

## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

### 10.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

#### 10.1.1 Substantial shareholdings of our Promoter and substantial shareholders

As at the LPD, our Promoter and substantial shareholders' interests in our Shares before and after the IPO are as follows:

	Before the IPO				After the IPO			
	Direct Interest		Indirect Interest		Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoter and Substantial Shareholder</b>								
Li Kwai Chun	218,278,046	64.9	-	-	218,278,046	54.6	-	-
<b>Substantial Shareholders</b>								
OSKTV	28,867,761	8.6	-	-	28,867,761	7.2	-	-
OSK Ventures International Berhad	-	-	<sup>(1)</sup> 28,867,761	8.6	-	-	<sup>(1)</sup> 28,867,761	7.2
Ong Leong Huat @ Wong Joo Hwa	-	-	<sup>(2)</sup> 28,867,761	8.6	-	-	<sup>(2)</sup> 28,867,761	7.2

**Notes:**

<sup>(1)</sup> Deemed interested by virtue of its substantial shareholdings in OSKTV pursuant to Section 6A of the Act

<sup>(2)</sup> Deemed interested by virtue of his substantial shareholdings in OSK Ventures International Berhad, the holding company of OSKTV pursuant to Section 6A of the Act

#### 10.1.2 Profile of our Promoter and substantial shareholders

The profile of our Promoter and substantial shareholders is set out as follows:-

**(i) Li Kwai Chun**

Li Kwai Chun, a citizen of Hong Kong, aged 52, our Executive Director and Chairman, is responsible for the overall business, strategy and development of our Group. Li Kwai Chun was appointed as our Executive Director and Chairman on 18 November 2009.

From March 1980, Li Kwai Chun was involved in her own business of sale of arts and crafts and then textile in June 1984. She has had more than 10 years of experience in the trading business of footwear. In November 1994, she set up Chun Hing Industry Company (振興实业公司) in Hong Kong to engage in the business of trading of footwear, textile and chemicals. In February 1995, she was appointed as Vice-Chairman of Fujian Jinjiang Fynex Knitting & Dyeing Industry Co., Ltd. (福建晋江凤竹针织漂染实业有限公司) which is currently known as Fujian Fynex Group Co., Ltd. (福建凤竹集团有限公司). In October 1997, she set up Chun Hing Industry (Hong Kong) Co., Ltd. (振興实业(香港)有限公司) to engage in the business of trading footwear, textile and chemicals. It was the holding company of Zhenxing Shoes prior to the restructuring exercise in Sports Asia and Maxwell. In June 1999, she and her husband Li Chun Tak set up Zhenxing Shoes to commence the business of manufacturing sports shoes for overseas customers. In June 2003, she set up Jiayi Trading to engage principally in the footwear and sports apparel procurement business. In March 2004, she was appointed as Vice-Chairman of Fujian Fynex Textile Science & Technology Co., Ltd (福建凤竹纺织科技股份有限公司), which is a company listed on the Shanghai Stock Exchange.

# 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Li Kwai Chun completed her Diploma for the postgraduate courses of Executive Masters of Business Administration for Managers from Hong Kong International Business College on 28 July 2000.

## (ii) OSKTV

OSKTV was incorporated in Malaysia on 12 October 1994 under the Act as a public limited company under the name Blossom Property Management Berhad and subsequently changed its name to O.S.K. Property Management Berhad on 26 June 1996. Thereafter, on 27 November 2000, it changed its name to OSK Property Management Berhad.

On 8 October 2002, the company converted its status to that of a private limited company and assumed its present name on 16 October 2002.

OSKTV is principally engaged in the venture capital business.

As at the LPD, the authorised share capital of OSKTV is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of OSKTV is RM150,000 comprising 150,000 ordinary shares of RM1.00 each.

The Directors of OSKTV and their respective shareholdings in OSKTV as at the LPD are set out below:-

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ong Ju Yan	Malaysian	-	-	-	-
Yee Chee Wai	Malaysian	-	-	-	-
Lim Ah Lay	Malaysian	-	-	-	-
Woon Chong Boon	Malaysian	-	-	-	-

OSKTV is a wholly-owned subsidiary of OSK Ventures International Berhad.

## (iii) OSK Ventures International Berhad ("OSKVI")

OSKVI was incorporated in Malaysia on 5 December 2003 under the Act as a public limited company. OSKVI is an investment holding company listed on the Ace Market of Bursa Securities. Its wholly-owned subsidiaries are principally involved in the venture capital business, to undertake management of investments in securities of venture companies and private equity.

The substantial shareholder of OSKVI and his respective shareholdings as at the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Ong Leong Huat @ Wong Joo Hwa	Malaysian	45,610,946	23.30	463,401*	0.24

Note:-

\* Deemed interested by virtue of his substantial shareholdings in OSK Holdings Berhad.

# 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

The Directors of OSKVI and their respective shareholdings as at the LPD are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	Malaysian	3,257,615	1.66	-	-
Wong Chong Kim	Malaysian	677,400	0.35	-	-
Foo San Kan	Malaysian	668,000	0.34	-	-
Ong Ju Yan	Malaysian	332,902	0.17	3,577,613 <sup>(1)</sup>	1.83
Yee Chee Wai	Malaysian	-	-	1,000 <sup>(2)</sup>	*
Tan Sri Datuk Dr. Omar bin Abdul Rahman	Malaysian	-	-	-	-
Dato' Seri Abdul Azim bin Mohd. Zabidi	Malaysian	-	-	-	-

## Notes:

<sup>(1)</sup> Deemed interested by virtue of his substantial shareholding in Land Management Sdn. Bhd.

<sup>(2)</sup> Deemed interested by virtue of interests held by his spouse.

\* Negligible

## (iv) Ong Leong Huat @ Wong Joo Hwa

Ong Leong Huat @ Wong Joo Hwa, a Malaysian, aged 65 is a substantial shareholder of OSKVI.

Mr. Ong is the Group Managing Director/Chief Executive Officer of OSK. He holds a Capital Market Services Representative's License for dealing in securities issued by the SC under the CMSA. Prior to joining OSK, he was attached to MBF Finance Berhad then for 17 years from 1969 where he last held the position of Senior General Manager.

Mr. Ong is also the Non-Independent Non-Executive Director of OSK Holdings Berhad and Independent Non-Executive Director of Bursa Malaysia Berhad.

## 10.1.3 Changes in the Promoter and substantial shareholders' shareholdings in the Company since our incorporation

The changes of our Promoter and substantial shareholders' interests in our Company since our incorporation to the LPD are as follows:

Name	Before the IPO*				After the IPO			
	Direct interest		Indirect interest		Direct interest		Indirect interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Li Kwai Chun	218,278,046	64.9	-	-	218,278,046	54.6	-	-
OSKTV	28,867,761	8.6	-	-	28,867,761	7.2	-	-
OSKVI	-	-	<sup>(1)</sup> 28,867,761	8.6	-	-	<sup>(1)</sup> 28,867,761	7.2
Ong Leong Huat @ Wong Joo Hwa	-	-	<sup>(2)</sup> 28,867,761	8.6	-	-	<sup>(2)</sup> 28,867,761	7.2

## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### Notes:-

- \* Exclude the nominee directors and nominee substantial shareholders as at the date of our incorporation  
 (1) Deemed interested by virtue of its substantial shareholdings in OSKTV pursuant to Section 6A of the Act  
 (2) Deemed interested by virtue of his substantial shareholdings in OSK Ventures International Berhad, the holding company of OSKTV pursuant to Section 6A of the Act

## 10.2 DIRECTORS

### 10.2.1 Directors' Shareholding

As at the LPD, the direct and indirect interests of our Directors in our issued and paid-up share capital before and after the IPO are as follows:-

Name	Before the IPO				After the IPO			
	Direct interest		Indirect interest		Direct interest		Indirect interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Li Kwai Chun	218,278,046	64.9	-	-	218,278,046	54.6	-	-
Xie Zhen'an	-	-	-	-	-	-	-	-
Li Qizhe	-	-	-	-	-	-	-	-
Yee Chee Wai	-	-	-	-	-	-	-	-
Tam Fook Cheong	2	*	-	-	2	*	-	-
Tan Hon Yik	-	-	-	-	-	-	-	-

### Note:-

- \* Negligible

### 10.2.2 Profiles of our Directors

Save for the profile of Li Kwai Chun which is set out in **Section 10.1.2** herein, the profiles of our other Directors are as follows:-

#### (i) Xie Zhen'an

**Xie Zhen'an**, a PRC national, aged 48, is our Executive Director and CEO. He was appointed to our Board on 18 November 2009 and is responsible for overseeing our overall operations. He has been the General Manager of Zhenxing Shoes since its inception in June 1999, and is responsible for the production, quality assurance and sales and marketing of our sports shoes. Before he joined us, he was self employed in the business of trading apparel, footwear and headwear between March 1988 and December 1998. Xie Zhen'an graduated from Quanzhou Overseas Chinese University (泉州华侨大学) in July 1988 with a Diploma in Economic Management.

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**10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**


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**(ii) Li Qizhe**

**Li Qizhe**, a PRC national, aged 47, was appointed as our Non-Independent Non-Executive Director on 18 November 2009. He is currently a General Manager of Jiayi Trading, a related company. Before joining Jiayi Trading, he worked in Youyi Corporation of Department of Commerce of Shanxi Province (陕西省商务厅友谊总公司) as a Sales Manager and subsequently promoted to General Manager where he served from November 1990 to March 2004. He also worked in the Sales and Finance Department of Apparel, Footwear and Headwear Industry Corporation of Shanxi Province (陕西省二轻厅省服装鞋帽工业总公司) from July 1982 to November 1990 as Deputy Sales Manager, Deputy Finance Director and Sales Manager. He was seconded to Apparel Industry Corporation of China (国务院轻工业部中国服装工业总公司) where he was responsible for finance management and machinery management from December 1984 to June 1987. He was also attached to Japanese Brothers Industry Corporation (日本兄弟工业株式会社) for training on business administration and customer service.

Li Qizhe graduated from Branch School of Central Party School in Shanxi Province (中共中央党校陕西省分校) with a Diploma in Economic Management in December 1999.

**(iii) Yee Chee Wai**

**Yee Chee Wai**, a Malaysian, aged 45, was appointed as our Non-Independent Non-Executive Director on 10 March 2010. He is a member of both the Malaysian Institute of Accountants as a Chartered Accountant and the Malaysian Institute of Certified Public Accountant as a Certified Public Accountant. He has more than sixteen (16) years of investment banking experience, in particular, the corporate finance activities such as initial public offerings, capital raising exercises, mergers and acquisitions, corporate restructuring and underwritings of equity issues.

He was attached with various investment banks in Malaysia from June 1991 to July 2007. Prior to joining OSK Venture Equities Sdn Bhd in August 2007, he was the General Manager of Public Investment Bank Berhad. He was then designated as the Chief Operating Officer of OSK Venture Equities Sdn Bhd in March 2008.

He is a director of OSKVI, eBworx Berhad and mTouche Technology Berhad, all of which are listed on the ACE Market of Bursa Malaysia. He is also an alternate director of Green Packet Berhad, which is listed on the Main Market of Bursa Malaysia.

**(iv) Tam Fook Cheong**

**Tam Fook Cheong**, a Malaysian, aged 57, was appointed as our Independent Non-Executive Director on 3 November 2009.

Tam Fook Cheong obtained his Fellowship of the Chartered Association of Certified Accountants United Kingdom in 1985 and Associateship of the Chartered Institute of Management Accountants, United Kingdom in 1986. He is also a member of the Malaysia Institute of Accountants.

# 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Prior to joining our Group, he worked as an auditor in a medium size audit firm and later joined National Universiti Malaya as a Financial Accountant. Since early January 1980, he joined Petroliam Nasional Berhad ("PETRONAS") and has undertaken various assignments within the PETRONAS group in the area of strategic planning and corporate budgeting, financial reporting, project and property development as well as other finance related matters. He has held various managerial positions during his long service with the PETRONAS group until the end of 2008.

Currently, he serves as a learning and training consultant for various training service providers including the Malaysia Institute of Accountants in conducting seminars and facilitating workshop sessions for professional accountancy bodies. He is also an independent non-executive director of China Ouhua Winery Holdings Limited.

## (v) Tan Hon Yik

**Tan Hon Yik**, a Malaysian, aged 29, was appointed as our Independent Non-Executive Director on 16 November 2009. He obtained his LLB (Hons) from Bond University, Australia in 2001 and his LLM (Corporate & Commercial Law) from the University of New South Wales, Australia in 2002. After graduation, he practiced with Wong & Partners (a member firm of Baker & McKenzie International) in Kuala Lumpur, Malaysia as a member of the banking & finance and corporate & commercial practice groups. In 2005, he became a founding partner of the law firm Naqiz & Partners and is currently the Deputy Managing Partner of the firm.

He also sits on the Board of Commissioners of PT Rana Central Nugraha (an Indonesian subsidiary of Mamee-Double-Decker (M) Berhad) and is a director of several private companies in Malaysia and Singapore.

## 10.2.3 Principal business activities performed outside our Group and principal directorships

Save as disclosed below, none of our Directors of our Company have any directorship or performed any principal business activities outside our Group for the past five (5) years up to the LPD:-

Name	Company	Principal activities	Date appointed	Date resigned	Position held
Li Kwai Chun	Chun Hing Industry Company (振興实业公司)	Investment holding	November 1994	N/A	Director
	Chun Hing Industry (Hong Kong) Company (振興实业(香港)公司)	Dormant	October 1997	N/A	Director
	Jiayi Trading	Footwear and sports apparel procurement and trading	June 2003	N/A	Director
	Fujian Fynex Textiles Science & Technology Co., Ltd. (福建凤竹纺织科技股份有限公司)	Manufacture and sale of textile, textile printing and dyeing.	May 2007	May 2010	Director
	Sports Asia	Investment holding	December 2007	N/A	Director

**10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

<b>Name</b>	<b>Company</b>	<b>Principal activities</b>	<b>Date appointed</b>	<b>Date resigned</b>	<b>Position held</b>
Xie Zhen'an	Sports Asia	Investment holding	June 2008	N/A	Director
Li Qizhe	Sports Asia	Investment holding	June 2008	N/A	Director
Yee Chee Wai	OSKTV	Venture capital business	March 2008	N/A	Director
	OSK Venture Equities Sdn. Bhd.	Venture capital business and management of investments in securities of venture companies	March 2008	N/A	Director
	OSK Private Equity Management Sdn. Bhd.	Management of investment in securities of venture companies	March 2008	N/A	Director
	OSK Capital Partners Sdn. Bhd.	Investment holding and private equity business	March 2008	N/A	Director
	OSK Ventures International Limited	Investment holding and private equity business	April 2008	N/A	Director
	GMO Global Limited	To undertake investments in relation to the cellular communication and WVAS businesses	March 2008	N/A	Director
	MH Capital Inc.	To develop and carry on the business in relation to research and development and provision of WVAS	March 2008	N/A	Director
	MH Technology Limited	Research, development and commercialisation of internet application, telecommunication and multimedia technology, design and production of webpage and other related technical training and services.	March 2008	N/A	Director

**10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**

Name	Company	Principal activities	Date appointed	Date resigned	Position held
	eBworx Berhad	Provision of computer software applications and dealing in computer software and hardware for financial services industry.	April 2008	N/A	Non-Independent and Non-Executive Director
	mTouche Technology Berhad	Provision of innovative digital commerce solutions to the financial services industry.	March 2008	N/A	Non Independent Non-Executive Director
	Green Packet Berhad	Wireless networking and tele-communication products, networking solutions and other high technology products and services.	April 2008	N/A	Alternate Director
Tam Fook Cheong	China Ouhua Winery Holdings Limited	Production of varieties of wine and sales of its self produced wine.	November 2009	N/A	Director
Tan Hon Yik	Core Strength Solutions Sdn Bhd	Investment Holding	December 2004	N/A	Director
	Careersmatic Consulting Sdn Bhd	Provision of human resource management and recruitment consulting services	December 2004	N/A	Director
	Naqiz & Partners	Law firm	January 2005	N/A	Partner
	Tanaq Sdn Bhd	Investment holding	September 2005	N/A	Director
	NP Strategic Consulting Pte Ltd	Management and strategic consulting services	September 2009	N/A	Director
	PT Rana Central Nugraha	Plantations and related activities	October 2009	N/A	Commissioner



## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 10.2.4 Directors' Remuneration and Benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors on an individual basis for services rendered in all capacities to our Group for the FYE 2009 and proposed for the FYE 2010 are as follows:-

Directors	Remuneration band	
	FYE 2009 (Actual) (RM)	FYE 2010 (Proposed) (RM)
Li Kwai Chun	–	150,001 – 200,000
Xie Zhen'an	50,001 – 100,000	100,001 – 150,000
Li Qizhe	–	50,001 – 100,000
Yee Chee Wai	–	1 – 50,000
Tam Fook Cheong	1 – 50,000	50,001 – 100,000
Tan Hon Yik	1 – 50,000	50,001 – 100,000

### 10.2.5 Service Contracts with Directors

As at the LPD, none of our Directors have any existing or proposed service contracts with our Group.

## 10.3 BOARD PRACTICES

### 10.3.1 Directorship

As at the LPD, the details of the date of expiration of the current term of office for each of the Directors and the period for which the Directors have served in that office are as follows:-

Name of Director	Length of service in our Group	Length of service as Director of Maxwell as at the date of this Prospectus	Date of expiration of current term of office
Li Kwai Chun	11 years	1 year	Shall retire at our 3rd Annual General Meeting ("AGM") in accordance with Article of Association ("Article") 85
Xie Zhen'an	11 years	1 year	Shall retire at our 3rd AGM in accordance with Article 85
Li Qizhe	1 year	1 year	Shall retire at our 4th AGM in accordance with Article 85
Yee Chee Wai	8 months	8 months	Shall retire at our 4th AGM in accordance with Article 85
Tam Fook Cheong	1 year	1 year	Shall retire at our 2nd AGM in accordance with Article 85
Tan Hon Yik	1 year	1 year	Shall retire at our 2nd AGM in accordance with Article 85

## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 10.3.2 Audit Committee

Our Audit Committee currently consists of the following members:

Name	Designation	Directorship
Tam Fook Cheong	Chairman	Independent Non-Executive Director
Li Qizhe	Member	Non-Independent Non-Executive Director
Tan Hon Yik	Member	Independent Non-Executive Director

The main functions of the Audit Committee include inter-alia, the review of audit plans and audit reports with our external auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the financial statements, nomination of the external auditors and review of related party transactions.

### 10.3.3 Remuneration Committee

Our Remuneration Committee currently consists of the following members:

Name	Designation	Directorship
Tam Fook Cheong	Chairman	Independent Non-Executive Director
Tan Hon Yik	Member	Independent Non-Executive Director
Li Kwai Chun	Member	Executive Director and Chairman

The main functions of the Remuneration Committee include inter-alia, the recommendation to our Board on the remuneration package of our Executive Directors, directors fees, assisting our Board in assessing the responsibility and commitment undertaken by our Board members and assisting our Board in ensuring the remuneration of the Directors are reflective of the responsibility and commitment of the Directors concerned.

### 10.3.4 Nomination Committee

Our Nomination Committee currently consists of the following members:

Name	Designation	Directorship
Tam Fook Cheong	Chairman	Independent Non-Executive Director
Tan Hon Yik	Member	Independent Non-Executive Director
Yee Chee Wai	Member	Non-Independent Non-Executive Director

The main functions of the Nomination Committee include inter-alia, the review of all nominations for the appointment or re-appointment of members of the Board and to determine the selection criteria thereof, review of the structure, size and composition of our Board, and to ensure that all our Directors undergo appropriate introduction and training programmes.

## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### 10.4 KEY MANAGEMENT

Our key management is responsible for our Group's day-to-day management and operations. Our key management consists of experienced personnel in charge of different functions of our Group.

The members of our key management as at the date of this Prospectus are set out below:

Name	Nationality	Designation
Tan Swee Song	Malaysian	Chief Financial Officer
Zhen Qinggong	PRC	Finance Manager
Hong Tenghui	PRC	Sales Manager
Zhang Kun	PRC	Head of D&D
Tang Chunsheng	PRC	Head of the Administration Department

#### 10.4.1 Profiles of our Key Management

The profiles of our key management are as follows:

##### (i) Tan Swee Song

**Tan Swee Song**, aged 32, our Chief Financial Officer, is responsible for the overall financial, accounting, compliance and reporting and internal control functions of our Group. He joined our Group in September 2009 as our Chief Financial Officer. He has more than 8 years experience in group accounts and reporting. He was an auditor with Leou & Associates (Audit Division) for the period from October 2001 to January 2005 and with KPMG Singapore (Audit Division) for the period from February 2005 to July 2009. He is a member of the Association of Chartered Certified Accountants (ACCA) and the Malaysia Institute of Accountants.

##### (ii) Zhen Qinggong

**Zhen Qinggong**, aged 34, our Finance Manager is responsible for the financial and accounting functions of Zhenxing Shoes. He worked in Quanzhou Branch of Fujian Cement Corporation (福建水泥股份有限公司泉州分公司) between March 1995 and December 1997. Between April 2000 and March 2005, he was an accountant in Quanzhou Longquan Apparel Manufacturing Co., Ltd (泉州隆泉制衣有限公司). In April 2005, he joined Zhenxing Shoes and was appointed as a Finance Manager to be in charge of the finance management of Zhenxing Shoes. Zhen Qinggong graduated from Fujian Business School (福建商业高等专科学校) in July 2000 with a Diploma in Accountancy.

##### (iii) Hong TengHui

**Hong TengHui**, aged 40, our Sales Manager for Zhenxing Shoes is responsible for the sales and marketing activities of our Group. He worked as a technician in Technology Department of Zhangzhou Automated Instruments Factory (漳州市自动化仪表厂) between September 1991 and June 1995. From August 1995, he was engaged as Assistant to General Manager with the Seventh Construction Company of Fujian Province (福建第七建筑公司), till February 1998. In June 1999, he joined Zhenxing Shoes as a salesman and in August 2001 he was appointed as the Sales Manager of Zhenxing Shoes in charge of the sales and marketing of our sports shoe products. He graduated from Zhangzhou Vocational University (福建漳州职业大学) in July 1991 with a Diploma in Electronics Application.

## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

### (iv) Zhang Kun

**Zhang Kun**, aged 44, our Head of D&D is responsible for the D&D activities, quality assurance and gathering of relevant market information on the latest shoe trends. He was employed as a technician in shoe factory in Jiang Su (江苏淮阴鞋厂) Province from 1984 to 1993. Thereafter, he joined Anta Shoes Enterprise (福建晋江安踏鞋业公司) and was involved in shoe models development until January 2000. He was promoted to a D&D manager in Anta Shoes Enterprise (福建晋江安踏公司) where he served until July 2005. In August 2005 and December 2006, he joined Po Marsh Sporting Goods Co., Ltd (广东宝玛仕体育用品有限公司) and Pu Tian Hua Feng Shoes Factory (福建莆田华丰鞋厂) respectively as a D&D Director. He later joined our Group in August 2009 as the Head of D&D Department. He graduated from Jiang Su Finance Learning Institute with a degree in Business Administration in July 1988.

### (v) Tang Chunsheng

**Tang Chunsheng**, aged 40, our Head of the Administration Department is responsible for the administrative matters of Zhenxing Shoes. He was self employed in the business of trading of apparels between July 1989 and August 1991. From August 1991 to February 2000, he worked in Fujian Jinjiang Planned Parenthood Bureau (福建晋江市计生局). In February 2000, he joined Zhenxing Shoes and started as a customs declarant in charge of export matters and was subsequently promoted to Head of Administration Department of Zhenxing Shoes in May 2005. He graduated with a Diploma in Business Administration from Fujian Economic Management School (福建经济管理干部学校) in July 2005.

### 10.4.2 Key Managements' Shareholding

As at the LPD, our key management and their respective shareholdings in our Company before and after the IPO are as follows:

Names	Before the IPO				After the IPO			
	Direct interest		Indirect interest		Direct interest		Indirect interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Swee Song	3	*	-	-	3	*	-	-
Zheng Qinggong	-	-	-	-	-	-	-	-
Hong Tenghui	-	-	-	-	-	-	-	-
Zhang Kun	-	-	-	-	-	-	-	-
Tang Chunsheng	-	-	-	-	-	-	-	-

Note:-

\* Negligible

### 10.4.3 Service Contracts of Key Management

As at the LPD, there are no existing or proposed service contracts between our key management personnel and our Group other than employment contracts containing normal terms of employment.

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**10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)**


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**10.5 INVOLVEMENT OF EXECUTIVE DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS**

As at the LPD, save for the companies disclosed in **Section 10.2.3** of this Prospectus, none of our Executive Directors and/or key management are actively involved in the operations of other businesses or corporations.

Our Executive Directors' involvement in the businesses and corporations as set out in **Section 10.2.3** of this Prospectus do not require their involvement in the day-to-day activities and operations of these companies as they are managed by well qualified and experienced management teams. As such, their involvement in such other businesses or corporations will neither affect their contribution to our Group nor negatively impact their ability to act as the Directors of our Group.

**10.6 RELATIONSHIPS OR ASSOCIATIONS**

Save for Hong Tenghui (part of our key management team) who is the cousin of our Executive Director and Chairman, Li Kwai Chun, there are no family relationships/associations between our Promoter, substantial shareholders, Directors and/or key management.

**10.7 DECLARATION BY OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT**

As at the LPD, none of our Promoter, substantial shareholders, Directors and key management is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;
- (ii) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgement was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; and
- (v) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

# 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

## 10.8 EMPLOYEES

The functional distribution of our total number of full-time employees at the end of the Financial Period under Review and at the LPD are as follows:

Category of employees	As at FYE 2006	As at FYE 2007	As at FYE 2008	As at FYE 2009	As at 1H 2010	As at the LPD
Management	2	2	3	4	4	4
Marketing and sales	5	5	8	5	5	5
Administration	62	68	70	70	73	73
Finance	7	7	10	10	10	10
Production						
- Cutting	69	80	82	108	113	112
- Surface feature manufacturing	86	107	109	118	117	112
- Sewing & Stitching	413	603	613	664	716	700
- Combining	385	477	487	522	582	554
D&D	14	14	35	27	30	30
Quality Assurance	20	20	22	22	33	33
<b>Total</b>	<b>1,063</b>	<b>1,383*</b>	<b>1,439</b>	<b>1,550</b>	<b>1,683</b>	<b>1,633</b>

Note:-

\* Our workforce increase by 320 employees as a result of the addition of the third production line in late 2006 which became fully operational in FYE 2007

As at the LPD, we have 1,633 full-time employees. Save for our Chief Financial Officer, Tan Swee Song who is based in Malaysia, all of our employees are based in the PRC. The average number of temporary employees employed by us were 122, 99, 46, 45, 50 and 32 in FYE 2006, FYE 2007, FYE 2008, FYE 2009 and 1H 2010 respectively.

The number of staff for each production line (based on two shifts and combining division only) at the end of the Financial Period under Review is as follows:-

	As at FYE 2006	As at FYE 2007	As at FYE 2008	As at FYE 2009	As at 1H 2010
<b>No. of production staff - combining</b>					
1 <sup>st</sup> production line	180	180	104	113	133
2 <sup>nd</sup> production line	159	159	150	158	166
3 <sup>rd</sup> production line	46	138	130	138	150
4 <sup>th</sup> production line	-	-	103	113	133
<b>Total</b>	<b>385</b>	<b>477</b>	<b>487</b>	<b>522</b>	<b>582</b>

In July 2008, we added a fourth production line and upgraded the first production line with newer machineries. These new machineries for the first and fourth production lines refer mainly to the installation of an infrared ray heating system together with a double-layer conveyor belt system. The infrared heating system allows the production staff to set the requisite temperature for different shoe materials during the combining stage of the production process whereas the double-layer conveyor belt system allows for higher production/efficiency levels compared to the older, single-layer conveyor belt system. The introduction of the above machine systems help simplify the production process thus resulting in the number of production staff to only increase marginally in FYE 2008 as compared to FYE 2007. Further, we also transferred some production staff from the existing production lines to the fourth production line.

## 10. INFORMATION ON OUR PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (Cont'd)

Our employees are not unionised. The relationship and co-operation between the management and staff have been good and is expected to continue in the future. This is evidenced by our numerous awards for "Outstanding Enterprise for Caring Employees" since 2001. There has not been any incidence of work stoppages or labour disputes which has affected our operations since we commenced business.

We pay social insurance fund for our employees who are entitled to social insurance treatment in any one of the following cases: (1) Retirement; (2) Suffer from diseases or injuries; (3) Become disabled during work or suffer from occupational diseases; (4) Become jobless; (5) Give birth (collectively referred to "Social Insurance Funds") in compliance with PRC labour laws.

Our Group started maintaining social insurance for all our employees from March 2008. Between 1999 and 2007, some ex-employees of our subsidiary were not covered for their social insurance. On 10 March 2008, the Social Labour Insurance Company of Jinjiang (晋江市社会劳动保险公司) granted an exemption of payment of social insurance fees to our subsidiary in respect of the aforesaid period. Notwithstanding the above, to address the possibility of any retrospective claims by these ex-employees against our Group, our Chairman, Li Kwai Chun, had on 14 April 2008 provided an indemnity letter to the Social Labour Insurance Company of Jinjiang, under which Li Kwai Chun agreed to personally settle any losses or damages arising from any such unpaid social insurance claims by the above-described ex-employees.

### 10.9 TRAINING AND DEVELOPMENT

We believe that employees are key assets that play a pivotal role in our continuous growth and recognise the importance of retaining quality employees. It is our policy to encourage the development and training of employees for the improvement of overall skills and professionalism for the enhancement of productivity. We emphasise on training and development as an essential continuing process and encourage our employees to increase their skills and knowledge through hands-on training.

Our staff training is conducted internally by our management team and supervisors at our premises. Our staff training programs include:

- (a) Orientation training for new employees to educate them on company policies and basic skills and knowledge that are relevant to their respective job functions.
- (b) Production skills and other operation type training to equip them with the relevant production skills and knowledge necessary for their respective job functions.
- (c) Occupational safety training to educate our production and other operations staff on occupational safety at our production facilities and to train them on safety precautions which they are expected to adopt in the course of their work.

#### Management Succession Plan

Our Group places high priority on ensuring that there is continuity in our Group's management team so as to maintain our level of competitiveness in the industry. To achieve this, it is the policy of our Group to groom the lower and middle management staff to gradually assume the responsibilities of the senior management and also as part of our employees' career advancement programme. Our Group's strategy for management continuity is driven by our top management. Our Chairman, together with the CEO is involved in the process of identifying key competencies and requirements for managerial and more senior positions. Job and candidate profiles are developed for management positions in line with our business goals, strategies and culture.