

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

### DIRECTORS

The Board consists of eight Directors, comprising five executive Directors, and three independent non-executive Directors. The following table sets forth certain information relating to the Directors:

Name	Age	Group Position	Appointment Date
Cheng Han Ngok Steve (鄭衡嶽)	57	Executive Director and Chairman	18 May 2010
Poon Ka Lee Barry (潘家利)	51	Executive Director and Chief Financial Officer	1 July 2010
Ng Kim Yuen (吳儉源)	50	Executive Director and General Manager of manufacturing division of Telefield (HK)	1 July 2010
Fok Pui Yin (霍佩賢)	55	Executive Director and General Manager of administration division of Telefield (HK)	1 July 2010
Lee Kai Bon (李繼邦)	50	Executive Director, General Manager of business division of Telefield (HK) and the Group's research and development centre	1 July 2010
Au-Yang Cheong Yan Peter (歐陽長恩)	50	Independent non-executive Director	1 July 2010
Kwan Pun Fong Vincent (關品方)	59	Independent non-executive Director	1 July 2010
Xue Quan (薛泉)	44	Independent non-executive Director	15 July 2010

### DIRECTORS

#### Executive Directors

**Mr. Cheng Han Ngok Steve (鄭衡嶽)**, aged 57, an executive Director and chairman of the Company since its incorporation, is the founder of the Group and a director of all of the Group's subsidiaries except Aiko, Aiko (Shenzhen) and TrekStor (Germany). Mr. Cheng is responsible for the overall strategic development of the Group's business. He has over 30 years of experience in consumer electronic products industry. Under Mr. Cheng's leadership, the Group has succeeded to diversify from the production of telecommunications products to a wider EMS industry segment and entered into the branded products distribution sector. From July 1978 to August 1981, he was employed by Conic Investment Co. Limited, a company engaged in the manufacturing of audio products, TV games and telephones, and his last position was engineering manager. From October 1982 to December 1984, he was appointed as the technical director of Soundic Electronics Limited, a company established in 1975 and engaged in the manufacturing of electronic products. He was responsible for the technical aspect of Soundic Electronics Limited but was not involved in its day-to-day operations. A winding-up petition dated 28 March 1985 involving a claimed amount of HK\$114,001.35 against Soundic Electronics Limited was filed with the High Court of Hong Kong when Mr. Cheng had already resigned from

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

his position as a director of Soundic Electronics Limited. Soundic Electronics Limited was ordered to be wound up by a court order dated 7 May 1985. Soundic Electronics Limited was subsequently dissolved on 5 October 1990.

From December 1985 to March 1992, Mr. Cheng was employed by Wisetronics Limited, a company engaged in the manufacturing of cordless phones and telephones, and his last position was managing director. From June 1988 to January 1993, he was a managing director of Giant Electronics Limited, a company engaged in the manufacturing of cordless phones and telephones. In 1992, Mr. Cheng established the Group and has been mainly responsible for the management, operation and business development of the Group.

Mr. Cheng is a 中國人民政治協商會議廣州市白雲區常務委員 (standing committee member of The Chinese People's Political Consultative Conference of the Baiyun District of Guangzhou). Mr. Cheng obtained a Bachelor of Mathematics from the University of Waterloo in Canada in October 1977 and a Higher Diploma in Electronic Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1973. He and Mr. Poon Ka Lee Barry are brothers-in-law.

**Mr. Poon Ka Lee Barry (潘家利)**, aged 51, an executive Director since 1 July 2010, is the chief financial officer and the company secretary of the Company. Mr. Poon joined the Group as a director of Telefield (HK) in 2002 and has been appointed as the chief financial officer of the Group since September 2009. He is currently a director of all of the Group's subsidiaries except Aiko, Aiko (Shenzhen), Guangzhou Telefield, Huizhou Telefield and TrekStor (Germany). He is also a supervisor of Guangzhou Telefield. Mr. Poon is responsible for developing and implementing the Group's strategic objectives and business plans. Mr. Poon has over 25 years of experience in audit, accounting and finance. He is currently a practising member of the Hong Kong Institute of Certified Public Accountants. Mr. Poon was employed by Coopers & Lybrand from July 1983 to May 1987 where he served as an audit trainee, audit senior and audit supervisor II. From May 1987 to June 1990, he was the chief accountant of Wah Chong (Far East) Import & Export Ltd. Mr. Poon was employed as the deputy manager of Kennic Lui & Co., CPA in 1990 and left in 1992 when he was the audit principal of the firm. He is also an associate member of the Association of Chartered Certified Accountants. Mr. Poon was the sole proprietor of K.L. Poon & Co., CPA and KY Lai & Co., CPA during the period from 1992 to June 2010 and from January 2004 to June 2010, respectively. Since 18 June 2010, Mr. Poon has been a partner of K.L. Poon & Co., CPA and KY Lai & Co., CPA. He was the honorable auditors of The Institution of Electrical Engineers (Hong Kong Centre) (now known as Institution of Engineering and Technology Hong Kong) from 1988 to 1999. Mr. Poon obtained a Master Degree in Business Administration from the University of Manchester in the United Kingdom in December 2002 and a Professional Diploma in Accountancy from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1983. Since October 2009, Mr. Poon has been an independent non-executive director of Sunlink International Holdings Limited (Provisional Liquidators Appointed) ("**Sunlink**") (stock code: 2336), a company listed on the Main Board of the Stock Exchange. His appointment was subsequent to a winding-up petition against Sunlink which was filed on 1 December 2008. Mr. Poon was invited to join the board of Sunlink because the provisional liquidators appointed considered that his professional qualifications as a qualified accountant would enable Sunlink to meet the requirements of Rule 3.10(2) of the Listing Rules, which require a listed issuer to have at least one independent non-executive director who has appropriate professional qualifications or accounting or related financial management expertise. Mr. Poon and Mr. Cheng Han Ngok Steve are brothers-in-law.

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

**Mr. Ng Kim Yuen (吳儉源)**, aged 50, an executive Director since 1 July 2010, is currently the general manager of manufacturing division of Telefield (HK). Mr. KY Ng is also a director of Guangzhou Telefield, Huizhou Telefield, Telefield (BVI) and Telefield (HK). Mr. KY Ng has over 25 years of experience in the electronics industry. From September 1985 to April 1991, he joined Wisetronics Limited, a company engaged in the manufacturing of cordless phones and telephones, where he held various positions and his last position was quality control manager. From April 1991 to February 1992, he was the operation manager of Giant Electronics Limited, a company engaged in the manufacturing of cordless phones and telephones. From March 1992 to September 1992, he was appointed as the operation manager of Group Sense Limited, a company engaged in the manufacturing of electronic dictionaries. Mr. KY Ng joined the Group as an operation manager in 1992 and was promoted as the general manager of the manufacturing division of Telefield (HK) in November 2008.

Mr. KY Ng is a chartered engineer of the Engineering Council and is a member of The Hong Kong Institution of Engineers and The Institution of Electrical Engineers, the United Kingdom. He obtained a Master of Science in Engineering from The University of Hong Kong in December 1989 and Associateship and Higher Diploma in Production and Industrial Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1983 and November 1982, respectively.

**Ms. Fok Pui Yin (霍佩賢)**, aged 55, an executive Director since 1 July 2010, is the general manager of administration division of Telefield (HK). Ms. Fok is also a director of Telefield (BVI) and Telefield (HK). She is responsible for general administration, procurement and information technology management of the Group. From January 1984 to November 1985, she was the personal assistant to the managing director of Vitalink Limited, a trading company engaged in the import and export of electronic products. From January 1986 to March 1992, she was the secretary to the managing director of Wisetronics Limited, a company engaged in the manufacturing of cordless phones and telephones. Ms. Fok joined the Group as the manager of its administration department in 1992 and was promoted as the general manager of the administration division of Telefield (HK) in November 2008.

Ms. Fok obtained a Bachelor of Business (Business Administration) from the Royal Melbourne Institute of Technology in September 2004, a Professional Diploma in Enterprise Directorship awarded jointly by the Hong Kong Institute of Directors and Hong Kong Productivity Council in August 2009, and a Diploma in Management Studies awarded jointly by Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) and Hong Kong Management Association in September 1992.

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

**Mr. Lee Kai Bon (李繼邦)**, aged 50, an executive Director since 1 July 2010, is a general manager of business division of Telefield (HK) and the Group's research and development centre. Mr. KB Lee is also a director of Telefield (BVI), Telefield (HK), Guangzhou Telefield and Huizhou Telefield. Mr. KB Lee joined the Group in 1992 as an engineering manager and was promoted to the general manager in March 2006. Mr. KB Lee has over 25 years of experience in consumer electronic products industry. From May 1984 to May 1985, he was an electronic engineer of Soundic Electronics Limited, a company engaged in the manufacturing of electronic products. From May 1985 to November 1989, he joined Telatech Limited (the name was later changed to Team Concepts Electronics Limited and is now known as Team Concepts Marketing Limited), where he held various positions and his last position was senior project engineer. From November 1989 to November 1992, he served as an associate consultant of Hong Kong Productivity Council. Mr. KB Lee graduated with a Bachelor of Science (Hons) from the University of Warwick, the United Kingdom in July 1982.

### Independent Non-executive Directors

**Mr. Au-Yang Cheong Yan Peter (歐陽長恩)**, aged 50, an independent non-executive Director since 1 July 2010. Mr. Au-Yang is a director of AsiaSoft Company Limited which is the holding company of a group with businesses in different sectors of the software industry. Prior to joining AsiaSoft Company Limited, Mr. Au-Yang spent more than 20 years in the financial services sector in the Asia-Pacific region. Mr. Au-Yang joined the HSBC group in 1985 and became a co-head of Investment Banking, the Asia-Pacific region of the HSBC group in 2001. Between 1985 and 2003 when he was with the HSBC group, he worked on various equity capital fund-raising exercises and mergers and acquisitions projects in the Asia-Pacific region. Between 2003 and 2006, Mr. Au-Yang was an executive director and the chief operating officer of the SFC. In late 2004, Mr. Au-Yang doubled up as the executive director in charge of the corporate finance division of the SFC. Mr. Au-Yang obtained a Bachelor of Science degree in Business Studies from the University of Bradford in England in July 1982, and a Master of Science degree in Accounting and Finance from the London School of Economics and Political Science in August 1983.

**Dr. Kwan Pun Fong Vincent (關品方)**, aged 59, an independent non-executive Director since 1 July 2010. Dr. Kwan is a professor of Business and Management Division of United International College (jointly founded by 北京師範大學 (Beijing Normal University) and Hong Kong Baptist University). He is also the chief financial officer and new premises project manager of Yew Chung Education Foundation in Hong Kong. From October 2002 to June 2008, Dr. Kwan was a non-executive director of Finet Group Limited (stock code: 8317), a company listed on the Growth Enterprise Market of the Stock Exchange. Since June 2008, he has been an independent non-executive director of Jiangling Motors Co., Limited, a company listed on the Shenzhen Stock Exchange. Dr. Kwan is a Certified Practising Accountant of CPA Australia, an associate member of the Hong Kong Institute of Human Resources Management, a fellow of the Institute of Management Consultants, and a senior member of the Hong Kong Institute of Marketing. Dr. Kwan obtained a Doctoral Degree in Business Administration from the University of Western Sydney in Australia in May 2004, a Master's Degree in Commerce from the University of Hitotsubashi in Japan in March 1981, and a Bachelor's Degree in Social Sciences from The University of Hong Kong in November 1973.

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

**Dr. Xue Quan (薛泉)**, aged 44, an independent non-executive Director since 15 July 2010. Dr. Xue obtained a Doctor of Philosophy from 電子科技大學 (The University of Electronic Science and Technology of China) in September 1993 and a Bachelor of Engineering from 成都電訊工程學院 (Chengdu Institute of Radio Engineering) in July 1988. Dr. Xue is currently an associate professor of the Department of Electronic Engineering of the City University of Hong Kong. He has over 12 years experience in consumer electronic products industry. From January 2002 to February 2009, he was the managing director of Shenzhen Goldradio Communication Ltd, a company engaged in microwave and antenna components for satellite communications. From October 1998 to May 1999, Dr. Xue was a senior engineer of Dynax Electronics (HK) Limited, a company engaged in DVD components and wireless communications.

Save as disclosed above, there is no other information in respect of the Directors to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

### SENIOR MANAGEMENT

The following table sets forth information regarding the senior management of the Company:

Name	Age	Group Position
Ng Wing Nin (吳永年)	49	General Manager of Aiko
Lee Cheong Lim (李昌濂)	49	General Manager of Telefield (HK)
Tam Kam Fong (譚錦方)	49	Senior Manager of Telefield (HK)
Ko Mee Ling (高美齡)	48	Senior Manager of Telefield (HK)
Wong Sik Hung (黃式雄)	51	Senior Manager of Telefield (HK)
Sum Kwok Fai (沈國輝)	52	Senior Manager of Telefield (HK)
Chiu King Yim Dominic (趙景彥)	51	Engineering Manager of Telefield (HK)
Dwight T. Sakuma	59	President of TFNA (US)
Shimon Szmigiel	59	Director and chief executive officer of TrekStor (Germany)

**Mr. Ng Wing Nin (吳永年)**, aged 49, is the general manager of Aiko. He joined the Group in 2006 as general manager. He is a director of Aiko and Aiko (Shenzhen). Mr. Ng has held senior management positions in sales, marketing, operations and manufacturing for more than 20 years. Companies in which he had previously been employed include Victory Concept Industries Limited, a company engaged in manufacturing business phones and audio products, where he held the position as general manager from July 2004 to January 2006; Continental Conair Limited, a company engaged as buying office for its overseas group companies on electronic products, personal care products and electrical products, where he held various positions during the period from 1988 to 2004 and his last position was manager – Electronic Division. Mr. Ng obtained a Master of Science in Engineering Business Management jointly awarded by The Hong Kong Polytechnic University and the University of Warwick in October 2008, a Bachelor of Science from the University of Ulster in June 1988 and a Higher Certificate in Electronic Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1986.

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

**Mr. Lee Cheong Lim (李昌濂)**, aged 49, is a general manager of Telefield (HK). Mr. Lee is responsible for the exploration of business opportunities in relation to medical equipment. Mr. Lee joined the Group in early 2010 as the general manager of the Group's marketing department. Mr. Lee has over 25 years of experience in consumer electronic products industry. Companies in the which he had previously been employed include Philips Hong Kong Limited, a company engaged in the manufacturing of audio products, radio and telecom products, where he held the position as electronic engineer from May 1984 to September 1986 and project engineer from October 1986 to June 1988; Video Technology Group Limited, a company engaged in the manufacturing of personal computers, educational toys and telephones, where he held the position as an assistant engineering manager from January 1991 to October 1991; Albatross Technology Co., Limited, a company engaged in the manufacturing of compact disks and video compact disks, where he held the position as senior manager in the engineering department from July 1993 to February 1997; Automatic Manufacturing Limited, a company engaging in the manufacturing of medical devices, home and industrial automation, telecom products and office equipment, where he joined the company as an electronic and certification consultant in April 1999 and was subsequently promoted to assistant general manager and division general manager in July 1999 and January 2004, respectively. Mr. Lee obtained a Higher Diploma in Electronic Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1981.

**Mr. Tam Kam Fong (譚錦方)**, aged 49, is a senior manager of Telefield (HK). Mr. Tam joined the Group as chief mechanical engineer in 1992. He had served various managerial capacity in the Group such as manager of the Group's mechanical engineering department and project and operations manager. Mr. Tam has over 20 years of experience in business development and research and development in electronics industry. He was employed by the Hong Kong Productivity Council from 1987 to 1992 where he served as an engineering technologist and was subsequently promoted to associate consultant of Electronics Services Division in 1992. Mr. Tam obtained a Master of Science in Engineering and a Bachelor of Science in Engineering from The University of Hong Kong in November 1991 and November 1985, respectively, and a Higher Diploma in Mechanical Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1983.

**Ms. Ko Mee Ling (高美齡)**, aged 48, is a senior manager of Telefield (HK). She is also a supervisor of Huizhou Telefield. Ms. Ko joined the Group in 1993 and is responsible for the finance and accounting of the Group. She has over 20 years of experience in accounting, financial control and management. From April 1989 to September 1991, she was employed as an accountant by Wah Chong (Far East) Import & Export Limited, a company engaged in the wholesale and retail of fashions and accessories. From January 1992 to February 1993, she served as an accounting supervisor of Builders Federal (HK) Limited, an aluminum curtain wall contractor. Ms. Ko is a fellow member of Association of International Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Ko obtained a Master of Business Administration from the Open University of Hong Kong in December 2006.

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

**Mr. Wong Sik Hung (黃式雄)**, aged 51, is a senior manager of Telefield (HK). He joined the Group in 1997 as a manager. He has over 25 years of experience in electronics industry. Prior to joining the Group, he served as a microprocessor engineer of Soundic Electronics Limited between July 1982 and April 1985. He served as a general manager of Sota Technology Limited, a company engaged in electronics design and consultancy services between 1994 and 1997. He was with Sota Electronics Company Limited between 1986 and 1994, during which he served as an electronic engineer, and was subsequently promoted to the position of general manager in 1991. Mr. Wong obtained a Diploma in Management Studies awarded jointly by Hong Kong Polytechnic and Hong Kong Management Association in September 1993 and a Higher Certificate in Electronic Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1982.

**Mr. Sum Kwok Fai (沈國輝)**, aged 52, is a senior manager of Telefield (HK). Mr. Sum joined the Group in 1997 as manager of plastic department. He has over 30 years of experience in moulding. Prior to joining the Group, Mr. Sum was with Chit Tat Moulding Factory between 1977 and 1997, during which he was promoted from moulding technician to product manager. He acquired extensive techniques in relation to the use of lathe milling machinery, EDM sparks machinery and computer numerically controlled machinery from his past work experience. Mr. Sum completed Form Two education at Chan Shu Kui Memorial School in 1972.

**Mr. Chiu King Yim, Dominic (趙景彥)**, aged 51, is an engineering manager of Telefield (HK). He joined the Group in 1997 and is currently responsible for engineering design in the Group's marketing team. Mr. Chiu has over 20 years of experience in engineering and research and development. From November 1987 to 1997, Mr. Chiu worked in Sota Electronics Company Limited, a company engaged in electronics design and consultancy services, where he joined as a senior project engineer and was subsequently promoted to the position of engineering manager in February 1991. Mr. Chiu obtained a Bachelor of Social Science from Asia International Open University (Macau) in Macau in December 1994 and a Higher Certificate in Electronic Engineering from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1983.

**Mr. Dwight T. Sakuma**, aged 59, is the president of TFNA (US). He joined the Group in January 2009 as the president of TFNA (US). Mr. Sakuma is currently in charge of the North American business, which includes managing sales, marketing, operations, product management and business development of TFNA (US). Mr. Sakuma has held senior management positions in sales, product management and business development in the consumer electronics industry. Companies with which he has previously worked include Thomson Inc., where he served as the general manager of the audio/video business from July 2006 to January 2008; Funai Electric Co., Ltd, a company engaged in the cable settop box business, where he served as a senior consultant of new business development from April 2008 to December 2008; Motorola, Inc., where he served as a vice president of business development from January 1997 to June 2005. Mr. Sakuma obtained a Bachelor of Arts from the University of Washington in the US in August 1973.

## DIRECTORS, SENIOR MANAGEMENT AND STAFF

**Mr. Shimon Szmigiel**, aged 59, is the director and chief executive officer of TrekStor (Germany). He joined the Group in October 2009 as the director and chief executive officer of TrekStor (Germany). Mr. Szmigiel has 30 years of experience in sales, product management and business development in electronics industry. Mr. Szmigiel has held different management positions in electronics industry. Companies in which he had previously been employed include Szmigiel Trading GmbH (Germany 1980-1992), a company engaged in international trade for electronic products where he held the position as the general manager; Swissoft GmbH (Germany 1994-2002), a company engaged in developing software for children where he held the position as the general manager; and TrekStor GmbH & Co. KG (Germany 2002 – 2009), a company engaged in sales of computer accessories and multimedia products marketed in Europe and went into liquidation in July 2009, where he held the position as a general manager. Mr. Szmigiel was educated in Israel at a “Kibbutz” (a special closed-group-community) and graduated from a high school in Mannheim, Germany.

### COMPANY SECRETARY

**Mr. Poon Ka Lee Barry (潘家利)** has been the company secretary of the Company since 20 August 2010. His biographical details are set out in the sub-section headed “Directors” in this section.

### STAFF

#### Overview of number of staff

The Group had 2,943 staff as at the Latest Practicable Date, with 71 in Hong Kong, 2,789 in the PRC, six in the United States and 77 in Germany. A breakdown of its workforce by function is as follows:

	As at the Latest Practicable Date				
	Hong Kong	PRC	United States	Germany	Total
Management	16	–	1	4	21
Finance	7	26	1	5	39
Human resources and support	2	133	–	5	140
Sales and marketing	10	1	3	16	30
Service	5	32	–	13	50
Engineering	14	122	–	8	144
IT technical support	3	9	–	1	13
Supply and logistics	9	118	1	3	131
Production	5	2,348	–	22	2,375
<b>Total</b>	<b>71</b>	<b>2,789</b>	<b>6</b>	<b>77</b>	<b>2,943</b>



### **Relationship with staff**

The Group operates a defined contributory staff retirement scheme in Hong Kong which has complied with all the respective requirements of the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong) (“**ORSO Scheme**”). The Company’s ORSO Scheme has obtained a mandatory provident fund (“**MPF**”) exemption certificate issued by the Mandatory Provident Fund Schemes Authority and is non-contributory for employees. With effect from 1 December 2000, all new employees of the Group are offered with the Mandatory Provident Fund Scheme (“**MPF Scheme**”) membership only.

For the ORSO Scheme, upon termination of service or retirement, payment is made by the trustee of the scheme directly to the employee, or in the case of death, to his/her beneficiaries in accordance with the power of discretion vested in the trustee.

For the MPF Scheme, employees will receive their benefits at the age of 65 or upon being permanently disabled. In the case of death, the MPF account balance will be paid to the legal personal representative. If an employee leaves the Company, his/her account balances may be transferred to his/her new account under the MPF Scheme of the new employer.

The Group provides its management personnel and employees with on-the-job education, training and other opportunities to improve their skills and knowledge. The Group enters into individual employment contracts with its employees to cover matters such as wages, employee benefits and grounds for termination. Save as disclosed in this prospectus, the Group makes contribution to social security funds, including pension funds, work-related injury funds, medical insurance, unemployment insurance funds, as well as childbearing insurance for its female employees for its employees in the PRC. The Group also makes housing provident fund contributions for its employees in the PRC. Please refer to the paragraph headed “The Group’s non-compliance with certain social security insurance and housing provident fund contributions laws and regulations in the PRC could lead to the imposition of fines and penalties” under the section headed “Risk Factors — Risks relating to the business of the Group” in this prospectus for further details.

The Group has not experienced any significant problems with its employees or disruption to its operations due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff or skilled personnel. The Directors believe that the Group has a good working relationship with its employees.

### **AUDIT COMMITTEE**

The Company established an audit committee on 31 December 2010 with written terms of reference in compliance with the Code of Corporate Governance Practices as set out 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 three members, namely, Dr. Kwan Pun Fong Vincent, Mr. Au-Yang Cheong Yan Peter and Dr. Xue Quan, all being independent non-executive Directors. Dr. Kwan Pun Fong Vincent is the chairman of the audit committee.

## **DIRECTORS, SENIOR MANAGEMENT AND STAFF**

### **REMUNERATION COMMITTEE**

The Company established a remuneration committee on 31 December 2010 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are, amongst other things, to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and to make recommendation to the Board on the Group's policy and structure for all remuneration of the Directors and senior management. The remuneration committee has four members, comprising one executive Director, namely, Mr. Cheng and three independent non-executive Directors, namely, Mr. Au-Yang Cheong Yan Peter, Dr. Kwan Pun Fong Vincent and Dr. Xue Quan. Mr. Cheng is the chairman of the remuneration committee.

### **NOMINATION COMMITTEE**

The Company established a nomination committee on 31 December 2010 with written terms of reference in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The nomination committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for the Directors. The nomination committee has four members, comprising one executive Director, namely, Mr. Cheng, and three independent non-executive Directors, namely, Mr. Au-Yang Cheong Yan Peter, Dr. Kwan Pun Fong Vincent and Dr. Xue Quan. Mr. Au-Yang Cheong Yan Peter is the chairman of the nomination committee.

### **DIRECTORS' REMUNERATION**

The Directors had received remuneration in the form of basic salaries, benefits in kind, discretionary bonus and contribution to the pension scheme made by the Group during the Track Record Period. The aggregate remunerations paid to the Directors for the three years ended 31 December 2007, 2008 and 2009 and the eight months ended 31 August 2010 were approximately HK\$5,339,000, HK\$8,478,000, HK\$8,800,000 and HK\$4,373,000, respectively. Each of the executive Directors has entered into a service contract with the Company, further details of which are set out in the paragraph headed "Further information about Directors, management and staff" in Appendix VI to this prospectus.

### **SHARE OPTION SCHEME**

The Company has conditionally adopted the Share Option Scheme on 31 December 2010 which, in the opinion of the Directors, will enable the Group to recruit and retain high-calibre employees and to improve employee loyalty. The principal terms of this scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus.

**COMPLIANCE ADVISER**

The Company will appoint China Merchants Securities as its 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 the Company on the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report (whether required by the Listing Rules or requested by the Stock Exchange or otherwise);
- (ii) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated, including share issues and share repurchases;
- (iii) where the Group proposes to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the Group's business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or trading volume of the Shares.

The term of the appointment will commence on the Listing Date and end on the date on which the Company distributes its annual report of the Group's financial results for the first full financial year commencing after the Listing Date and such appointment may be extended by mutual agreement.