

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Profiles of Directors, Supervisors and Senior Management

Unit: share, RMB

Name	Title	Gender	Age	Date of appointment	Date of cessation	Number of shares held on 1st January, 2006	Number of shares held on 31st January, 2006	Emoluments received within the reporting period (RMB10,000)
Gao Minghui	Chairman and executive director	M	44	2006-12-30	2008-10-31			0.60
Zhang Hanrong	Vice-chairman, Executive Director, General Manager and Deputy Party Secretary	M	43	2002-11-1	2008-10-31			63.27
Cheng Yuchuan	Vice-chairman, Executive Director, and Party Secretary	M	45	2002-11-1	2007-3-23			32.69
Wu Ketian	Executive Director, Labour Union Chairman	M	58	2002-11-1	2007-3-23			23.71
Sun kai	Non-executive Director	M	40	2006-9-30	2008-10-31			0.60
Wang Sheng	Non-executive Director	M	41	2006-9-30	2008-10-31			0.60
Lei Jinlu	Non-executive Director (former Chairman, Executive Director)	M	52	2005-6-16	2007-3-23			3.60
Guo Shangwu	Non-executive Director	M	60	2002-11-1	2007-3-23			2.40
Yu Chengting	Independent Non-executive Director	M	67	2002-11-1	2007-3-23			3.60
Tong Yuhuan	Independent Non-executive Director	M	56	2002-11-1	2007-3-23			3.60
Wayne Yu	Independent Non-executive Director	M	43	2005-6-16	2008-10-31			3.60
Liu Gang	Chairman of Supervisory Committee	M	39	2002-11-1	2007-3-23			2.40
Sun Xingduo	Supervisor	M	52	2002-11-1	2007-3-23			1.80
Shen Guorong	Supervisor	M	59	2002-11-1	2007-3-23	1,000	1,000	1.80
Guo Junyu	Supervisor	F	50	2002-11-1	2007-3-23			1.80
Zhao Qiongfeng	Employee Supervisor	F	44	2006-12-30	2008-10-31			
Zhang Xiaoyi	Vice General Manager, Member of Party Committee, Secretary to the Youth League of China	M	43	2002-11-1	2008-10-31			31.47
Zhou Guoxing	Vice General Manager (former Chief Engineer)	M	44	2006-4-10	2008-10-31			
Ye Nong	Vice General Manager	M	46	2006-12-30	2008-10-31			
Pi Jianguo	Chief Financial Officer	M	35	2006-12-30	2008-10-31			
Yu Yan	Secretary to the Board (former Chief Financial Officer)	F	35	2006-12-30	2008-10-31			19.29
Feng Sizhong	Former Secretary to the Board	M	61	2002-11-1	2007-2-28			25.65
Wang Shangjin	Former Non-executive Director	M	64	2002-11-1	2006-9-30			1.80
Wen Peixiong	Former Non-executive Director	M	53	2005-6-16	2006-9-30			1.80
Luo Guowei	Former Non-executive Director	M	43	2005-11-1	2006-9-30			1.80
Dong Jun	Former Independent Non-executive Director	F	54	2002-11-1	2006-8-15			2.40
Huang Xiaopu	Employee Supervisor, Production Supervisor	M	56	2002-11-1	2006-12-30			5.25
Total						1,000	1,000	235.53

- (1) Save as disclosed above, none of the directors, supervisors and senior management of the Company, as at 31st December, 2006, had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.
- (2) None of the directors, supervisors and senior management or their respective associates was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or had exercised any such right as at 31st December, 2006.
- (3) Save for those set out in the register required to be maintained by directors and supervisors under Section 352 of the SFO, during the reporting period, the Company did not engage in any arrangement which would enable the directors or supervisors of the Company or their respective associates to acquire any interest in any shares or debentures of the Company, nor did the directors or supervisors had any interest which was required to be recorded in the register under Section 352 of the SFO.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Working experience of Directors, Supervisors and Senior Management in the latest 5 years

- (1) Mr. Gao Minghui, Chairman of the Board, Executive Director of the Company, born in 1963. He graduated from the Northeastern University with bachelor degree in engineering in 1988. Mr. Gao was a researcher, deputy superintendent and superintendent of the Research and Development Department of Shenyang First Machine Tool Factory. Then he was the Deputy Chief Engineer, General Manager Assistant, Deputy General Manager, and General Manager of Shenyang First Machine Tool Factory. In January 2002, he became the deputy General Manager of Shengyang Machine Tool Company Limited. He has been the Chairman of the Board of Directors of Shenyang Machine Tool (Group) Kunming Limited since June 2006. From October, 2006, he has become the executive director of the Company, and became the Chairman of the Company on December 30, 2006. His current term is from 30th October, 2006 to 31st October, 2008.
- (2) Mr. Zhang Hanrong, Vice-chairman, Executive Director, General Manager and Deputy Secretary of the Communist Party of China of the Group. Mr. Zhang has 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 Xi'an Jiaotong University from 1996 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 Xi'an 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. He has been the Director of the Company since 1st November, 2002. His current term is from 1st November, 2005 to 31st October, 2008.
- (3) Mr. Cheng Yunchuan is a Deputy General Manager of the Group. During August 1999 to September 2000, he held the position of Factory Heads in Dali Paper Manufacturing Factory as Party Secretary, the Chairman and General Manager 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. He has been the Director of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (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 held the positions of Deputy Head, Head of Workshops, Director of Production Section of Kunming Machine tool Plant, Head of Production Department of the Company and Assistant General Manager of the Company. He has been the director of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (5) Mr. Sun Kai is a non-executive director of the Company. He was born in 1966, holds a master degree and is a senior economist. He graduated from Dongbei University of Finance & Economics in Finance major. He held the positions of Deputy Manager of the Import and Export Department of Liaoning Province Medical Appliance Company; General Manager Assistant of Liaoning Trust and Investment Company; Finance Section Chief of Liaoning Province Government; Manager of the Finance and Accounting Department, Deputy General Manager, and the Secretary to the Board of Shenyang Machine tool Company Limited. He has been the Deputy General Manager of Shenyang Machine Tool (Group) Limited since 2006. From 30th October, 2006, he became a non-executive director of the Company. His current term is from 30th September, 2006 to 31st October, 2008.

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- (6) Mr. Wang Sheng is a non-executive director of the Company. He was born in 1965, is member of the Chinese Communist Party, graduated from Shenyang Industry University with a bachelor degree in Engineering in 1986. In 1989, he graduated from Dalian Polytechnic University with a master degree. He held the positions of Deputy Section Chief, Deputy Chief Engineer, Deputy General Manager of Zhong Jie You Yi Machine tool Factory. From January, 2006, he has been the Deputy General Manager of Shenyang Machine Tool (Group) Limited. And he has become the non-executive director of the Company from 30th October, 2006. His current term is from 30th September, 2006 to 31st October, 2008.
- (7) Mr. Lei Jinlu is the non-executive director of the Company and is the President and Director of Xi'an Jiaotong University Industrial (Group) Company. Mr. Lei has held a managerial position in the industry for a long time. He was the Secretary to Branch of Communist Party of China ("CPC") in Xi'an Jiaotong University Mechanical Factory and was the Deputy Head and Head of Finance Division of Xi'an Jiaotong University from 1989 to 2003. Mr. Lei graduated from Xi'an Jiaotong University with a bachelor degree and a Post-Graduate Diploma. He also obtained his MBA degree from the Hong Kong Polytechnic University in 2004. Effective from 16th June, 2005, he holds position as President and Director of the Company. Since 30th December, he did not held the President position of the Company because of the change of substantial shareholder of the Company. His current term was from 1st November, 2005 to 23rd March, 2007.
- (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 workshop of Kunming Machine Tool Plant, Factory Director of Large Parts Production Plant, Assistant General Manager, Head of Sales Department and the Deputy Chairman of the second Supervisory Committee of the Company. He has been the Director of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (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 Machine Committee, Machine Tool Division of Mechanical Electronics Ministry, Basic Mechanical Equipment Division of Mechanical Ministry of the State. He has held the positions of the Head of Mechanical and Design Division, Deputy Head of Plant, Head of Plant, General Manager, Deputy Head and Head of Division. He has held the position of Chairman in China Machine Tool and Tool Builders' association since 2000 and Deputy Chairman since August 2004. He has been the Independent non-executive director of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (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 Qinhua University, Vice-president of Qinhua Economic Management College. He has been the Independent non-executive director of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (11) Mr. Wayne Yu is an independent non-executive director of the Company. He has obtained a doctorate degree in Finance and Master degree in Economics, and been approved by Hong Kong Polytechnic University as a Chartered Financial Analyst (CFA). During 1998 to 1999, he was a vice-professor of the Faculty of Business at Queen's University in Canada; during 1996 to 1998, he was a vice-professor of the Faculty of Management at University of Lethbridge in Canada; during 1994 to 1995, he was a visiting professor of the Faculty of Management at Xi'an Jiaotong University; during 1992 to 1996, he was a part-time demonstrator of the Faculty of Business at University of Alberta in Canada. He is now the Chief Editor of "China Accounting and Finance Review", vice-professor of the Faculty of Accounting and Finance at Hong Kong Polytechnic University and specialized professor of the Faculty of Accounting at Shanghai University of Finance and Economics. He became the independent non-executive director of the Company since 16th June, 2005. His current term is from 1st November, 2005 to 31st October, 2008.

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- (12) Mr. Liu Gang is the Chairman of the Supervisory Committee of the Group and the General Manager of the Yunnan State-owned Assets Operating Company. He is qualified as a legal advisor to the office, Deputy General Manager of the Office of Yunnan Natural Gas Chemical Factory. From 2000 to July 2002, he was Assistant to the General Manager, Company Secretary of the Board of Yunnan Yun Tian Chemical Co., Ltd. Effective from August 2002, he was the Vice-General Manager of Yunnan State-owned Assets Operation Company and in September 2004, he became the General Manager. He has been the Supervisor of the Company since 1st November, 2002. He has been the Independent non-executive director of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (13) Mr. Sun Xingduo is a supervisor of the Company and has extensive experience in administration and financial management. Since 1979, Mr. Sun has been working in Shaanxi Finance and Economics 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 Finance and Economics College. In June, 2000, Mr. Sun held the positions of Chairman of the Supervisory Committee of Xi'an Jiaotong University Industrial (Group) Incorporation, and in 2003, he became the Vice-chairman. He is a member of the Chinese Communist Party and associate research. He has been the Supervisor of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (14) Mr. Shen Guorong is a supervisor of the Group, General Manager and Secretary of the CPC of Kunming Kunji (Group) Company Limited. He had college education. 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 the head of labour and personnel department, director of the organization department of Kunming Kunji (Group). He has been the Supervisor of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 23rd March, 2007.
- (15) Ms. Guo Junyu is a supervisor of the Company. She obtained college education and is the Director of the Financial Department of Xi'an 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 Shanxi Province. Since 1991 and up till now, she has been working in Xi'an Jiaotong University. She was the financial executive of Xi'an Jiaotong Industrial (Group) Incorporation in 1994. She has been the Supervisor of the Company since 1st November, 2002. Her current term was from 1st November, 2005 to 23rd March, 2007.
- (16) Ms. Zhao Qiongfeng is an employee supervisor of the Company, born in 1962, obtained college education and is an assistant accountant. Ms. Zhao joined Kunming Machine Tool Factory in 1980 and worked in the Finance and Accounting Department. She became the vice manager of the Finance and Accounting Department of Kunming Machine Tool Company Limited on June, 1997 and became the manager on December, 1999. From August 2003, she has been the General Manager Assistant and also the Manager of the Finance and Accounting Department. Her current term is from 30th December, 2006 to 31st October, 2008.
- (17) Mr. Zhang Xiaoyi is the Deputy General Manager of the Company, member of the Party Committee. Mr. Zhang joined the Company in 1985 and has been engaged in the machinery design and technical management. He has held the positions of deputy manager, manager of the technical center of the Company, general manager assistant and chief engineer of the Company. His current term is from 1st November, 2005 to 31st October, 2008.

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- (18) Mr. Zhou Guoxing is the vice general manager of the Company. He was born in 1962, holds a master degree and is a senior engineer. Mr. Zhou joined in Kunming Machien Tool Plant in 1987 and has engaged in machine tool designation and production management for a long time. He was the manager of the laboratory of the Company; the vice manager, manager of the technical center; deputy chief engineer; manager of the manufacture center; general manager assistant and the head of the assembly plant; chief engineer of the Company. His term is from 10th April, 2006 to 31st October, 2008.
- (19) Mr. Ye Nong is the vice general manager of the Company. He was born in 1960, obtained college education and is an engineer. From February 2000 to May 2002, he was the manager of the Technology Department of Shenyang Machine Tool (Group), vice president of Shenyang Machine Tool Designation Institute. From May 2002 to December 2003, he was the manager of the Quality Control Department of Zhongjie Mahcine Tool Company Limited. He was the manager of Production Department from December 2003 to June 2006. From June 2006 to up till now, he has worked in the Company as a General Manager Assistant. His term is from 30th December, 2006 to 31st October, 2008.
- (20) Mr. Pi Jianguo is the Chief Financial Officer of the Company. He was born in 1971 and holds a bachelor degree. He is a certified public accountant, certified assets estimator, certified tax commissioner. From October 1999 to January 2002, Mr. Pi worked in the Industrial Department of Chuxiong State-owned Assets Company. From January 2002 to April 2005, he was the Vice Manager of the Auditing Department of Yunnan Huitong Accounting Firm. From May to December, 2005, he worked in Yunnan State-owned Assets Operation Company Limited. His current term is from 30th December, 2006 to 31st October, 2008.
- (21) Ms. Yu Yan is the Secretary to the Board of the Company. She was born in 1971 and has post-graduate diploma. She is a certified public accountant and certified tax commissioner, accountant and auditor. From February 1998 to November 1999, she worked in Shaanxi Ruishen Enterprise (Group) as an accounting department manager. From December 1999 to June 2001, she was an auditing manager of Shaanxi Wulian Accounting Firm. She joined the Group in November 2002 as an auditing manager, officer to the board and chief financial officer. Her current term is from 30th December, 2006 to 31st October, 2008.
- (22) Mr. Feng Sizhong was the former Secretary to the Board. He joined Kunming Machine Tool Plant in 1978 and has extensive technical and management experience. He has held the positions of Deputy Head and Head of Chief Engineer Office; Deputy Chief Economist and Head of Planning Department and Corporate Management Department. He has been the Secretary to the Board of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 28th February, 2007.
- (23) Mr. Wang Shangjin, a former Non-Executive Director of the Group and is also the Chairman of Xi'an Ser Turbo Machinery Company Limited and he holds a bachelor degree. Mr. Wang has been engaged in scientific research, development and management for a long 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 the turbo-compressor research department 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 Xi'an Jiaotong University in 1993 and was a Director of the center. He established Xi'an Ser turbo Machinery Equipment Company Limited in October 1992 and is now the Chairman and Executive Director of the Company. He has been the Director of the Company since 1st November, 2002. He resigned the directorship position on 30th September, 2006 because of the change of substantial shareholder of the Company.
- (24) Mr. Wen Peixiong is the former Non-Executive Director of the Company; Director, Vice President and Party Secretary of Xi'an Jiaotong University Industrial (Group) Incorporation, President and Chairman of Xi'an Siyuan College; Chairman of Xi'an Jiaoda Siyuan Company Limited and Xi'an Jiaoda University Qiguang High-Tech Company Limited. He had been the director of the Company since 16th June, 2005 and resigned his directorship position on 30th September, 2006 because of the change of substantial shareholder of the Company.

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- (25) Mr. Luo Guowei, a former Non-Executive Director of the Company. He is the Vice-president of Xi'an Jiaotong University Industrial (Group) Incorporation. He graduated at Xi'an Jiaotong University with a Doctorate degree and is an assistant researcher. He was the Party Secretary of the Mathematics Department of the University, and he is now the Chairman of Xi'an Jiaotong University Ruishen Information Development Co. Ltd., Xi'an Jiaotong University Ruishen Industrial Co. Ltd. and Xi'an Jiaotong Siyuan Property Management Co. Ltd.. He resigned his directorship position on 30th September, 2006 because of the change of substantial shareholder of the Company.
- (26) Ms. Dong Juan is a former Independent Non-Executive Director of the Company. She is 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 Import-Export 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 Evaluation Department of the Ministry of Finance. She has been a member of the Audit Committee of Issue of Shares under China Securities Regulatory Commission for two sessions and a member of Chinese Experts Group of Independent Accounting and Auditing Standards for three sessions. She is an experienced Chinese expert in finance, economics and corporate management. She has been the Chairman and Chief Director of Zhong Tian Hong International Consultant Company Limited since 2000. She has been the Independent Non-executive Director of the Company since 1st November, 2002 and resigned her directorship position on 15th August, 2006 because of personal reason.
- (27) Mr. Huang Xiaopu is the former supervisor (employee supervisor) of the Company. He obtained college education and was the head of production supervisory team. 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 Personnel Department of the Company. He has been the Employee Supervisor of the Company since 1st November, 2002. His current term was from 1st November, 2005 to 30th December, 2006.

2. Positions in Shareholder's Business Unit

Name	Company	Position	Remuneration Reward?(Y/N)
Lei Jinlu	Xi'an Jiaotong University Industrial (Group) Incorporation	Secretary to CPC	Y
Sun Kai	Shenyang Machine Tool (Group) Company Limited	Vice-General Manager	Y
Wang Sheng	Shenyang Machine Tool (Group) Company Limited	General Manager	Y
Luo Guowei	Xi'an Jiaotong University Industrial (Group) Incorporation	President	Y
Guo Junyu	Xi'an Jiaotong University Industrial (Group) Incorporation	Head of Financial Department	Y

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Positions in Other Business Units

Name	Company	Position	Remuneration Reward?(Y/N)
Gao Minghui	Shenyang Machine Tool (Group) Kunming Company Limited	Chairman	Y
Zhang Hanrong	Xi'an Ser Turbo Machinery Equipment Company Limited	Vice-chairman	Y
	Xi'an Jiaotong University Siyuan Intelligent Electric Apparatus Company Limited	Chairman	Y
	Shaanxi Hengtong Intelligent Machine Company Limited	Vice-chairman	Y
	Tos Kunming Machine Tool Company Limited	Vice-chairman	Y
Yu Chengting	China Machine Tool Union	Acting Director-General	Y
Tong Yunhuan	Qinhua University	Professor and Deputy Principal of the Faculty of Economic Management	Y
Dong Jun	Zhong Tian Hong International Consultant Company Limited	Chairman and President	Y
Wayne Yu	Faculty of Accounting and Finance, Hong Kong Polytechnic University	Vice-professor, Chartered Financial Analyst (CFA)	Y
Wen Peixiong	Xi'an Jiaotong University Siyuan High-Tech Company Limited	Chairman	Y
Cheng Yunchuan	Kunming Kunji Group	Member of Party Committee	N
	Dali Government, Yunnan Province	Vice-Governor	N
	Tos Kunming Machine Tool Company Limited	Director (resigned)	Y
Wang Shangjin	Xi'an Ser Turbo Machinery Equipment Company Limited	Chairman	Y
Wu Ketian	Winko Machines Company Limited	Director	Y
	Xi'an Jiaotong University Siyuan Intelligent Electric Apparatus Company Limited	Chairman of the Supervisory Committee	Y
Liu Gang	Yunnan State-owned Assets Operation Company Limited	General Manager	Y
Sun Xingduo	Xi'an Jiaotong University Jiepu Internet Company Limited	Vice General Manager	Y
Shen Guorong	Kunming Kunji Group	Secretary to CPC, General Manager	Y
Zhang Xiaoyi	Shaanxi Hengtong Intelligent Machine Company Limited	Director	Y
	Xi'an Ser Turbo Machinery Equipment Company Limited	Director	Y
	Tos Kunming Machine Tool Company Limited	Director	Y
	Kunji Transportation Company Limited	Chairman	Y

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Name	Company	Position	Remuneration Reward?(Y/N)
Yu Yan	Winko Machines Company Limited	Chairman of Supervisory Committee	Y
	Xi'an Ser Turbo Machinery Equipment Company Limited	Supervisor	Y
	Shaanxi Hengtong Intelligent Machine Company Limited	Supervisor	Y
	Xi'an Jiaotong University Siyuan Intelligent Electric Apparatus Company Limited	Supervisor	Y
Zhou Guoxing	Tos Kunming Machine Tool Company Limited	Member of Controlling Committee	Y
Zhao Qiongfeng	Kunji Transportation Company Limited	Supervisor	Y

3. Fees and Other Emoluments

The determination procedure for directors, supervisors and senior management's emoluments: the emoluments of directors and supervisors of the Company will be considered and approved by shareholders' meeting; senior management's emoluments are based on the rules and regulations of the Remuneration Committee of the Company. The factors in determining the senior management's emoluments include the profit indicators and other operating indicators accomplished in the year, the improvement in quality of the assets of the Company etc.. Actions, together with rewards and penalties, would be taken according to the assessment results.

4. Change of Directors, Supervisors and Senior Management during the Reporting Period and Reasons Thereof:

Name	Position	Reasons of Resignation
Wang Shangjin	Former non-executive director	Change of substantial shareholder of the Company
Wen Peixiong	Former non-executive director	Change of substantial shareholder of the Company
Luo Guowei	Former non-executive director	Change of substantial shareholder of the Company
Dong Jun	Former Independent non-executive director	Personal reasons
Feng Sizhong	Former Secretary to the Board	Retirement
Huang Xiaopu	Former employee supervisor	Change of work duties

Directors, Mr. Lei Jinlu, Mr. Cheng Yunchuan, Mr. Wu Ketian, Mr. Guo Shangwu, Mr. Yu Chengting, Mr. Tong Yunhuang, and Supervisors, Mr. Liu Gang, Mr. Shen Guorong, Mr. Sun xingduo and Ms. Guo Junyu had submitted the resignations to the Board of Directors, the resignations would be effective from the date which the successors of directors and supervisors were elected by the next EGM (the resignations were effective from 23rd March, 2007).

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5. Company Staff

As at 31st December, 2006, the Company has 2,661 employees and 898 retired employees, to whom the Company bears responsibility for their pension and other retirement benefits.

Background of employees:

1. Areas of specialization	Number of Employees
Recorded number of employees	2661
Of which:	
Production	1757
Technical	318
Sales and marketing	66
Finance	34
Administration	145
General Services	33
Internal Retirees	238
Staff Pending for Duties	42
Others	28
2. Education Education Level	2,654
Post-graduate	23
University Graduate	243
High Diploma	434
Diploma	390
Upper Secondary,Vocational School	728
Lower Secondary	836
3. Professional title	448
Senior	67
Intermediate	179
Junior	202