

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. DIRECTORS

Mr. Yue Huafeng, born in November 1961, is the Chairman of the Group and Chairman of Xian Economic & Technological Development Group Company Limited, Director of Administrative Committee of Xian Economic & Technological Development Zone and Secretary to Xian Economic & Technological Development Zone's Committee of the Communist Party of China. Mr. Yue has continuously engaged in the management industries of institution of higher learning. He was the Committee Secretary to the Electric Engineering Faculty and Social Science Faculty of Xian Jiaotong University and Deputy Committee Secretary and Committee Secretary to Xian Jiaotong University. He was Head of the Industry Division of Xian Jiaotong University in 1992; the President of Xian Jiaotong University Industrial (Group) Incorporation from 1994 to 2003; Assistant to Chancellor of Xian Jiaotong University and Deputy Secretary General of China Higher Learning Industrial Association in 1997. He was named as an outstanding young entrepreneur in Shaanxi Province in 1999. He became the Chairman of Xian Economic & Technological Development Group Company Limited and Director of Administrative Committee of Xian Economic & Technological Development Zone and Secretary to Xian Economic & Technological Development Zone's Committee of the Communist Party of China in May 2003. Mr. Yue graduated from Electrical Engineering Faculty of Xian Jiaotong University in 1983 and attained a bachelor degree in engineering. He also graduated from Social Science Faculty of Xian Jiaotong University in 1986 and obtained a bachelor's degree in law. He is a member of the Chinese Communist Party and an associate researcher. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Zhang Hanrong, born in October 1964, is an Executive Director. Mr. Zhang has been engaged in the research and management of corporate strategies, financial control and investment decisions for a long period of time. He was a visiting scholar of University of Alberta in Canada from 1993 to 1994; Head of Finance Faculty of Management College of Xian Jiaotong University from 1995 to 1996; and Chief Economist and Deputy General Manager of Nanjiang Zhongda Moulding (Group) Company Limited from 1997 to 2000. He was the Deputy General Manager and Secretary to the Board of Directors of Xian Jiaoda Siyuan Science and Technology Company Limited from 2000 to 2001. Mr. Zhang graduated from Xian Jiaotong University and attained a bachelor degree in management engineering in 1987. He obtained a master degree in Technology, Economics and Business Administration in 1990. He is a member of the Chinese Communist Party. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Cheng Yunchuan, born in July 1962, is a Deputy General Manager of the Group. He has held the positions of Factory Heads of Dali Battery Factory, Dalian Wool Spinning Factory and Dali Paper Manufacturing Factory; Party Secretary, the Chairman and General Manager of Dali Paper Manufacturing Company Limited and the Vice-chairman and General Manager of Yunnan New Concept Bonded Science and Technology Company Limited. Mr. Cheng is an university graduate and holds the titles of engineer and senior political work engineer and had obtained a master degree in Business Administration in Jiangxi University of Finance & Economics. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Wu Ketian, born in October 1948, is an Executive Director of the Group. He joined Kunming Machine Tool Plant in 1969 and has extensive experience in production, planning and management. He has held the positions of Deputy Head and then Head of Workshops, Deputy Director and then Director of Production Section of Kunming Machine Tool Plant, and Head of Production Department of the Company and Assistant General Manager and Head of Production Department of the Company. Mr. Wu is a high school graduate and holds the title of economist. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Wang Shangjin, born in September 1942, is a Non-Executive Director of the Group and is also Chairman and the General Manager of Xian Ser Turbo Machinery Company Limited. Mr. Wang has been engaged in scientific research, development and management for a long period of time. After graduation from the university, he had been a technician of the Compression Machinery Institute under the Ministry of No. 1 Machinery Industry and an engineer at the Military Zone 214 in Fuzhou. He had worked in turbo-compressor teaching and research section of Power Faculty of Xian Jiaotong University since 1972. He took charge of the set up of Ser Turbo – Machinery Equipment Engineering Research Centre of Xian Jiaotong University in 1993 and was a Director of the center. Mr. Wang graduated from Xian Jiaotong University specializing in compression machinery in 1965 and holds an university qualification. He is a professor, tutor to doctorate students and a chief member of Minmeng Xian Jiaotong University. His appointment is from 1st November, 2002 to 31st October, 2005.

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Mr. Jiang Zhuangde, born in August 1955, is a Non-Executive Director of the Group and the Head of Science and Technology Division of Xian Jiaotong University. Mr. Jiang has been engaged in teaching, scientific research and management for a long period of time. He had been Chief of Teaching and Research of Precision Technology Section of Xian Jiaotong University; Head of Precision Engineering Research Institute; Vice-president of Machinery College and Head of Science and Technology Division. Mr. Jiang graduated from Xian Jiaotong University majoring in mechanical engineering in 1989 and attained a master degree in engineering. He is a professor and tutor to doctorate students. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Zhang Chao, born in July 1972, is a Non-Executive Director of the Group and the General Manager of Xian Jiaoda Siyuan Investment Consultant Company Limited. Mr. Zhang has been engaged in assets management and investment banking for a long period of time. He worked in Hainan Beihai Investment Group and Hainan. Hong Kong and Macau International Trust Investment Company from 1993 to 1998. He set up Xian Jiaoda Siyuan Investment Consultant Company Limited in 1998 and became its General Manager. Mr. Zhang graduated from Mathematics Faculty of Xian Jiaotong University and holds a university qualification. The appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Guo Shangwu, born in October 1946, is a Non-Executive Director of the Group. He joined Kunming Machine Tool Plant in 1970 and has extensive experience in workshop production techniques and management. He has held the positions of Deputy Head and then Head of workshops of Kunming Machine Tool Plant, Factory Director of Bulk Product Plant, Assistant General Manager, Head of Sales Department and the Deputy Chairman of the Second Supervisory Committee of the Company. Mr. Guo graduated from Kunming Institute of Engineering specialised in casting in 1970 and is a university graduate holding the title of senior engineer. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Yu Chengting, born in January 1940, is an Independent Non-Executive Director of the Group and a senior consultant and Chairman of China Machine Tool Union. Since 1962, Mr. Yu had worked in Beijing No.1 Machine Tool Plant, U.S. Howduo Company, Machine Tool Division of Machinery Committee, Machine Tool Division of Mechanical Electronics Ministry, Basic Mechanical Equipment Division of Mechanical Ministry of the State. He has held the positions of Head of Mechanical and Design Division, Deputy Head of Plant, Head of Plant, General Manager, Deputy Head and Head of Division. Mr. Yu graduated from Beijing Mechanical College in 1962 and holds the title of senior engineer. His appointment is from 1st November, 2002 to 31st October 2005.

Mr. Tong Yunhuan, born in November 1950, is an Independent Non-Executive Director of the Group and a professor of the Faculty of Economic Management and the Faculty of Public Administration of Qinghua University, member and Chief Secretary of the Education Guidance Committee of master program of Business Administration of the State. As a leader and major researcher, Mr. Tong has completed 10 scientific research projects of provincial and departmental levels or above. With regards to his accomplishment in scientific research, Mr. Tong has received the first prize for advancement in science and technology awarded by the Education Ministry and the second prize for advancement in science and technology of Yunnan Province. Mr. Tong graduated from the Faculty of Machinery of Huazhong Polytechnic University in 1982 with a bachelor degree. Mr. Tong graduated from Qinghua University in 1986 specialising in management engineering with a postgraduate's degree. He has been a visiting scholar, professor and tutor to doctorate students of Waterloo University in Canada. His appointment is from 1st November, 2002 to 31st October, 2005.

Ms. Dong Juan, born in May 1952, is an Independent Non-Executive Director of the Group and the Chairman and Chief Executive of Zhong Tian Hong International Consultant Company Limited. Since 1978, Ms. Dong has worked in the Ministry of Finance, The Export – Import Bank of China and the State-owned Assets Management Bureau of the State. She has held the positions of Deputy Chief of the Trade Department under the Ministry of Finance, the Chief of the Corporate Department of the state-owned Assets Management Bureau of the state, the Chief of the Valuation Department of the Ministry of Finance. She has been member of the Audit Committee of Issue of Shares under China Securities Regulatory Commission for two sessions and member of Chinese Experts Group of Independent Accounting and Auditing Standards for three sessions. She is an experienced Chinese expert in finance, economy and corporate management. Ms. Dong graduated from Shaanxi Financial and Economic College in 1978 with specialising in economics, and graduated from Northeast Financial and Economic University in 1997 majoring in money banking. She holds the title of registered accountant. Her appointment is from 1st November, 2002 to 31st October, 2005.

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2. SUPERVISORS

Mr. Liu Gang, born in July 1967, is Chairman of the Supervisory Committee of the Group. Mr. Liu graduated with a bachelor degree. He is an economist and a member of the Communist Party. He is qualified as a legal advisor to corporate law. He was a legal advisor to the office, Deputy Head, the General Manager of the Office of Yunnan Natural Gas Chemical Factory. He is Assistant to the General Manager, Company Secretary of the Board of Directors of Yunnan Yun Tian Chemical Co., Ltd. and the Deputy General Manager of Yunnan Province State-Owned Assets Operation Co., Ltd. His appointment is from 23rd December, 2002 to 31st December, 2005.

Mr. Sun Xingduo, born in October 1954, is Vice-President of Xian Jiaotong University Industrial (Group) Incorporation in 2003. Mr. Sun has extensive experience in administration and financial management. Since 1979, Mr. Sun has been working in Shaanxi Financial and Economic College and held the positions of Deputy Director of the General Affairs Office, Secretary of the General Departmental Branch, Head of Financial Department, Assistant to Chancellor of College, member of the Chinese Communist Party Committee of Shaanxi Financial and Economic College. In June 2000, Mr. Sun held the positions of Chairman of the Supervisory Committee of Xian Jiaotong University Industrial (Group) Incorporation, member of the Chinese Communist Party and associate researcher. His appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Shen Guorong, born in October 1948, is a Director of the Organization Department and the Director of the Labour and Personnel Section of the Party Committee of Kunming Kun Ji Group Company. Mr. Shen joined Kunming Machine Tool Plant in 1968 and has extensive experience in labour management. Since 1995 up till now, he has held the positions of Deputy Director and Director of the Organization Department and Deputy Director and Director of the Labour and Personnel Section of the Party Committee. Mr. Shen graduated from Economic Management Correspondence Union University in 1988 majoring in corporate management with professional qualification and holds the title of economist. His appointment is from 1st November, 2002 to 31st October, 2005.

Ms. Guo Junyu, born in May 1956, is the Director of the Financial Department of Xian Jiaotong University Industrial (Group) Incorporation. Ms. Guo has extensive experience in financial management. From 1983 to 1991, she had worked in the Light Industry Department of Shaanxi Province (during which she was studying in the Faculty of Economics of Anhui University in 1986). Since 1991 and up till now she has been working in Xian Jiaotong University. She was the financial executive of Xian Jiaotong Industrial (Group) Incorporation and a member of the Chinese Communist Party in 1994. She is a college graduate and an accountant. Her appointment is from 1st November, 2002 to 31st October, 2005.

Mr. Huang Xiaopu, born in June 1950, is the Head of the Logistic Department of the Company and member of the second Disciplinary Examination Committee of Kunming Kunji Group Company. Mr. Huang joined Kunming Machine Tool Plant in 1976 and had been Deputy Head of the Security Division of Kunming Machine Tool Plant, Deputy Director of the Security Department of Kunming Kunji Group Company and Head of the Personnel Department of the Company. He was a graduate of secondary school and had served as assistant political work engineer and member of the Chinese Communist Party. His appointment is from 1st November, 2002 to 31st October, 2005.

3. SENIOR MANAGEMENT

Mr. Liu Jian, born in March 1966, is the Deputy General Manager and Financial Controller of the Group and has been engaged in accounting and financial management for several years and has broad professional experience. From 1987 to 1998, he has served in the finance department of Beijing Xu Da Elevator Company, and was an accountant, supervising accountant and deputy general manager there. In 1994, he went to Singapore for training in MRP/BPCS System organised by the USA SSA Asian Pacific Training Center. From 1998 to 2000, he served as the Financial Controller of Beijing Lian Di Information System Company (a Hong Kong venture in IT industry). He was the Director of the finance department of Si Yuan Science and Technology Company of the Xian Jiaotong University from 2000 to 2001. Mr. Liu was a student in industry management engineering program of the Xian Jiaotong University from 1983 to 1987 and graduated with a bachelor's degree. He is a Chinese Communist Party member.

Mr. Qin Jianzhong, born in September 1954, is a Deputy General Manager of the Group. He joined Kunming Machine Tool Plant in 1982 and has extensive experience in the technical area and management. He has held the position of Technician, Deputy Director and the Director of Workshop, Deputy Head of the Labour and Personnel Section, Supervisor of the First Supervisory Committee of the Company and Deputy Head, Head of the Labour and Personnel Department, Executive Director and Financial Manager of the Company. Mr. Qin graduated from Polytechnic College of Neimenggu in 1982, obtained a master degree from Xian Jiaotong University in 1991 and holds the titles of engineer and senior economist. He is a Chinese Communist Party Member.

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Mr. Mu Yongping, born in July 1964 is currently the deputy general manager of the Group. He was once the Managing Deputy General Manager of Dan Yang Xing Lian Aluminium Foil Product Company, a joint venture enterprise. Mr. Mu has been engaged in enterprise production management and marketing management for several years and has broad experience in the enterprise human resources development and comprehensive management. From 1987 to 1995, he was successively the plant office manager, the Director of the enterprise management office and the vice Director of the Inn Mongolia Enamel-insulated Wire Plant. From 1995 to 1998, he studied the MBA program of the People's University of China and obtained a master degree. Mr. Mu graduated from Xian Jiaotong University and obtained a bachelor degree in industry management engineering in 1987.

Mr. Zhang Xiaoyi, born in April 1964 is the Chief engineer of the Company. Mr. Zhang joined the Company in 1985 and has been engaged in the machinery design and technical management. In 1996, he became the vice Director of the technical center and was awarded the Third Prize for Professionals with Outstanding Contribution of the Yunnan Province. In 1998, he was elected the Backup of Young and Middle-aged Technical Leaders of Yunnan Province. Mr. Zhang graduated from the machinery manufacturing technique department of Harbin Science and Technology University in 1985 with a bachelor's degree and he is a senior engineer. He is a Chinese Communist Party member.

Mr. Feng Sizhong, born in October 1946, is an university graduate and holds the title of senior economist. He is the Company Secretary to the Board of Directors and he also acts as the Company's Head of Corporate Management Department. He joined Kunming Machine Tool Plant in 1978 and has extensive technical and management experience. He has held the positions of Deputy Head and then Head of Chief Engineer Office, Deputy Chief Economist and Head of Planning Department and Corporate Management Department.

(2) FEES AND OTHER EMOLUMENTS

The Directors' and supervisors' salaries were approved at the Annual General Meeting. The salaries of the General Manager and senior management were based on evaluations of the Remuneration Committee and were approved by the Board of Directors.

During the year, the Company paid fees and other emoluments amounting to RMB1,540,000 to the Directors, supervisors and senior management. The remuneration for the three highest paid Directors totally amounted to RMB584,000 and the emoluments for the three highest paid senior management staff totally amounted to RMB616,000.

During the year, there was 1 Director entitled to the Directors' emoluments paid by the Company within the range from RMB200,000 to RMB300,000. 1 Director entitled to the Director's emoluments paid by the Company within the range from RMB150,000 to RMB200,000 and 1 Director entitled to the Director's emolument paid by the Company within the range from RMB100,000 to RMB150,000. Also there were 4 Directors entitled to the Director's emoluments within the range from RMB30,000 to RMB50,000 and 4 Directors entitled to the Director's emoluments within the range from RMB10,000 to RMB30,000. During the year, there was 1 supervisor entitled to the supervisor fees paid by the Company within the range from RMB30,000 to RMB50,000, 4 supervisors entitled to the supervisor fees paid by the Company within the range from RMB10,000 to RMB30,000.

Further, during the year, there was 1 senior management staff entitled to emoluments paid by the Company within the range from RMB200,000 to RMB300,000, 2 senior management staff entitled to emoluments paid by the Company within the range from RMB150,000 to RMB200,000 and 5 senior management staff entitled to emoluments paid by the Company within the range from RMB100,000 to RMB150,000.

The following Directors of the Company, Mr. Yue Huafeng, Mr. Wang Shangjin, Mr. Zhang Chao, Mr. Jiang Zhuangde, Mr. Guo Shangwu, Mr. Yu Chengting, Mr. Tong Inhuman and Ms Dong Juan, are not entitled to emoluments granted by the Company but for the Independent Directors of the Company, they are entitled to a monthly allowance of RMB3,000 paid by the Company.

The following supervisors, Mr. Liu Gung, Mr. Shen Guorong, Mr. Sun Xingduo and Ms. Guo Junyu are not entitled to emolument granted by the Company but they are entitled to an allowance granted by the Company.

Mr. Sun Xingduo and Ms. Guo Junyu, the supervisors of the Company received emoluments granted by one of the Company's shareholders, Jiaotong Group.

The Director of the Company, Mr. Guo Shangwu and the supervisor of the Company, Mr. Shen Guorong received emoluments from one of the Company's shareholders, Kunji Group.

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(3) CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD AND REASONS THEREOF:

There was no change of Directors, supervisors and senior management during the reporting period.

(4) COMPANY STAFF

As at 31st December, 2003, the Company had a total of 3,104 employees, comprising 1,911 staff work on the production line, 130 salesmen, 573 technical staff (included of 162 technical staff working in the management level), 41 staff working in the financial department and 188 management staff.

The Company has 897 staff graduated from different universities and colleges and 339 staff completed their post-secondary education. The Company also has 101 high level of professional technical staff and 238 intermediate level of professional technical staff.

During the reporting period, there were 44 staff retired.

(5) DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN SHARES

As at 31st December, 2003, the interests of the Directors, supervisors, senior management and their associates in the share capital of the Company recorded in the register maintained by the Company pursuant to section 29 of the Securities (Disclosure of Interests) Ordinance of Hong Kong ("SDI Ordinance") were as follows:

Name	Position	Identity card number	Shareholdings at beginning of the year		Shareholdings at end of the year	
			Personal interests	Family interests	Personal interests	Family interests
Yue Huafeng	Chairman	610103196111232433	—	—	—	—
Zhang Hanrong	Executive Director and General Manager	610103641028245	—	—	—	—
Cheng Yunchuan	Vice Chairman	532901620722033	—	—	—	—
Wu Ketian	Executive Director	530111481013003	—	—	—	—
Wang Shangjin	Non Executive Director	610103420929241	—	—	—	—
Jiang Zhuangde	Non Executive Director	610103550804241	—	—	—	—
Zhang Chao	Non Executive Director	610103720711241	—	—	—	—
Guo Shangwu	Non-executive Director	530111461005003	—	—	—	—
Yu Chengting	Independent Non-executive Director	110105400124081	—	—	—	—
Tong Yunhuan	Independent Non-executive Director	110108501108893	—	—	—	—
Dong Juan	Independent Non-executive Director	110102520503238	—	—	—	—
Liu Gang	Chairman of the Supervisory Committee	532131196707140019	—	—	—	—
Sun Xingduo	Supervisor	610113541020001	—	—	—	—
Shen Guorong	Supervisor	530111481014001	1,000	—	1,000	—
Guo Junyu	Supervisor	610103560517244	—	—	—	—
Huang Xiaopu	Supervisor	530111500601007	—	—	—	—
Liu Jian	Deputy Assistant General Manager	110106660320151	—	—	—	—
Qia Jian Zhong	Deputy Assistant General Manager	530111540918003	—	—	—	—
Mu Yongping	Deputy Assistant General manager	610103640730245	—	—	—	—
Zhang Xiaoyi	Chief Engineer	530111640419005	—	—	—	—
Feng Sizhong	Secretary to the Board of Directors	530111451228005	—	—	—	—

Note:

- (1) There was no change in the interest in shares during the reporting period.
- (2) Other than as disclosed above, as at 31st December, 2003, none of the Directors, supervisors, senior management or their associates had interests in the shares of the Company or any of its associated corporations as defined in the SDI Ordinance.

(6) DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors, supervisors or members of senior management or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

(7) CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance subsisted at the end of the year or at any time during the reporting period to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly.