2002. Mr. Jiang has about 13 years of experience in accounting and finance. Prior to joining the Group, he had worked for the State Audit Bureau. Mr. Jiang had also worked for 僑興電子有限公司 (Qiaoxing Electronic Company Limited) and 深圳市中興新通訊設備有限公司 (Shenzhen Zhong Xing Xin Telecom Equipment Company Limited), being responsible for financial and accounting functions. Mr. Jiang obtained a bachelor's degree in Economics from 中山大學 (Zhongshan University) in 1991.

Non-executive Directors

Ms. MA Dehui, aged 73, is a non-executive Director. Ms. Ma joined the Group in August 2003. She was an associate professor of the faculty of computer science and technology department in 西南民族大學 (South Western University for Nationalities). Ms. Ma is the mother-in-law of Mr. Guo.

Ms. YANG Xiao, aged 35, is a non-executive Director. Ms. Yang joined the Group in August 2001. She graduated with a diploma from 深圳大學 (Shenzhen University). During 1992 to 1995, Ms. Yang worked in 深圳市運輸局 (Shenzhen Transport Bureau). Ms. Yang is the spouse of Mr. Guo.

Ms. Ma and Ms. Yang are only representatives of the controlling Shareholder on the Board and do not hold any management role in the Company.

Independent non-executive Directors

Dr. HUANG Dazhan, aged 46, is an independent non-executive Director and joined the Group in November 2004. Dr Huang obtained his doctorate degree from The Victoria University of Manchester, UK in 1993. Dr. Huang now serves as the managing director of

China Merchants Finance Holdings Co. Ltd.. He is also a non-executive director of China Merchants Bank Co. Ltd. (a company listed in the PRC) and an executive director of China Merchants China Direct Investments Ltd. (a company listed on the Main Board).

Mr. XIE Weixin, aged 62, is an independent non-executive Director and joined the Group in November 2004. Mr. Xie graduated from the Department of Electronics Engineering of Xian University of Electronics Technology in 1965. Mr. Xie is currently a professor of electrical engineering and the chancellor of the 深圳大學 (University of Shenzhen).

Mr. CHAN King Chung, aged 42, is an independent non-executive Director and joined the Group in November 2004. He obtained the bachelor's degrees in business administration and accountancy from the Chinese University of Hong Kong in 1987 and City University of Hong Kong in 1993 respectively. Mr. Chan also holds master's degrees in business administration and accountancy from Murdoch University in 2000 and Charles Sturt University in 1994 respectively. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Company Secretaries. With 10 years of experience in corporate governance, management and financial controlling, Mr. Chan is currently the company secretary of Shenzhen High-Tech Holdings Limited (a company listed on the Main Board).

Remuneration for executive Directors

During each of the three years ended 31 December 2003 and the five months ended 31 May 2004, the aggregate of the remuneration paid and benefits in kind granted to the Directors was approximately RMB148,000 (approximately HK\$140,000), RMB212,000 (approximately HK\$200,000), RMB372,000 (approximately HK\$351,000) and RMB155,000 (approximately HK\$146,000) respectively. Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years commencing on 21 November 2004 and will continue thereafter until terminated by two months' notice in writing served by either party on the other, such notice shall not expire until after the initial fixed term of three years. Each of the executive Directors will receive a salary subject to an annual review. Under the arrangement currently in force, the estimated amount of directors' fees and other emolument payable to the executive Directors for each of the three years ending 31 December 2006 will be approximately RMB500,000 (approximately HK\$472,000). Under the present arrangement, the aggregate of the executive Directors' remuneration in cash and in kind for the year ending 31 December 2004 is estimated to be approximately RMB700,000 (approximately HK\$660,000).

Particulars of the terms of the above service contracts are set forth in the paragraph headed "Particulars of Directors' service contracts" in the section headed "Further information about Directors, management and staff" in Appendix VI to this prospectus.

AUDIT COMMITTEE

The audit committee was established on 21 November 2004 with written terms of reference in compliance with the Code of Best Practice as set forth in appendix 14 to the Listing Rules. The duties of the audit committee are to review and supervise the Group's financial reporting process and internal control system.

The audit committee has three members, namely Dr. HUANG Dazhan, Mr. XIE Weixin and Mr. CHAN King Chung, of whom Mr. CHAN King Chung is the chairperson.

SENIOR MANAGEMENT

Mr. Li Wang, aged 32, is a deputy general manager of the Group and is responsible for the Group's sales and marketing. He joined the Group in March 2001. He has 7 years of working experience in the information technology industry. Before joining the Group, he worked for 華為技術有限公司 (Hua Wei Technology Company Limited). He obtained a master's degree in business administration from 大連理工大學 (Dalian University of Technology) in 1997.

Mr. Li Ming, aged 40, is a deputy general manager of the Group and is responsible for the R&D of software development. He has about 19 years of experience in software development. Before joining the Group in March 2001, he worked for various famous domestic software companies, some of which are being software developers for mobile phones. He obtained a bachelor's degree in electronic engineering from 上海交通大學 (Shanghai Jiao Tong University) in July 1985. Mr. Li was appointed as a guest professor by 西安電子科技大學 (Xidian University) in November 2003.

Mr. DONG Yongquan, aged 41, is a deputy general manager of the Group and is responsible for the R&D of hardware development. Prior to joining the Group in July 1997, he worked for 深圳雲海通信股份有限公司 (Shenzhen Winhap Communications Inc), which is mainly engaged in the R&D of smartphones. He has over 10 years of experience in developing wireless data communication products. During September 1984 to July 1987, Mr. Dong studied in the faculty of wireless communication of 長春郵電學院 (Changchun Institute of Post and Telecommunications) and graduated in 1987. He was awarded 深圳市青年科技專家中銀集團獎 (Shenzhen Municipal Young Technologist Prize — Bank of China Group Award) in 2000. Mr. Dong was appointed as a guest professor by 西安電子科技大學 (Xidian University) in November 2003.

Mr. Li Liuqun, aged 41, is a deputy general manager of the Group and is responsible for logistic, purchasing and production functions. Mr. Li also acts as the general manager of the mobile industry department. He has about 19 years of experience in the wireless telecommunication industry. Prior to joining the Group in December 2000, he worked for 國營第七六零廠 (State 760 Factory). He obtained a bachelor's degree in engineering from 西北電訊工程學院 (Xian University of Electronics Technology) in 1985.

Mr. Li Bin, aged 34, is a deputy general manager of the Group and the general manager of the systems department. Mr. Li is responsible for the provision of system solutions including R&D, technical support, marketing, and related purchase of materials. He joined the Group in June 1996. Prior to joining the Group, Mr. Li worked in 中國三江航天工業集團公司 (China Sanjiang Aviation Industry Group Company). He obtained a bachelor's degree in computer science and software engineering from 華中理工大學 (Huazhong University of Science and Technology) in 1992.

Ms. FU Qun, aged 29, is an assistant general manager of the Group. Ms. Fu is responsible for the internal management of the Group and secretarial duties of the Board. She joined the Group in July 1998. She obtained a bachelor's degree in accounting from 江西財經大學 (Jiangxi University of Finance and Economics) in 1998.

Each of the above senior management officers has entered into a service agreement with the Company for a term of three years commencing on 21 November 2004.

STAFF

As at the Latest Practicable Date, the Group had 466 full time employees. The following is a breakdown of the employees by function:—

	Total
Management	9
General administration	25
Finance	15
R&D	231
Production and quality control	35
Sales	105
Product marketing and after-sales services	
Smartphone specialists	20
Fixed wireless terminal specialists	16
Wireless system specialists	10
Total	466

Relationship with staff

During the Track Record Period, the Group has not experienced difficulty in attracting and retaining qualified key personnel, and it is to the Directors' knowledge that no member of the senior management has plans to retire or leave the Group in the near future. The Group has not experienced any significant problem with its employees or disruption to its operations due to labour disputes nor have they experienced any difficulty in the recruitment and retention of suitable employees. The Directors believe that the Group has a good working relationship with its employees.

Share Option Scheme

The Group has conditionally adopted the Share Option Scheme, the principal terms of which are set forth in the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus.

Staff benefits

The Group, in compliance with the applicable regulations of the PRC, participates in the retirement benefit schemes operated by the relevant government authorities. The Group is required to make contributions on behalf of its employees in the PRC in accordance with the relevant PRC regulations.