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DIRECTORS, SENIOR MANAGEMENT AND STAFF

DIRECTORS

The Board consists of seven members, of whom three are independent non-executive Directors.

Executive Directors

Mr. Wong Fun Chung (黃訓松), aged 56, is the chairman of the Board, the chief executive officer of the Company and founder of the Group. He was appointed as an executive Director of the Company on 29 November 2007. Mr. Wong has been brought up and lived in the PRC for a substantial period of time and was graduated from Tianjin University (天津大學) in 1978 specializing in high precision timing instruments (計時儀器專業) and has over 20 years' experience in the production of horological instruments. During his career in the horological industry, Mr. Wong has been recognized as one of the top one hundred youth factory managers in China, which is awarded jointly by China Youth Magazine (中國青年雜誌社), China Enterprise Management Association (中國企業管理協會), Central Propaganda Department of the Chinese Communist Youth League (中國共產主義青年團中央宣傳部) and China Central Television Station (中央電視臺). In 1989, Mr. Wong was approved as an engineer by the Fujian Provincial Bureau of Personnel (福建省人事局). In 1987, Mr. Wong was the factory manager of the Fuzhou Watch Factory (福州手錶廠), a state-owned enterprise. In 1990, one of the quartz clock movement products developed by Mr. Wong was awarded third prize in the technological advancement award by the National Science and Technology Advancement Award Adjudication Committee (國家科學技術進步評審委員會). Mr. Wong is responsible for the formulation of the Group's corporate strategy, overseeing its production operations and the overall steering of the Group's strategic development.

Mr. Zou Chong (鄒崇), aged 39, was appointed as an executive Director of the Company on 2 July 2008 and is the deputy general manager of the Group. Mr. Zou graduated from the Sichuan University (四川大學) in 1991 specialising in computer application (計算機應用專業). In 1991, Mr. Zou joined Fuzhou Shanglun as a technician. In 2003, he joined Fujian Wide Plus as a deputy general manager. He had participated in the development of the “WP-series Multi-channel Embedded-type Colored Paperless Recorder” (WP-系列多通道嵌入式彩色顯示無紙記錄儀), which, together with Mr. Tang Chong Sen, was awarded the “Grade Three of Fuzhou Science and Technology Advancement Award (福州市科學技術進步三等獎)” by Fuzhou Municipal Government in 2006. Mr. Zou is responsible for the technical service centre, system integration, purchasing and sales and marketing of the Group.

Mr. Su Fang Zhong (蘇方中), aged 59, was appointed as an executive Director of the Company on 2 July 2008 and is the deputy general manager of the Group. He graduated from Fujian Broadcasting Television University (福建廣播電視大學) in 1990 specializing in financial accounting (財務會計). In 1991, Mr. Su successfully completed quality management (計量管理) training provided by the State Bureau of Technical Supervision (國家技術監督局). In 1990, Mr. Su worked as an assistant engineer of the Fuzhou Watch Factory (福州手錶廠). In 2003, he was approved as an electrical engineer (intermediate level) (中級電子工程師) by the Intermediate and Primary Level Adjudication Committee of the Fuzhou City Rural Enterprise Engineering Department (福州市鄉鎮企業工程系列中、初級評委會). Mr. Su was recognized by the Fuzhou Bureau of Light Industry (福州市輕工業局) as an outstanding performer in the technological development of light industry system (輕工系統技術開發優秀工作者) in 1989 and also as a pioneer worker in production management (生產管理先進工作者) in 1991. In 2003, he joined Fujian Wide Plus as a deputy general manager. Mr. Su is responsible for the warehouse management, production workshops and quality control of the Group.

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Mr. Cheung Chuen (張全), aged 35, was appointed as an executive Director of the Company on 2 April 2008. He is also the company secretary of the Company. Mr. Cheung graduated from the Hong Kong Shue Yan College (presently Hong Kong Shue Yan University) in 1999 majoring in accounting and obtained a master degree in professional accounting from the Hong Kong Polytechnic University in 2004. He is a member of the American Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has over 10 years of experience in accounting and auditing. He is an independent non-executive director of Broad Intelligence International Pharmaceutical Holdings Limited and Sinotronics Holdings Limited as at the [Latest Practicable Date], both of which are companies listed in Hong Kong. Mr. Cheung is responsible for the management reporting and planning of the Group, and is in charge of all the Group’s financial and statutory reporting.

Mr. Cheung Chuen is involved in an outstanding litigation case as a defendant. In 2002, the plaintiff brought a claim against Mr. Cheung Chuen and alleged there had been publications of defamatory words in several letters and/or articles by Mr. Cheung Chuen and the plaintiff’s claim against Mr. Cheung Chuen is defamation (the “Action”). The plaintiff seeks unliquidated damages with legal costs and interests. The Action started in 2002, was actively proceeded on by the parties until 18 April 2004 when the plaintiff filed its reply to the amended defence. Thereafter and as at the [Latest Practicable Date], the Action has been brought to a complete standstill. Mr. Cheung Chuen has been advised by his legal adviser that he had good merits of the Action.

Independent Non-executive Directors

Dr. Hu Guo Qing (胡國清博士), aged 45, was appointed as an independent non-executive Director of the Company on 2 April 2008. Dr. Hu graduated from the Department of Aviation Automation Control (航空自動控制系) of the Northwestern Polytechnical University (西北工業大學) in 1987 and acquired his doctorate degree from the Department of Hydraulic Engineering (水利工程系) of the Chengdu University of Science and Technology (成都科技大學) in 1993. Since 1993, Dr. Hu has been involved in scientific research and academic teaching in areas such as MEMS technology, sensor technology, industrial automation, mechanical control engineering and automation control. Dr. Hu is currently a Professor at the College of Industrial Equipment and Control Engineering of the South China University of Technology (華南理工大學).

Ms. Ji Qin Zhi (吉勤之), aged 68, was appointed as an independent non-executive Director of the Company on 2 April 2008. Ms. Ji graduated from the Department of Precision Instruments Engineering (精密儀器工程系) of Tianjin University (天津大學) in 1964 and acquired the qualification of Senior Engineer in 1988. She was appointed as an independent non-executive director of Shenzhen Fiyta Holdings Limited, a company listed on Shenzhen Stock Exchange, in 2006. She is currently the vice president of the Horology Association of the People’s Republic of China.

Mr. Chan Yuk Hiu, Taylor (陳玉曉), aged 31, was appointed as an independent non-executive Director of the Company on 2 April 2008. Mr. Chan graduated from Hong Kong Shue Yan College (presently Hong Kong Shue Yan University) with an Honours Diploma in Accounting. He is an associate member of The Hong Kong Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. Since graduation he has acquired accounting and company secretarial work experience both from certified public accountants firms and listed companies. In March 2004, he was appointed as the Qualified Accountant of Tianjin Capital Environmental Protection Company Limited, a company listed on the Main Board of the Stock Exchange. In May 2006, he was appointed as both Company Secretary and Qualified

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Accountant of FAVA International Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange. Mr. Chan has over eight years of experience in professional accounting and auditing practice.

SENIOR MANAGEMENT

Mr. Zou Chong (鄒崇) is the deputy general manager of the Group. His particulars are set out in the paragraph headed “Executive Directors” above.

Mr. Su Fang Zhong (蘇方中) is the deputy general manager of the Group. His particulars are set out in the paragraph headed “Executive Directors” above.

Mr. Tang Chong Sen (唐崇森), aged 69, graduated from the Mechanical Engineering Department (電機系) of the Harbin Institute of Technology (哈爾濱工業大學) in 1964 specialising in electrical measurement technology (電氣測量技術專業). In 1992, he was an associate professor of the Electrical Engineering Department of Fuzhou University specializing in industrial electrical automation system (工業電氣自動化). In 1995, Mr. Tang joined Fuzhou Shanglun as a chief engineer (electrical). In 2003, he joined Fujian Wide Plus as a chief engineer. Mr. Tang had been the researcher of various provincial new product development projects. In 2002, the WP-series Intelligent Flow Controller for Natural Gas (WP-系列天然氣智能流量控制儀) co-developed by Mr. Tang also received the “Grade Three of Fujian Science and Technology Advancement Award (福建省科學技術獎三等獎)” by Fujian Provincial Government of the PRC. In 2006, the “WP-series Multi-channel Embedded-type Colored Paperless Recorder” (WP-系列多通道嵌入式彩色顯示無紙記錄儀) which was co-developed by Mr. Tang and Mr. Zou Chong was awarded “Grade Three of Fuzhou Science and Technology Advancement Award (福州市科學技術進步三等獎)” by Fuzhou Municipal Government. Mr. Tang is the chief electrical engineer of the Group and is responsible for overseeing the design and processing of electrical products and electronic software research and development of the Group.

Mr. Gao Wen Jiang (高文江), aged 67, graduated from the Agricultural Machinery Department (農業機械系) of the Fujian Institute of Agriculture (福建農學院) specialising in agricultural mechanisation (農業機械化專業) in 1964. In 1990, Mr. Gao was the deputy technical factory manager of Nanchang Watch Factory (南昌手錶廠). From 1993 to 2004, he was the deputy general manager of Guang Yu Electronic Industrial Co., Ltd. (廣宇電子實業有限公司). Mr. Gao joined Fujian Wide Plus as a chief mechanical engineer in 2004 and has been holding the same position for the Group. He is responsible for overseeing the crafts processing and high precision mechanical research and development of the Group.

COMPANY SECRETARY

Mr. Cheung Chuen (張全) is appointed as the company secretary of the Group. His particulars are set out in the paragraph headed “Executive Directors” above.

CORPORATE GOVERNANCE

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

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In accordance with the requirements of the Listing Rules, the Company has established the audit committee in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules and appointed a qualified accountant to oversee the financial reporting procedures and internal controls of the Group so as to ensure compliance with the Listing Rules.

To further enhance the Group’s corporate governance and its transparency, the Company has also established the nomination committee and the remuneration committee. The Group has also implemented a compliance manual which covers areas such as ongoing compliance obligations of the Company and the Directors, business operations of the Group, financial management systems, human resources management systems, internal control systems and quality assurance.

AUDIT COMMITTEE

The Group has established its audit committee (the “Audit Committee”) on [25 August] 2008 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group’s financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee comprises all 3 independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi and Mr. Chan Yuk Hiu, Taylor. Mr. Chan Yuk Hiu, Taylor has been appointed as the Chairman of the Audit Committee.

REMUNERATION COMMITTEE

The Group has established its remuneration committee (the “Remuneration Committee”) on [25 August] 2008 with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company’s policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee comprises all 3 independent non-executive Directors, namely Dr. Hu Guo Qing, Ms. Ji Qin Zhi and Mr. Chan Yuk Hiu, Taylor. Mr. Chan Yuk Hiu, Taylor has been appointed as the Chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The Group has established a nomination committee (the “Nomination Committee”) on [25 August] 2008 with written terms of reference as recommended under the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on appointment and removal of Directors and management of the succession of the Board. The Nomination Committee comprises all 3 independent non-executive Directors, namely, Dr. Hu Guo Qing, Ms. Ji Qin Zhi and Mr. Chan Yuk Hiu, Taylor. Mr. Chan Yuk Hiu, Taylor has been appointed as the Chairman of the Nomination Committee.

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DIRECTORS’ REMUNERATION

During the Track Record Period, the level of remuneration of the Directors was comparatively low because the main focus of the Group was to concentrate its effort and its resources to develop and enhance the products of the Group and improve the market penetration of the Group’s products so as to achieve the market share of the Group. During the Track Record Period, the Directors considered foregoing their respective short term financial benefits so as to establish the long term reputation of the Group.

The Remuneration Committee will regularly review and determine from time to time the remuneration and compensation of the Directors and the senior management of the Group. The Group’s remuneration policy regarding the Directors, including the discretionary bonus, has taken into account (i) the responsibilities of the staff concerned; (ii) the performance of the staff concerned; (iii) the financial performance of the Group; (iv) the remuneration package for a member of staff, who has similar capacity and responsibility in the Group, in the market; and (v) the structure of the incentive scheme, such as the Share Option Scheme after the [•].

The aggregate amount of fees, salaries and allowances, share-based payments and retirement benefit scheme contributions (the “Remuneration”) incurred by the Group to the Directors, collectively, for each of the years during the Track Record Period were RMB[0.3] million, RMB[2.6] million and RMB9.9 million, respectively.

The expecting amount of the Remuneration of the Directors (excluding share-based payments), collectively, for the year ending 30 June 2010 is approximately RMB2.6 million (equivalent to approximately HK\$2.9 million). The Remuneration is reflecting (i) the remuneration packages of similar capacity and responsibilities in the Group and/or in the market and (ii) the responsibilities of the staff concerned. In addition, there was an equity-settled share-based compensation paid to the Directors of approximately RMB[8.8] million during the financial year ended 30 June 2009. Since all of the share options granted were unconditionally cancelled by the Directors on 21 January 2009, [the equity-settled share-based compensation for the financial year ending 30 June 2010 will be at nil amount.]

Save as disclosed above, no other payments have been paid or are payable, during the Track Record Period, by the Company or any of its subsidiaries to the Directors.

STAFF

[As at the Latest Practicable Date], the Group had a total of [881] full-time employees. Set out below is a breakdown of the number of staff of the Group by function as at the [Latest Practicable Date]:

Management	[17]
Production	[618]
Finance and administration	[80]
Sales and after-sales services	[71]
Research and development	[95]
Total	[881]

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RELATIONSHIP WITH STAFF

The Directors recognise the importance of good relationship with the employees of the Group. The remuneration payable to the Group’s employees includes salaries, allowances and bonuses. The allowance provided by the Group includes education, housing and night shift allowance. The Group also provides training to its employees to enhance their technical skills, knowledge of operation and production.

The Group has not experienced any significant problems with its employees and no disruption to the operation of the Group has been caused as a result. The Directors believe that the Group has good and stable working relationships with all of its employees.

As advised by the PRC legal adviser to the Group, save for the non-contributions to the housing fund and the medical insurance disclosed in the section headed “Business — Regulatory Matters” in this document, the Group has complied with all applicable labour laws and regulations.