

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

### GENERAL

Our Board currently consists of four executive Directors and three independent non-executive Directors.

### DIRECTORS

The following table sets forth information regarding our current Directors:

Name	Age	Position(s)
Mr. Tsang Shui Ching, Patrick	49	Chairman of the Board and executive Director
Mr. Zhou Anmin	41	Chief executive officer and executive Director
Mr. Shu Yi Jin	58	Executive Director
Mr. Lou Chong Wei	50	Executive Director
Mr. Keung Ping Yin, Raymond	51	Independent non-executive Director
Mr. Wong Yiu Sun, Peter	56	Independent non-executive Director
Mr. Lu Yan Sun	71	Independent non-executive Director

#### Executive Directors

**Mr. Tsang Shui Ching, Patrick**, aged 49, is the chairman of our Board and an executive Director. Mr. Tsang is one of the co-founders of Changzhou Senyuan, the only operating subsidiary of our Company. He has 10 years management experience in the PRC switchgear industry. He graduated from the University of Ottawa in Canada with a bachelor's degree in science (mathematics) and a bachelor's degree in social science (economics) in 1979. He later obtained a master's degree in business administration from Washington University in the United States in 2003. Mr. Tsang is responsible for formulating the overall business development strategies of our Group, and in particular in regard to liaison with overseas business partners, and overseeing our Group's finance and controlling operations.

**Mr. Zhou Anmin**, aged 41, is an executive Director and chief executive officer of our Company. Mr. Zhou is one of the co-founders of Changzhou Senyuan. He has 22 years operation and management experience in the PRC switchgear industry. He was recognised as an assistant engineer by 江蘇省常州市天寧區輕工工程初級職務任職資格評審委員會 (The Light-Industry Junior Occupational Qualification Verification Committee of Tianning District, Changzhou, Jiangsu Province) in 1994. He was elected as a representative of Changzhou in the 12th and 13th 全國人民代表大會 (National People's Congress) in 1998 and 2003 respectively. Mr. Zhou is responsible for formulating the overall business development strategies of our Group, particularly the marketing strategies for our products in the PRC and direction of new product development.

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**Mr. Shu Yi Jin**, aged 58, is an executive Director and general manager of Changzhou Senyuan. Mr. Shu joined our Group in January 1997. He graduated from 安徽蕪湖機械學校 (Anhui Wuhu Mechanical School) in 1969. He is a qualified engineer. From 1969 to 1993, Mr. Shu worked for 合肥高壓開關總廠 (Hefei High Voltage Switch Factory) where he took up a number of senior positions including the positions of deputy chief engineer and deputy technical director. Between 1993 and 1997, Mr. Shu worked for Changzhou Lanling Factory and Lanling as chief engineer and deputy general manager respectively. From these positions, he has gained extensive experience in the production of switchgear components. He has more than 30 years of operation and management experience in the PRC switchgear industry. In January 1997, he was appointed as the general manager of Changzhou Senyuan. He is responsible for the daily operation of our Group and formulating business plans in accordance with our Group's objectives and directions.

**Mr. Lou Chong Wei**, aged 50, is an executive Director. Mr. Lou joined our Group in August 1997 and is responsible for our Group's international business development and procurement of materials and machinery from overseas. He graduated from the University of Hong Kong with a bachelor's degree in engineering in 1979. He also obtained a certificate in design and control of manufacturing systems from the same university in 1980. Prior to joining our Group, he was an assistant engineer in a power company based in Hong Kong and engineering manager of an engineering and trading firm between 1979 and 1989. From 1989 onwards, Mr. Lou was appointed as the general manager of Tai Ah Engineering Co., Ltd.. He is a member of the Chartered Management Institute and a Chartered Engineer in the United Kingdom. Mr. Lou is a brother-in-law of Mr. Tsang.

### Independent non-executive Directors

**Mr. Keung Ping Yin, Raymond**, aged 51, is a qualified accountant. Mr. Keung was appointed as the independent non-executive Director in May 2005. He graduated from Hong Kong Polytechnic with a higher diploma in accountancy in 1979. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants (Practising). He worked for the Inland Revenue Department of the Hong Kong Government as an assistant assessor from June 1979 to May 1986. He then joined W. H. Wong & Co., Certified Public Accountants from June 1986 to December 1988 as a manager of that company. He was the finance manager of Fenix Hong Kong Ltd. from January 1989 to May 1990. He has been the manager of Walter Ma & Co., Certified Public Accountants, and the director of Bloomyears Limited which is engaged in the business of securities dealings since June 1990.

**Mr. Wong Yiu Sun, Peter**, aged 56, is a chartered electrical engineer. Mr. Wong was appointed as the independent non-executive Director in May 2005. He received a bachelor's degree in electrical engineering from Illinois Institute of Technology, Chicago, the United States of America in 1971. He later obtained a bachelor's degree in laws from Manchester Metropolitan University, the United Kingdom in 1999 and a master of laws degree in Chinese and Comparative Law from City University of Hong Kong in 2000. He is the director of Yook Tong Electric Co. Ltd., Yook Tong International Ltd., Yook Tong Estates

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Ltd., Gambix Ltd. and Wing Hing E&M Building Services Ltd.. He has over 25 years of experience in electrical equipment technology design, specification, sales and marketing in both Hong Kong and European Communities. He is a Registered Professional Engineer in Hong Kong and a Chartered Engineer in the United Kingdom.

**Mr. Lu Yan Sun**, aged 71, was appointed as the independent non-executive Director in May 2005. He graduated from 上海交通大學(Shanghai Jiaotong University) with a diploma in mechanical engineering in 1954. He was the deputy minister of 機械電子工業部(the Ministry of Mechanical Electronics Industry) of the PRC in 1989. He was also the chief engineer of 機械工業委員會 (the Mechanical Industry Committee) from 1985 to 1989. He was elected as a member of 財政經濟委員會(the Financial and Economic Committee) of the 8th and 9th 全國人民代表大會(National People's Congress). He served as an independent director of Northeast Electric Development Company Limited (previously known as Northeast Electrical Transmission and Transformation Machinery Manufacturing Company Limited), a company listed on the main board of the Stock Exchange, between March 1998 and March 2001. He was appointed as an independent non-executive director of 西安高壓開關有限公司 (Xian High Voltage Smith Co., Ltd.) in 2003 and resigned in March 2005.

### SENIOR MANAGEMENT

**Mr. Cui Cheng Shu**, aged 63, is the technical director of Changzhou Senyuan. Mr. Cui joined our Group in May 2004. He graduated from 北京清華大學(Beijing Tsinghua University), the PRC with a bachelor's degree in high voltage technology in 1965. He was a senior engineer and senior member of 中國電機工程學會(China Electrical Engineering Institute). Mr. Cui worked as a researcher and subsequently, the deputy chief engineer of 西安高壓電器研究所(Xian High Voltage Apparatus Research Institute) since 1969. He is the chief editor of 高壓電器期刊(High Voltage Apparatus Journal) and deputy chief editor of 電機工程手冊(Electrical Engineering Manual).

**Mr. Wong Kwok Wai, Allan**, aged 50, is the chief financial officer, company secretary and qualified accountant of our Company. Mr. Wong joined our Group in March 2004. He has gained over 25 years of experience in finance and accounting from Sun Hung Kai Real Estate Agency Limited, Jardine Danby Limited, Hopewell Holdings Limited, Cheung Kong (Holdings) Limited, Cheung Kong Infrastructure Holdings Limited and other companies. Prior to joining our Group, he was the chief financial officer of New City (Beijing) Development Limited, a company listed on the main board of the Stock Exchange. He graduated from Massey University in New Zealand with a bachelor's degree in business studies in 1978. He also obtained a master of science degree in information systems from Hong Kong Polytechnic University in 1992. He is an associate of the Institute of Bankers (London), a Certified Practicing Accountant of CPA (Australia) and a fellow of the Hong Kong Institute of Certified Public Accountants.

**Mr. Zhang Guo Rong**, aged 51, joined our Group in January 2005. He is the human resources director as well as the secretary to the board of Changzhou Senyuan. Mr. Zhang graduated from 經濟管理函授聯合大學常州市分校(Economic Management Distance Learning United College, Changzhou Branch) with a diploma in industrial enterprise

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management in 1988. He was admitted as a qualified economist in 1995. From 1976 to 1990, Mr. Zhang acted as the leader of labour union, manager of administration department, logistics department and quality control department of Changzhou No. 2 Insulation Material Factory and a local packaging company. From 1990 to 2004, he took up various positions in several government offices of Tianning District, Changzhou. Mr. Zhang has nearly 30 years of experience in micro- and macro-economic management in the PRC.

**Ms. Shang You Ti**, aged 68, is the senior consultant of Changzhou Senyuan. Ms. Shang joined our Group in February 1998. She graduated from 列寧格勒工學院 (Leningrad Technical Institute) with a master's degree in high voltage engineering in 1962. Since then she worked as a researcher of high voltage circuit breaker in 西安高壓電器研究所 (Xian High Voltage Apparatus Research Institute). Ms. Shang joined 西電公司 (Xidian Company) as its first deputy director in 1986 and was the principal of 機電學院 (Mechanical and Electrical College) from 1986 to 1990. In 1991, she returned to 西安高壓電器研究所 (Xian High Voltage Apparatus Research Institute) engaging in technical work until 1995. Ms. Shang was awarded 突出貢獻專家證書 (the Certificate of Expert with Outstanding Contribution) by 中國國務院 (the State Council of the PRC) in 1993. She is a qualified senior engineer. Ms. Shang was previously our chief engineer and technical director.

**Mr. Fu Wei**, aged 33, is the deputy general manager of Changzhou Senyuan. Mr. Fu joined our Group in September 1997. He is responsible for the marketing department. Mr. Fu graduated from 南京理工大學 (Nanjing University of Science & Technology), the PRC, with a bachelor's degree in engineering in 1998. He was accredited with the qualification as an engineer in 2001. Mr. Fu is also the head of our sales department and was previously the assistant general manager. He has almost ten years of experience in product promotion, technical service and marketing.

**Mr. Zhang Jian**, aged 31, is the chief engineer of Changzhou Senyuan. Mr. Zhang joined our Group in September 1997. He graduated from 貴州工學院 (Guizhou Institute of Engineering) with a higher diploma in machinery in 1994. Prior to joining our Group, he worked for Lanling from 1994 to 1997. Mr. Zhang was recognised as an engineer by 常州市人事局 (the Personnel Bureau of Changzhou) and an economist by 中華人民共和國人事部 (the Ministry of Personnel of the PRC) in 2000 and 2002 respectively. He has ten years' experience in product development, technical design and planning.

**Mr. Gao Hua**, aged 30, is an assistant general manager as well as the sales manager of Changzhou Senyuan. He joined our Group in January 2005. Mr. Gao graduated with a diploma in machinery of light industry from 南京機電學院 (Nanjing Mechanical and Electronic College) under 輕工業部 (the Ministry of Light Industry) of the PRC in 1993. He later obtained a certificate in economic management from 南京大學 (Nanjing University) and completed a postgraduate course in international trade-international business management from 上海對外貿易學院 (Shanghai Foreign Trade Institute) in 1999 and 2002 respectively. From 1993 to 2004, he was the technical department manager and the assistant general manager of Lanling. Mr. Gao is a qualified assistant engineer and has gained 11 years of experience in production system management, product design and development in the switchgear industry.

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**Mr. Wong Chi Keung**, aged 41, joined our Group in January 2005. He is an assistant general manager of Changzhou Senyuan. Mr. Wong graduated from Hong Kong Polytechnic with a higher diploma in electrical engineering in 1986. He was also awarded the associateship in electrical engineering from the same university in 1987. In 2001, he obtained a master's degree in business administration from Heriot-Watt University. He is a Chartered Electrical Engineer in the United Kingdom and a member of the Institution of Electrical Engineers. Prior to joining our Group, he took up the position as a sales manager of ABB Power Transmission and Distribution between 1994 and 1998. From 2001 to 2004, he was the assistant general manager of Lanling. Mr. Wong has 13 years of experience in design and engineering, sales and marketing, production, business development for products and projects in electricity industry.

**Mr. Zhou Xun**, aged 43, is an assistant general manager as well as the head of production department of Changzhou Senyuan. Mr. Zhou joined our Group in November 1997. He graduated from 常州市機械工業局職工大學(Worker College of Mechanical Industry Bureau, Changzhou), the PRC, with a diploma in machinery manufacturing and equipment installation in 1983. He is a qualified engineer in the PRC. Prior to joining our Group, Mr. Zhou was the supervisor of the metalworking station and the manager of technology department in Lanling in 1994 and 1995 respectively. He took up the position of production manager of Changzhou Senyuan during the period from 1997 to 2003. He has ten years of experience in production logistics and production management within the electrical industry.

**Mr. Shen Wei**, aged 31, is a deputy chief engineer of Changzhou Senyuan. Mr. Shen joined our Group in November 1997. He graduated from 西安交通大學(Xian Jiaotong University) with a bachelor's degree in electrical engineering in 1996. He was previously the manager of technology department of Changzhou Senyuan. He was accredited the qualification as an engineer in 2001. He has eight years' experience in the production of electrical appliance industry.

**Mr. Shi Jing Jun**, aged 37, is a deputy chief engineer of Changzhou Senyuan. Mr. Shi joined our Group in August 1997. He graduated from 南京航空航天大學(Nanjing University of Aeronautics and Astronautics), the PRC, with a diploma in mechanical engineering in 1993. From 1997 to 2003, he was the supervisor of the production technology team in Changzhou Senyuan. He was recognised as an engineer in 2002.

### AUDIT COMMITTEE

We established an audit committee on 31 May 2005 with written terms of reference in compliance with the Code of Best Practice as set out in appendix 14 of the Listing Rules. The responsibility of the audit committee is to assist our Broad in fulfilling its audit duties through maintaining an appropriate relationship with our Company's external auditors, reviewing financial information of our Group, and reviewing and supervising the financial reporting process and internal control system of our Group.

The audit committee has three members comprising Mr. Keung Ping Yin, Raymond, Mr. Wong Yiu Sun, Peter and Mr. Lu Yan Sun, being the independent non-executive Directors. This committee is chaired by Mr. Keung Ping Yin, Raymond.

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### **REMUNERATION COMMITTEE**

A remuneration committee was established by our Company on 31 May 2005 with written terms of reference. The responsibility of the remuneration committee is to assist our Board in setting Directors' remuneration policy and other remuneration related matters through (i) making recommendations to our Board on our Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration package of all executive Directors and senior management and making recommendations to our Board on the remuneration of non-executive Directors; (iii) reviewing and approving performance-based remuneration, compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment, and compensation arrangements relating to dismissal or removal of Directors for misconduct; and (iv) ensuring no Director or any of his associates is involved in deciding his own remuneration.

Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed and discretionary bonuses are paid on annual basis based on performance and other relevant factors. Staff benefit plans maintained by our Group include the granting of share options under the Share Option Scheme.

The remuneration committee consists of Mr. Tsang, Mr. Keung Ping Yin, Raymond and Mr. Wong Yiu Sun, Peter, the latter two being the independent non-executive Directors. This committee is chaired by Mr. Tsang, the chairman of our Board.

### **EFFECTIVE COMMUNICATION BETWEEN OUR GROUP AND THE STOCK EXCHANGE**

In order to enhance the communication between the Stock Exchange and the authorised representatives of our Company and the executive Directors, we intend to implement a policy that (i) each executive Director will have to provide their respective office, residential and mobile phone number and fax number (if applicable) to the authorised representatives of our Company and their respective alternates; (ii) in the event that an executive Director is expected to travel and be out of office, he will have to provide the phone number of the place of his accommodation to the authorised representatives of our Company and their respective alternates; (iii) all executive Directors will provide their respective office, residential and mobile phone number and fax number (if applicable) to the Stock Exchange as well; and (iv) Mr. Tsang, the chairman of the Board, and Mr. Wong Kwok Wai, Allan, the company secretary and qualified accountant of our Company, will be readily contactable by the Stock Exchange during normal Hong Kong office hours and may easily make themselves available to meet with the Stock Exchange upon reasonable prior notice from the Stock Exchange.

### **DIRECTORS' COMPENSATION**

The aggregate amount of fees, salaries, pension scheme contributions, other allowances and benefits-in-kind paid by us to the Directors for each of the three years ended 31 December 2004 was approximately RMB0.3 million, RMB1.1 million and RMB1.2 million respectively.

Save as disclosed above, no other payments had been paid or are payable, in respect of the three years ended 31 December 2004, by our Company or any of our subsidiaries to the Directors.

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### STAFF

As at the Latest Practicable Date, we had 501 full-time employees in the PRC. An analysis of the staff classified by function is as follows:

	<b>Number of staff</b>
General management	38
Sales and marketing	25
Technology	53
Production	279
Quality control	30
Finance and administration	76
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Total	<u>501</u>

### Relationships with our employees

We did not experience any disruption on our normal business operations due to strikes, work stoppages or labour disputes in the last 12 months and the Directors consider that our Group maintains good relationship with our employees.

### Compensation

Compensation of our employees includes salaries, contributions to housing fund and contributions to pension scheme. For each of the three years ended 31 December 2004, our Group incurred staff costs (including Directors' remuneration) of approximately RMB10.0 million, RMB16.7 million and RMB19.8 million respectively, representing approximately 5.5%, 6.8% and 6.6% of our Group's turnover for the respective periods.

### Pension scheme

The employees of our Company's operating subsidiary, Changzhou Senyuan which operates in the PRC, are required to participate in a central pension scheme operated by the local municipal government. Changzhou Senyuan is required to contribute 21% of their basic payroll costs to the central pension scheme amounted to approximately RMB0.5 million, RMB1.2 million and RMB1.7 million for each of the three years ended 31 December 2004 respectively. All pension costs have been fully paid up and there are no outstanding liabilities.

### Share Option Scheme

Our Company has conditionally adopted the Share Option Scheme whereby certain selected class of participants (including but not limited to the employees of any member of our Group) may be granted options to subscribe for Shares at the discretion of the Board. The principal terms of the Share Option Scheme are summarised in the section headed in "Share Option Scheme" in appendix V to this prospectus.