
DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS

Our Board consists of seven members, four of whom are executive Directors and three of whom are independent non-executive Directors. The table below shows certain information in respect of our Directors:

Name	Age	Position	Principal responsibilities	Appointment date of Director
Mr. WONG Kin Ling	57	Chairman and executive Director	Overall corporate strategies, planning, management and business development of our Group	8 December 2010
Madam HUNG Kin	57	Executive Director	Management and making operation decisions for our Group	8 December 2010
Mr. WANG Shao Hua	44	Executive Director	Overseeing the innerwear business of our Group	15 August 2011
Mr. WEI Jin Long	40	Executive Director	Overseeing the fabrics business of our Group	15 August 2011
Mr. WANG Jin Tang	53	Independent non-executive Director	Overseeing management independently	15 August 2011
Ms. TAY Sheve Li	39	Independent non-executive Director	Overseeing management independently	15 August 2011
Dr. CHAN Ah Pun	36	Independent non-executive Director	Overseeing management independently	15 August 2011

Executive Directors

Mr. WONG Kin Ling (王建陵) is the co-founder of our Group. Mr. Wong was initially appointed as a Director of our Company on 8 December 2010 and was subsequently designated as an executive Director on 19 August 2011. He is the spouse of our executive Director, Madam HUNG Kin. Mr. Wong is primarily responsible for the overall corporate strategies, planning, management and business development of our Group. Mr. Wong has been the chairman of Zhucheng Eternal Knitting, Zhucheng Yumin Knitting and Shandong Grand Concord since their establishment, overseeing their overall strategic development, soliciting business opportunities, having regular meetings with senior management and staff and conducting site visits at the production factories so as to keep close track with the said companies' latest development. Mr. Wong accrued over 10 years of experience in the manufacturing and trading operations of the

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knitted fabrics and knitwear industries. Prior to establishing our Group, Mr. Wong had worked in Nanjing City 2nd Steel Plant (南京市第二鋼鐵廠), a state-owned entity, from 1970 to 1987, and the China & South Sea Bank (中南銀行) in Hong Kong from 1987 to 1989.

Mr. Wong is a committee member of the 11th Session of the Chinese People's Political Consultative Conference in Weifang, Shandong (中國人民政治協商會議山東省濰坊市第十一屆委員會委員). Mr. Wong was awarded as one of the "Ten Best Committee Members" by the Committee of the Communist Party of China in Zhucheng, Shandong (中共諸城市委) in 2009, and is also an Honorary Citizen of Zhucheng, Shandong, PRC (諸城榮譽市民). He was appointed the vice president and the standing member of the Knitwear Exporting Enterprises Branch of the Shandong International Trade Federation (山東省國際貿易聯合會針織品出口企業分會) in 2008. He was honoured as an Excellent Textile Entrepreneur of Shandong Province under the Eleventh Five-Year Plan ("十一五"山東紡織優秀創業企業家) and a Model Worker of Zhucheng City (諸城市勞動模範) in 2011.

Madam HUNG Kin (洪建) is the co-founder of our Group. Madam Hung was initially appointed as a Director of our Company on 8 December 2010 and was subsequently designated as executive Director on 19 August 2011. She is the spouse of our chairman and executive Director, Mr. Wong. Madam Hung has been the director of Zhucheng Eternal Knitting, Zhucheng Yumin Knitting and Shandong Grand Concord since their establishment. Madam Hung is primarily responsible for the daily management and operations of our Group, including financial management and accounting matters. Madam Hung obtained certificates in statistics (統計專業單科合格證書) between 1985 to 1988 by attending Jiangsu Provincial Self-Learning Higher Education Examinations (江蘇省高等教育自學考試) organised by Jiangsu Provincial Education Examination Authority (江蘇省教育考試院). Madam Hung was an officer at Xuzhou Ice Factory (徐州冰廠) from 1970 to 1977, and an industrial statistician at the Xuzhou City Statistics Bureau (徐州市統計局) from 1978 to 1982.

Mr. WANG Shao Hua (王韶華) is our executive Director. Mr. Wang was initially appointed as a Director of our Company on 15 August 2011 and was subsequently designated as an executive Director on 19 August 2011. Mr. S.H. Wang has over 20 years of experience in the knitting industry. He has been the general manager of Zhucheng Eternal Knitting since 26 May 2004 and was also appointed as its director on 2 December 2009. He is also a director of Zhucheng Yumin Knitting since 10 November 2004 and a director of Shandong Grand Concord since its establishment on 9 July 2007. Prior to his joining our Group, Mr. S.H. Wang assumed various positions at Shandong Lanfeng Knitting Group Co. Ltd. (山東蘭鳳針織集團) including deputy general manager, director and the general manager in charge of import and export and enterprise management functions from 1987 to 2004.

Mr. S.H. Wang graduated from Shandong Textile Industry School (山東省紡織工業學校) and obtained his junior college degree in textile (針織專業大學專科) in July 1987. He completed the part-time course in Shandong Provincial Party School of the Communist Party of China (中共山東省委黨校) during September 1993 to June 1996 in economic management and obtained his certificate.

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Mr. WEI Jin Long (衛金龍) is our executive Director. Mr. Wei was initially appointed as a Director of our Company on 15 August 2011 and was subsequently designated as an executive Director on 19 August 2011. In addition to his directorship with our Company, he has also been the general manager of Zhucheng Yumin Knitting since 1 April 2009. Prior to his joining our Group, he was a deputy general manager of a company in the PRC principally engaged in trading of fabrics and garment from January 2007 to March 2009. Mr. Wei also has over eight years of experience in the knitting and dyeing industry, and has engaged in the production, management and sales process of such industry. Mr. Wei obtained his certificate in business administration from Xi'an University of Science and Technology (西安電子科技大學) in 2011 through distance learning.

Each of the executive Directors has entered into a service contract with our Company for a period of three years commencing from the Listing Date. Under such contract, each Director will receive a fixed monthly salary and may receive a discretionary bonus. Further details of the terms of the service contracts of the executive Directors are set out under the paragraph headed "Particulars of service contracts" in Appendix V to this prospectus.

Independent non-executive Directors

Mr. WANG Jin Tang (王金堂) is our independent non-executive Director. Mr. Wang was initially appointed as a Director of our Company on 15 August 2011 and was subsequently designated as an independent non-executive Director on 19 August 2011. He is currently the vice president of the People's Political Consultative Conference (政治協商會議) of Zhucheng City. Mr. Wang Jin Tang has over 20 years of experience in accounting and finance. He obtained bachelor's degree in economic management from the Shandong Provincial School of the Chinese Communist Party (中共山東省委黨校) in 1998 and has thereafter obtained the qualification as a senior accountant in 2002. In May 2001 he was appointed as the president in the Finance Bureau of Zhucheng City (諸城市財政局). Prior to this, he worked as the vice president of the Finance Bureau of Zhucheng City and the president of the State-owned Assets Administration Bureau of Zhucheng City (諸城市國有資產管理局) starting from 1990 and 1995 respectively. Mr. Wang Jin Tang was awarded as an national advanced individual of technological work (county/city level) (全國縣(市)科技進步工作先進個人) by Ministry of Science and Technology (科學技術部) in 2008, and he was also a representative in the 14th and 15th People's Conference of Zhucheng City (諸城市人大代表).

Ms. TAY Sheve Li (鄭雪莉) is our independent non-executive Director. Ms. Tay was initially appointed as a Director of our Company on 15 August 2011 and was subsequently designated as an independent non-executive Director on 19 August 2011. She was the president of finance and capital management department in Centron Telecom International Holding Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1155), from October 2010 to June 2011. Ms. Tay has over 13 years of experience in accounting and auditing. She worked at Ernst & Young as a senior manager in audit assurance from November 1997 to September 2007 and as a senior manager in finance from October 2007 to September 2010. Ms. Tay has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants and the fellow of Association of Chartered Certified Accountants since 2002. She graduated from the University of Strathclyde, United Kingdom, in 1994 with a bachelor's degree in arts. In 2004, she obtained a master's degree in applied finance from University of Western Sydney.

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Dr. CHAN Ah Pun (陳亞彬) is our independent non-executive Director. Mr. Chan was initially appointed as a Director of our Company on 15 August 2011 and was subsequently designated as an independent non-executive Director on 19 August 2011. He has been the executive director of Miracle International Corporation Limited (“**Miracle**”) since 2009. From 2006 to 2009, Dr. Chan was the operations manager of ACE Style Intimate Apparel Limited, a company engaging in the business of underwear manufacturing, where Dr. Chan was responsible for its budget, production planning, process and quality control, as well as its production and quality assurance management. From 2005 to 2006, he was the production manager of Tavistock Springs (HK) Limited, where he was responsible for production management and monitoring the business of bra pad molding. Dr. Chan was a visiting lecturer of apparel technology at the Hong Kong Polytechnic University from 2009 to 2011. He obtained a Ph.D. in 2005, with research areas in garment fitting and pattern fitting, and a first class honours bachelor’s degree in clothing studies in 2000, both from the Hong Kong Polytechnic University. Dr. Chan was also a co-author for a number of academic journals in the area of clothing science and technology.

Based on the information provided by Dr. Chan, Miracle is solely owned by Dr. Chan and is mainly engaged in the trading of bras and swimwear in Europe. Miracle has not had any business dealings with our Group. As the products that Miracle currently trades are different from the products of our Group, Dr. Chan is not considered to be interested in a business which is likely to compete with our business.

Our Company has invited Dr. Chan to be our independent non-executive Director in the belief that his experience and academic pursuit in the garment industry will provide our Board with insight in strategic planning and positioning of our Group. As an independent non-executive Director, Dr. Chan will not be involved in the day-to-day operations and management of our Group.

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial or Controlling Shareholders of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in listed public companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save as disclosed in the paragraph headed “Interest discloseable under the SFO and substantial Shareholders” and the paragraph headed “Further information about Directors, management and staff and experts” in Appendix V to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Each of our Directors has confirmed that he/she does not have any interest in a business apart from ours which competes or is likely to compete, directly or indirectly, with us which is discloseable under Rule 8.10 of the Listing Rules.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as at the Latest Practicable Date.

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SENIOR MANAGEMENT

Our senior management comprises our executive Directors and the following persons:

Name	Age	Position
Mr. LEE Yin Sing	31	Chief Financial Officer and Company Secretary
Mr. LIU Xin De	45	Director and manager of Zhucheng Eternal Knitting, director of Zhucheng Yumin Knitting and supervisor of Shandong Grand Concord
Ms. JI Tai Mei	41	Deputy general manager of Zhucheng Eternal Knitting
Ms. ZHOU Li	38	Deputy general manager of Zhucheng Eternal Knitting

Mr. Lee Yin Sing (李彥昇) is our Chief Financial Officer and Company Secretary. Mr. Lee is responsible for overseeing our Group's financial planning and management. Mr. Lee has over eight years of experience in finance control and accounting through his prior employments. He acquired auditing experience through his prior employment with an audit firm of international repute from 2002 to 2007. Prior to joining our Group as its chief financial officer in August 2010, he worked as the financial manager of Proview International Holdings Limited, a company listed on the Stock Exchange (stock code: 334), in 2009 during which he acquired experience in finance control, accounting and company secretarial matters. In 2008, he served as the consultant in Convoy Financial Services Ltd., a subsidiary of Convoy Financial Services Holdings Limited, a company listed on the Stock Exchange (stock code: 1019), and was responsible for providing financial advice to clients. Mr. Lee graduated from the City University of Hong Kong in 2002 with a bachelor's degree in accounting. He has been a member of the Hong Kong Institute of Certified Public Accountants since 2008.

Mr. LIU Xin De (劉心德) is a director of Zhucheng Eternal Knitting and Zhucheng Yumin Knitting. He joined Zhucheng Eternal Knitting in March 2001 as merchandiser and was promoted as an office manager in June 2003. He was also appointed in November 2004 as the deputy general manager of Zhucheng Yumin Knitting in charge of equipment administration. In April 2006, he was promoted as a director of Zhucheng Yumin Knitting. Further, in December 2009, he was also appointed as director of Zhucheng Eternal Knitting. Mr. Liu obtained his bachelor's degree in national economic management from Shandong University (山東大學) in July 1989.

Ms. JI Tai Mei (季太梅) is the deputy general manager in charge of product management of Zhucheng Eternal Knitting. Prior to her appointment as the deputy general manager in April 2010, she served as the head of product planning department and concurrently as the assistant of general manager of Zhucheng Eternal Knitting from June 2004 until April 2010. Prior to joining our Group, she worked for Shandong Lanfeng Knitting Group Co. Ltd. (山東蘭鳳針織集團) from September 1989 to May 2004 and assumed the position of manager of the garment workshop from July 1999. Ms. Ji obtained her junior college degree in accounting from Shandong TV University (山東廣播電視大學) in July 1994.

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Ms. ZHOU Li (周麗) is the deputy general manager of Zhucheng Eternal Knitting. Prior to her appointment as the deputy general manager in April 2010, she served as the sales manager of Zhucheng Eternal Knitting since 26 December 2005 and was also appointed as assistant of general manager of Zhucheng Eternal Knitting on 15 August 2007. Before her engagement with our Group, she worked for Shandong Lanfeng Knitting Group Co. Ltd. (山東蘭鳳針織集團) from August 1992 to October 2005 and was the deputy general manager of import and export department before she left the same. Ms. Zhou graduated from Shandong Textile Industry School (山東省紡織工業學校) and obtained her degree of secondary vocational school diploma in textile on July 1992. She also obtained junior college degree in economic management (經濟管理大學專科) after completing the 3-year distance learning course from Shandong Cadres Correspondence College (山東省幹部函授大學) in June 1996.

COMPANY SECRETARY

Mr. Lee Yin Sing (李彥昇) was appointed as our Company Secretary on 19 August 2011. For details of Mr. Lee's background, please refer to the paragraph headed "Senior management" in this section above.

AUDIT COMMITTEE

We established an audit committee on 19 August 2011 in compliance with Rules 3.21 and 3.23 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Wang Jin Tang, Ms. Tay Sheve Li and Dr. Chan Ah Pun. Ms. Tay Sheve Li is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and the internal control procedures of our Group.

REMUNERATION COMMITTEE

We established a remuneration committee on 19 August 2011 in compliance with Appendix 14 to the Listing Rules. The remuneration committee consists of four members, namely Mr. Wong Kin Ling, Mr. Wang Jin Tang, Ms. Tay Sheve Li and Dr. Chan Ah Pun. Mr. Wang Jin Tang is the chairman of the remuneration committee. The primary duties of the remuneration committee are to make recommendations to our Board on the remuneration of our Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for our Directors and senior management. The remuneration policy of our Directors and senior management both before and after the Listing is and will continue to be determined based on their seniority, qualification and contribution to our Group, having regard to our Group's operating results and comparable market benchmark. After the Listing, the exact percentage of increase will be considered and recommended by our remuneration committee (comprised of independent non-executive Directors in majority) to our Board for consideration, while the relevant Director has to abstain from voting in relation to the resolution for considering his own pay rise. Furthermore, such percentage of increase will be subject to the limit imposed under the respective service contract entered into between the executive Directors and our Company.

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STAFF

As at the Latest Practicable Date, we had 1,453 full-time staff in the PRC and 8 full-time staff in Hong Kong. The following sets forth the total number of our staff by responsibilities:

	Total number
Production	1,097
Quality Control	52
Product development and chemical testing	69
Management & administration	52
Sales and marketing	33
Finance & accounting	29
Others ^(Note)	129
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Total	1,461

Note: Others comprise security guards, drivers, technicians, canteen and dormitory staff, warehouse staff, etc.

Relationships with our employees

Since our inception in 2000, we have not experienced any significant problems with our employees or disruptions to our operations due to labour disputes, nor have we experienced any difficulties in the recruitment and retention of experienced employees. We believe we have a good working relationship with our employees.

Compensation

Compensation of our employees primarily includes salaries, discretionary bonus, contributions to social insurance and retirement benefit scheme. During the Track Record Period, our Group incurred staff costs (including Directors' remuneration) of approximately RMB23.6 million, RMB28.8 million, RMB44.7 million and RMB31.6 million respectively, representing approximately 17.3%, 14.8%, 11.8% and 22.5% of our Group's revenue for the respective periods.

The aggregate amount of remuneration paid by us to our Directors, including salaries, contributions to retirement benefit plans and discretionary bonuses, during the Track Record Period was approximately RMB266,000, RMB262,000, RMB260,000 and RMB321,000 respectively.

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The five individuals whose emoluments were the highest in our Group included two Directors for each of the three years ended 31 December 2008, 2009 and 2010 and one Director for the six months ended 30 June 2011, respectively. The aggregate amount of emoluments payable to the other three highest paid individuals for each of the three years ended 31 December 2010 and the other four highest paid individuals for the six months ended 30 June 2011 (who are not Directors), including salaries, contributions to retirement benefit plans and discretionary bonuses, during the Track Record Period was approximately RMB144,000, RMB272,000, RMB1,920,000 and RMB1,647,000 respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of the Track Record Period. None of our Directors has waived or agreed to waive any remuneration during the same period.

Save as disclosed above, no other payments have been made or are payable by us or any of our subsidiaries to our Directors in respect of the Track Record Period. Under the arrangements currently in force, we estimate that we will pay an aggregate amount of approximately RMB8.9 million to our Directors as remuneration in respect of the year ending 31 December 2011, excluding any discretionary bonuses which may be paid to our Directors.

Other benefits

Our employees in the PRC participate in various social security plans enacted in China, which cover pension, medical and other welfare benefits, such as insurance premiums paid pursuant to 《中華人民共和國社會保險法》(Social Insurance Law of the PRC*) which took effect on 1 July 2011; 《工傷保險條例》(Regulation on Work-Related Injury Insurances*) which took effect on 1 January 2004; 《企業職工生育保險試行辦法》(Trial Measures for Maternity Insurance for Enterprise Workers*) which took effect on 1 January 1995. We are required to make contributions to the plans based on a percentage of the monthly compensation of employees, subject to a certain ceiling, and are paid to the respective labour and social welfare authorities in accordance with the applicable PRC rules and regulations, such as 《住房公積金管理條例》(Administration Rules of the Housing Provident Fund*). The local government is responsible for the planning, management and supervision of the scheme, including collecting and investing the contributions, and paying out the pension to the retired employees.

We obtained confirmations from 諸城市人力資源和社會保障局 (Zhucheng Human Resources and Social Security Bureau*) (“**Social Security Bureau**”) on 18 February 2011, 6 April 2011 and 18 July 2011 respectively that our PRC subsidiaries have strictly complied with the national and local laws and regulations on social insurance, have paid the social insurance in full and on time for all employees who declared to join the social insurance since their respective establishment and up to the date of confirmations, and did not have any outstanding payment, penalty, disagreement, dispute and litigation with the Social Security Bureau regarding the social insurance. The Social Security Bureau has acknowledged its awareness that our PRC subsidiaries have not fully contributed to the social insurance for those employees who did not agree to make the contributions and there was no intention of our PRC subsidiaries to evade their respective liability, and has further confirmed its acceptance of the reason therefor as

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submitted by our PRC subsidiaries. As such, as confirmed by the Social Security Bureau, it will not demand our PRC subsidiaries to make up the shortfall contributions or penalise our PRC subsidiaries.

We also obtained confirmations from 諸城市住房資金管理局 (Zhucheng Housing Provident Fund Management Bureau*) (“**Housing Provident Fund Bureau**”) on 7 March 2011 and 26 July 2011 respectively that the contribution to housing provident fund is not mandatory in Zhucheng. Our respective PRC subsidiaries have no mandatory obligation to make such contribution for our employees and have not been requested to make any contribution or been penalised. The Housing Provident Fund Bureau has further confirmed that there was no dispute on our respective PRC subsidiaries’ contribution and there will not be any penalty on them. The Housing Provident Fund Bureau has also confirmed that our Group did not have any outstanding payment, penalty, disagreement, dispute and litigation with it.

Our PRC legal advisers have reviewed the abovementioned confirmations from the respective Bureaus and confirmed that each of aforementioned Bureaus had proper authority to issue such confirmations. Based on such confirmations, our PRC legal advisers also advised that our Group had paid sufficient social insurance and housing provident fund respectively since the establishment of the relevant PRC subsidiaries and up to the date of the confirmations, and that our Group did not have any outstanding payment, penalty, disagreement, dispute and litigation with the Bureaus regarding social insurance and housing provident fund.

Although pursuant to 《中華人民共和國勞動法》(Labour Law of the PRC*) and 《中華人民共和國社會保險法》(Social Insurance Law of the PRC*), the administrative department of labour security or the relevant tax department has the authority to demand the paying party for payment of any outstanding or shortfall social insurance contributions within a specified period of time, to levy penalty on such outstanding or shortfall contributions and to apply to court for an order for mandatory payment, based on the abovementioned confirmations issued by the Social Security Bureau, our PRC legal advisers advised that it is very improbable that the Social Security Bureau will penalise our PRC subsidiaries for the shortfall in the social insurance contributions. Our PRC legal advisers have also advised that the Social Security Bureau will not investigate any violation of labour protection laws, regulations or rules of behaviour after the lapse of two years of such violation.

It is estimated that the shortfall in the contribution of social insurance amounted to approximately RMB2,100,000, RMB3,316,000, RMB4,532,000 and RMB2,585,000 respectively, and the shortfall in the contribution of housing provident fund amounted to approximately RMB562,000, RMB827,000, RMB1,195,000 and RMB705,000 respectively, during the Track Record Period. As the relevant Bureaus have confirmed that there was no outstanding payment, penalty, disagreement, dispute and litigation from and with our Group, the amount of shortfall were not provided for in the consolidated financial statements of our Group during the Track Record Period.

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Despite obtaining the aforementioned confirmations and legal advice, we cannot rule out the possibility of the PRC government authorities of a higher level taking enforcement actions against us in the future. In the event of any enforcement actions being taken against us, we could be demanded to effect payment of the outstanding contributions by a stipulated deadline and could face court proceedings if we fail to comply with the demand, which might affect our financial performance. As advised by our PRC legal advisers, if we are so demanded by the relevant Bureaus, for social insurance, we will be subject to a daily fine of 0.05% commencing from the defaulting date for any shortfall in contribution (and if such shortfall and fine are not paid within the stipulated deadline, an additional fine amounting to one to three times of the shortfall will be levied), and for housing provident fund, if we fail to meet the demand within the stipulated deadline, we will be subject to a lump sum fine of RMB10,000 to RMB50,000 for any shortfall in contribution. As at the Latest Practicable Date, we had not received any notification from the relevant Bureaus alleging that we had not fully contributed to the social insurance or the housing provident fund and demanding payment of the same before a stipulated deadline. In the event we receive such notification, we undertake to pay the relevant contributions before the stipulated deadline to ensure we will not be subject to the aforementioned fines.

In the interests of our Group, our Controlling Shareholders have agreed to indemnify our Group, among other things, for any costs, expenses, losses and damages which any member of our Group may suffer as a result of or in connection with any outstanding contributions to social insurance and housing provident fund, claims, potential penalties and fines which might be payable by any member of our Group as a result of or in connection with our PRC subsidiaries' failure to register and/or to contribute to the social insurance and housing provident fund on or before the Listing Date.

As confirmed by our Directors, our Group will discuss with, register and make contributions for our employees who did not agree to make contributions, in order to ensure that all our employees fully comply with the social insurance and housing provident fund requirements under the PRC laws and regulations before the end of November 2011. We will liaise with the relevant Bureaus for such registration and contributions and will also keep in contact with the relevant Bureaus to understand the latest legal requirements on the same.

We participate in a provident fund scheme registered under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong. Contributions from us are made based on a percentage of the employees' basic salaries, subject to the statutory maximum.

Save as disclosed above, during the Track Record Period, our Group complied with all applicable laws and regulations in relation to the social security and retirement contribution in the jurisdictions where we operate.

PRC labour contract law

《中華人民共和國勞動合同法》(Labour Contract Law of the PRC*) (“**Labour Contract Law**”) of the PRC, which took effect on 1 January 2008, stipulates certain requirements in relation to, among others things, the signing of labour contracts between enterprises and

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employees, dissolving labour contracts, the payment of remuneration and compensation as well as the employee social security. In addition, the Labour Contract Law requires employers to provide remuneration packages which are not lower than the respective local minimum standards.

Our Directors consider that the implementation of the Labour Contract Law has not given rise to any material and adverse impact on the operations and businesses of our Group as the remuneration package we offered to our staff is in general higher than the respective minimum standards prescribed by the local authorities and the terms of the labour contracts we entered into with our employees are on terms no less favourable than those prescribed by the Labour Contract Law.

Our Directors confirm that we had complied with all relevant requirements in relation to human resources management under the Labour Contract Law during the Track Record Period.

Share Option Scheme

We have conditionally adopted the Share Option Scheme whereby selected classes of participants (as more particularly described in Appendix V to this prospectus) may be granted options to subscribe for Shares at the discretion of the Board. The principal terms of the Share Option Scheme are summarised under the paragraph headed “Share Option Scheme” in Appendix V to this prospectus.

COMPLIANCE ADVISER

We will appoint Celestial Capital as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including shares issues and shares repurchases;
- where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.