

EXECUTIVE DIRECTORS

Mr. SHAM Kar Wai, aged 37, is an executive Director and the Chairman and the Chief Executive Officer of the Company. He founded the Group in November 1988 with his brother, Mr. Sham Kin Wai, and is responsible for the overall management and strategic development of the Group. Mr. Sham Kar Wai has over 16 years of experience in the fashion retail industry and has established an extensive network of contacts at international design houses during his time with the Group.

Mr. SHAM Kin Wai, aged 35, is an executive Director. Since founding the Group with his brother, Mr. Sham Kar Wai, in November 1988, his principal focus has been on merchandising and product design for the Company. As the Chief Creative Officer of the Company, Mr. Sham Kin Wai has 16 years of experience in the fashion retail industry and is responsible for the creative and aesthetic aspects of the Group's business. He has also been instrumental in creating the interior design concepts for the stores.

Mr. CHAN Wai Mo, Alva, aged 49, is an executive Director. He joined the Group in March 2003 and is responsible for the Group's operations in the PRC and Taiwan. Mr. Chan has over 12 years of experience in fashion retailing in Asia, of which 6 years have been spent on business development in the PRC. Mr. Chan holds a Master's degree in Business Administration from The State University of New York and is a Member of the American Institute of Certified Public Accountants and a Fellow Member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan was an executive director of Esprit Holdings Limited for seven years, and China Resources Enterprise Limited for three years, which are both listed on the Stock Exchange, before joining the Group.

NON-EXECUTIVE DIRECTORS

Dr. YEUNG Chun Kam, S.B.S. J.P., alias Charles YEUNG, aged 57, was appointed a non-executive Director in October 2004. Dr. Yeung is also the founder and chairman of the Glorious Sun Group and has over 30 years of experience in the garment industry. He was awarded the "Young Industrialist Award of Hong Kong" in 1991 and was conferred an honorary doctorate degree by the China Textile University in 1993 and an honorary fellow by The Professional Validation Council of Hong Kong Industries in 2002. Dr. Yeung is a Member of the National Committee of the Chinese People's Political Consultative Conference, the Vice-president of China Association of Enterprises with Foreign Investment, the President of Guangdong Chamber of Foreign Investors, the Honorary Permanent Chairman of The Hong Kong General Chamber of Textiles Limited, the President Honoris Causa of Hong Kong Young Industrialists Council. Dr. Yeung is also an advisory professor of the East China University and the Tianjin Polytechnic University and a visiting professor of the Xi'an Institute of Science and Technology in the PRC. Dr. Yeung has confirmed that he does not have an interest in any business that competes or is likely to compete, directly or indirectly, with the business of the Group. In particular, please refer to the section headed "Business — Competition" in this prospectus, which sets out details of the business of Glorious Sun and the reasons why it is not considered to be a competitor of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Mo Po, alias Paul CHAN, aged 49, was appointed an independent non-executive Director in October 2004. Mr. Chan is also the managing partner of Paul Chan & Partners, Certified Public Accountants, and an independent non-executive director of the

Stock Exchange-listed Wharf (Holdings) Limited, Proview International Holdings Limited, Citic Resources Holdings Limited, China Resources Cement Holdings Limited and Kingmaker Footwear Holdings Limited. Mr. Chan holds both a Bachelor's and a Master's degree in Business Administration from The Chinese University of Hong Kong. He is a practising Certified Public Accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the Society of Chinese Accountants and Auditors, the Institute of Chartered Secretaries & Administrators, the Taxation Institute of Hong Kong, the Hong Kong Institute of Company Secretaries, and a member of the Macau Society of Certified Practising Accountants. Mr. Chan has over 27 years' experience in the accounting and finance field and is currently the vice president of the HKICPA. He had been the former chairman of the Association of Chartered Certified Accountants — Hong Kong Branch — from May 1996 to April 1997 and a former member of the World Council of the Association of Chartered Certified Accountants in the United Kingdom.

Dr. LO Wing Yan, William, JP, aged 43, was appointed an independent non-executive Director in October 2004. Dr. Lo is also an executive director of China Unicom Ltd, a company listed on both the Stock Exchange and the New York Stock Exchange. He is also a non-executive director of a number of publicly listed companies, including Nam Tai Electronics, Inc., and the Stock Exchange listed Softbank Investment International (Strategic) Ltd., Ocean Grand Chemicals Holdings Ltd., Superdata Software Holdings Ltd., Capital Publications Limited, Panorama International Holdings Ltd. and Varitronix International Limited. He holds a Master's degree in Molecular Pharmacology and a Doctorate in Genetic Engineering, both of which were obtained from the University of Cambridge in England. He was also a Commonwealth Scholar, a Croucher Foundation Fellow and a Bye-Fellow of Downing College, the University of Cambridge. In 1996, the Davos-based World Economic Forum selected Dr. Lo as a "Global Leader for Tomorrow". In 1999, he was appointed as a Justice of the Peace (JP) by the Hong Kong SAR government. In 2003, he was appointed as a Committee Member of Shantou People's Political Consultative Conference. Dr. Lo is an Adjunct Professor of The School of Business of the Hong Kong Baptist University. Dr. Lo has over 12 years of senior management experience.

Mr. WONG Wai Ming, aged 44, was appointed an independent non-executive Director in October 2004. Mr. Wong is the chief executive officer of Global China Group Holdings Limited, a company listed on the Stock Exchange, of which the Group is an advertising customer. Mr. Wong is a chartered accountant and holds a Bachelor of Science degree from the University of Manchester, Institute of Science and Technology in the United Kingdom. Mr. Wong is also an independent non-executive director of Lenovo Group Limited and Linmark Group Limited, both of which are companies listed on the Stock Exchange. Mr. Wong has over 14 years' experience in banking.

CORPORATE MANAGEMENT TEAM

Ms. NG Yuk Chau, aged 36, is the finance director. Ms. Ng holds a Bachelor of Social Sciences degree from the University of Hong Kong and has 14 years of experience in accounting and auditing. She joined the Group in January 1994.

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Mr. KWONG Kwok Yu, aged 41, is the financial controller of the Group and the Qualified Accountant of the Company. Mr. Kwong is a Fellow Member of the Association of Chartered Certified Accountants and an Associate Member of the Hong Kong Institute of Certified Public Accountants, with over 18 years of professional experience in accounting and auditing. He joined the Group in October 2000.

Ms. YU, Michaeline, aged 37, is the retail operation director. She joined the Group in May 1998 and is responsible for the overall management of the Group's retail operations. Ms. Yu holds a Bachelor of Arts degree from the University of California, Berkeley, majoring in Economics, and holds a Master's degree of Pacific International Affairs from the University of California, San Diego. Ms. Yu was formerly the retail manager of a number of international fashion retailers and has over 13 years of experience in the fashion retailing industry.

Ms. CHOW Hau Mui, aged 35, is the retail administration director. She joined the Group in March 1994 and is responsible for the formulation and review of policies and procedures relating to the Group's retail operations and inventory control. Ms. Chow holds a Bachelor of Business degree from Monash University, Australia. She has over 10 years of experience in retail administration.

Ms. LEE Shuk Kuen, Joe, aged 33, is the merchandising director. She joined the Group in June 1998, and is responsible for buying strategy and the procurement of designer brands for the *I.T.*, *i.t* and *E.T.E* multi-brand stores. Ms. Lee has over 10 years of buying experience in the fashion retailing industry.

Ms. LEE Yuen Pik, aged 35, is the brand director. She joined the Group in May 1996 and is responsible for the design, manufacturing and management of two in-house brands, *b+ab* and *5cm*. Ms. Lee holds a Higher Diploma in Fashion and Clothing Technology from the Hong Kong Polytechnic University. Ms. Lee has over 10 years of buying and manufacturing experience in the fashion retailing industry.

Ms. CHENG, Deborah, aged 33, is the marketing and communications director. She joined the Group in December 1997 and is responsible for promotional and public relations events, advertising and media relationships. She has over 10 years of marketing and public relations experience.

Ms. YU Lai Hung, aged 39, is the MIS director. She joined the Group in August 1997 and is responsible for the design, implementation, support and strategic development of the Group's information technology network. Ms. Yu holds a Master's degree in Business Administration from the Open University of Hong Kong and has over 15 years of experience working in information technology.

Ms. TAM Shuk Yi, aged 38, is the human resources director. She joined the Group in November 2000 and has overall responsibility for all personnel matters, human resources planning, training and development. Ms. Tam holds a Bachelor of Business degree from La Trobe University, majoring in Human Resources Management, and a Master of Science degree with Honours from the National University of Ireland, majoring in Human Resources Management. She has over 10 years of experience in human resources management.

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EMPLOYEES

As at the Latest Practicable Date, the Group had a total of 1,067 full-time employees. Separately and independently of the Group, GSIT and the joint venture in Taiwan together employed a further 486 full-time employees in the PRC and Taiwan. The following tables show a breakdown of employees of the Group by location and by function. The table does not include employees of the franchisees in the PRC and Malaysia.

Employees in Hong Kong

Departments	No. of Full Time Staff	No. of Part Time Staff	Total
Accounts	18	0	18
Administration	15	0	15
Greater China Operations	10	0	10
Human Resources	10	0	10
Management	5	0	5
MIS	16	0	16
Design & Development	73	1	74
Marketing	11	0	11
Merchandising	29	0	29
Retail	42	0	42
Sub-Total	229	1	230
Warehouse	36	109	145
Stores — Sales Staff	802	100	902
Total	1,067	210	1,277

Employees of GSIT in the PRC

Departments	No. of Full Time Staff	No. of Part Time Staff	Total
Accounts	11	0	11
Marketing	2	0	2
Franchise Management	10	0	10
General Management	2	0	2
Human Resources & Administration	10	0	10
Merchandising	6	0	6
MIS	4	0	4
Retail	17	0	17
Sub-Total	62	0	62
Warehouse	8	0	8
Stores — Sales Staff	369	0	369
Total	439	0	439

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Employees of I.T Taiwan Limited in Taiwan

Departments	No. of Full Time Staff	No. of Part Time Staff	Total
Accounts	2	0	2
General management	1	0	1
Human Resources & Administration	2	0	2
Merchandising	1	0	1
MIS	1	0	1
Retail	6	0	6
Sub-Total	13	0	13
Warehouse	2	0	2
Stores — Sales Staff	32	0	32
Total	47	0	47

THE GROUP'S RELATIONSHIP WITH EMPLOYEES

The Group recognises the importance of good relationships with its employees. The Group continues to provide training for its staff to enhance technical and product knowledge as well as knowledge of industry quality standards.

The Group maintains good working relationships with its employees and has not experienced any material disruption of its normal business operations due to strikes or labour disputes.

SHARE OPTION SCHEME

Employees and directors of the Group, among others, are entitled to participate in the Share Option Scheme at the discretion of the Board. The principal terms of the Share Option Scheme are summarised in the section headed "Share Option Scheme" in Appendix VI to this prospectus.

EMPLOYEE BENEFITS

The Group's remuneration to employees includes salaries, allowances and bonuses. During the Track Record Period, the Group has also made contributions to the following staff related plans or funds in accordance with applicable regulations in Hong Kong: pension plans; medical insurance; and work-related injury insurance.

AUDIT COMMITTEE

The Company established an audit committee pursuant to a resolution of the Directors passed on 20 October 2004 in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules. The primary duty of the audit committee is to review the

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financial reporting process of the Group. The audit committee consists of the three independent non-executive Directors, Mr. Chan Mo Po, Dr. Lo Wing Yan, William and Mr. Wong Wai Ming. Mr. Chan Mo Po is the Chairman of the audit committee.

NOMINATION COMMITTEE

The Company established a nomination committee on 20 October 2004 with written terms of reference. The nomination committee has three members comprising Mr. Chan Wai Mo, Alva, Mr. Sham Kar Wai and Mr. Wong Wai Ming. The chairman of the nomination committee is Mr. Wong Wai Ming. The nomination committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of Board succession.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 20 October 2004 with written terms of reference. The primary duties of the remuneration committee include reviewing the terms of remuneration packages, determining the award of bonuses and considering the grant of options under the Share Option Scheme. The remuneration committee consists of Dr. Lo Wing Yan, William, Mr. Sham Kar Wai and Mr. Wong Wai Ming, two of whom are independent non-executive Directors. The remuneration committee is chaired by Dr. Lo Wing Yan, William, an independent non-executive Director.

DIRECTORS' REMUNERATION

In each of the three financial years ended 29 February 2004 and the six months ended 31 August 2003 and 31 August 2004, the total remuneration of the Directors (comprising fees, basic salaries, housing allowances and pension scheme contributions) was approximately HK\$2,544,000, HK\$2,444,000, HK\$2,364,000, HK\$1,182,000 and HK\$4,242,000 respectively. The aggregate remuneration payable to the Directors for the year ending 28 February 2005 is estimated to be approximately HK\$8,733,000.

Further information about the service contracts entered into between the Company and the Directors is set out in the section headed "Further information about Directors, management and staff — Particulars of service agreements" in Appendix VI to this prospectus.

STAFF COSTS

As stated in the Accountants' Report set out in Appendix I to this prospectus, the staff costs of the Group (including Directors' emoluments, which are set out in the section headed "Directors, senior management and staff — Directors' remuneration" in this prospectus) in each of the three financial years ended 29 February 2004 and six months ended 31 August 2003 and 31 August 2004 were approximately HK\$109,000,000, HK\$111,000,000, HK\$127,000,000, HK\$59,000,000 and HK\$72,000,000 respectively.