



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 43, PhD graduate and Senior Engineer, has been the Chairman of the Company since May 2002, and concurrently Deputy General Manager of China Hengtian Group Company, Vice-Chairman and General Manager of China Textile Machinery (Group) Co. Ltd. and Supervisor of Hong Kong Huaming Co., Ltd., a subsidiary of the Company. Since May 1989, Mr. Zhang has been Deputy Section Chief under General Office of the Synthetic Fibre Department of the Textile Industry Ministry, Head of Synthetic Fibre Development Centre of the China Textile Association, General Manager of Huafang Real Estate Development Company, and Deputy General Manager and Chairman and General Manager of China Textile Machinery (Group) Co. Ltd..

Mr. Fan Xinmin, aged 54, university graduate and Senior Economist, has been the Vice-Chairman of the Company since March 2000. Currently, he is also the Deputy General Manager of China Textile Machinery (Group) Co. Ltd.. Since 1983, Mr. Fan has held positions including Deputy Secretary and Secretary of The Seventh Workshop of Jingwei Textile Machinery Plant, and Deputy Secretary of the Disciplinary Committee, Head of Parts and Components Factory No. 5, Deputy General Manager of Labour Service Company of the Factory, Factory Manager of Components General Factory and General Manager and Deputy Secretary of the Party Committee of its Labour Service Company, Deputy Factory Manager of Jingwei Textile Machinery Plant, Deputy Secretary of Party Committee and Secretary to the Disciplinary Committee, Secretary of the Party Committee of the Company, Acting General Manager, and General Manager and Secretary of the Party Committee of Jingwei Machinery (Group) Company Limited.

Mr. Liu Haitao, aged 40, post-graduate and Senior Engineer, has been the Director of the Company since June 2001. Mr. Liu is also the Deputy General Manager of China Hengtian Group Company, Director and Deputy General Manager of China Textile Machinery (Group) Co., Ltd. as well as General Manager and Secretary of the Party Committee of Zhengzhou Textile Machinery Co., Ltd.. Since 1992, he has been Deputy Director, Deputy Factory Manager, Factory Manager and Deputy Secretary of the Party Committee of production office of Zhengzhou Textile Machinery Factory, Factory Manager and Deputy Secretary of the Party Committee of Zhengzhou Textile Machinery Factory as well as Chairman of Zhengzhou Hongda New Textile Machinery Co., Ltd.. He has been Deputy General Manager of China Hengtian Group Company since November 2004 and Deputy General Manager of China Textile Machinery (Group) Co., Ltd. since December 2004.

Mr. Liu Hong, aged 45, post-graduate and Senior Economist, has been the Director of the Company since August 2001, and is also Director and Deputy General Manager of China Textile Machinery (Group) Co. Ltd.. Since 1992, Mr. Liu had held positions of Assistant to Factory Manager, Deputy Factory Manager, Acting Factory Manager, Secretary of the Party Committee, Factory Manager of Yichang Textile Machinery Plant and Vice-Chairman of China Textile Machinery (Group) Co. Ltd..

Mr. Gong Enqing, aged 56, university graduate and Senior Economist, has been the Director of the Company since November 1999. He is also a Director and Deputy General Manager of China Textile Machinery (Group) Co. Ltd.. Since 1983, Mr. Gong has been Deputy Chief and Deputy Factory Manager of Handan Textile Machinery Plant's Technical Section, Factory Manager, Secretary to the Party Committee of Qingdao Textile Machinery Plant and Chairman and Secretary to the Party Committee of Qingdao Hongda Textile Machinery Co., Ltd..

Mr. Ye Maoxin, aged 42, post-graduate and Senior Engineer, has been the Director of the Company since August 1998 and General Manager of the Company since August 2000. He is also a Chairman of the Company's subsidiaries of Qingdao Hongda Textile Machinery Co., Ltd., Shenyang Hongda Textile Machinery Co., Ltd., Changde Textile Machinery Co., Ltd., Wuxi Textile Technology Testing Co., Ltd., Beijing Jingwei Textile Machinery New Technology Co., Ltd., Shanghai Weixin Electrical & Machinery Co., Ltd., Hong Kong Huaming Co., Ltd., Beijing Jingpeng Investment Management Co., Ltd., and a Director of Zhengzhou Hongda New Textile Machinery Co., Ltd., Tianjin Hongda Textile Machinery Co., Ltd., Shangxi Jingwei Heli Machinery Manufacture Company, Shanghai Jingwei Dongxing Blowing Carding Machinery Co., Ltd. and Hongda Research Institute Co., Ltd.. Mr. Ye has held positions of Deputy Chief, Chief and Assistant to Factory Manager of Technical Section of Jingwei Textile Machinery Plant and Manager of Department of Chemical Fibre and Machinery, Deputy General Manager and Executive Deputy General Manager of the Company respectively since 1990.

Section 1 Directors, supervisors and senior management (continued)

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

Executive directors (continued)

Mr. Yao Yuming, aged 43, post-graduate and Senior Accountant, has been the Director and Financial Controller of the Company since August 1995 and Deputy General Manager of the Company since August 2000. He is also a Director of the Company's subsidiaries of Zhengzhou Hongda New Textile Machinery Co., Ltd., Qindao Hongda Textile Machinery Co., Ltd., Shenyang Hongda Textile Machinery Co., Ltd., Tianjin Hongda Textile Machinery Co., Ltd., Changde Textile Machinery Co., Ltd., Wuxi Jingwei Textile and Technology Testing Co., Ltd., Shanxi Jingwei Heli Machinery Manufacture Co., Ltd., Beijing Jingwei Textile New Technology Co., Ltd., Shanghai Jingwei Dongxing Blowing-Carding Machinery Co., Ltd., Shanghai Weixin Machinery and Electrical Co., Ltd., Shanghai Chuangan Commercial and Trading Co., Ltd., Hongda Research Institute Co., Ltd. and Zhengzhou Hongda Non-woven Fabric Engineering and Technology Co., Ltd., as well as Directors and General Managers of Hong Kong Huaming Co., Ltd., Ningbo Daxiewufang Hongda Trading Co., Ltd. and Beijing Jingpeng Investment Management Co., Ltd.. Since 1990, he has been the Director of the Finance Office, Assistant to the Factory's Manager and Director of the factory's banking office of Jingwei Textile Machinery Factory, as well as Financial Controller and Manager of the Finance Department of the Company.

Mr. Zhang Jianguo, aged 52, university graduate and Economist, has been the Director of the Company since November 1999. Mr. Zhang is also the Secretary of the Party Committee of Tianjin Textile Machinery Plant, Chairman and Secretary of the Party Committee of Tianjin Hongda Textile Machinery Co., Ltd.. Since 1976, he has been Deputy Supervisor of 2nd workshop, Deputy Head of Production Office, Supervisor of Assembling Workshop, Manager of Branch Factory of Jin'er, Assistant of Plant Manager, Deputy Plant Manager, Plant Manager and Secretary of the Party Committee of Tianjin Textile Machinery Plant.

Independent Non-Executive Directors

Mr. Wang Zengjing, aged 71, post-graduate and Professor, has been the Independent Non-Executive Director of the Company since June 1999, and is also Chairman of China Fashion Colour Association and Vice-Chairman of China Small to Medium Enterprises International Cooperation Association. Mr. Wang had worked as professor and post-graduate tutor of People's University of China and Harbin Polytechnic University, Director-General of State Economic Commission, Director-General of State Planning Commission, General Manager of China New Technology Investment Company, Vice-Minister of Ministry of Textile Industry, Member of Finance and Economic Committee of the 8th National People's Congress and Chairman of Supervisory Committee of China Worldbest Group Co. Ltd..

Mr. Kon Hiu King, Kenneth, aged 42, has been the Independent Non-Executive Director of the Company since June 1999. Mr. Kon graduated from Middlesex University in the United Kingdom with a Bachelor's Degree in Business Studies. He has been involved in the planning of many large-scale investment and development projects in the PRC and Hong Kong and has nearly 20 years of experience in investment and management in manufacturing industries and property development. He also has extensive experience in securities trading, corporate finance, mergers and acquisitions and corporate restructuring. He is Deputy Managing Director of Dan Form International Limited, and Dan Form Group Limited. He is also General Manager of Dan Form (Hong Kong) Limited, a wholly-owned subsidiary of Dan Form Holdings Co., Ltd..

Mr. Gao Yong, aged 51, university graduate, has been the Independent Non-Executive Director of the Company since 15th August 2004. He is currently Vice-Chairman of the PRC Textile Industry Federation, Chairman of the council member of the China Federation of Textile Machinery Industry, Director of International Trade Office of PRC Textile Industry Federation, and is currently an Independent Director of China Textile Machinery Co. Ltd. and Shanghai No. 2 Textile Machinery Co. Ltd.. Mr. Gao has been Head of and Deputy Director-General of the former State Textile Equipment Department and Executive Vice-President of China Textile Enterprises Federation since 1993.

Mr. Chen Zhong, aged 48, researcher and PhD in Economics, has been the Independent Non-Executive Director of the Company since 15th August 2004. He is Executive Vice-President of China Textile Enterprises Federation, Member of Appraisal Committee on Management of National Natural Science Foundation, Vice-Chairman of China Youth Entrepreneur Association, part-time Professor of Jilin University and the University of Industry and Commerce of Beijing. Since 1985, Mr. Chen has been Director of Research Department of China Enterprises Association, Publisher of China Enterprise News, Secretary-General of China Business Management Science Foundation, Deputy Secretary-General and member of the Party Committee of People's Government of Chongqing.



Section 1 Directors, supervisors and senior management (continued)

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

Independent Non-Executive Directors (continued)

Mr. Yu Shiquan, aged 38, university graduate, PRC Certified Public Accountant, Registered Tax Advisor, Economist and Accountant, has been Independent Non-Executive Director of the Company since 16th June 2004. Mr. Yu had worked in State Tax Bureau of Huaying City in Sichuan Province, Huaying Tax Firm, Huaying CPA Firm, Dongguan Qingxi Auditor's Firm in Guangdong Province, Sichuan Xingguang CPA Firm and State-owned Enterprises Supervisory Committee's Office respectively, as Deputy Head, Head and Secretary, and has been an Officer of State-owned Enterprise Supervisory Committee under the State Council. He is also an Independent Director of Tibet Shengdi, Greatwall Computer and Huafang Joint Stock Co., Ltd..

The Company has received confirmation letters from all Independent Non-Executive Directors regarding their independence in accordance with Section 3.13 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). The Board considers that the current Independent Non-Executive Directors are in compliance with the relevant guidelines stated in Section 3.13 of the Listing Rules, and are considered independent persons.

Supervisors

Mr. Wang Tiankai, aged 58, university graduate and Senior Engineer, has been Chairman of the Supervisory Committee of the Company since 15th August 2004. He is General Manager and Secretary of the Party Committee of China Heng Tian Group Company, and Chairman of China Textile Machinery (Group) Co. Ltd.. Since 1985, Mr. Wang had been Deputy General Manager and a member of Party Committee of Shanxi Textile Industrial Corporation, Deputy General Director and a member of the Party Committee of Shanxi Economics and Trades Committee, Deputy-General and Director-General of Technology Development Department of Ministry of Textile Industry, Director of China Textile Federation, Director of China Textile Constructions and Planning Institute, Deputy Director and a member of the Party Committee of State Administration of Textile Industry, and Chairman (at Vice-Ministerial grade) of Supervisory Committee on State's Key and Major Enterprises.

Mr. Liu Xianming, aged 42, post-graduate and Senior Engineer, has been Vice-chairman of the Supervisory Committee of the Company since May 2003. He is also an assistant to the General Manager of the Company, Vice-Chairman of Shenyang Hongda Textile Machinery Co., Ltd., a subsidiary of the Company etc. Mr. Liu had held positions as Director, Deputy Factory Manager and Factory Manager of Technology Renovation Office of Shenyang Textile Machinery Plant since 1995, and is Secretary of the Party Committee of Shenyang Textile Machinery Plant and Chairman, Secretary of the Party Committee of Shenyang Hongda Textile Machinery Co., Ltd., and Director of the Company.

Mr. Yan Fuquan, aged 41, university graduate and Senior Accountant, has been Supervisor of the Company since August 2001, and is also Chief Accountant and Financial Controller of China Heng Tian Group Company and Chief Accountant and the Director of China Textile Machinery (Group) Company Ltd.. Since 1992, Mr. Yan had held positions as Deputy Director-General of the Chief Accountant Office, Head of Finance Department, the Chief Accountant, member of Party Committee and Factory Manager of Hengyang Textile Machinery Plant respectively.

Mr. Tu Kelin, aged 53, university graduate and Senior Political Worker, has been Supervisor of the Company since August 2001, and is also Vice-Secretary of the Party Committee and Secretary of the Disciplinary Committee of China Textile Machinery (Group) Co. Ltd.. Since 1985, Mr. Tu had been Deputy Factory Manager and Manager of Zhengzhou Textile Machinery Plant Tools Department, Factory Manager and Secretary of the Party Committee of Henan Textile Machinery Plant, and Assistant to General Manager and Head of Personnel Department of the China Textile Machinery (Group) Co Ltd..

Mr. Shi Jianping, aged 42, university graduate, Senior Engineer. He has been Supervisor of the Company since August 2004. He is currently Assistant to the General Manager of the Company, General Manager of Qing Shu Machinery Business Department, Vice-chairman of Qingdao Hongda Textile Machinery Co., Ltd., a subsidiary of the Company etc. Since February 1995, Mr. Shi had been the Deputy Factory Manager of Qingdao Textile Machinery Cooling Branch Factory, General Manager of Precision Factory, the General Manager of Qingdao Hongda Textile Machinery Co., Ltd., the Factory Manager and Secretary of the Party Committee of Qingdao Textile Machinery Factory, Vice-chairman and Secretary of the Party Committee of Qingdao Hongda Textile Machinery Co., Ltd. etc.

Section 1 Directors, supervisors and senior management (continued)

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

Supervisors (continued)

Mr. Lian Jinhua, aged 45, post-graduate and Senior Accountant. He has been Supervisor of the Company since August 2004. Mr. Lian is also currently the Head of the Business Development of the Company, Director of the subsidiary of Zhengzhou Hongda Non-woven Fabric Co., Ltd., Supervisor of Beijing Jingwei New Technology Co., Ltd., Supervisory Head of Shanghai Weixin Electrical & Machinery Co., Ltd. etc. Since August 1986, Mr. Lian has been Auditor of Auditing Office of Jingwei Textile Machinery Plant, Deputy Director of Supervisory and Auditing Department, Supervisor of the Auditing Office, Chief Accountant of Shanxi Textile Machinery Plant of Jingwei Textile Machinery Plant etc.

Mr. Bao Weiguo, aged 54, university graduate and Political Worker. He has been Supervisor of the Company since August 2001. He is also currently the Chairman of the Labour Union and Vice-Secretary of the Disciplinary Committee of the Branch Company of the Company. From October 1988, Mr. Bao has held various positions such as the Party Official of the Security Department of Jingwei Textile Machinery Plant, Party Secretary of the Second Sub-Plant, Cooling & Forging Factory and Secretary of the Party Committee of Heli Company, Vice-Secretary of the Disciplinary Committee of Jingwei Machinery (Group) Co., Ltd. and the Company, Director of the Supervisory Department of Jingwei Machinery (Group) Co., Ltd. as well as Leader of Preparatory Team of the Labour Union of the Branch of the Company.

Deputy General Managers

Mr. Wang Weizhi, aged 47, university graduate and Senior Political Worker. Mr. Wang is currently the Chairman of Beijing Jindeshun Real Estate Co., Ltd. and Director of Beijing Jingwei New Technology Co., Ltd., and Shangxi Jingwei Heli Machinery Manufacture Company Limited, subsidiaries of the Company etc. Since June 1999, Mr. Wang had been the General Manager, Vice-Secretary and Secretary of the Party Committee of Jingwei Machinery (Group) Co., Ltd. and Director of the Company. Since June 2002, he has been Deputy General Manager of the Company.

Mr. Lin Jianwang, aged 49, post-graduate and Senior Engineer. Mr. Lin is currently Director of the Company's subsidiaries, namely, Qingdao Hongda Textile Machinery Co., Ltd., Shenyang Hongda Textile Machinery Co., Ltd., Wuxi Jingwei Textile Technology Testing Co., Ltd., Beijing Jingwei New Technology Co., Ltd., Shanghai Weixin Electrical & Machinery Co., Ltd., Zhengzhou Hongda Non-woven Fabric Co., Ltd. etc. In September 1993, Mr. Lin has been Chief Engineer of Qingdao Textile Machinery Factory. From March 2000, he has been Director and General Manager of Beijing Jingwei New Technology Co., Ltd. Since August 2000, he has been Deputy General Manager of the Company and Committee member of the Party Committee.

Ms. Shu Hong, aged 41, post-graduate degree and Senior Engineer. Ms. Shu is currently Director of the Company's subsidiaries, namely, Zhengzhou Hongda New Textile Machinery Co., Ltd., Tianjin Hongda Textile Machinery Co., Ltd. and Changde Textile Machinery Co., Ltd., and Supervisor of Hongda Research Co., Ltd., subsidiaries of the Company. In 1995, Ms. Shu was Head of Technology Research Centre of Tianjin Textile Machinery Plant, and she was Deputy Manager of Tianjin Textile Machinery Plant from July 1997, Deputy General Manager of Beijing Jingwei New Technology Co., Ltd. from March 2000, and has been Deputy General Manager of the Company since August 2000.

Mr. Zhang Qingxi, aged 60, university graduate and Senior Engineer. Since August 1995, Mr. Cheung has been Assistant to General Manager, Manager of the Product Development Division and Head of the Electrical Appliances Research Centre. He has been Deputy General Manager of the Company since April 1997 and resigned on 29th March 2005.

Company Secretary

Mr. Ye Xuehua, aged 40, post-graduate and Senior Engineer. In July 1990, Mr. Ye joined Jingwei Textile Machinery Plant. He has been Secretary to the Board since March 2000.

**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	15/8/2004-15/8/2007	–	–
Fan Xinmin	Vice-chairman	Male	15/8/2004-15/8/2007	–	–
Liu Haitao	Director	Male	15/8/2004-15/8/2007	–	–
Liu Hong	Director	Male	15/8/2004-15/8/2007	–	–
Gong Enqing	Director	Male	15/8/2004-15/8/2007	–	–
Ye Maoxin	Director, General Manager	Male	15/8/2004-15/8/2007	10,214	10,214
Yao Yuming	Director, Executive Deputy General Manager, Chief Financial Officer	Male	15/8/2004-15/8/2007	9,200	9,200
Zhang Jianguo	Director	Male	15/8/2004-15/8/2007	–	–
Wang Zengjing	Independent	Male	15/8/2004-15/8/2007	–	–
Kon Hiu King, Kenneth	Non-Executive Director	Male	15/8/2004-15/8/2007	–	–
Gao Yong	Independent	Male	15/8/2004-15/8/2007	–	–
Chen Zhong	Non-Executive Director	Male	15/8/2004-15/8/2007	–	–
Yu Shiquan	Independent	Male	15/8/2004-15/8/2007	–	–
Wang Tiankai	Non-Executive Director	Male	15/8/2004-15/8/2007	–	–
Liu Xianming	Chairman of supervisory committee	Male	15/8/2004-15/8/2007	–	–
Yan Fuquan	Vice-chairman of supervisory committee	Male	15/8/2004-15/8/2007	3,000	3,000
Tu Kelin	Supervisor	Male	15/8/2004-15/8/2007	–	–
Shi Jianping	Supervisor	Male	15/8/2004-15/8/2007	–	–
Lian Jinhua	Supervisor	Male	15/8/2004-15/8/2007	–	–
Bao Weiguo	Supervisor	Male	15/8/2004-15/8/2007	–	–
Wang Weizhi	Deputy General Manager	Male			
Lin Jianwang	Deputy General Manager	Male		–	–
Shu Hong	Deputy General Manager	Female		–	–
Zhang Qingxi	Deputy General Manager	Male	11/4/1997-29/3/2005	2,370	2,370
Ye Xuehua	Company Secretary	Male		–	–

Except as disclosed above, during the reporting period, none of the Directors, Supervisors and their respective spouses or children under the age of 18 had any interest in the shares, bonds or other securities of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), nor had any of them been granted or exercised any rights to subscribe for any interest in the share capital or debt securities of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) which are required to be entered in the register established and maintained in accordance with section 352 of the Securities and Futures Ordinance, or are required to be notified to the Company and The Stock Exchange of Hong Kong Limited in accordance with Model Code for Securities Transactions by Directors of the Listed Companies.

Section 1 Directors, supervisors and senior management (continued)

3. Remuneration during the year

Decision-making procedures on remunerations of Directors, Supervisors and senior management and basis of determination

- 3.1 At 16th June 2004, the general meeting of the Company approved the establishment of the Personnel Nomination and Remuneration Committee of the Board of Directors of the Company as well as the adoption of the "Implementation Rules and Regulations of the Personnel Nomination and Remuneration Committee of the Board of Directors". Accordingly, the Personnel Nomination and Remuneration Committee of the Board of Directors of the Company formulated salary plan based on the major scope of work, job duty, importance of the positions of the Directors, Supervisors and senior management staff and salary level of relevant positions compared with similar positions in other relevant enterprises.
- 3.2 During the year, the twelve Directors, Supervisors and senior management who receive remuneration from the Company had received a total remuneration of approximately RMB1,830,000, of which approximately RMB662,000 was paid to the three highest paid directors. The remuneration to the three highest paid senior management totalled approximately RMB531,000. Two individuals' annual salaries fell within the range from RMB200,000 to RMB230,000, six fell within the range from RMB170,000 to RMB200,000 while three received remuneration which fell within the range of RMB80,000 to RMB120,000, and one received remuneration of less than RMB80,000.
- 3.3 Mr. Zhang Jie, Mr. Fan Xinmin, Mr. Liu Hong, Mr. Gong Enqing, and Mr. Tu Kelin received remunerations from the controlling shareholder, China Textile Machinery (Group) Company Limited. Mr. Wang Tiankai, Mr. Liu Haitao and Mr. Yan Fuquan, received remunerations from their respective serving companies.
- 3.4 Since the commencement of the tenure of the Fourth Board from 15th August 2004, annual remunerations of each of the Independent Non-Executive Directors of the Company during the tenure would be RMB30,000. The Independent Non-Executive Directors have not received remunerations from the Company before 15th August 2004.

4. Resignation and election of Directors, Supervisors and senior management during the reporting period

On 16th June 2004, upon elections at the Company's general meeting, Mr. Yu Shiquan was newly appointed as an Independent Non-Executive Director of the Company. Upon expiry of terms on 15th August 2004, Mr. Pan Shunqun and Mr. Wang Weizhi ceased to be the Directors of the Company. Mr. Yin Shouen, Madam Wu Manju and Mr. Zhao Wenjie ceased to be Supervisors of the Company. Mr. Gao Yong and Mr. Chen Zhong were newly appointed as Independent Non-executive Directors of the Company. Mr. Wang Tiankai was newly appointed as representative Supervisor for shareholders. On the same day, Mr. Wang Tiankai was elected as chairman of the Supervisory Committee upon elections at a meeting of the Supervisory Committee. At a staff representatives' meeting, Mr. Shi Jianping and Mr. Lian Jinhua were newly elected as Supervisors for staff representatives. On 29th March 2005, Mr. Zhang Qingxi retired after attaining his retirement age and no longer served as the Company's deputy general manager upon approval of the Board.

Section 2 Staff

As at 31st December 2004, the total staff number of the Group was 11,935, among which 382, 881 and 793 were at the senior, middle and junior levels respectively, and 1,984 received tertiary education. Amongst them, 1,629 were deployed to technical, scientific research and development, 346 in sales and marketing, 397 in operations and management, 7,155 in production and 2,408 in others. The salary and benefit of the staff maintained at a competitive level. In addition, the number of retired staff was 3,545 as at 31st December 2004.