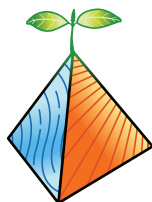

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shen Nong China (Group) Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SHEN NONG CHINA (GROUP) LIMITED
神農中國(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8175)

DISCLOSEABLE TRANSACTION

**ACQUISITION OF 8.26% SHAREHOLDING INTEREST IN
A COPYRIGHT MANAGEMENT AND DIGITAL LICENSING BUSINESS**

Financial adviser to the Company



INCU Corporate Finance Limited

A letter from the board of directors of Shen Nong China (Group) Limited is set out on pages 3 to 9 of this circular.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.

5 May 2008

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

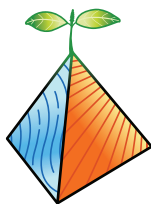
In this circular, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:

“Agreement”	the conditional agreement dated 14 April 2008 entered into between the Subscriber and Far Glory in relation to the Subscription and allotment and issue of the Subscription Shares
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Shen Nong China (Group) Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Subscription and allotment and issue of the Subscription Shares in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration for the Subscription and allotment and issue, of the Subscription Shares, being HK\$20,250,000
“Director(s)”	the director(s), including the independent non-executive directors, of the Company
“Far Glory”	Far Glory Limited, a company incorporated in the British Virgin Islands
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	29 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.05 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Cheer Plan Limited, a wholly owned subsidiary of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber as contemplated under the Agreement
“Subscription Shares”	900 new shares of Far Glory to be subscribed for and allotted and issued pursuant to the Agreement
“Target Group”	Far Glory and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



SHEN NONG CHINA (GROUP) LIMITED **神農中國(集團)有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8175)

Executive Directors:

Mr. Pang Hong Tao

Mr. Mo Wai Ming, Lawrence

Ms. Au Shui Ming, Anna

Non-executive Director

Mr. Ma She Shing, Albert

Independent non-executive Directors:

Mr. Hsu William Shiu Foo

Mr. Lee Kun Hung

Mr. Kwok Chi Sun, Vincent

Registered office:

Caledonian Bank & Trust Limited

Caledonian House

P.O. Box 1043

George Town

Grand Cayman

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 1601, Ruttonjee House

Ruttonjee Centre

11 Duddell Street

Central

Hong Kong

5 May 2008

To the shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION OF 8.26% SHAREHOLDING INTEREST IN A COPYRIGHT MANAGEMENT AND DIGITAL LICENSING BUSINESS

INTRODUCTION

Reference is made to the announcement of the Company dated 15 April 2008, in which the Company announced, among other matters, that on 14 April 2008 (after trading hours), the Subscriber, a wholly owned subsidiary of the Company, entered into the Agreement with Far Glory pursuant to which the Subscriber shall subscribe and Far Glory shall allot and issue, the Subscription Shares at a total consideration of HK\$20,250,000.

LETTER FROM THE BOARD

The Subscription constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules.

The purpose of this circular is to provide you with, among other matters, further details on the Subscription.

THE AGREEMENT

Date: 14 April 2008 (after trading hours)

Parties:

Subscriber: the Subscriber, a wholly owned subsidiary of the Company

Target: Far Glory, which is owned as to 19% by Mr. Lau Kim Hung, Jack, a substantial Shareholder and the balance of 81% by four parties (none of them hold more than 50% interest in Far Glory) who are all third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Mr. Lau Kim Hung, Jack, a substantial Shareholder, owns as to 19% shareholding interest (and will be diluted to 17.43% after the issuance of the Subscription Shares) of Far Glory. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for aforesaid, Far Glory and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Asset to be acquired

The Subscription Shares represent: (i) 9% of the entire issued share capital of Far Glory as at the Latest Practicable Date; and (ii) approximately 8.26% of the entire issued share capital of Far Glory as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares, when allotted, fully paid and issued, will rank pari passu in all respects among the shareholders and with the other shares of Far Glory in issue on the date of allotment and issue of the Subscription Shares.

LETTER FROM THE BOARD

Consideration

The total consideration for the Subscription Shares is HK\$20,250,000, which will be settled by the internal resources of the Group and the net proceeds from the disposal of Proud Dragon Limited as stated in the announcement of the Company dated 22 April 2008 in cash in the following manner: (i) HK\$5,000,000 was paid by the Subscriber to Far Glory on Completion; and (ii) the balance of the Consideration shall be payable to Far Glory at the request of Far Glory, in multiples of HK\$5,000,000 during the forth to sixth months after Completion and, if mutually agreed by the Subscriber and Far Glory, to be extended by a further six months ("Repayment Period"). The Subscriber, may at its discretion, repay the balance of the Consideration after Completion and until the end of the Repayment Period.

Conditions

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

- (a) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of the subscription of the Subscription Shares having been obtained;
- (b) all necessary consents and approvals required to be obtained on the part of Far Glory in respect of the subscription of the Subscription Shares having been obtained;
- (c) the warranties provided by Far Glory under the Agreement remaining true and accurate in all respects; and
- (d) the Subscriber being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group.

Conditions (b), (c) and (d) above are waivable by the Subscriber under the Agreement. The Subscriber has no current intention to waive such conditions. Other than conditions (b), (c) and (d), the other condition is incapable of being waived.

Completion

Completion shall take place at 4:00 p.m. within three Business Days after all the conditions of the Agreement have been fulfilled or waived or such later date as may be agreed between Far Glory and the Subscriber.

Completion has taken place on 21 April 2008.

LETTER FROM THE BOARD

Long stop date

If all of the conditions are not fulfilled (or as the case may be, waived by the Subscriber) on or before 30 April 2008 (or such later date as the Company and the Subscriber may agree), the Agreement shall cease and determine and together, neither party shall have any obligations towards each other.

INFORMATION ON THE TARGET GROUP

According to the unaudited management accounts of the Target Group for the period commencing from 8 June 2007, being the date of its incorporation, to 31 December 2007, there was no turnover recorded and the net loss before and after taxation and extraordinary items was approximately HK\$508,000.

As at 31 December 2007, the principal asset of the Target Group was cash and bank balances of approximately HK\$5,127,000 and the net assets of the Target Group will be approximately HK\$5,722,000 after capitalisation of shareholders' loan of approximately HK\$6,179,000.

The Target Group will be principally engaged in the provision of copyright management solution and the related consultancy services, the digital content licensing solution and the distribution of copyright protected items (such as on-line entertainment and media related items) in the PRC. The Target Group will conduct its business through two wholly foreign owned enterprises, namely Beijing Lian Yi Hui Zhong Technology Company Limited (北京聯易匯眾科技有限公司) ("BLTC") and Beijing Yi Lai Shen Technology Company Limited (北京易來申科技有限公司) ("Beijing e-License"). BLTC is 100% owned by the Target Group and will be principally engaged in the distribution of copyright protected items (such as on-line entertainment and media related items) and other entertainment related business in the PRC. Beijing e-License is 50% beneficially owned by the Target Group and the rest of the shareholding interest is indirectly owned by e-License Inc. (Japan). Beijing e-License will be principally engaged in the provision of copyright management solution and the related consultancy services, the digital content licensing solution and the distribution of copyright protected items (such as on-line entertainment and media related items) owned or licensed by e-License Inc. (Japan) in the PRC. e-License Inc. (Japan) is a pioneer in the development of copyright management and digital licensing technologies in Japan and is one of the leading Japan based copyright management companies specialized in the digital media industry to provide international copyright management solution and consultancy services. e-License Inc. (Japan) owns or is licensed with a large amount of copyright protected items (such as on-line entertainment and media related items) which may serve as value-added services or merchandises of mobile devices, internet, fixed line communication devices and global positioning devices. The shareholders of e-License Inc. (Japan) are large and reputable international corporations such as Toyota Tsusho Corporation (豐田通商). e-License Inc. (Japan) intends to develop its business in the PRC by applying its business model currently operating in Japan to the PRC through Beijing e-License, its sole business vehicle in the PRC.

LETTER FROM THE BOARD

In compliment with the aforesaid business goal of e-License Inc. (Japan) in the PRC, the copyright management and digital licensing technologies developed by and the copyright protected items owned or licensed by e-License Inc. (Japan) will be provided in and distributed into the PRC through the Target Group. The Target Group will provide copyright management solution, digital content licensing solution and distribute copyright protected items (such as on-line entertainment and media related items), which may serve as value-added services or merchandises of mobile devices, internet, fixed line communication devices and global positioning devices, to the telecommunication industry, music and entertainment industry as well as media industry in the PRC.

The Target Group is already in close negotiations with a telecommunication service provider, online or mobile entertainment providers in the PRC for the provision of copyright management solution, digital content licensing solution and copyright protected items.

As at the Latest Practicable Date, the Target Group has not yet commenced operation and it is expected that operation will commence in second half of 2008.

BASIS FOR THE CONSIDERATION

The Consideration was a commercial decision made by the Board with Far Glory and was agreed after arm's length negotiations after considering: (i) the support including, among others, provision of technologies and expertise being given by e-License Inc. (Japan) to the Target Group on the development of the copyright management and digital content licensing businesses in the PRC, the solutions of copyright management and digital licensing are developed by e-License Inc. Japan and such solutions were successfully launched in Japan. Leveraging on such solutions, Beijing e-License Inc. will be the pioneer in the PRC to provide copyright management and digital content licensing solutions to the telecommunication industry, music and entertainment industry as well as media industry in the PRC; (ii) the imminent commencement of operation of the Target Group in the second half of 2008; (iii) the potential contracts to be entered into between the Target Group and the telecommunication service providers, online or mobile entertainment providers in the PRC for the provision of copyright management solution, digital content licensing solution and copyright protected items; (iv) the significant growth potential of the copyright management and the digital content licensing market in the PRC as stated in the paragraph "REASONS FOR THE SUBSCRIPTION" below; (v) the leading status of e-License Inc. (Japan) in the copyright management and digital media industries in Japan; (vi) the flexible payment terms of the Subscription which allows the Group to settle the Consideration in an extended time frame; and (vii) the Directors' belief that the Subscription will provide an additional and stable income source to the Group in the medium term by way of dividend. Hence, the Directors consider that the Consideration is fair and reasonable for the acquisition of 8.26% shareholding interest in the Target Group and the terms and conditions of the Subscription to be fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

REASONS FOR THE SUBSCRIPTION

The Group is principally engaged in the information technology business of development and marketing of patented server based technology for its real time on-line communication software platform for the Chinese language and the provision of software related services. The Group is also engaged in the agriculture-related businesses in the PRC.

LETTER FROM THE BOARD

The Group recorded net profit of approximately HK\$0.7 million for the year ended 31 December 2007 and a cash position of about HK\$48 million as at 31 December 2007.

As stated in the annual report of the Group for the year ended 31 December 2007, the Directors believe that with the continuing growth of economy, in particular, the information technology industry and the telecommunication industry, and the living standard of people in the PRC, the information technology business, such as digital content, remains a promising business to be developed in the Greater China Region. Hence, the Directors have always been active in seeking investment opportunities in the information technology business in the PRC in order to increase the value of the Company.

According to the Ministry of Information of the PRC, there are 548 million mobile phone users in the PRC by the end of 2007, representing an annual growth rate of 18.7%, the mobile phone penetration rate is 41.6%. The internet users in the PRC have reached 210 million by the end of 2007, representing an annual growth rate of 53.3%. According to other researches conducted by the China Internet Network Information Center, approximately 180 million internet users are using the internet for music entertainment purpose.

In view of the above and the increasing emphasis on anti-privacy placed by the PRC Government following the entry into the World Trade Organization in 2001, the Directors are of the view that the provision of legal and copyright protected items in particular, the on-line entertainment and media related items, are in high demand in telecommunication industry, music and entertainment industry as well as media industry in the PRC. Moreover, the related copyright management and digital content licensing solutions are particularly vital to the practitioners of the aforesaid industries. In view of the established leading status of e-License Inc. (Japan) in the digital media industry and the strategic business relationship between the Target Group and e-License Inc. (Japan), the Directors believe that the Target Group is well positioned to become the pioneer in the provision of legal copyright protected on-line entertainment and media related items and the related copyright management and digital content licensing solutions in the PRC. Hence, the Board considers that the copyright management and digital licensing business in the PRC is of significant growth potential and generate high profitability and the engagement of the Group in such business through the Subscription will enable the Group to pursue a new line of information technology business in the PRC and generate an additional income source to the Group in the medium term by way of dividend, which is in the interest of the Shareholders and the Company as a whole.

The acquisition of 8.26% shareholding interest in the Target Group was determined by the Board after taken into consideration of the internal financial resources of the Group.

Taking into account the benefits of the Subscription, the Board is of the view that the terms of the Subscription are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE SUBSCRIPTION

The Directors expect that the Subscription will provide an additional and stable income source to the Group in the medium term by way of dividend and would not have material impact on the assets and liabilities position of the Group.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

By order of the Board
Shen Nong China (Group) Limited
Pang Hong Tao
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the following Director had or was deemed to have interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange:

(i) Interest in Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
Mr. Pang Hong Tao	Beneficial	10,500,000(L)	0.79%
Mr. Ma She Shing, Albert	Beneficial	870,000(L)	0.07%
Mr. Mo Wai Ming, Lawrence	Beneficial	21,385,920(L)	1.61%
Ms. Au Shui Ming, Anna	Beneficial	22,500,000(L)	1.69%

(L) denotes long position

(ii) Interest in share options

Name of Director	Number of share options outstanding	Approximate percentage of issued share capital of the Company
Mr. Pang Hong Tao	6,300,000	0.47%
Ms. Au Shui Ming, Anna	6,000,000	0.45%

Note: The exercise price of the share options is HK\$0.151 per Share with exercise period commencing from 18 January 2008 and ending on 20 December 2017.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of issued share capital of the Company
Mr. Lau Kim Hung, Jack (Note 1)	Interest of controlled corporation	299,478,238(L)	22.51%
Ms. Chan Yiu Kan Katie (Note 1)	Deemed	299,478,238(L)	22.51%
Manciple Enterprises Limited (Note 1)	Beneficial	299,478,238(L)	22.51%
Ms. Wong Chau Wan, Sanny (Note 2)	Beneficial Deemed	1,210,000(L) 125,944,400(L)	9.56%
Mr. Wong Ming Kerry (Note 2)	Beneficial	11,474,400(L)	9.56%
	Interest of controlled corporation	114,470,000(L)	
	Deemed	1,210,000(L)	
Digital Epoch Profits Limited (Note 2)	Beneficial	114,470,000(L)	8.60%

(L) denotes long position

Note:

1. Manciple Enterprises Limited (“**Manciple**”) is wholly and beneficially owned by Mr. Lau Kim Hung, Jack (“**Mr. Lau**”). Manciple beneficially owns 299,478,238 Shares. Under the SFO, Mr. Lau is deemed to be interested in 299,478,238 Shares. Ms. Chan Yiu Kan Katie, the wife of Mr. Lau, is also deemed to be interested in 299,478,238 Shares.
2. Digital Epoch Profits Limited (“**Digital Epoch**”) is wholly and beneficially owned by Mr. Wong Ming Kerry (“**Mr. Wong**”). Digital Epoch beneficially owns 114,470,000 Shares. Under the SFO, Mr. Wong is deemed to be interested in the said 114,470,000 Shares.

Mr. Wong is personally interested in 11,474,400 Shares, and his wife, Ms. Wong Chau Wan, Sanny (“**Ms. Wong**”), also beneficially owns 1,210,000 Shares. Being spouses, Mr. Wong and Ms. Wong are deemed to be interested in their respective shareholding in the Company under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the management Shareholders (as defined in the GEM Listing Rules) or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

6. MISCELLANEOUS

- (a) The registered office of the Company is located at Caledonian Bank & Trust Limited, Caledonian House, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is Unit 1601, Ruttonjee House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong.
- (c) The company secretary and qualified accountant of the Company is Ms. Au Shui Ming, Anna, who is a certified practicing accountant of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (d) The compliance officer of the Company is Mr. Mo Wai Ming, Lawrence who is also an executive Director.
- (e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

- (f) The Company has established an audit committee with written terms of reference prepared and adopted with reference to the guidelines recommended by the Hong Kong Institute of Certified Public Accountants. The audit committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the Group's audit. It also reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation. The audit committee comprises three members, namely Mr. Hsu Shiu Foo, William, Mr. Lee Kun Hung and Mr. Kwok Chi Sun, Vincent who are all independent non-executive Directors. Further details of them are set out below:

Mr. Lee Kun Hung, aged 42, is an independent non-executive Director and audit committee member of the Company. Mr. Lee has over 15 years of manufacturing experience in the watch industry. Mr. Lee holds a Bachelor of Arts degree from Boston College, Massachusetts, US. Mr. Lee has not held any directorship in any listed company.

Mr. Hsu Shiu Foo, William, aged 57, is an independent non-executive Director and audit committee member of the Company. Mr. Hsu has over 10 years of global business experience in tourism and service-oriented related fields in various international corporations. Mr. Hsu holds a Bachelor degree in Arts from Brigham Young University, Hawaii and a Master degree in Hotel Administration from Cornell University, New York. Mr. Hsu is currently an independent non-executive director or other listed companies.

Mr. Kwok Chi Sun, Vincent, aged 45, is an independent non-executive Director and audit committee member of the Company. Mr. Kwok is a sole proprietor of Vincent Kwok & Co., and is a Certified Public Accountant. He is an independent non-executive director of other listed companies.