
DIRECTORS, SENIOR MANAGEMENT AND STAFF

DIRECTORS

Ms. Wong Kuen Ling, aged 40, is the Chairman and the Chief Executive Officer of the Company. Ms. Wong joined NTEEPHK in June 1989. In 1990, she became responsible for the Group's relationship with Texas Instruments. As a result of Ms. Wong's efforts, the Group built a strong relationship with Texas Instruments which resulted in increased sales to Texas Instruments, contributing significantly to the growth of the Group in the 1990s. In 1997, Ms. Wong became directly responsible for the Group's line of business. Ms. Wong became a director of NTSZ in September 1998. She was promoted to managing director of the Group on 1 January 2001. She was further promoted to Chairman of the Group in October 2003. Ms. Wong is instrumental in securing Sony Ericsson, Sony Computer Entertainment, OmniVision and Appeal Telecom as customers of the Group. Ms. Wong is responsible for the overall business of the Group. In addition, she will continue to maintain close contact with key customers and cultivate new customer relationships for the Group.

Mr. Guy Jean Francois Bindels, aged 43, is an executive Director of the Company. Mr. Bindels joined NT Group Management as a research and development director in March 2003. Mr. Bindels became a Director of the Company in March 2004 and his main responsibility will also be for research and development. Before joining the NTE Group, he worked with Alcatel France and in 1997 he came to Hong Kong and was in charge of the transfer of residential phone development activity to Asia. After 2000 he was the product development manager of Atlinks Hong Kong, a subsidiary of an Alcatel/Thomson multimedia joint venture company, in charge of worldwide telecommunication product development (except US and Canada). Prior to that, Mr. Bindels held various positions of management in Alcatel France in the technical and program management field. Mr. Bindels, a native of France, graduated from "Ecole Nationale d'Ingenieur de Brest" (Engineering School located in Brest) in France in 1983.

Mr. Koo Ming Kown, aged 59, is a non-executive Director of the Company (*Note*). Mr. Koo, together with Mr. Li Shi Yuen, Joseph and Mr. Tadao Murakami, represent NTE Inc.'s interest in the Company and will act as advisers to the executive Directors and senior management of the Group and provide guidance on management issues and support to the Group's business on an as needed basis. Mr. Koo is the founder of the NTE Group and has served as chairman of the board of NTE Inc. and its predecessor companies from inception until September 1998 and as senior executive officer, corporate strategy, finance and administration and chief financial officer. In addition to his current roles as chief financial officer and a director of NTE Inc., he remains responsible for mergers and acquisitions and administrative matters. Mr. Koo is a non-executive director of J.I.C. and a non-executive director of TCL Corporation. Mr. Koo is also the Chairman of Alpha Star Investments Limited, the ultimate parent company of Jiang Cheng Tong Wireless Technology Company Limited. Mr. Koo received his Bachelor of Laws degree from National Taiwan University in 1970.

Mr. Li Shi Yuen, Joseph, aged 52, is a non-executive Director of the Company (*Note*). Mr. Li, together with Mr. Koo Ming Kown and Mr. Tadao Murakami, represent NTE Inc.'s interest in the Company and will act as advisers to the executive Directors and senior management of

DIRECTORS, SENIOR MANAGEMENT AND STAFF

the Group and provide guidance on management issues and support to the Group's business on an as needed basis. Mr. Li is the co-founder of J.I.C. and its subsidiaries. Mr. Li had directed J.I.C. Group's business development since founding J.I.C. Group in 1980. He has served in various senior executive positions in the NTE Group since NTE Inc. acquired the J.I.C. Group in October 2000. Mr. Li became a director of NTSZ in January 2001. Mr. Li assumed the position of president and chief executive officer of NTE Inc. in May 2002. Mr. Li is in charge of the PRC operations of the NTE Group.

Mr. Tadao Murakami, aged 60, is a non-executive Director of the Company (*Note*). Mr. Murakami, together with Mr. Koo Ming Kown and Mr. Li Shi Yuen, Joseph, represent NTE Inc.'s interest in the Company and will act as advisers to the executive Directors and senior management of the Group and provide guidance on management issues and support to the Group's business on an as needed basis. Mr. Murakami has served the NTE Group in various executive capacities since 1984. He became the secretary and a director of NTE Inc. in December 1989. In July 1994, Mr. Murakami became president of NTE Inc. and in June 1995 became the chief executive officer of NTE Inc. until September 1998. Mr. Murakami assumed the position of vice-chairman of NTE Inc. in January 1996, and chairman from September 1998 until 1 March 2001 and resumed the position on 1 February 2002. He is in charge of the manufacturing and marketing operations of NTE Inc.. Mr. Murakami is instrumental in the introduction of Japanese technology, work ethics and customers to the NTE Group. Mr. Murakami is also an executive director of J.I.C.. Mr. Murakami studied technology in relation to broadcasting technology at Nippon Engineering College in 1964. Before joining NTE Inc., Mr. Murakami had worked with several Japanese corporations, including JVC. Mr. Murakami has over 35 years' experience in the electronics industry.

Mr. Wong Chi Chung, aged 55, is an independent non-executive Director of the Company appointed in March 2004. Mr. Wong has been the chief executive officer and an executive director of Bestway International Holdings Limited, a company involved in the mass production of PVC films and listed on the Stock Exchange, since October 2002. Mr. Wong has over 30 years of experience in consulting, financial and general management and was a management consultant at PricewaterhouseCoopers and KPMG in his earlier years and thence assumed senior management and chief executive positions in property development, power generation and distribution, manufacturing and consulting in anti-dumping related international trade issues. Mr. Wong is a Fellow Member of The Association of Chartered Certified Accountants, Associate Member of the Chartered Institute of Cost and Management Accountants and Associate Member of The Hong Kong Society of Accountants. Mr. Wong graduated from the Hong Kong Technical College in 1971 with a Higher Diploma in Accountancy.

Mr. Thaddeus Thomas Beczak, aged 53, is an independent non-executive Director of the Company appointed in March 2004. Mr. Beczak was a director of Kerry Holdings Limited ("Kerry") from 1997 to 2003. Most recently, he was the Deputy Chairman and the Publisher of SCMP Holdings Limited ("SCMP"). He remains a director of SCMP. Previously, he was

DIRECTORS, SENIOR MANAGEMENT AND STAFF

the Deputy Chairman of Shangri-La Asia Limited and a director of Kerry Properties Limited. Prior to joining Kerry, Mr. Beczak was a managing director of J.P. Morgan Inc. and president of J.P. Morgan Securities Asia Ltd., Hong Kong. From November 1997 until December 2002, Mr. Beczak was the Chairman of the Stock Exchange of Hong Kong Listing Committee and a member of the Hong Kong Stock Exchange Board of Directors from 1998 until 2001. Currently, he is a member of the Advisory Committee of the Securities and Futures Commission in Hong Kong. Mr. Beczak is an American citizen and a graduate of Georgetown University (B.S.F.S.) and Columbia University (M.B.A.). He is a member of the Board of Advisors of the School of Foreign Service of Georgetown University.

Mr. Lee Wa Lun, Warren, aged 40, is an independent non-executive Director of the Company appointed in March 2004. Mr. Lee has been a director of Yu Ming Investment Management Limited (“Yu Ming”) since 1996. Mr. Lee joined Sun Hung Kai International Limited (“Sun Hung Kai”) in 1992 and left to join Yu Ming in 1997. Both Yu Ming and Sun Hung Kai are merchant banks engaged in the business of new listings and corporate takeovers as well as investment management at the time Mr. Lee worked there. Prior to joining Sun Hung Kai, Mr. Lee worked for ABN Amro Bank N.V. in Hong Kong between 1988 and 1992. Mr. Lee graduated from University of East Anglia in England in 1986, and obtained a Master of Science from The City University Business School in London in 1988.

Note: The three non-executive Directors of the Company, being Mr. Koo Ming Kown, Mr. Li Shi Yuen, Joseph and Mr. Tadao Murakami were involved in a pending US litigation lodged against NTE Inc. in their capacity as directors of NTE Inc.. For further details of the actions, please refer to “Business — Relationship with other members of the NTE Group”.

SENIOR MANAGEMENT

Mr. Hsu Kar Hing, Joseph, aged 39, is the Chief Financial Officer of the Group. He joined the Group in February 2004 and has over 10 years of investment banking experience. Mr. Hsu worked in the corporate finance division of The Hongkong and Shanghai Banking Corporation Limited from 1992 to 2003, where his last position was Corporate Finance Director. Mr. Hsu is a qualified accountant and is an Associate Member of the Hong Kong Society of Accountants and an Associate Member of the Institute of Chartered Accountants in England and Wales. Mr. Hsu graduated with a BA degree in Economics and Accounting from Leeds University, UK and an MSc degree in Management Science from the Imperial College of Science and Technology, University of London, UK.

Mr. Chen William Yee, aged 45, is the managing director of NTSZ. He has more than 20 years of experience in the electronics industry. He joined the Group as the managing director of NTSZ in September 2003. Prior to joining NTSZ, Mr. Chen held several management positions in various multi-national companies in the Philippines and China. Mr. Chen graduated with an MBA from University of Southern Queensland in Australia. He also has a Bachelor of Science degree majoring in Industrial Psychology from the Far Eastern University of the Philippines.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Mr. Hu Shu Zhou, aged 38, is the vice managing director of NTSZ. He has more than 13 years of experience in the electronics industry. He joined the Group in 1994 as a production engineering engineer of NTSZ and was promoted to be vice general manager of NTSZ in 2001. He was further promoted to be vice managing director of NTSZ in May 2003. Mr. Hu graduated from Northwest University in China.

Ms. Sit Fung Ying, Connie, aged 41, is the financial controller of the Company. Ms. Sit joined the Group in November 2001. She has 20 years of finance and accounting experience, of which 16 years are in the electronics industry. Prior to joining the Group, Ms. Sit worked in a NASDAQ listed electronics manufacturer for 13 years. She is a Fellow Member of ACCA and Associate Member of The Hong Kong Society of Accountants. Ms. Sit holds a Master's Degree in Business Administration from The Hong Kong Polytechnic University.

Mr. Fu Xiao Jiang, William, aged 50, is the administration assistant general manager of NTSZ. He joined the Group in October 2003. Prior to joining the Group, he worked for various investment related projects for 12 years in the PRC, Canada and Hong Kong. Mr. Fu received his Bachelor's Degree in Economics from Zhongshan University, the PRC and his Master's Degree in Arts from Carleton University, Canada.

Ms. Sin Kwan Hung, Maggie, aged 42, is the purchasing assistant general manager of NTSZ. She has 16 years of experience in the field of purchasing. Ms. Sin joined the NTE Group in 1982 and was promoted as purchasing manager in 1989. She later left the NTE Group but rejoined the Group in November 1999. Ms. Sin holds a Certificate in Supervisory Development from the Hong Kong Management Association and a Certificate in Purchasing and Supply from the Hong Kong Baptist College.

Mr. Liu Pi Hao, aged 41, is the research and development assistant general manager of NTSZ. He joined the Group in November 1999 as production assistant general manager of NTSZ. Prior to joining the Group, Mr. Liu has 18 years of experience in research, development and production of electronic products in Taiwan. Mr. Liu holds a diploma in Electrical Engineering from the Private Ya Dong Industrial Technical College of Taiwan.

Ms. Ng Shuk Ha, Cyril, aged 33, is a sales manager of the Group. She joined NTEEPHK in 1997. Ms. Ng has held various positions in the Company, such as assistant to the managing director. Ms. Ng has over 10 years of experience in marketing. She received her Bachelor Degree in Social Work from the University of Hong Kong and holds a diploma in Business Management from the Chinese University of Hong Kong.

Ms. Lee Man Chee, Margie, aged 34, is a sales manager of the Group. She joined NTEEPHK in 2000. Ms. Lee has specialised in electronics manufacturing projects for over eight years. She has extensive experience in areas ranging from sales, production, market analysis, materials sourcing to new concepts development. Ms. Lee received her Bachelor Degree in Economics from Osaka City University in Japan.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Ms. Kwok Eva, aged 32, is a sales manager of the Group. She joined NTEEPHK in 1998. She has been a sales manager of the Group since 2001. Currently, Ms. Kwok is responsible for following up one of our major customers as well as exploring new market opportunities. Ms. Kwok has a Diploma in Marketing.

Ms. Huen Wing Han, Veronica, aged 34, is a sales manager of the Group. She joined NTEEPHK in 2000. She has been working in the marketing field for over 10 years. She has extensive experience in handling OEM projects, especially the Japanese market. She holds a Bachelor of Arts Degree specializing in International Relations from Ritsumeikan University in Japan.

COMPANY SECRETARY

Ms. Chuang Sze Tseng, Donna, is the Company Secretary of the Group. Ms. Chuang joined the Group in March 2004 and has more than 20 years of commercial experience gained from various industries. Before joining the Group, she was the Legal Counsel and Company Secretary of Sa Sa International Holdings Limited. Ms. Chuang obtained her law degree from the University of Hong Kong and is a solicitor of the High Court of Hong Kong.

AUDIT COMMITTEE

The Company established an audit committee on 8 April 2004 with written terms of reference as suggested under the Code of Best Practice set out in Appendix 14 to the Listing Rules.

The audit committee has 3 members comprising Mr. Wong Chi Chung, Mr. Thaddeus Thomas Beczak and Mr. Lee Wa Lun, Warren. The chairman of the audit committee is Mr. Wong Chi Chung.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Company.

REMUNERATION COMMITTEE

The remuneration committee of the Company is responsible for determining the salaries and compensation package of the Directors and senior management personnel. It has 3 members comprising Mr. Koo Ming Kown, Mr. Thaddeus Thomas Beczak and Mr. Lee Wa Lun, Warren. The chairman of the remuneration committee is Mr. Koo Ming Kown.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

STAFF

As at 17 March 2004, 1,219 full-time staff were employed by the Group (out of which 11 employees are under the employment with NTIC, the offshore consultancy company of the Group). The following table show a breakdown of employees by geographical locations and functions as at 17 March 2004:

	The PRC	Macao	Hong Kong	Total
Management	3	1	1	5
Administration, personnel and accounting	78	—	—	78
Marketing	8	10	—	18
Research and development	77	—	—	77
Supply chain management	51	—	—	51
Quality control	96	—	—	96
Production	817	—	—	817
Industrial engineering	8	—	—	8
Production engineering and mechanical engineering	45	—	—	45
Testing engineering	5	—	—	5
Computer	13	—	—	13
Audit	6	—	—	6
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Total	<u>1,207</u>	<u>11</u>	<u>1</u>	<u>1,219</u>

The Group has a stable workforce. For each of the three financial years ending 31 December 2003, employees who left the Group were less than 3% of the total workforce for each month of the respective years.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

Approximately 8.53% of the Group's employees have a university degree. 7.96% of these employees have a Bachelor's degree and 0.57% have a Master's degree. A further 24.36% of the Group's employees graduated from technical colleges and training schools. The breakdown of employees by educational level and by functions as at 17 March 2004 is shown below:

	Master's degrees	Bachelor's degrees	Training schools	Technical colleges and Secondary schools	Others
Management	2	1	2	—	—
Administration, personnel and accounting	1	9	27	38	3
Marketing	1	10	7	—	—
Research and development	3	36	38	—	—
Supply chain management	—	6	27	18	—
Quality control	—	10	26	60	—
Production	—	1	131	685	—
Industrial engineering	—	6	1	1	—
Production engineering and mechanical engineering	—	7	25	13	—
Testing engineering	—	2	3	—	—
Computer	—	4	9	—	—
Audit	—	5	1	—	—
Total	<u>7</u>	<u>97</u>	<u>297</u>	<u>815</u>	<u>3</u>

All employees of the Group are employed under employment contracts which specify, amongst other things, the employee's responsibilities, remuneration and grounds for termination of employment.

Depending on the terms of the employment contracts, in addition to basic salaries, the Group's employees may be entitled to commissions and/or bonuses. The Group has incurred staff costs of approximately US\$7.2 million, US\$5.6 million and US\$6.9 million for the three years ended 31 December 2003, representing 4.3%, 3.0%, and 5.0% of the Group's turnover for those periods.

The aggregate of bonuses paid or payable to Directors which are discretionary or are based on our performance for each of the 3 financial years ended 31 December 2003 were US\$nil, US\$239,000 and US\$877,000 respectively.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

In the PRC, the Group provides a range of welfare benefits for its employees. The Group offers dormitories, dining and recreational facilities to its employees in the PRC. In addition, an internal medical clinic has been set up to provide subsidised medical care to employees.

The Group has assisted the PRC employees of the Group to form a PRC labour union which they may join. The PRC labour union is operated by a committee elected by the PRC employees and the Group contributes 2% of the annual aggregate salaries of the PRC employees as the operating fund for the labour union.

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) for all qualifying employees. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes to the MPF Scheme for each qualifying employee. The total contributions incurred in this connection for the three financial years ended 31 December 2003 were approximately US\$24,000, US\$14,000 and US\$35,000, respectively.

According to the relevant laws and regulations in the PRC, NTSZ is required to contribute 8% to 9% of the stipulated salary set by the local government of Shenzhen, the PRC, to the retirement benefit schemes to fund the retirement benefits of their employees. The principal obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes. The total contributions incurred in this connection for the three years ended 31 December 2003 were approximately US\$220,000, US\$251,000 and US\$210,000, respectively. No forfeited contributions may be used by the employer to reduce the existing level of contributions. In accordance with relevant laws and regulations in the PRC, NTSZ also provides to its employees social insurance in relation to retirement, medical care and job-related illnesses or disabilities, unemployment and pregnancy.

In addition, a welfare fund has been set up for the non-PRC employees by the establishment of Nam Tai Welfare Fund Limited, a company limited by guarantee in Hong Kong. The purpose of the welfare fund is to promote the well-being of the employees including providing recreational activities and financial assistance to its members. All the regular full time employees of the NTE Group who are not permanent residents in PRC and have an employment contract with the NTE Group in its non-PRC companies and who are not on probation, are entitled to join the welfare fund. As at the Latest Practicable Date, the welfare fund holds 59,400 shares in NTE Inc. which were donated by Mr. Koo Ming Kown, Mr. Li Shi Yuen, Joseph, Mr. Tadao Murakami and Mr. Chui Kam Wai when the fund was established.

The Group has not experienced any strikes, work stoppages or labour disputes which affected the Group’s operations and the Directors consider the Group’s relations with its employees to be good.

DIRECTORS, SENIOR MANAGEMENT AND STAFF

TRAINING

The Group places great emphasis on the training and development of its staff, and has a structured training programme for its employees. Employees are required to attend certain in-house courses and elective courses. New employees are provided with training to ensure that they are equipped with the necessary skills to perform their duties. The Group also arranges for its staff to attend speciality training courses organised by third parties. To ensure the effectiveness of the training programme, the employees' performance in the training courses is assessed as part of the employee performance assessment system.

SHARE OPTION SCHEMES

Full-time employees (including executive Directors) are entitled to participate in the Pre-IPO Share Option Scheme and the Share Option Scheme at the discretion of the Directors. Please refer to "Other Information — Share Option Scheme" and "Other Information — Pre-IPO Share Option Scheme" in Appendix V to this prospectus.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of compensation (including fees, salaries, performance related incentive payments, contribution to retirement benefits scheme and other benefits) which would have been paid by the Group to the Directors during each of the three years ended 31 December 2003 was approximately US\$219,000, US\$315,000 and US\$934,000 respectively.

The numbers of Directors whose compensation fell within the following bands are as follows:

	Year ended 31 December		
	2001	2002	2003
	Number of Directors	Number of Directors	Number of Directors
HK\$1,000,000 or below	7	7	7
HK\$1,000,000 to HK\$1,500,000	1	—	—
HK\$2,000,001 to HK\$2,500,000	—	1	—
HK\$6,500,001 to HK\$7,000,000	—	—	1

Save as disclosed above, no other payments have been paid or are payable in respect of the three years ended 31 December 2003, by the Company or any of its subsidiaries to the Directors.