
DIRECTORS, AUDIT COMMITTEE AND SENIOR MANAGEMENT AND STAFF OF THE GROUP

DIRECTORS

Executive Directors

Mr. Cheok Ho Fung, aged 50, is the Chairman and Chief Executive Officer and founder of the Group. Mr. Cheok is responsible for overall strategic planning and direction of the Group. Backed by over 15 years' of experience in the PCB industry, Mr. Cheok also spearheads the Group's efforts in seeking out business development, capital investment and joint venture opportunities. Prior to the founding of the Group in 1985, Mr. Cheok had held various financial controller and management positions in different multi-national companies involved in computers and computer related products, application system providers, motor vehicles and agricultural equipment, ship repair and oil-rig construction, business-form printing and PCB manufacturing. Mr. Cheok has been a fellow member of the Association of Chartered Certified Accountants since 1980, Chartered Institute of Cost and Management Accountants since 1981 and Hong Kong Society of Accountants since 1990.

Mr. Ng Chi Shing, aged 41, is the Chief Operating Officer of the Group. Mr. Ng is responsible for overall management, including engineering, research and development and manufacturing activities of the Group. Mr. Ng has accumulated over 15 years of experience in the PCB industries. Prior to joining the Group in 1985, he was employed by a major PCB manufacturer in Hong Kong, where he was responsible for material control. Mr. Ng obtained his degree in Quantitative Analysis for Business from City Polytechnic University, Hong Kong in 1995.

Mr. Kwok Chi Kwong, Danny, aged 42 is the Quality Assurance Director of the Group. He is responsible for all matters in relation to quality assurance and for ensuring that the Group consistently meets the standards set by the QS 9000 quality management system. Prior to joining the Group in 1986, Mr. Kwok had been an auditor for the Quality Assurance Department in a major PCB manufacturer in Hong Kong for two years. Mr. Kwok graduated from the Hong Kong Polytechnic in 1990.

Mr. Wong Shui Hing, aged 48 is the Chief Finance Officer of the Group. In addition to being responsible for overall finance and accounting functions, Mr. Wong oversees the Group's purchasing and shipping activities, as well as human resources and training programmes. Prior to joining the Group in 1987, Mr. Wong gained exposure and experience in the field of management accounting in companies involved in ship repair, oil-rig construction and PRC offshore oil drilling services. Mr. Wong graduated from the Hong Kong Baptist College in 1978.

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Service agreements

On 30 May, 2002 (the “Commencement Date”), the Company entered into separate service agreements (the “Service Agreements”) with Mr. Cheok, Mr. Ng, Mr. Wong and Mr. Kwok (each an “Appointee” and collectively the “Appointees”) respectively for an initial period of three years, which is renewable thereafter. Under the respective service agreements with Mr. Ng, Mr. Kwok and Mr. Wong, such agreements may be terminated by either party by giving not less than three months’ written notice to the other party while under the service agreement between the Company and Mr. Cheok, such agreement may be terminated by either party giving not less than six months written notice to the other party.

Under the terms of the Service Agreements, Mr. Cheok, Mr. Ng, Mr. Wong and Mr. Kwok will be paid an annual salary of HK\$3,354,000, HK\$1,248,000, HK\$1,040,000 and HK\$906,100, respectively. Under the Service Agreement entered into between the Company and Mr. Cheok, Mr. Cheok shall also be entitled to the use of a motor car and will also be provided with housing accommodation by the Company.

In addition, Mr. Cheok shall be paid, in respect of each financial year of the Company as performance bonus, an amount equivalent to a sum of up to 3% of the Profits (as defined below) for that financial year. Mr. Ng, Mr. Kwok and Mr. Wong shall be entitled to share in a profit sharing pool in respect of each financial year of the Company as performance bonus of a total amount equivalent to up to 2.5% of the Profits for that financial year. Any sum payable as performance bonus shall be paid within thirty days after the accounts of the Group for the relevant financial year have been audited. For the purpose of calculating the performance bonus, “Profits” shall in relation to each financial year mean the aggregate of the net profits of the Group before performance bonus, tax and extraordinary items based on the audited accounts of the Group for that financial year.

Save as disclosed in this prospectus, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

During the year ended 31 December, 2001, the aggregate emoluments paid by the Group to the executive Directors were approximately HK\$8,956,000.

Under the arrangement currently in force, the aggregate emoluments (excluding discretionary bonuses) payable by the Group to the Directors for the year ending 31 December, 2002 are set forth in section 7 of the accountants’ report, the text of which is set forth in Appendix I of this prospectus.

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Mr. Ng, Mr. Kwok and Mr. Wong has each agreed that he shall not, during his employment and within a period of one year upon his ceasing to be employed by the Company, within Hong Kong or any other country in which the Group carries on business, directly or indirectly:—

- (a) either on his own account or for any other person or body corporate or incorporate directly or indirectly solicit or entice away from any company in the Group any person who is now or at any time during the one year up to and including the date of termination of employment may have become a customer or supplier or prospective customer or supplier or an employee of any member of the Group; or
- (b) carry on or be employed, concerned or interested directly or indirectly whether as a shareholder, director, executive, partner, agent or otherwise and whether alone or jointly with others in any business carried on by any member of the Group during the continuance of employment in competition with any member of the Group (other than as a holder of not more than 5% of issued shares or other securities of any company listed on any recognised stock exchange).

Mr. Cheok has agreed that he shall not, during his employment and within a period of six months upon his ceasing to be employed by the Company, within Hong Kong or any other country in which the Group carries on business, directly or indirectly:—

- (a) either on his own account or for any other person or body corporate or incorporate directly or indirectly solicit or entice away from any company in the Group any person who is now or at any time during the one year up to and including the date of termination of employment may have become a customer or supplier or prospective customer or supplier or an employee of any member of the Group; or
- (b) carry on or be employed, concerned or interested directly or indirectly whether as a shareholder, director, executive, partner, agent or otherwise and whether alone or jointly with others in any business carried on by any member of the Group during the continuance of employment in competition with any member of the Group (other than as a holder of not more than 5% of issued shares or other securities of any company listed on any recognised stock exchange).

Each Appointee has also further agreed that he shall not during his employment with the Company and at all times thereafter without limit in point in time, directly or indirectly, except with the prior written consent of the Company:—

- (a) use the name “TOPSEARCH” or any name similar to that of the Group or any colourable imitation thereof in connection with any business; or
- (b) use any trade mark, patent or any other intellectual property right of the Group in connection with any business not belonging to the Group.

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The Directors are of the view that the terms of the Service Agreements are fair and reasonable taking into account the business network and contacts that these executives bring to the Group, the time and commitment that they are expected to devote to the Group, the expansion of the Group's operations and the additional duties and responsibilities that each of them will undertake upon listing.

Had the aforesaid service agreements between the Company and the Appointees been in effect for the year ended 31 December, 2001, the aggregate remuneration payable to the Appointees would have been HK\$15,949,000 instead of HK\$8,956,000 and the profit before tax of the Group for the year ended 31 December, 2001 would have been HK\$122,013,000 instead of HK\$129,006,000. The Appointees' aggregate remuneration of HK\$15,949,000 would have represented approximately 13.4% of the profit after tax of the Group (with the Appointees' aggregate remuneration added back) in the year ended 31 December, 2001 had the Service Agreements been in effect in the year ended 31 December, 2001.

For the year ended 31 December, 1999, the Directors received no discretionary bonus from the Group. For each of the two years ended 31 December, 2001, the Directors received an aggregate amount of discretionary bonus of approximately HK\$1,367,000 and approximately HK\$304,000, respectively.

Independent non-executive Director

Mr. Ng Kwok Ying, Alvin, aged 54, is an independent non-executive Director. Mr. Ng is the founder and currently a senior partner of Ng and Partners, Solicitors. Prior to becoming a solicitor, Mr. Ng worked in the shipping industry for 10 years. Mr. Ng graduated from the University of Hong Kong with a Bachelor of Social Sciences degree. Mr. Ng was appointed as the Company's independent non-executive Director on 3 April, 2002.

Mr. Tang Yok Lam, Andy, aged 53, is an independent non-executive Director. Mr. Tang has had 29 years international working experience in Hong Kong, Japan, London, the US and the PRC in engineering, finance and investment banking areas. Mr. Tang had served at various senior executive positions in multinational companies in Hong Kong, Japan, London, the US and the PRC. Mr. Tang pioneered non-recourse project finance for major power plant financing in the PRC since 1994. Mr. Tang is currently the president of Shandong ITIC Consulting Co., Ltd., a sino-US joint venture with Shandong International Trust & Investment Corp. in Jinan, the PRC. The company provides various investment banking and strategic advisory services to leading Chinese groups, both private enterprises and publicly listed companies. Mr. Tang studied naval architecture in Taiwan, then production management at Cambridge and earned his MBA at Cranfield Institute of Technology (England) in 1977. Mr. Tang was appointed as the Company's independent non-executive Director on 3 April, 2002.

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AUDIT COMMITTEE OF THE GROUP

The Company established an audit committee on 30 May, 2002 with written terms of reference in compliance with the Code of Best Practice as set forth 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 who are the two independent non-executive Directors.

SENIOR MANAGEMENT OF THE GROUP

Mr. Leung Wing Hing, Nelson, aged 37, is the Customer Services and Quality Manager of the Group. He is responsible for ensuring that customers are satisfied with the services and quality rendered by the Group, and for building and maintaining good relationships with customers. To-date, he has over ten years of experience in the PCB industry. Mr. Leung joined the Group in 1990 as an Assistant Q.A. Manager until 1992. He rejoined the Group as the Customer Services and Quality Manager in 1996. Mr. Leung graduated from the Hong Kong Polytechnic University with a Higher Certificate in Manufacturing Engineering (Plastics) in 1990.

Mr. Yui Ching Leung, Andrew, aged 33, is the Chief Information Officer of the Group. He supervises the Information Technology team and is also responsible for maintaining IT and computer systems. Mr. Yui has approximately ten years of experience in the management information systems. Prior to joining the Group in 1990, Mr. Yui worked in an international computer company where he was involved in hardware maintenance and solution provider. Mr. Yui graduated from the University of Hong Kong with a Bachelor of Science degree in Industrial Engineering in 1990.

Mr. Sham Pong Kit, Anthony, aged 44, is the Director of Marketing - Corporate, of the Group. He has over 18 years of experience in marketing and sales in various local and overseas companies. He joined the Group in March 2001 and is currently assisting the Group's Chief Executive Officer in overseeing all marketing and sales functions. Prior to joining the Group, Mr. Sham held several marketing and sales positions in several international trading and manufacturing companies, where he was responsible for overseeing the marketing and sales functions in these companies. He was also the Director of Marketing at a consumer electronics company in Canada in the mid 1990s before moving back to Hong Kong. Mr. Sham obtained a Bachelor of Social Science degree and a Master of Business Administration degree from the Chinese University of Hong Kong in 1981 and 1983 respectively.

Mr. Chan Ngai Chi, aged 30 is the company secretary of the Company and the Financial Controller of the Group. He joined the Group in December 2000 and is currently responsible for financial and accounting functions. Prior to joining the Group, he worked in an international accounting firm and subsequently served as the financial controller and company secretary of a company listed on the Main Board. Mr. Chan is an associate member of the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants. Mr. Chan graduated from the Hong Kong University of Science and Technology with a Bachelor of Business Administration degree in 1994.

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STAFF OF THE GROUP

Staff

As at the Latest Practicable Date, the Group and its associated company has a total of 4,568 full-time employees. The breakdown in terms of geographical locations and functions is as follows:—

	Hong Kong	PRC	Other Countries	Total
Manufacturing	—	3,790	—	3,790
Engineering	—	310	—	310
Quality Assurance	—	172	—	172
Marketing and Customer Services	27	10	28	65
Finance and Administration	12	149	3	164
Information Technology	8	34	—	42
Purchasing and Shipping	18	7	—	25
	<u>18</u>	<u>7</u>	<u>—</u>	<u>25</u>
Total	<u>65</u>	<u>4,472</u>	<u>31</u>	<u>4,568</u>

The Group's relationship with staff

At present, all employees hired in the PRC are employed under contract subject to a one-year term, which is renewable upon expiration. Since its establishment, the Group has not encountered any major interruption in its PRC operations due to labour disputes. The Directors believe that the Group has maintained good relationships with its employees in the PRC.

Relations between management and staff are good and there have been no work stoppages caused by industrial disputes since the beginning of the Group's operations.

Share Option Scheme

The Group has conditionally adopted the Share Option Scheme, the principal terms of which are set forth in the section headed "Share Option Scheme" in Appendix IV to this prospectus.

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Staff training

The Group carries out staff training on an ongoing basis. Such training programmes are drawn up by the Group's Human Resource & Training Department at the last quarter of every year for the following year. The training programmes are reviewed by the management from time to time. Training can essentially be divided into internal and external training. Besides ensuring that appropriate on-the-job training is provided to all new staff, various in-house training programmes are also conducted. For example, the Group's manufacturing staff involved in equipment operation, quality control, industrial safety and R&D staff attend training on PCB production and design and administration staff are given training on company procedures and computer operations. Further, staff may also apply to attend external training programmes, seminars or conferences, the costs of which are fully or partially subsidised by the Group.

Other benefits

The Group currently provides housing allowances, medical, employment injury and retirement benefits to its staff in accordance with the relevant PRC rules and regulations. The Directors confirm that the Group has fulfilled its obligations under the relevant PRC laws. The Directors are uncertain as to whether there will be any further developments in the housing reform policy and the financial impact on the Group as a result of such development. The Directors will implement the housing reform policy once it has promulgated by the State Council.

The Group has been participating in a mandatory provident fund scheme for its employees in Hong Kong in accordance with the applicable Hong Kong laws and regulations.