

Chapter IV Directors, Supervisors, Senior Management and Staff

Section 1 Directors, supervisors and senior management

1. The following is a list of all current directors, supervisors and senior management:

Executive directors

Mr. Zhang Jie, aged 41, senior engineer, is Chairman of the Company and, concurrently, Chairman and general manager of China Textile Machinery (Group) Company Limited.

Mr. Fan Xinmin, aged 52, senior economist, is Vice-Chairman of the Company and deputy general manager of China Textile Machinery (Group) Company Limited.

Mr. Liu Hong, aged 43, senior economist, is Vice-Chairman and deputy general manager of China Textile Machinery (Group) Company Limited.

Mr. Pan Shunqun, aged 49, senior engineer, is deputy general manager of China Textile Machinery (Group) Company Limited.

Mr. Ye Maoxin, aged 40, senior engineer, is general manager of the Company.

Mr. Yao Yuming, aged 41, senior accountant, is executive deputy general manager and financial controller of the Company.

Mr. Wang Weizhi, aged 45, senior political engineer, is deputy general manager of the Company and chairman and secretary of the party committee of Jingwei Machinery (Group) Company Limited.

Mr. Liu Haitao, aged 38, senior engineer, is general manager and secretary of the party committee of Zhengzhou Textile Machinery Company Limited.

Mr. Gong Enqing, aged 54, senior economist, is a director of China Textile Machinery (Group) Company Limited, secretary of the party committee of Qingdao Textile Machinery Factory and Chairman of Qingdao Hongda Textile Machinery Company Limited.

Mr. Liu Xianming, aged 40, senior engineer, is secretary of the party committee of Shenyang Textile Machinery Factory and Chairman and secretary of the party committee of Shenyang Hongda Textile Machinery Company Limited.

Mr. Zhang Jianguo, aged 50, economist, is secretary of the party committee of Tianjin Textile Machinery Factory and Chairman and the secretary of party committee of Tianjin Hongda Textile Machinery Company Limited.

Independent directors

Mr. Wang Zengjing, aged 69, is head of the PRC Textile Industry Federation and Vice-Chairman of the PRC Small to Medium Enterprises International Cooperation Association.

Mr. Kon Hiu King, Kenneth, aged 40, executive director of Dan Form Holdings Co., Ltd.

Supervisors

Mr. Yin Shouen, aged 61, senior engineer, is senior advisor of China Textile Machinery (Group) Company Limited and chairman of the supervisory committee of the Company.

Mr. Tu Kelin, aged 51, senior political engineer, is secretary of the disciplinary committee of China Textile Machinery (Group) Company Limited.

Mr. Yan Fuquan, aged 39, senior accountant, is financial controller of China Textile Machinery (Group) Company Limited.

Ms. Wu Manju, aged 40, senior accountant, is chief accountant of Zhengzhou Textile Machinery Company Limited.

Mr. Zhao Wenjie, aged 53, political engineer, is vice-secretary of the party committee of Shenyang Hongda Textile Machinery Company Limited.

Mr. Bao Weiguo, aged 52, political engineer, is chairman of the labour union of the branch company of the Company.

Deputy general managers

Mr. Lin Jianwang, aged 47, is senior engineer.

Ms. Shu Hong, aged 39, is senior engineer.

Mr. Zhang Qingxi, aged 58, is senior engineer.

Company secretary

Mr. Ye Xuehua, aged 38, is senior engineer.



Section 1 Directors, supervisors and senior management (continued)

2. Term of office and equity interest of directors, supervisors and senior management

Name	Position	Gender	Term of office	Number of A Shares held at beginning of the year	Number of A Shares held at end of the year
Zhang Jie	Chairman	Male	23/5/2002-15/8/2004	0	0
Fan Xinmin	Vice-chairman	Male	15/8/2001-15/8/2004	0	0
Liu Hong	Director	Male	15/8/2001-15/8/2004	0	0
Pan Shunqun	Director	Male	23/5/2002-15/8/2004	0	0
Ye Maoxin	Director	Male	15/8/2001-15/8/2004	10,214	10,214
Yao Yuming	Director	Male	15/8/2001-15/8/2004	9,200	9,200
Wang Weizhi	Director	Male	15/8/2001-15/8/2004	0	0
Liu Haitao	Director	Male	15/8/2001-15/8/2004	0	0
Gong Enqing	Director	Male	15/8/2001-15/8/2004	0	0
Liu Xianming	Director	Male	15/8/2001-15/8/2004	0	0
Zhang Jianguo	Director	Male	15/8/2001-15/8/2004	0	0
Wang Zengjing	Independent non-executive Director	Male	15/8/2001-15/8/2004	0	0
Kon Hiu King	Independent non-executive Director	Male	15/8/2001-15/8/2004	0	0
Yin Shouen	Chairman of the supervisory committee	Male	15/8/2001-15/8/2004	0	0
Tu Kelin	Supervisor	Male	15/8/2001-15/8/2004	0	0
Yan Fuquan	Supervisor	Male	15/8/2001-15/8/2004	0	0
Wu Manju	Supervisor	Female	15/8/2001-15/8/2004	0	0
Zhao Wenjie	Supervisor	Male	15/8/2001-15/8/2004	0	0
Bao Weiguo	Supervisor	Male	15/8/2001-15/8/2004	0	0
Lin Jianwang	Deputy General Manager	Male		0	0
Shu Hong	Deputy General Manager	Female		0	0
Zhang Qingxi	Deputy General Manager	Male		2,370	2,370
Ye Xuehua	Company Secretary	Male		0	0

Except as disclosed above, none of the directors, supervisors, senior executives of the Company or their spouses or children under the age of 18 had any interests in the shares or debentures of or other interests in the Company, and none of them had been granted any right to subscribe for the shares or debentures of the Company or had exercised such right. During the reporting period, none of the directors or supervisors had a material interest in any contracts to which the Company or any of its subsidiaries was a party.

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

3. Directors' and Supervisors' concurrent postings in the Controlling Shareholder

Name	Controlling Shareholder	Title	Temure of office	Salaried or not
Zhang Jie	China Textile Machinery (Group) Company Limited	Chairman & General Manager	Since July, 2001	No
Fan Xinmin	China Textile Machinery (Group) Company Limited	Deputy General Manager	Since August, 2001	No
Liu Hong	China Textile Machinery (Group) Company Limited	Vice-Chairman & Deputy General Manager	Since October, 1997	No
Pan Shunqun	China Textile Machinery (Group) Company Limited	Deputy General Manager	Since September, 1999	No
Gong Enqing	China Textile Machinery (Group) Company Limited	Director	Since July, 2001	Yes
Yin Shouen	China Textile Machinery (Group) Company Limited	Senior Advisor	Since August, 2001	No
Tu Kelin	China Textile Machinery (Group) Company Limited	Secretary of Party Disciplinary Committee	Since September, 2001	No
Yan Fuquan	China Textile Machinery (Group) Company Limited	Head of Finance Department	Since January, 2001	No

Section 1 Directors, supervisors and senior management (continued)**4. Remuneration during the year**

1. The remuneration of directors, supervisors and senior management had been determined in accordance with the remuneration and appraisal system established by the Company. Directors, supervisors and senior management receiving remuneration from the Company are subject to the yearly remuneration package system. Pursuant to the relevant provisions in the Articles of Association of the Company, the remuneration of directors and supervisors are determined by general meetings while those of the senior management had been determined by the Board. The Board implements an annual appraisal policy for senior managers and its production and business operations are monitored by the Supervisory Committee. The Human Resources Department of the Company administers the appraisal policy.
2. During the year, the nine directors, supervisors and senior management who were remunerated by the Company had received a total remuneration of approximately RMB1,019,500, of which approximately RMB388,500 was paid to the three highest paid directors. The remuneration to the three highest paid senior management totalled approximately RMB375,500. One individual's annual salaries fell within the range from RMB90,000 to RMB100,000, six fell within the range from RMB100,000 to RMB120,000 while 2 others received remuneration in the range from RMB120,000 to RMB140,000.
3. Messrs. Zhang Jie, Fan Xinmin, Liu Hong, Pan Shunqun, Yin Shouen, Tu Kelin and Yan Fuquan received remunerations from the controlling shareholder, China Textile Machinery (Group) Company Limited. Mr. Liu Haitao, Mr. Wang Weizhi, Mr. Wang Zengjing, Mr. Gan Xiaojing, Ms. Wu Manju, Mr. Bao Weiguo and Mr. Zhao Wenjie received remuneration from their respective serving companies.
4. Independent non-executive directors did not receive any allowances from the Company.

5. Resignation of directors, supervisors and senior management during the reporting period and the appointment of senior management

With the approval of 2001 Annual General Meeting of the Company held on 23rd May 2002, Messrs. Lu Yunliang and Li Shaoping ceased to be the directors of the Company due to reshuffling of duties, Mr. Liu Shitong ceased to be member of the Supervisory Committee of the Company due to age limit. By the nomination of the general manager, Mr. Wang Weizhi was appointed as the deputy general manager of the Company at the Extraordinary Board Meeting of the Company held on 5th June 2002.

Section 2. Staff

As at 31st December 2002, the total staff number of the Group was 12,822, among which 286, 962 and 946 were at the senior, middle and junior levels respectively, and 2,011 received tertiary education. Amongst them, 1,201 were deployed to technical, scientific research and development, 518 in sales and marketing, 414 in operations and management, 9,078 in production and 1,611 in others. In addition, the number of retired staff was 3,265 as at 31st December 2002.

Wage level was determined on the basis of individual performance.

In 2002, employees costs including directors' emoluments totalled RMB320,124,000 (2001: RMB216,704,000).