

(1) PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Profiles of Directors, Supervisors and Senior management

Name	Title	Gender	Age	Date of appointment	Date of cessation	Number of shares hold on 1.1.04	Number of shares hold on 31.12.04	Increase/Decrease	Reasons
Yue Huafeng	Chairman and Executive Director	M	44	2002-11-01	2005-4-18	-	-	-	
Zhang Hannong	Vice-chairman, Executive Director, General Manager and Deputy Party Secretary	M	41	2002-11-01	2005-10-31	-	-	-	
Cheng Yunchuan	Vice-chairman, Executive Director, Deputy General Manager, Party Secretary	M	43	2002-11-01	2005-10-31	-	-	-	
Wu Ketian	Executive Director, Deputy Party Secretary, Secretary to Discipline Inspection Committee of CPC	M	57	2002-11-01	2005-10-31	-	-	-	
Wang Shangjin	Non-Executive Director	M	63	2002-11-01	2005-10-31	-	-	-	
Jiang Zhuangde	Non-Executive Director	M	50	2002-11-01	2005-10-31	-	-	-	
Zhang Chao	Non-Executive Director	M	33	2002-11-01	2005-10-31	-	-	-	
Guo Shangwu	Non-Executive Director	M	59	2002-11-01	2005-10-31	-	-	-	
Yu Chengting	Independent Non-Executive Director	M	65	2002-11-01	2005-10-31	-	-	-	
Tong Yunhuan	Independent Non-Executive Director	M	55	2002-11-01	2005-10-31	-	-	-	
Dong Juan	Independent Non-Executive Director	F	53	2002-11-01	2005-10-31	-	-	-	
Liu Gang	Chairman of the Supervisory Committee	M	38	2002-11-01	2005-10-31	-	-	-	
Sun Xingduo	Supervisor	M	51	2002-11-01	2005-10-31	-	-	-	
Shen Guorong	Supervisor	M	57	2002-11-01	2005-10-31	1,000	1,000	-	
Guo Junyu	Supervisor	F	49	2002-11-01	2005-10-31	-	-	-	
Huang Xiaopu	Supervisor, Production Supervisor	M	55	2002-11-01	2005-10-31	-	-	-	
Liu Jian	Deputy General Manager, Financial Controller	M	39	2002-11-01	2005-10-31	-	-	-	
Qin Jianzhong	Deputy General Manager, Party Committee	M	51	2002-11-01	2005-10-31	-	-	-	
Mu Yongping	Deputy General Manager	M	41	2002-11-01	2005-10-31	-	-	-	
Zhang Xiaoyi	Deputy General Manager, Party Committee and Secretary to the Communist Youth league of China	M	41	2002-11-01	2005-10-31	-	-	-	
Feng Sizhog	Board of Directors Secretary, Company Secretary	M	59	2002-11-01	2005-10-31	-	-	-	

2. Working experience of Directors, Supervisors and Senior management

- (1) Mr. Yue Huafeng was the Chairman and Director of the Group during the year. He resigned his duty as Chairman and Director on 18th April, 2005. 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 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. His appointment is from 1st November, 2002 to 18th April, 2005.
- (2) Mr. Zhang Hanrong is the Vice-Chairman, Executive Director, General Manager and Deputy Secretary of the Group. 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. He joined the group in August 2001 and has held the positions of Deputy General Manager and General Manager of the Group. His appointment is from 1st November, 2002 to 31st October, 2005.
- (3) Mr. Cheng Yunchuan is a Deputy General Manager of the Group. From the period August 1999 to September 2000, 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. He has held the positions of Deputy General Manager, Vice-Chairman and Executive Director of the Group. His appointment is from 1st November, 2002 to 31st October, 2005.
- (4) Mr. Wu Ketian 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (5) Mr. Wang Shangjin is a Non-Executive Director of the Group and is also the Chairman of Xian Ser Turbo Machinery Company Limited. Mr. Wang has been engaged in scientific research, development and management for a long period of time. 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. He established Xian Ser Turbo Machinery Equipment Company Limited in October 1992 and is now the Chairman and Executive Director of the Company. His appointment is from 1st November, 2002 to 31st October, 2005.
- (6) Mr. Jiang Zhuangde is a Non-Executive Director of the Group and the Deputy 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 has been working in Xian Jiaotong University since July 1977. 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. His appointment is from 1st November, 2002 to 31st October, 2005.

- (7) Mr. Zhang Chao 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (8) Mr. Guo Shangwu is a Non-Executive Director and Secretary of Committee of CPC 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (9) Mr. Yu Chengting is an Independent Non-Executive Director of the Group and the Deputy 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. He holds the position of Chairman in China Machine Tool & Tool Builders' Association since 2000 and Deputy Chairman since August 2004. His appointment is from 1st November, 2002 to 31st October 2005.
- (10) Mr. Tong Yunhuan 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 since 2001. As a leader and major researcher. His appointment is from 1st November, 2002 to 31st October, 2005.
- (11) Ms. Dong Juan 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. She has been the Chairman and Chief Director of Zhong Tian Hong International Consultant Company Limited since 2000. Her appointment is from 1st November, 2002 to 31st October, 2005.
- (12) Mr. Liu Gang is Chairman of the Supervisory Committee of the Group. 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 from 2000 to July 2002. His appointment is from 23rd December, 2002 to 31st December, 2005.
- (13) Mr. Sun Xingduo 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.
- (14) Mr. Shen Guorong is a supervisor of the Group, 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. His appointment is from 1st November, 2002 to 31st October, 2005.

- (15) Ms. Guo Junyu 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. 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 in 1994. Her appointment is from 1st November, 2002 to 31st October, 2005.
- (16) Mr. Huang Xiaopu 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (17) Mr. Liu Jian 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. 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. He was the Deputy General Manager of the Group since August 2001 and becomes the Deputy General Manager and Financial Controller of the Group started from June 2002. His appointment is from 1st November, 2002 to 31st October, 2005.
- (18) Mr. Qin Jianzhong 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (19) Mr. Mu Yongping is currently the Deputy General Manager of the Group. He was the Managing Deputy General Manager of Dan Yang Xing Lian Aluminium Foil Product Company, a joint venture enterprise from May 2000 to April 2001. From May 2001 to August 2001, he held the position of Assistant Manager of Daya Keji Holding Co. Ltd.. 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (20) Mr. Zhang Xiaoyi is the Deputy General Manager 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. His appointment is from 1st November, 2002 to 31st October, 2005.
- (21) Mr. Feng Sizhong is the Company Secretary to the Board of Directors (Company Secretary). 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. His appointment is from 1st November, 2002 to 31st October, 2005.

(2) POSITION IN OTHER BUSINESS UNIT

Name	Company	Title	Remuneration reward? (Y/N)
Sun Xingduo	Jiaotong Group	Deputy Director	Y
Guo Juny	Jiaotong Group	Head of Financial Department	Y

Position in other business unit

Name	Company	Title	Remuneration reward? (Y/N)
Yue Huafeng	Xian Economic & Technological Development Group Company Limited	Director, Secretary to Working Committee of CPC	Y
Zhang Hanrong	Xian Ser Turbo Machinery Equipment Company Limited	Deputy Chairman	Y
	Xian Jiaotong University Siyuan Intelligent Electric Apparatus Company Limited	Chairman	Y
Wang Shangjin	Xian Ser Turbo Machinery Equipment Company Limited	Chairman	Y
Zhang Chao	Xian Jiaoda Siyuan Investment Consultant Company Limited	General Manager	Y
Yu Chengting	China Machine Tool Union	Acting Director-General	Y

Name	Company	Title	Remuneration reward? (Y/N)
Tong Yuhuan	Qinghua University	Head of Faculty of Economic Management	Y
Dong Juan	Zhong Tian Hong International Consultant Company Limited	Chairman and Chief Executive	Y
Jiang Zhuangde	Xian Jiaotong University	Deputy Principal	Y
Cheng Yunchuan	Kunji Group	Member of Committee of CPC	N
Wu Ketian	Kunming Machine Tool Plant	Chairman of the Supervisory Committee	Y
	Shanxi Hengtong Intelligent Machine Company Limited	Chairman of the Supervisory Committee	Y
	Xian Ser Turbo Machinery Equipment Company Limited	Chairman of the Supervisory Committee	Y
Guo Shangwu	Kunming Machine Tool Plant	General Manager, Party Secretary	Y
Liu Gang	Yunnan State-Owned Assets Operation Co. Ltd.	General Manager	Y
Shen Guorong	Kunming Machine Tool Plant	Secretary to Discipline Inspection Committee of CPC Deputy Secretary to Committee of CPC Chief of Personal Department	Y
Liu Jian	Si Yuan Science and Technology Company	Supervisor Director	Y
	Xian Economic & Technological Development Group Company Limited	Director	Y
Zhang Xiaoyi	Shanxi Hengtong Intelligent Machine Company Limited	Director	Y
	Xian Economic & Technological Development Group Company Limited	Director	Y
Qin Jianzhong	Xian Economic & Technological Development Group Company Limited	Chairman of the Supervisory Committee	Y
Mu Yongping	Kunming Machine Tool Plant	Chairman	Y

(3) 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.

- Fee and other emoluments**

Unit: RMB'000

Fee and other emoluments to the Directors, supervisors and senior management	2,486
Three highest paid Directors	1,124
Three highest paid senior management	1,256
Emolument for independent Directors	36 (per person/per year)
Other consideration for Independent Directors	Accommodation, transports, conference and training expenses for business purposes was paid by the Company

- Range of emoluments**

Number of person

300k-800k	1
250k-300k	3
150k-250k	1
100k-150k	3
50k-100k	—
30k-50k	5
10k-30k	8

(4) 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.

Note: Yue Huafeng, the Chairman, applied for resignation of both the duty of Chairman and Director for business reason. His resignation was effective started from 18th April, 2005.

(5) COMPANY STAFF

As at 31st December, 2003, the Company had a total of 3,093 employees. During the reporting period, there were 208 staff with pension scheme retired. Up to 31st December, 2004, the total number of staff is 3,093, comprising 1,953 staff work on the production line, 134 salesmen, 433 technical staff (included of 173 technical staff working in the management level), 62 staff working in the financial department and 265 management staff.

The Company has 440 staff graduated from different universities and colleges, 416 staff completed their diploma education and 371 staff completed their post-secondary education. The Company also has 110 high level of professional technical staff and 232 intermediate level of professional technical staff.