

## **DIRECTORS, MANAGEMENT AND STAFF**

### **DIRECTORS**

#### **Executive Directors**

Mr. Cheng Kwok Woo, aged 45, is the chairman of the Group. He is responsible for corporate planning, business development and overall management of the Group. He has over 20 years' experience in the trading and manufacturing of abrasive products in Hong Kong. He joined the Group in 1990. Mr. K W Cheng is the brother of Mr. K C Cheng and Ms. Cheng.

Mr. Cheng Kwong Cheong, aged 41, is the vice-chairman and chief executive officer of the Group. He is responsible for marketing development of the Group and oversees the Group's product development and production process. He has over 20 years' experience in the trading and manufacturing of abrasive products in Hong Kong. He joined the Group in 1990. Mr. K C Cheng is the brother of Mr. K W Cheng and Ms. Cheng.

Ms. Cheng Wai Ying, aged 43, joined the Group, in 1990. She is responsible for the financial management of the Group. She has over 20 years' experience in financial management and business operation management. Ms. Cheng is the sister of Mr. K W Cheng and Mr. K C Cheng.

Mr. Chow Yin Kwang, aged 63, joined the Group in July 1995. Mr. Chow is responsible for the project development of the Group. He has approximately seven years' experience in the Group's project development, operation and quality management. Before the joining of the Group, Mr. Chow had more than 30 years experience in operation management.

Ms. Chan Yim Fan, aged 51, joined the Group in 1990. She is responsible for the logistics of the Group including product supply, delivery, storage and raw materials procurement. She has over 13 years' experience in logistics management.

#### **Non-executive Directors**

Mr. Charles Woo, aged 74, is one of the founders of the Group and was the sole proprietor of Charles Y. L. Woo, a trading company. He has been engaged in the international trading business in Hong Kong since the 1960s. Mr. Woo is also appointed as chief consultant of the Group.

Mr. Zheng Jin Hong, aged 38, joined the Group in 2002. Mr. Zheng is a certified public accountant and certified tax accountant in the PRC. He is a director of the Dongguan Accounting Society and an executive director of the Dongguan Association of Certified Public Accountants.

## **DIRECTORS, MANAGEMENT AND STAFF**

### **Independent non-executive Directors**

Mr. Chow Chun Kwong, aged 43, was appointed as an independent non-executive Director in 2002. Mr. Chow is a certified public accountant in Hong Kong. He holds a Diploma in Accounting from Hong Kong Shue Yan College and a Bachelor Degree of Commerce in Banking and Finance from Curtin University of Technology, Western Australia. Mr. Chow is a fellow member of The Association of Chartered Certified Accountants and an associate member of Hong Kong Society of Accountants. He is currently an executive director of a listed company in Hong Kong.

Mr. Chung Kam Fai, Raymond, aged 52, was appointed as an independent non-executive Director in 2002. Mr. Chung has gained substantive management experience in the communications and technology industry in the Greater China region. He has been working in the senior management of various telecoms and technology operators in Hong Kong, the Macau Special Administrative Region of the PRC, Taiwan and the PRC for about 25 years.

### **AUDIT COMMITTEE**

The Company established an audit committee on 23rd October, 2002 with written terms of reference in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group.

The audit committee has two members comprising Mr. Chow Chun Kwong and Mr. Chung Kam Fai, Raymond, the independent non-executive Directors.

### **SENIOR MANAGEMENT**

Mr. Li Chak Hung, aged 38, is the company secretary of the Company. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. He joined the Group in 2002 and is responsible for the secretarial matters of the Group and ensuring compliance with the Listing Rules. Before joining the Group, Mr. Li had been a director and the company secretary of a company listed on the main board of the Stock Exchange for three years.

Mr. Fong Siu Chung, aged 40, is the sales and marketing manager of the Group. He joined the Group in July 1996 and is responsible for marketing and product development of the Group. Mr. Fong holds a Bachelor Degree from National Chengchi University of Taiwan. He has more than six years' experience in the market development of the Group.

Ms. Tsang Sui Tuen, aged 43, is the purchasing manageress of the Group. She joined the Group in 1990 and is responsible for raw materials procurement by the Group. Ms. Tsang has over 20 years' experience in the field of raw material procurement. Ms. Tsang is the wife of Mr. K W Cheng.

Mr. Wong Kwok Ming, aged 42, is the personnel manager of the Group. He joined the Group in 1990 and is responsible for the human resource management of the Group.

## DIRECTORS, MANAGEMENT AND STAFF

Mr. Cao Zuo Shun, aged 74, is the senior production manager of the Group. He joined the Group in July 1991 and is responsible of the production and factory management of the Group. Mr. Cao graduated from Shanghai Shipping College in 1951. He has more than 11 years' experience in factory management. Before joining the Group, Mr. Cao had been working as the chief engineer of a shipping company in the PRC.

Mr. Tsang Lok Chuen, aged 53, is the logistics manager of the Group. He joined the Group in 1990 and is responsible for product delivery and transportation of the Group. Mr. Tsang has more than 16 years' experience in logistics management.

Mr. Lee Kam Wing, aged 35, joined the Group in May 1992. He is the information technology manager of the Group and is responsible for the maintenance and management of the system operations and network infrastructure of the Group. Mr. Lee has more than 10 years' work experience in information technology management. Before joining the Group, Mr. Lee worked in the information technology development of various listed companies in Hong Kong.

Ms. Hon Wing Yin, aged 26, joined the Group in August 1995. She is the administration manageress of the Group and is responsible for the general administration of the Group. She holds a Diploma in Office Administration and Office Technology from the Chinese University of Hong Kong.

### EMPLOYEES

As at the Latest Practicable Date, the Group employed approximately 300 full-time employees, the breakdown of which by reference to functions and geographical region is set out below:

|                                  | <b>Hong Kong</b> | <b>The PRC</b> | <b>Total</b> |
|----------------------------------|------------------|----------------|--------------|
| Manufacturing                    | 4                | 183            | 187          |
| General administration           | 21               | 27             | 48           |
| Sales, marketing and purchasing  | 22               | 16             | 38           |
| Accounting and financial control | 6                | 8              | 14           |
| Research and development         | 1                | 5              | 6            |
|                                  | 54               | 239            | 293          |
| Total                            | 54               | 239            | 293          |

For the three years ended 31st December, 2001, the average number of employees was approximately 310, 340 and 300 respectively.

## **DIRECTORS, MANAGEMENT AND STAFF**

### **The Group's relationship with its employees**

The Directors are of the view that the Group has maintained a good relationship with its employees and has not experienced any significant problems with recruitment or retention of experienced staff. In addition, the Group has not experienced any significant disruption to its operations as a result of any labour disputes.

### **Share Option Scheme**

The Company has conditionally adopted the Share Option Scheme on 23rd October, 2002. Under the Share Option Scheme, the eligible participants of the Share Option Scheme, including any executive Director, non-executive Director, independent non-executive Director and employee, (whether full-time or part-time) may be granted options which entitle them to subscribe for Shares representing (when aggregated with options which may be granted under any other scheme) initially not more than 10% of the Shares in issue as at the date of the listing of the Shares. This limit may be renewed from time to time as described in the section headed "Share Option Scheme" in Appendix IV to this prospectus. The Share Option Scheme also contains limits as to the number of Shares which (i) may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes; (ii) may be subject to options granted to individual participants; and (iii) may be subject to options granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates. Further details of the terms of the Share Option Scheme, including those matters referred to above are set out in the section headed "Share Option Scheme" in Appendix IV to this prospectus.

### **Benefits**

In addition to the Share Option Scheme, the Group also provides mandatory provident fund schemes ("MPF schemes") and medical insurance schemes for its staff in Hong Kong.

Under the MPF schemes, both the Group and its employees in Hong Kong have to contribute an amount equal to 5% of the relevant monthly income of such employees to the schemes, subject to a minimum level and a maximum level of monthly relevant income of HK\$4,000 and HK\$20,000 respectively. An employee earning less than HK\$4,000 per month is not required to contribute but may elect to do so. However, the Group must still contribute 5% of the relevant employees' monthly relevant income even if its employees monthly income is below HK\$4,000.

Contributions from the Group and its employees are 100% vested in the employees as soon as they are paid to the MPF schemes but all benefits derived from the mandatory contributions must be preserved until the employees reach the retirement age of 65 (subject to exceptions such as early retirement between the ages of 60 and 64, death, total incapacity and permanent departure from Hong Kong). The Group's contributions to the MPF schemes can be used to offset any long service payments or severance payments payable and are deductible for profits tax purposes.

## DIRECTORS, MANAGEMENT AND STAFF

The Company's subsidiary, Dongguan PME, operated in the PRC, participates in the retirement benefits scheme ("Scheme") operated by the local municipal government in Dongguan City, Guangdong Province, the PRC. Dongguan PME is required to contribute to the Scheme approximately 7.5% of the relevant payroll of the employee in accordance with the rules of the Scheme. The only obligation of Dongguan PME in respect of the Scheme is to pay the ongoing required contributions.

### DIRECTOR'S REMUNERATION

The remuneration of the executive Directors for the year ended 31st December, 2001 are as follows:

|                    | <i>HK\$'000</i> |
|--------------------|-----------------|
| Mr. K W Cheng      | 889             |
| Mr. K C Cheng      | 874             |
| Ms. Cheng          | 437             |
| Mr. Chow Yin Kwang | 694             |
| Ms. Chan Yim Fan   | 356             |