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## DIRECTORS, SENIOR MANAGEMENT AND STAFF

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### DIRECTORS

Our Board currently consists of eight Directors, including four executive Directors and four independent non-executive Directors.

<u>Name of Directors</u>	<u>Title</u>
Rui Fubin (芮福彬)	Chairman, chief executive officer and executive Director
Rui Yiping (芮一平)	General manager (marketing and sales) and executive Director
Xia Yafang (夏亞芳)	Executive vice president and executive Director
Jiang Yongwei (蔣永衛)	Vice president and executive Director
He Zhisong (何植松)	Independent non-executive Director
Wu Changshun (吳長順)	Independent non-executive Director
Yang Rongkai (楊榮凱)	Independent non-executive Director
Poon Yick Pang Philip (潘翼鵬)	Independent non-executive Director

### Executive Directors

**Mr. Rui Fubin (芮福彬)**, aged 63, was appointed as our Director on 4 January 2011, appointed as our Chairman and chief executive officer on 25 February 2012 and will become our executive Director with effect from the Listing Date. Mr. Rui is primarily responsible for the formulation of our development strategies and supervision of our overall business and operation management. Mr. Rui has over 25 years of experience in the wire and cable industry in the PRC. Since March 2004, Mr. Rui has been the chairman of Jiangnan Cable and been responsible for overall management of production, operation, sales and administration matters in the Company. From August 1997 to February 2004, he was the chairman of Wuxi Jiangnan. He has been a director of Extra Fame since December 2005, a director of Jiangnan Cable (HK) since December 2010 and a director of Jiangnan Cable and Power Heritage since February 2004. From May 1994 to October 1998, he was the deputy mayor of Guanlin Town People's Government of Yixing City. From January 1989 to January 1995, Mr. Rui was the factory director of Wuxi City Jiangnan Cable Factory (無錫市江南電纜廠) and played a role in the overall management of the factory. From January 1982 to December 1988, Mr. Rui was the director of Yixing City Guanlin Society Welfare Factory (宜興市官林社會福利廠), a company partially engaged in the production and sales of wire and cable. Mr. Rui completed two-year's adult education in the Nanjing University of Finance and Economics (南京財經大學) (formerly known as Jiangsu Cadre's Institute of Economic and Management (江蘇經濟管理幹部學院)) on a part-time basis in May 1992, majoring in industrial economic management. Mr. Rui was qualified as a senior economist (高級經濟師) by the Jiangsu Province Personnel Department (江蘇省人事廳) in November 2007.

Mr. Rui has obtained several awards, including China Outstanding Entrepreneur (中國優秀企業家) by the China Enterprise Culture Improvement Association (中國企業文化促進會), The Fifth China Township Entrepreneur Award (第五屆全國鄉鎮企業家) by the Ministry of Agriculture of PRC (中華人民共和國農業部) and Top Ten Headline Figures of China Economy (中國經濟十大新聞人物) by the Economic Daily (經濟日報) in 2004. Mr. Rui is the father of our executive Director and general manager (marketing and sales), Mr. Rui Yiping. Mr. Rui is the uncle of the spouse of Mr. Jiang Yongwei, our executive Director and vice president.

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**Mr. Rui Yiping (芮一平)**, aged 32, was appointed as our Director on 4 January 2011, appointed as our general manager (marketing and sales) on 25 February 2012 and will become our executive Director with effect from the Listing Date. Mr. Rui is responsible for our sales operation. He has over 12 years of experience in wire and cable industry in the PRC. Since March 2004, Mr. Rui has been the director of Jiangnan Cable. Mr. Rui joined Wuxi Jiangnan as a sales manager in January 2000 and he then held various positions including vice general manager, director, president and deputy chairman from 2002 to 2010. During this tenure, Mr. Rui was responsible for sales and daily management of the company and gained rich experience in the electrical wire and cable industry. He has been a director of Extra Fame since March 2006, a director of SA Asia Cable since June 2005, a director of Jiangnan Cable (HK) since December 2010 and a director of Jiangnan Cable and Power Heritage since February 2004. Mr. Rui graduated from the China Central Radio & Television University (中央廣播電視大學) with an associate degree in law on a part-time basis in July 2006. He was qualified as a senior economist (高級經濟師) by the Jiangsu Province Personnel Department (江蘇省人事廳) in November 2005. Mr. Rui was named as a China Outstanding Entrepreneur (中國優秀企業家) by the International Enterprise Development China Promotion Committee (國際企業發展中國促進會) and China Excellent Enterprise Network (中國優秀企業網) in 2006. Mr. Rui Yiping is the son of Mr. Rui Fubin, our Chairman, executive Director and chief executive officer, and a cousin of the spouse of Mr. Jiang Yongwei, our executive Director and vice president.

**Ms. Xia Yafang (夏亞芳)**, aged 39, was appointed as our Director on 26 January 2011, appointed as our executive vice president on 25 February 2012 and will become our executive Director with effect from the Listing Date. She joined us in 2004. Ms. Xia is in charge of our overall day to day operations. She was appointed as chief engineer of Jiangnan Cable in August 2011. Ms. Xia has nearly 20 years of experience in the wire and cable industry in the PRC. From April 2001 to January 2004, she was a director of technology department and vice general manager of Wuxi Jiangnan. From March 1996 to March 2001, Ms. Xia was the engineer for cable research technology and the director of cross-linked cable factory of Wuxi Far East Cable Factory (無錫遠東電纜廠). During this tenure, Ms. Xia was in charge of production and daily operations of the factory. From July 1992 to February 1996, Ms. Xia worked at Wuxi City Jiangnan Cable Factory (無錫市江南電纜廠) as a technician. Ms. Xia graduated from Nanjing Jinling Institute of Technology (南京金陵科技學院) (formerly known as Nanjing Polytechnic University (南京金陵職業大學)) with an associate degree in mechanical and electrical engineering in July 1992. Ms. Xia was qualified as a senior economist (高級經濟師) in November 2005 and senior engineer (高級工程師) in September 2007, both by the Jiangsu Province Personnel Department (江蘇省人事廳). Ms. Xia is the spouse of Mr. Han Wei, our vice general manager.

**Mr. Jiang Yongwei (蔣永衛)**, aged 45, was appointed as our vice president and our Director on 25 February 2012 and will become our executive Director with effect from the Listing Date. Mr. Jiang joined us in February 2004. He is the head of our production department responsible for our production management. He has over 20 years of experience in the wire and cable industry in the PRC. Mr. Jiang has been a director of Jiangnan Cable since

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February 2004. Mr. Jiang served as vice general manager of Wuxi Jiangnan from August 1997 to February 2004 and was responsible for overall production. From January 1990 to July 1997, Mr. Jiang was a director of infrastructure department of Wuxi Jiangnan. Mr. Jiang graduated from Southeast University (東南大學) with a master's degree in business administration in July 2004. Mr. Jiang was qualified as a senior economist (高級經濟師) in November 2005 by the Jiangsu Province Personnel Department (江蘇省人事廳). The spouse of Mr. Jiang Yongwei is the niece of Mr. Rui Fubin, our Chairman, executive Director and chief executive officer, and his spouse is a cousin of Mr. Rui Yiping, our executive Director and general manager (marketing and sales).

### Independent non-executive Directors

**Mr. He Zhisong** (何植松), aged 42, was appointed as our Director on 25 February 2012 and appointed as our independent non-executive Director on 1 March 2012. Mr. He is a partner of Beijing Kaiwen Law Firm (北京凱文律師事務所). From July 1996 to February 2002, he worked for the Justice Bureau of Zhuhai, Guangdong. From November 1994 to July 1996, he was a partner of Zhuhai Sanlian Law Firm (珠海三聯律師事務所). From July 1992 to November 1994, Mr. He worked in the government of the Jinwan (formerly known as Sanzao) district of Zhuhai. Mr. He obtained a bachelor's degree and a master's degree in law from Southwest University of Political Science and Law (西南政法大學) and Renmin University of China (中國人民大學) in July 1992 and July 1999, respectively.

**Mr. Wu Changshun** (吳長順), aged 51, was appointed as our Director on 25 February 2012 and appointed as our independent non-executive Director on 1 March 2012. Mr. Wu has worked at the Shanghai Cable Research Institute (上海電纜研究所) since April 1988 and held various positions, including vice head and vice chief engineer. He has also been an independent director of Jiangsu Yuanyang Dongze Cable Co., Ltd. (江蘇遠洋東澤電纜股份有限公司) since 21 November 2009. Mr. Wu is currently a member of Sub-special Committee of High Voltage Testing of the Chinese Society of Electrical Engineering High Voltage Special Committee (中國電機工程學會高壓專委會高壓測試分專委會委員), a member of National Standardization Technical Committee of Electrical Accessories (全國電器附件標準化技術委員會委員), a member of National Standardization Technical Committee of Wire and Cable (全國電線電纜標準化技術委員會委員), a member of Shanghai Electrical Insulation and Thermal Aging Key Laboratory Academic Committee (上海市電氣絕緣與熱老化重點實驗室學術委員會委員) and a member of Wire and Cable Engineering Research Centre Committee of Jiangsu Province (江蘇省電線電纜工程技術研究中心委員會委員). Mr. Wu obtained a bachelor's degree in engineering in July 1985 and a master's degree in engineering in April 1988, from Xi'an Jiaotong University (西安交通大學), respectively. Mr. Wu was accredited as a senior engineer (professor level) (高級工程師 (教授級)) by the Shanghai Project Series Industrial Production Senior Engineer (Lecturer Level) Qualification Jury (上海市工程系列工業生產類高級工程師 (教授級) 資格評審委員會) in July 2005.

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**Mr. Yang Rongkai (楊榮凱)**, aged 52, was appointed as our Director on 25 February 2012 and appointed as our independent non-executive Director on 1 March 2012. Mr. Yang has served as the head of the Electric Equipment Inspection and Test Centre Cable Quality Inspection Station of State Grid Electric Science Research Institute (國網電力科學研究院) (formerly known as Wuhan High Voltage Research Institute (武漢高壓研究所), which was then renamed as “State Grid Wuhan High Voltage Research Institute (國網武漢高壓研究院)” in 2007 and was subsequently merged with State Grid Nanjing Automation Research Institute (國網南京自動化研究院) and named as State Grid Electric Science Research Institute (國網電力科學研究院) in 2008 (hereinafter called “Electric Science Research Institute”)) since July 2008. Mr. Yang has been a member of the Preparatory Team for the Cable Group of the State Grid Electric Power Research Institute since April 2011 and is currently a member of the Preparatory Team for the Cable Group of the State Grid Electronics Research Institute. He was the deputy chief of the Cable Technology Research Institute (電纜技術研究所) and the deputy head of the Cable Quality Inspection Station (電纜質檢站) of Electric Science Research Institute from January 2007 to July 2008. From December 2005 to December 2006, he was the chief engineer of Cable Technology Research Centre (電纜技術研究中心) and the deputy head of the Cable Quality Inspection Station (電纜質檢站) of Electric Science Research Institute. During October 1985 to December 2006, Mr. Yang held various positions in Electric Science Research Institute, including engineer, senior engineer, and is now the deputy chief of the Cable Quality Inspection Station (電纜質檢站). He was appointed as the deputy secretary general at the Electricity Industry Electricity and Cable Standardisation Technology Committee (電力行業電力電纜標準化技術委員會) in June 2001. Mr. Yang graduated from the China Electric Power Research Institute (中國電力科學研究院) with a master’s degree in engineering in December 1985. Mr. Yang was qualified as a senior engineer (高級工程師) by the Department of Electric Power (電力工業部) of Electric Science Research Institute in December 1992.

**Mr. Poon Yick Pang Philip (潘翼鵬)**, aged 42, was appointed as our Director on 25 February 2012 and appointed as our independent non-executive Director on 1 March 2012. Mr. Poon has over 18 years of experience in corporate finance and accounting. Mr. Poon joined Real Nutraceutical Group Limited (瑞年國際有限公司) (stock code: 2010), a company listed on the Main Board of the Stock Exchange in June 2008 as the chief financial officer and company secretary. Mr. Poon has been serving as an independent non-executive director of Infinity Chemical Holdings Company Limited (星謙化工控股有限公司) (stock code: 640) since March 2010, a company listed on the Main Board of the Stock Exchange. Mr. Poon has become an independent non-executive director of Trigiant Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1300), with effect from 23 August 2011. From 2007 to 2008, he was the director of finance of China Medical Technologies, Inc., a NASDAQ listed company engaged in the manufacture and sale of advanced medical devices in China. From 2002 to 2007, he worked as the senior vice president, qualified accountant and company secretary of Paradise Entertainment Limited (stock code: 1180), a company listed on the Main Board of the Stock Exchange. Mr. Poon also served various positions in Advent International Corporation, a global private equity firm, and in major listed companies in Hong Kong, including Lenovo Group Limited (聯想集團有限公司) (stock code: 992), a company listed on the Main Board of the Stock Exchange, and Sun Hung Kai Properties Limited (新鴻基地產發展有限公司) (stock code: 16), a company listed on the Main Board of the Stock Exchange. Mr. Poon obtained a bachelor’s degree in commerce from the University of New South Wales in April 1993 and is a holder of a chartered financial analyst charter of the CFA Institute, a certified practising accountant (Australia) and a fellow of the Hong Kong Institute of Certified Public Accountants.

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### SENIOR MANAGEMENT

**Mr. Rui Fengming (芮鳳鳴)**, aged 58, is our vice general manager. Mr. Rui joined us in February 2004 and has been the executive vice general manager of Jiangnan Cable. Mr. Rui is responsible for our sales and marketing. Mr. Rui also served as director and deputy manager of Wuxi Jiangnan from August 1997 to May 2010, in charge of sales of wire and cable products. From July 1986 to July 1997, Mr. Rui worked at Wuxi City Jiangnan Cable Factory (無錫市江南電纜廠) and was responsible for sales of wire and cable in the factory. From July 1973 to June 1986, he was a technician of the Yixing Guanlin Food Station (宜興市官林食品站), being responsible for sales. Mr. Rui graduated from Jiangsu Yixing Guanlin High School (江蘇省宜興市官林中學) in July 1973. Mr. Rui Fengming does not have any relationship with our Directors.

**Mr. Han Wei (韓偉)**, aged 43, is our vice general manager in charge of sales. Mr. Han joined us in February 2004. From January 2001 to January 2004, Mr. Han worked in Wuxi Jiangnan and was a vice general manager. During this tenure, he was responsible for sales of wire and cable. From January 1996 to December 2000, he was the director of Wuxi Far East Cable Factory (Rubber Branch) (無錫遠東電纜廠橡膠分廠) and was in charge of production and daily management. From July 1992 to December 1995, Mr. Han worked at Wuxi City Jiangnan Cable Factory (無錫市江南電纜廠) and held various positions, including deputy head of equipment procurement department and deputy head of rubber and cable workshop. Mr. Han graduated from Nanjing Jinling College of Technology (南京金陵科技學院) (formerly known as Nanjing Jinling Vocational College (南京金陵職業大學)) with an associate's degree in mechanical and electrical engineering in July 1992. Mr. Han was qualified as a senior economist (高級經濟師) in November 2005 and senior engineer (高級工程師) in September 2009, both by the Jiangsu Province Personnel Department (江蘇省人事廳). Mr. Han is the spouse of Ms. Xia Yafang, our executive Director and executive vice president.

**Mr. Chan Man Kiu (陳文喬)**, aged 50, is our chief financial officer and company secretary. Mr. Chan joined us in January 2011. Mr. Chan has over 26 years of experience in the field of finance and operations. Since 2004, Mr. Chan has served as an independent non-executive director in Ming Fung Jewellery Group Limited (stock code: 860), a company listed on the Main Board of the Stock Exchange. From June 2007 to December 2010, Mr. Chan served as deputy chief operating officer in Xinhua Sports and Entertainment Limited. From March 2001 to May 2007, Mr. Chan was the finance director and managing director in business development of Xinhua Finance Limited. From January 1990 to February 2001, he held different managerial roles in Jardine Fleming. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan obtained his Professional Diploma in Accountancy from the Hong Kong Polytechnic in November 1984 and EMBA from the City University of Hong Kong in November 2003.

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**Mr. Qiu Tianhua (仇田華)**, aged 56, is our vice general manager. Mr. Qiu joined us in February 2004. He is responsible for accounting and financial matters of Jiangnan Cable. From August 1997 to January 2004, Mr. Qiu served Wuxi Jiangnan as director of the financial department. From January 1992 to July 1997, Mr. Qiu was a senior accountant of Wuxi Jiangnan Cable Factory (無錫市江南電纜廠). From January 1990 to December 1991, Mr. Qiu was an accountant in Yixing Guanlin Town Industry Corporation (宜興市官林鎮工業公司). From January 1983 to December 1989, he worked in Yixing Guanlin Guest Hotel (宜興官林迎賓館) as a senior accountant. Mr. Qiu was qualified as an associate certified public accountant (助理會計師) by Wuxi Personnel Bureau (無錫市人事局) in August 1997. Mr. Qiu graduated from Yixing Guanlin High School (宜興市官林中學) in July 1974.

Except for Mr. Poon Yick Pang Philip and Mr. Chan Man Kiu as disclosed above, none of our Directors nor senior management has been a director of any listed companies for the three years immediately preceding the Latest Practicable Date.

### CORPORATE GOVERNANCE

Our Directors recognise the importance of good corporate governance in management and internal control procedures so as to achieve accountability.

Our Company has adopted a code of corporate governance, containing the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules (including those amendments which have come into effect on 1 January 2012 and which will come into effect on 1 April 2012). Our Directors will use their best endeavours to procure our Company to comply with such code of corporate governance save for the deviation below and make disclosure of deviation from such code in accordance with the Listing Rules.

Pursuant to code provision A.2.1 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, the responsibilities between the chairman and chief executive officer should be segregated and should not be performed by the same individual. However, our Company does not have a separate chairman and chief executive officer, with Mr. Rui Fubin currently performing these two roles. Our Board believes that vesting both the roles of chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and efficiently.

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### **AUDIT COMMITTEE**

We have established an audit committee that has written terms of reference as suggested under the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The main objective of the audit committee is to assist our Board in fulfilling its fiduciary responsibilities to our Company and each of its subsidiaries to act in the interest of our shareholders as a whole. Its primary duties include: (i) to consider and make recommendation to our Board on the appointment, reappointment and removal of our external auditor; (ii) to approve the remuneration and terms of engagement of our external auditor and any questions of resignation or dismissal of our external auditor; (iii) to review our Company's financial controls, internal control and risk management systems; (iv) to monitor integrity of our Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them; and (v) to review and monitor our external auditor's independence, objectivity and the effectiveness of the audit process in accordance with applicable standards.

Our audit committee consists of four members, namely, Messrs. Poon Yick Pang Philip, He Zhisong, Wu Changshun and Yang Rongkai, all being independent non-executive Directors.

The chairman of our audit committee is Mr. Poon Yick Pang Philip.

### **REMUNERATION COMMITTEE**

We have established a remuneration committee which has written term of reference as suggested under the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The main functions of the remuneration committee include: (i) to make recommendations to our Board on our Company's policy and structure for all of our Directors, and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve management remuneration proposal with reference to our Board's corporate goals and objectives; (iii) to make recommendations to our Board on the remuneration of our non-executive Directors; and (iv) to review and approve compensation arrangements relating to dismissal or removal of our Directors for misconduct to ensure that they are consistent with relevant contracted terms and are otherwise reasonable and appropriate.

Our remuneration committee consists of five members, namely, Messrs. Wu Changshun, He Zhisong, Yang Rongkai, Poon Yick Pang Philip and Rui Yiping, of whom Messrs. Wu Changshun, He Zhisong, Yang Rongkai and Poon Yick Pang Philip are independent non-executive Directors.

The chairman of our remuneration committee is Mr. Wu Changshun.

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### **NOMINATION COMMITTEE**

We have established a nomination committee which has written terms of reference as suggested under the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The main objectives of the nomination committee are to implement a formal, transparent and objective procedure for appointing Board members and evaluating each Board member's performance and to provide clear disclosure of our Company's policies on nomination and evaluation of Board members in its annual report. Its primary functions include: (i) to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and make recommendations on any proposed changes to our Board to complement our Company's corporate strategy; (ii) to make recommendations to our Board on the appointment or re-appointment of our Directors and succession planning for our Directors, in particular, the chairman and the chief executive; (iii) to assess the independence of our independent non-executive Directors; and (iv) to keep under review the leadership needs of our Company, both executive and non-executive, with a view to ensuring continued ability of our Company to compete effectively in the marketplace.

The nomination committee consists of five members, namely, Messrs. Wu Changshun, He Zhisong, Yang Rongkai, Poon Yick Pang Philip and Rui Yiping, of whom Messrs. Wu Changshun, He Zhisong, Yang Rongkai and Poon Yick Pang Philip are independent non-executive Directors.

The chairman of our nomination committee is Mr. Wu Changshun.

### **CORPORATE GOVERNANCE COMMITTEE**

We have established a corporate governance committee which has written terms of reference as suggested under the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules which will come into effect on 1 April 2012. The main functions of the corporate governance committee include: (i) to develop and review our Company's policies and practices on corporate governance and make recommendations to our Board; (ii) to review and monitor the training and continuous professional development of directors and senior management of our Group; (iii) to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements; and (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of our Group.

The corporate governance committee consists of three members, namely, Messrs. Rui Fubin, Rui Yiping and Jiang Yongwei, all are executive Directors.

The chairman of our corporate governance committee is Mr. Rui Fubin.



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### **COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT**

For the Track Record Period, the aggregate remuneration (including fees, salaries, discretionary bonus, defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind) paid to our Directors by us was approximately RMB564,000, RMB888,000 and RMB1,697,000, respectively. Details of the Directors' remuneration are also set out in note 12 to section E – Directors' and employees' emoluments of the Accountants' Report set out in Appendix I to this prospectus.

The aggregate amount of fees, salaries, discretionary bonus, defined contribution benefit plans (including pension), housing and other allowances, and other benefits in kind paid to the five highest paid individuals of our Company, other than those already disclosed as Directors' remuneration above, for the Track Record Period were approximately RMB142,000, RMB182,000 and RMB1,016,000, respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. No Directors has waived or agreed to waive the respective remuneration during the Track Record Period.

Under the arrangement currently in force, the aggregate amount of our Directors' fees and other emoluments for the year ending 31 December 2012 is estimated to be approximately RMB2,508,000.

### **REMUNERATION POLICY**

Our remuneration policy is based on position, duties and performance of the employees. Our employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The performance appraisal cycle varies according to the positions of our employees. The performance appraisal of our senior management is conducted annually, that of our department head is conducted quarterly while that of our remaining staff will be conducted monthly. The performance appraisal is supervised by our performance management committee.

Following the Listing, the overall remuneration structure and process is expected to remain the same, except that the remuneration committee will perform such functions as set out in the paragraph headed "Remuneration committee" in this section.

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### STAFF

As at 31 December 2011, we had 2,051 employees with 2,037 based in the PRC and 14 based in South Africa. A breakdown of employees by function as at the same date is as follows:

<b>Department</b>	<b>Number of employees</b>
Management and administration	140
Finance and accounting	51
Procurement	23
Production and quality assurance	1,565
Sales and marketing	272
<b>Total</b>	<b>2,051</b>

*Notes:*

1. Four independent non-executive Directors are not included because they are not our employees.
2. There are 145 engineers and technicians working on our research and development projects.
3. 60 professional quality management personnel are included in the production and quality assurance department.

### RELATIONSHIP WITH STAFF

We recruit personnel from the open market. We provide technical as well as operational training to all new employees and on-going training for all employees.

The compensation package of the employees includes salary, bonus and other cash subsidies. In general, we determine employees salaries based on each employee's qualification, position and seniority. Our determination on salary raises, bonus and promotion is based on an evaluation of the performance of our employees through our review system.

In the PRC, we participate in mandatory pension plans and social insurance contribution plans. We are required to contribute a portion of our employees' total wages to the state's pension plan in accordance with relevant local government regulation. In accordance with the relevant national and local labour and social welfare laws and regulations, we are required to pay for and on behalf of our employees a monthly social insurance and housing reserve fund. We are also required to pay work-related injury insurance and maternity insurance for and on behalf of our employees. Details of the pension schemes are set out in note 30 to section E – retirement benefits schemes of the Accountants' Report in Appendix I to this prospectus.

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In accordance with the relevant PRC laws and regulations, we are required to make housing fund contributions for our employees since 2007. During the two years ended 31 December 2010, we did not fully comply with the housing fund requirements for our employees because a number of employees declined our Group's payment of housing fund contributions on their behalf as they did not foresee that they would purchase properties in the near future and given that the contributions made would not be returned to them in cash, they preferred not to make such contributions. As advised by our PRC Legal Adviser, starting from January 2011, we have fully complied with the PRC housing fund requirements. We estimate that the aggregate amount payable by us to the housing fund authority for the two years ended 31 December 2010 would be approximately RMB1.46 million and RMB1.79 million, respectively.

As advised by our PRC Legal Adviser, under the relevant PRC laws and regulations, we may be ordered by the relevant housing fund authority to pay the outstanding housing fund contributions within the prescribed period, and be liable for a fine of between RMB10,000 and RMB50,000. Our PRC Legal Adviser has advised that in case an employee of us succeeds in a labour dispute against us with respect to the outstanding housing fund contributions, we may be required to make such outstanding contributions to such employee. Notwithstanding the aforesaid, we are advised that the above penalty and liability will not materially affect the operation of Jiangnan Cable.

Pursuant to the deed of indemnity dated 5 April 2012, our Controlling Shareholders have agreed to provide an indemnity to us in respect of, among other matters, all possible losses incurred by us in relation to the non-compliance with the housing fund requirements for our employees.

We have not made any provision for the outstanding housing fund contributions and the liability on such outstanding housing fund contributions will be borne by our Controlling Shareholders by way of the above deed of indemnity.

The employees do not negotiate their terms of employment through any labour union or by way of collective bargaining agreement. We believe we have an amicable relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any strikes, work stoppages or labour disputes which affected our operations.

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### COMPLIANCE ADVISER

We have appointed Daiwa Capital Markets Hong Kong Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules.

Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including issuance or repurchase of Shares;
- (iii) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry with us regarding unusual movements in the price or trading volume of the shares of our Company.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year after the Listing Date.