
DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Yam Tak Cheung, aged 50, was appointed as executive Director and Chairman of the Board on 11 October 2011. He is one of the co-founders of the Group. Mr. Yam is primarily responsible for the overall corporate strategic planning of the Group. He is a professional investor and has investments in a number of companies whose shares are listed on the Main Board. IAM, a company wholly owned by Mr. Yam, was interested in 50% of a company which in turn held 55.13% shareholding interest in China Motion Telecom International Limited (Stock Code: 0989) as at the Latest Practicable Date. Mr. Yam obtained his bachelor degree of Science from the University of Toronto majoring in Computer Science and Actuarial Science in June 1983. Mr. Yam is the husband of Madam Wong.

Ms. Wong Kan Kan Kandy, aged 49, was appointed as executive Director on 11 October 2011 and she is one of the co-founders of the Group. Madam Wong has over 27 years of experience in the management and operation of textile and knitting business. In 1983, Madam Wong joined a textile company owned by her father until 1993 when she resigned from such company and in late 1993/early 1994 commenced her own business together with her husband, Mr. Yam, by setting up Fornton Holdings. To cope with the business development and to establish a manufacturing arm in the PRC, Madam Wong invited her brother and husband to set up Nice Regent in 1995 and entered into the 3rd Supplemental Processing Agreement in the same year. Madam Wong is primarily responsible for the overall corporate strategic planning and business development of the Group. Madam Wong obtained her bachelor degree of Arts from University of Toronto majoring in Commerce in November 1983. Madam Wong is the wife of Mr. Yam.

Mr. Wong Tat Wai Derek, aged 42, was appointed as executive Director on 11 October 2011 and he is one of the co-founders of the Group. Mr. Wong has over 16 years of experience in the management and operation of textile and knitting business. Since the establishment of Nice Regent in 1995 and entering into the 3rd Supplemental Processing Agreement in the same year, Mr. Wong has been involved in the overall corporate strategic planning and daily management of manufacturing of the Group. Mr. Wong is the brother of Madam Wong.

Independent non-executive Directors

Mr. Wang Wei Hung Andrew, age 56, was appointed as independent non-executive Director on 11 October 2011. He was admitted as Solicitor of the High Court in Hong Kong in January 1982 and has over 29 years of experience in the legal sector. Mr. Wang was the Head of Legal and Compliance Department of China Development Bank Corporation Hong Kong Branch until September 2011. Before joining China Development Bank Corporation Hong Kong Branch in 2010, he was the Partner of the Finance & Projects Group of DLA Piper Hong Kong between the period from 2006 to 2009. Mr. Wang is also a Notary Public since 1992. Actively involved in Public Sector Advisory and Statutory Bodies, he is Chairman of Residential Care Homes (Elderly Persons) Appeal Board, Chairman of Appeal Tribunal Panel (Buildings), Member of Notaries Public Disciplinary Tribunal Panel. Mr. Wang is a Fellow of the Hong Kong Institute of Directors and was appointed as an arbitrator of the International Economic and Trade Arbitration Commission. In 2005, he was invited by former President Bill Clinton to participate as a business leader at the Clinton Global Initiative held in New York 2005.

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Mr. Cheng Dickson, aged 42, was appointed as independent non-executive Director on 11 October 2011. Mr. Cheng is currently an executive Director of Mizuho Securities Asia Limited. Prior thereto, he worked in JP Morgan between 1994 and 1996. In December 1995, he was promoted to TCRM Professional in its Global Markets Department. Between 1996 and 2000, Mr. Cheng worked in the Securities Lending Department of The Bank of New York, Hong Kong Branch. From 2000 to 2002, he worked in BOC International Holdings Limited and before he left BOC International Holdings Limited, he was the Assistant Vice President of BOCI Asia Limited. On 19 August 2002, he joined ICEA Capital Limited and worked in ICEA Capital Limited until 31 October 2005 when he was a Senior Vice President of its Investment Banking Division. Mr. Cheng then joined Mitsubishi UFJ Securities (HK) Capital, Limited in November 2005 and he worked there until June 2008 when he was an executive director of its Capital Markets Department in the Investment Banking Division. Mr. Cheng has more than 15 years of experience in investment banking industry. Mr. Cheng obtained his bachelor degree of art in University of Toronto majoring in economics in June 1994 and master degree of applied finance in Macquarie University in Australia in November 2000.

Mr. Sin Ka Man, aged 44, was appointed as independent non-executive Director on 11 October 2011. Mr. Sin has over 19 years of professional experience in auditing, accounting and financial management for both private and listed corporations. He became an associate member of The Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) in January 1996, a fellow member of the Association of Chartered Certified Accountants in July 1997 and a certified practising accountant of the CPA Australia in December 2000. Mr. Sin obtained his bachelor degree in Social Sciences from the University of Hong Kong in December 1989, master degree in Finance from the University of Strathclyde, the United Kingdom in November 1993 and a master degree in Accounting from Curtin University of Technology, Australia in June 1998.

Mr. Sin is currently the company secretary of Huayu Expressway Group Limited (Stock Code: 1823), a company listed on the Main Board. Mr. Sin serves as an independent non-executive director of China Motion Telecom International Limited (Stock Code: 0989), Chinese People Holdings Company Limited (Stock Code: 0681), PNG Resources Holdings Limited (formerly known as LeRoi Holdings Limited) (Stock Code: 0221), Xtep International Holdings Limited (Stock Code: 1368), all of which are currently listed on the Main Board and Sino Haijing Holdings Limited (Stock Code: 8065), which is currently listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Sin was a director of Smart-player.com Limited, a private company incorporated in Hong Kong providing internet services until his resignation on 31 August 2002. Mr. Sin played a role of financial controller of Smart-player.com Limited in charge of day-to-day accounting without substantive decision-making. On 2 April 2003, a winding-up petition was filed against Smart-player.com Limited and Smart-player.com Limited was resolved to wind up on 28 May 2003 under the High Court Winding Up Order No. 380 (2003). To the best knowledge of Mr. Sin and based on the public record available with regard to the winding-up petition of Smart-player.com Limited, it was a compulsory winding-up petition filed by the creditor of Smart-player.com Limited for its failure to settle the indebtedness owed by Smart-player.com Limited to its creditor. Mr. Sin confirmed that he was not involved in or related to the winding-up petition of Smart-player.com Limited. No evidence has been brought to the attention of the Directors that the integrity and competence of Mr. Sin as the director of the Company has ever been questioned. The Directors believe that Mr. Sin is appropriate to serve as an independent non-executive Director of the Company under Rules 3.08 and 3.09 of the Listing Rules and the Company will benefit from his professional and directorship experience for a number of both public and private companies.

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Details on the aggregate emoluments and benefits in kind payable to each of the executive Directors and non-executive Directors are set out in the paragraph headed “Further information about Directors, management and staff” in appendix V to this prospectus.

Save as disclosed above, each of the Directors (i) did not hold other positions in the Company or members of the Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial or Controlling Shareholders of the Company as at the Latest Practicable Date; and (iii) did not hold any other directorship in any listed companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save for the interests in the Shares of Mr. Yam, Madam Wong and Mr. Wong which are disclosed in the section headed “Interests and/or short positions of the Directors in the Shares, underlying Shares or debentures of the Company and its associated corporations” and the paragraph headed “Further information about Directors, management and staff” in appendix V to this prospectus, each of the Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, to the best of the Directors’ knowledge information and belief having made all reasonable enquiries, there was no other matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders and there was no information relating to the 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.

SENIOR MANAGEMENT

Senior management of the Group

Mr. Lee Sze Wai, aged 43, was appointed as chief financial officer in October 2010 and also as the company secretary of the Group on 11 October 2011 and is responsible for finance management, taxation and compliance. Mr. Lee received his Bachelor Degree of Commerce majoring in accountancy from University of Wollongong in Australia in May 1992. He became a member of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants) in January 2000, a certified practising accountant of the Australian Society of Certified Practising Accountants in September 1998, and has more than 19 years of experience in accounting and finance. Mr. Lee worked at Ernst & Young from 1992 to 2000 specializing in assurance and business advisory services and was the chief financial officer of various companies from 2000 to 2006. Mr. Lee serves as an independent non-executive director of Credit China Holdings Limited (Stock Code: 8207). Since 2006 and before joining the Group, he has been the director of a CPA firm specializing in assurance and business advisory services.

Mr. Ng Wing Sang, aged 46, was appointed as business development director of the Group in October 2010 who is responsible for leading the Group’s sales and merchandising department. Mr. Ng has worked at H&M Hennes & Mauritz (Far East) Ltd. from 1990 to 1997. He then held numerous sales and marketing and general management positions at various knitwear companies including Crystal Sweater Ltd. and Peninsula Knitters Ltd. Mr. Ng obtained his Master’s Degree in Business Administration from The Hong Kong Polytechnic University in December 2005.

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Ms. Tang Wing Zee, aged 36, was appointed as purchasing manager of the Group in July 2010 who is responsible for purchasing. Before joining the Group, Ms. Tang has worked in apparel industry for more than 13 years specializing in yarn sourcing and purchasing in various countries. Since 2004, she has been the yarn manager of one of the leading sweater manufacturers in Hong Kong and mainly responsible for sourcing and purchasing works. Ms. Tang was graduated in City University of Hong Kong majoring in translation and interpretation in November 1997 and obtained a Postgraduate Diploma in Administrative and Information Management from Napier University of Edinburgh in January 2006.

Ms. Ng Wing Yan, aged 30, design and development manager, has joined the Group since April 2008. Ms. Ng is primarily heading the Design and Development department of the Group and responsible for product design and development. She has seven years of experience in the fashion and knitwear industry. Prior to joining the Group, Ms. Ng has held fashion designer position in various companies including knitting manufacturing companies and ladies wear retailer. Ms. Ng obtained her Bachelor Degree of Arts (Honors) majoring in Fashion and Textile from The Hong Kong Polytechnic University in October 2009.

Senior management of the Processing Factory and the FC Factory

Mr. Lin Qing Bing, aged 38, was appointed as manager of production department in the Processing Factory in December 2004. Mr. Lin is responsible for leading the Group's production in the Processing Factory. Mr. Lin has over 17 years of experience in the knitwear manufacturing industry. Prior to joining the Group, Mr. Lin has held numerous production positions (including supervisor of production department) at various knitwear manufacturing factories.

Mr. Liu Shi Fa, aged 39, was appointed as supervisor of production department in FC Factory in July 2009. Mr. Liu is responsible for leading the Group's production department in FC Factory. Mr. Liu has over 21 years of experience in the knitwear manufacturing industry. Prior to joining the Group, Mr. Liu has held numerous production positions (including production technical director) at various knitwear companies.

Ms. Zhang Yue Fei, aged 43, was appointed as manager of quality assurance department of the Group in June 2009. Ms. Zhang is primarily heading the quality assurance department of the Group. Ms. Zhang has over 26 years of experience in the knitwear manufacturing industry. Prior to joining the Group, Ms. Zhang has held numerous quality assurance positions (including manager of quality assurance department) at various knitwear companies.

Note: The salary of employees of the Processing Factory (including the abovementioned senior management) forms part of the staff costs incurred by the Processing Factory which are reimbursed by the Group by way of payment of Processing Fees. The senior management of the Processing Factory are selected and employed by the Processing Factory. However, if the Group is not satisfied with their performance, the Group can discuss with and request the PRC Processing Party to replace with suitable and appropriate personnel.

Save as disclosed above, each of the senior management of the Group did not hold any other directorship in any listed companies in the three years prior to the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. Lee Sze Wai is the company secretary of the Company. Details of the qualifications and experience of Mr. Lee are set out in the paragraph headed “Senior management” in this section.

HUMAN RESOURCES

Overview of number of staff

As at the Latest Practicable Date, the Group had a total of 294 permanent full-time staff based in Hong Kong and the PRC. In addition, as at the Latest Practicable Date, 946 staffs were employed by the Processing Factory in connection with the manufacture of the Group’s products.

Set out below is a breakdown of employees of the Group and the Processing Factory as at the Latest Practicable Date:

	Number of full-time staff employed by the Group		Number of staff employed by Processing Factory
	HK headquarter	FC Factory	(Note)
Administration	16	28	92
Sales and merchandising	11	—	27
Design and development	2	—	3
Quality assurance	—	—	20
Accounting and finance	7	2	15
Production	1	227	789
Total	37	257	946

Note: These staff are employed by the Processing Factory in the PRC and are not employees of the Group.

Relationship with staff

Each of the Group and the Processing Factory 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 during the Track Record Period.

The Directors consider that the Group and the Processing Factory have maintained good relationship with their respective employees. The Directors confirm that the Group has complied with all applicable labour laws and regulations in the PRC (save for the non-compliances relating to the FC Factory and the Processing Factory as disclosed in section headed “Business”) and have not employed any child labour.

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Staff benefits

The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries.

The Group has also complied with the Employee Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and has taken out insurance to cover and to provide for the payment of compensation to its employees in Hong Kong who are injured in the course of their employment. In addition, the Group has also taken out medical insurance program for all its full-time permanent employees in Hong Kong after completion of 3 months of service and will take out travel insurance for its employees in Hong Kong who are required to travel abroad in the course of their employment.

The Directors consider that the coverage of these insurance policies is adequate and is in line with the industry practice.

The Group has not fully complied with the regulatory requirements in respect of the social insurance coverage for its employees, details of which are set out in the paragraphs headed "Non-compliances with relevant rules and regulations by Fung Ching in respect of the FC Factory" and "Non-compliances with relevant rules and regulations by the Processing Factory" under the section headed "Business".

Apart from the social insurance coverage, the Processing Factory has maintained insurance for injury arising from accidents for a majority of its employees (i.e. 720 employees) whilst the FC Factory has not maintained any types of insurance.

Remuneration policy

The remuneration package the Group offers to its employees includes salary, bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of its decisions with respect to salary raises, bonuses and promotions.

AUDIT COMMITTEE

The Company established an audit committee on 11 October 2011 with written terms of reference which are in line with the code provisions of the Code on Corporate Governance Practices 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 currently has three members comprising Mr. Wang Wei Hung Andrew, Mr. Cheng Dickson and Mr. Sin Ka Man, all being independent non-executive Directors. The chairman of the audit committee is Mr. Sin Ka Man.

DIRECTORS AND SENIOR MANAGEMENT

REMUNERATION COMMITTEE

The Company established a remuneration committee on 11 October 2011 with written terms of reference which are in line with the code provisions of the Code on Corporate Governance Practices set out in appendix 14 to the Listing Rules. The remuneration committee shall make recommendations to the Board on, among other matters, the Company's policy and structure for the remuneration of all Directors and senior management and shall be delegated by the Board the responsibility to determine on behalf of the Board the specific remuneration packages for all executive Directors and senior management. It has three members comprising Mr. Wang Wei Hung Andrew, Mr. Cheng Dickson and Mr. Sin Ka Man. The chairman of the remuneration committee is Mr. Cheng Dickson.

NOMINATION COMMITTEE

The Company established a nomination committee on 11 October 2011 with written terms of reference which are in line with the code provisions of the Code on Corporate Governance Practices set out in appendix 14 to the Listing Rules. The nomination committee is mainly responsible for making recommendations to the Board on the appointment of Directors and the management of Board succession. It has three members comprising Mr. Wang Wei Hung Andrew, Mr. Cheng Dickson and Mr. Sin Ka Man. The chairman of the nomination committee is Mr. Wang Wei Hung Andrew.

COMPLIANCE ADVISER

The Company will appoint Optima Capital as its compliance adviser pursuant to Rule 3A.19 of the Listing Rules. The material terms of the compliance adviser's agreement to be entered into by the Company and Optima Capital include the following:

- (a) Optima Capital will be appointed by the Company as its compliance adviser for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date; and
- (b) pursuant to Rule 3A.23 of the Listing Rules, Optima Capital will advise the Company on the following circumstances:
 - (1) before the publication of any regulatory announcement, circular or financial report;
 - (2) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
 - (3) where the Company proposes to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the business activities, developments or results of the Company deviate from any forecast, estimate, or other information of the prospectus; and
 - (4) where the Stock Exchange makes an inquiry of the Company regarding unusual moments in the price or trading volume of the Shares.

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The term of the appointment shall commence on the Listing Date and ends on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date.

SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme which, in the opinion of the Directors, will enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest. The principal terms of the Share Option Scheme are summarised in the paragraph headed “Share Option Scheme” in appendix V to this prospectus.