

DIRECTORS, SENIOR MANAGEMENT AND STAFF

DIRECTORS

Executive Directors

Mr. Lin Wan Qaing (林萬強), aged 46, is the chairman of the Company and founder of the Group. He is responsible for the Group's overall strategic planning, and is also the compliance officer of the Group. Prior to founding the Group in March 1996, Mr. Lin gained more than 16 years of entrepreneurial and management experience. In addition, Mr. Lin was appointed the executive of the standing committee of Young Entrepreneur Association of Fujian Province* (福建省青年企業家協會) in May 1999. He has been elected the vice-president of Electronics Industry Branch of Fujian Province of China International Commerce Association* (中國國際商會福建電子行商會) since November 1997.

Mr. Xiang Song (項松), aged 29, is the managing director of the Company. Mr. Xiang graduated with a bachelor's degree in mechanical engineering from University of Science and Technology of Beijing (北京科技大學) in 1993. Prior to joining the Group in July 1998, Mr. Xiang gained substantial management experience when he served as the plant general manager and engineer of Guangzhou Printronics Circuit Corp. (廣州普林電路公司), one of the earliest PCB sino-foreign joint venture PCB companies in the PRC. He has more than 7 years of management experience in the PCB industry.

Mr. Lin Wan Peng (林萬鵬), aged 38, is an executive director of the Company. He is primarily responsible for overseeing the financial management of the Group. He graduated with a bachelor's degree in industrial accounting from Xiamen University (廈門大學) and is a certified public accountant in the PRC. He gained extensive financial experience while working as the financial controller of the Fujian Province Equipment Procurement and Distribution Corporation* (福建省機械供銷總公司) under Fujian Province Bureau of Machinery* (福建省機械廳), Fujian Tourist Bureau* (福建省旅遊局) and Fujian Shen Long Group* (福建省神龍集團).

Independent non-executive Directors

Mr. Liu Zhao Cai (劉兆才), aged 58, graduated from Northwestern Telecommunication Engineering Institute* (西北電訊工程學院) (now known as School of Electronic Engineering (西安電子科技大學)). He has extensive technical experience and has worked as a senior engineer in the 36th research institute of the Department of Electronics Industry* (電子工業部) of the PRC. He was the president of Fujian Province Science and Technology Commission* (福建省科學技術委員會) in 1998, and the president of the 36th research institute of the Research Institute of the Department of Electronics Industry* (電子工業部) of the PRC in 1987 for a term of three years. Mr. Liu became an independent non-executive Director on 8th May, 2001.

Mr. Lam Ming Yung (林明勇), aged 37, graduated with a bachelor's degree in law from East China University of Politics and Law (華東政法學院) and practiced as a lawyer in the Fujian Province of China from August 1986 to July 1993. He was registered as a foreign lawyer under the Law Society of Hong Kong in 1995 and is now practising as a senior legal consultant of PRC corporate securities law in the Hong Kong office of Sidley Austin Brown & Wood, an international law firm. He became an independent non-executive Director on 8th May, 2001.

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Mr. Pan Chang Chi (潘昌馳), aged 49, is a senior economist. He graduated from Xiamen University (廈門大學) in 1998 with a master's degree in law. He has extensive experience in financial management while working as a senior economist in the Fuqing branch of the Bank of China. He is currently employed by Fujian International Corporation Limited* (福建省國際投資有限公司), and became an independent non-executive Director on 8th May, 2001.

SENIOR MANAGEMENT

Mr. Edgar Xiong (熊克明), aged 40, is an executive vice-president of Fuqiang and is responsible for overseeing the development of the Group's EMS business. He obtained a bachelor's degree in electronic engineering from Southeast University (東南大學) in the PRC in 1983 and obtained a master's degree in electrical engineering from Missouri University in the United States in 1989. Before joining the Group in May 2000, Mr. Xiong had gained many years of experience in system development and evaluation mainly in the communications and communications related consumer product segments while working in a number of international technology companies including Zilog, Inc., Samsung Semiconductor, Inc. and NEC Electronics Inc. in the US. He was seconded to China by LSI Logic International Services Inc. as the country-marketing manager in charge of PRC market development in 1999.

Mr. Lin Wan Xin (林萬新), aged 46, is an executive vice-president of Fuqiang and a cousin of Mr. Lin. He graduated from Fujian Teachers University (福建師範大學) and has gained extensive administration experience as the production director, administration director and vice-president of the general administration department of Fujian Teachers University (福建師範大學). He joined the Group in March 1998 and was one of the founding members.

Mr. Wang Song Qing (汪嵩慶), aged 56, is the chief engineer of Fuqiang overseeing technology development of the Group. He graduated from the Department of Electronics of Tianjin University (天津大學) in 1967. Prior to joining the Group in June 1998, Mr. Wang was the technical officer of the 893th institute under the Department of Electronics Industry* (電子工業部) of China and was engaged in the research of micro transistor thin film circuit (微形體管薄膜電路). He was a senior engineer for the headquarters of the 5308th Factory of Department of Weaponry Industry* (兵器工業部). In 1983, Mr. Wang was the technical supervisor and was responsible for overseeing the newly imported technology of circuit board assembly line.

Mr. Cai Hua (蔡華), aged 29, is an executive vice-president of marketing of Fuqiang. Prior to joining the Group in May 1998, Mr. Cai was an assistant to the general manager of the sales branch of Guangzhou Printronics Circuit Corp. (廣州普林電路公司). He has gained 8 years of experience in the sales and marketing of PCBs. Mr. Cai also has extensive experience in marketing, strategic planning and development of international sales networks.

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Mr. Tong Yiu On (唐耀安), aged 34, is the company secretary and chief financial officer of the Company. He is responsible for the financial reporting and management and regulatory compliance of the Company. He is an associate member of the Association of Chartered Certified Accountants (ACCA) and the Hong Kong Society of Accountants (HKSA). Prior to joining the Group in September 2000, Mr. Tong was the financial controller of a wholly owned subsidiary of Sun East Technology (Holdings) Ltd., a Hong Kong listed company, and has gained 9 years of experience from an international accounting firm and a wholly owned subsidiary of a company listed on the Australia stock exchange in auditing and financial management for various industries.

Mr. Hu Zhao Rui (胡兆瑞), aged 42, is the financial manager of Fuqiang. He graduated from Fuzhou Technical Institute[#] (福州工業學校), majoring in finance and is a certified public accountant in the PRC. Prior to joining the Group in June 1998, he had around 15 years' experience in accounting and financial management through working as the financial manager of several companies including Fujian Minjiang Shipping Company[#] (福建省閩江航運總公司), Fujian Fuqing Rangqiao Wharf Co. Ltd. (福建福清融僑碼頭港務有限公司), Fujiang Mingjiang Wu Yi Cement Transportation Company Limited[#] (福建閩江武夷散裝水泥聯運公司) and Fujiang Hong Feng Investment & Development Company Limited[#] (福建鴻豐投資發展有限公司).

TECHNOLOGY DEVELOPMENT ADVISORY BOARD

In September 1999, the Company established its technology development advisory board (the "Advisory Board") for the purpose of obtaining input on the newest trends on emerging technologies, the impact of these technologies on the Company's business and the technology direction of the Company.

The Advisory Board comprises four members, namely Mr. Sun Yu (孫玉), Mr. Huang Song En (黃頌恩), Mr. Lin Jin Du (林金堵) and Mr. Yao Shou Ren (姚守仁), who are all very reputable in the fields of electronics and PCB technologies in the PRC. Chaired by Mr. Sun Yu (孫玉), the Advisory Board serves as a channel of communication with decision makers of government to obtain policy information on the electronics industry for the Group.

As chairman and chief consultant of the Advisory Board, Mr. Sun Yu (孫玉) is an academician of the China Academy of Engineering[#] (中國工程院院士). He graduated in the Qinghua University (清華大學) in 1962, and was appointed as the chairman of the Communications Testing and Control Technology Research Institute[#] (通信測控技術研究所科技委主任) in 1990. He was appointed as the deputy chairman of the professional committee of the "863" Planned Communications Theme Project[#] ("863"計劃通信主題專家組副組長) in 1993, and was appointed as the chairman of the head-committee of the "Regional Electronics" Communication Functionality Project[#] ("區電"工程通信功能總體組組長) in 1996. He was also appointed as the chairman of the Military Communications Professional Research Committee in 1997[#] (軍事通信預研專家組組長), and was appointed as the chief engineer of the Guangzhou Jinpeng Group[#] (廣州金鵬集團) in 1998. Major publications of Mr. Sun include "Digital Compound Connect Technology"[#] (數字總接技術) in 1983, "Digital Net Traffic Damages"[#] (數字網傳輸損傷) in 1985 and "Digital Net Professional Technologies"[#] (數字網專用技術) in 1988.

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Members of the Advisory Board serve on a part-time basis and are neither remunerated nor are appointed with specified terms or service agreement.

The key functions of the Advisory Board include the following:

- provide a group of advisors for the group's management to consult with in the course of key decision in technology direction;
- focus on how to improve the EMS business of the Group;
- assist the Group in establishing strategic partnership with domestic ODMs by capitalising on the industry connection of the board members; and
- provide technology expertise to the engineering design team of the Group.

It is expected that the Advisory Board will hold one or two meetings annually.

DIRECTORS' REMUNERATION

Each of the executive Directors has entered into a service agreement with the Company. Each agreement will commence from 8th May, 2001 (the "Effective Date").

Brief particulars of these service agreements are set out below:

- (i) Each service agreement is for an initial term of three years with a fixed term of one year. Each of the executive Directors is entitled to the respective basic salaries set out below (subject to an annual increment after each completed year of service at a rate to be determined at the sole and absolute discretion of the board of Directors, provided that such increase shall not exceed 10 per cent. of the then current annual remuneration of the relevant Director). In addition, the executive Directors are also entitled, to a discretionary bonus as the board of Directors may in its absolute discretion determine having regard to the performance of the executive Director and the operating results of the Group which, in respect of any financial year of the Company, shall not be more than 10 per cent. of the audited consolidated net profit after taxation and minority interests but before extraordinary and exceptional items of the Group for that financial year, which amount shall be paid within one calendar month after the announcement of the audited final results of the Group for that financial year. The discretionary bonus shall only be payable when the audited consolidated net profit after taxation and minority interests but before extraordinary and exceptional items of the Group and before payment of the total discretionary bonuses payable to all the executive Directors shall exceed HK\$80 million.
- (ii) Each of Mr. Lin Wan Qaing, Mr. Xiang Song and Mr. Lin Wan Peng shall be entitled to a basic monthly salary of HK\$50,000, HK\$25,000 and HK\$25,000 respectively.

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The executive Directors received remuneration of approximately HK\$162,000, HK\$271,000 and HK\$129,000 for each of the two years ended 30th June, 2000 and the five months ended 30th November, 2000 respectively. Other non-executive Directors did not receive any remuneration or benefits in kind for the two years ended 30th June, 2000 and the five months ended 30th November, 2000. It is estimated that approximately HK\$434,000 (excluding discretionary bonus payable to the executive Directors) in aggregate will be payable to the executive Directors or companies controlled by them as remuneration or in the form of benefits in kind pursuant to the present arrangements for the year ending 30th June, 2001.

In addition, an annual fee of HK\$10,000 is payable to each of the three independent non-executive Directors.

AUDIT COMMITTEE

The Group has established an audit committee with written terms of reference based upon the guidelines published by the Hong Kong Society of Accountants. The primary duties of the audit committee are to review the Group's annual report and accounts, half-year reports and quarterly reports and to provide advice and comments thereon to the board of Directors. The audit committee will also be responsible for reviewing and supervising the Group's financial reporting and internal control procedures. The audit committee comprises Mr. Liu Zhao Cai and Mr. Lam Ming Yung.

STAFF WELFARE

In the PRC, there is a statutory requirement to appropriate general reserve fund, enterprise expansion fund and staff welfare and bonus fund. Fuqiang being a sino-foreign joint venture in the PRC, is not required to appropriate general reserve fund and enterprise expansion fund as this is not mandatory for a sino-foreign joint venture. Fuqiang's Articles of Association has not specified a policy on appropriation to staff welfare and bonus fund as this is discretionary and the board has decided not to make such appropriation.