

## DIRECTORS

### Executive Directors

Mr. Yan Siu Wai (甄兆威), aged 50, is one of the co-founders and Chairman of the Group. Mr. Yan is responsible for the strategic planning, corporate development and supervision of overall management of the Group. Mr. Yan graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1976 with a higher diploma in production engineering. In 1998, he also obtained a master degree in Science (Engineering Business Management) from the University of Warwick, the United Kingdom. Mr. Yan is a member of the American Institute of Industrial Engineers and American Society of Heating Refrigerating and Air-conditioning Engineers, Inc.. Mr. Yan has approximately 25 years of experience in industrial management and manufacturing. Mr. Yan is also a director of Multistack International Limited, a company listed on the Australian Stock Exchange which is principally engaged in the manufacturing and marketing of industrial air conditioning equipment. He is also a director of 浙江帥康電氣股份有限公司 (Zhejiang Shuaikang Electric Stock Co. Ltd), a company established in the PRC which is principally engaged in the manufacture of home electrical appliance and is the second largest customer of the Group in 2004, which purchases represented 4.76% of the Group's turnover in 2004. Mr. Yan has been involved in businesses in China for approximately 25 years, from the manufacturing and marketing of air conditioning products since 1998, to the current business of the Group in the furnishings and home products industry.

Mr. Leung Kwok Yin (梁國賢), aged 53, is one of the co-founders of the Group. Mr. Leung is responsible for product development, materials sourcing and marketing of the Group. Mr. Leung graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1975 with a technician diploma in electrical engineering. Mr. Leung has been partnering with Mr. Yan for investments in the PRC for approximately 25 years and has built substantial manufacturing and distribution experiences in the PRC. Mr. Leung is also a director of Multistack International Limited, a company listed on the Australian Stock Exchange.

Mr. Bao Jisheng (鮑繼聲), aged 67, has been the general manager of JF Ningbo since January 2003. He joined the Group in January 1999. Mr. Bao was previously the factory manager of 餘姚通用機器廠 (Yuyao General Machinery Factory). Mr. Bao is responsible for the overall operation of JF Ningbo. He has over 40 years of experience in manufacturing, industrial engineering and business management. Mr. Bao is a qualified engineer and a director of Yuyao Jiefeng Air-Con.

### Independent non-executive Directors

Mr. Kwan Kai Cheong (關啓昌), aged 55, graduated from the University of Singapore in 1973 with a degree in Accountancy. Mr. Kwan is qualified as a Chartered Accountant in Australia in 1979 and is a member of the Hong Kong Institute of Certified Public Accountants since 1982. He completed the Stanford Executive Program in 1992. He was previously the president and chief operating officer for the Asia Pacific Region of Merrill Lynch & Co. Mr. Kwan was appointed as an independent

non-executive Director in March 2005. Mr. Kwan is also an independent non-executive director of Hutchison Telecommunications International Limited, Hutchison Harbour Ring Limited and Soundwill Holdings Limited, companies listed on the Main Board of the Stock Exchange and an executive director of China Medical Science Limited and an independent non-executive director of T S Telecom Technologies Limited, companies listed on the GEM. Mr. Kwan is also a director of Yaohan International Holdings Limited, a company previously listed on the Main Board which is pending liquidation (“Liquidation”). Mr. Kwan had confirmed that there was no wrongful act done by him leading to the Liquidation and that the Liquidation would not adversely affect his position in discharging duties of acting as an independent non-executive Director.

Mr. Garry Alides Willinge, aged 55, is a fellow of the Australian Institute of Company Directors and an Adjunct Professor with the Curtin Business School. He graduated from the University of Melbourne, Australia in 1970 with a Bachelor of Science. In 1996, he also obtained a Graduate Diploma in Applied Finance and Investment from the Securities Institute Education in Australia. Mr. Willinge is also a director of China Medical Science Limited, a company listed on the GEM. Prior to joining the Group, he has worked in a number of management roles in a multinational information technology company. Mr. Willinge was appointed as an independent non-executive director in March 2005.

Mr. Yu Hon Wing Allan (俞漢榮), aged 49, graduated from the Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1978 with a higher diploma in Accountancy. Mr. Yu is a Certified Public Accountant (Practising) with the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants). He is also a fellow of the Chartered Association of Certified Accountants since 1986. Mr. Yu was appointed as an independent non-executive director in March 2005.

### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in accordance with and pursuant to Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company’s annual report and accounts, half-year reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing internal control procedures of the Group.

The audit committee comprises the three independent non-executive Directors, namely, Mr. Kwan Kai Cheong (*chairman*), Mr. Garry Alides Willinge and Mr. Yu Hon Wing, Allan.

**SENIOR MANAGEMENT**

Mr. Bao Xiangqian (鮑向前), aged 39, joined the Group in January 1999 and was promoted from the sales director of the Group to the position of deputy general manager in November 2004 and is in charge of the Group's marketing activities and correspondences with overseas customers. Mr. Bao graduated from East China University of Technical Engineering (華東理工大學) in 1988 with a bachelor degree major in Scientific English. He has been engaged in international trading for 16 years. Mr. Bao obtained a Master of Business Administration from the University of Canberra, Australia in July 2005. Mr. Bao is the son of Mr. Bao Jisheng.

Mr. Wang Shengkang (王勝康), aged 64, joined the Group in June 2002 and was promoted to the position of deputy general manager in November 2004. Mr. Wang is responsible for the personnel and daily administrative operations of the Group. He has been engaged in corporate administration for 20 years.

Mr. Wu Dingfeng (吳定鋒), aged 42, has been appointed as the technical controller of the Group since January 2003. Mr. Wu is responsible for daily technical and mechanical operations of the Group. Mr. Wu graduated from the faculty of mechanical engineering in 中國浙江工學院 (Zhejiang Engineering College, the PRC) in 1983 with a bachelor degree in engineering. Mr. Wu has been in mechanical engineering industry for over 20 years. Prior to joining the Group in January 2003, Mr. Wu has worked for 餘姚通用機器廠 (Yuyao General Machinery Factory) and 餘姚捷華壓縮機有限公司 (Yuyao Jiehua Compressor Ltd.) as technical manager and chief engineer.

Mr. Cheung Wai Tak (張偉德), aged 53, joined the Group as the financial controller in May 2005 and has been working in the finance and accounting field for over 10 years. Mr. Cheung is a Certified Public Accountant in the United States and is a member of the Hong Kong Institute of Certified Public Accountants. He graduated with an MBA degree from the University of California at Berkeley, the United States in 1981.

**QUALIFIED ACCOUNTANT**

Mr. Cheung Wai Tak (CPA(US), CPA)

**COMPANY SECRETARY**

Mr. Cheung Wai Tak (CPA(US), CPA)

**COMPLIANCE OFFICER**

Mr. Yan Siu Wai

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

### STAFF

As at the Latest Practicable Date, the Group had 634 staff members in Hong Kong and the PRC, a breakdown by their work functions is set out as follows:

	Hong Kong	PRC	Total
Management	3	6	9
Sales and marketing	—	6	6
Administration and accounting	—	11	11
Operations	—	6	6
Research and development, product design	—	10	10
Production management	—	20	20
Quality control	—	13	13
Production Staff	—	559	559
Total	<u>3</u>	<u>631</u>	<u>634</u>

### Relationship with staff

Since the inception of business, the Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff. The Directors believe that the Group has a good working relationship with its employees.

### Pension schemes

In the PRC, the Group and its employees participate in the social insurance scheme, pursuant to which the Group and its employees pay contributions to the scheme. The Group and each of its employees are currently required to pay a monthly contribution equivalent to 20% and 8% respectively of the employee's average monthly salary in the preceding year.

For the staff in Hong Kong, the Group participates in a mandatory provident fund scheme for its employees in accordance with applicable laws and regulations.

### SHARE OPTION SCHEMES

The Company has adopted the Pre-IPO Share Option Scheme which purpose is to recognise the contribution of certain persons to the growth of the Group and/or to the listing of Shares on GEM and to motivate the participants to contribute or to optimise their contribution to the long-term growth and profitability of the Group. As at the Latest Practicable Date, the Company has granted options under the Pre-IPO Share Option Scheme to three executive Directors, four members of the senior management and eight other employees of the Group to subscribe for a total of approximately 20,160,000 Shares, of which 13,440,000 Shares will be issued at the exercise price of HK\$0.80 (being

the lowest point of the indicative placing price range of HK\$0.80 to HK\$0.96 per Share) each and 6,720,000 Shares will be issued at the exercise price of HK\$0.56 each, representing, in aggregate, 12% of the issued share capital of the Company immediately following completion of the Placing and the Capitalisation Issue (but before enlargement by the allotment and issue of the Shares pursuant to the exercise of the Offer Size Adjustment Option and the options granted or to be granted under the Share Option Schemes). All of these options granted under the Pre-IPO Share Option Scheme will only be exercised after the expiry of 6 months from the Listing Date but in any event not later than 5 years from the Listing Date. The full exercise of all these options would result in the issue of 20,160,000 Shares. The number of the issued Shares of the Company will be increased from 168,000,000 to 188,160,000 upon the full exercise of the options granted under the Pre-IPO Share Option Scheme. This will result in a dilution in the shareholding of the shareholders of the Company and on the basis of 168,000,000 Shares in issue before the enlargement by the issue of Shares pursuant to the full exercise of the Pre-IPO Share Options, the net tangible asset value per Share will be diluted from approximately HK\$0.222 to approximately HK\$0.198 as at 30 June 2005. Details of the options granted under the Pre-IPO Share Option Scheme are set out in the paragraph headed “Share Option Schemes — Pre-IPO Share Option Scheme” under the section headed “Other information” in Appendix V to this prospectus. No further options will be granted under the Pre-IPO Share Option Scheme after the listing of the Shares on GEM.

The Company has conditionally adopted the Post-IPO Share Option Scheme under which employees of the Group (including any Directors) may be granted options to subscribe for Shares. The principal terms of the Post-IPO Share Option Scheme are summarised in the paragraph headed “Share Option Schemes — Post-IPO Share Option Scheme” under the section headed “Other information” in Appendix V to this prospectus.

As at the Latest Practicable Date, no option has been granted or agreed to be granted by the Company under the Post-IPO Share Option Scheme.