

DIRECTORS

Executive Directors

Mr. Lau Yeung Sang, aged 54, is one of the founders, the Chairman and an executive director of the Group. Mr. Lau is responsible for the overall strategic planning and coordination of all the directors and key management of the Group. He has over 20 years of experience in the general trading business including electronics parts in the PRC.

Mr. Lau Sik Suen, aged 30, is one of the founders and an executive director of the Group. Mr. Lau is responsible for the overall business development of the Group. Before founding the Group, Mr. Lau worked for a conglomerate company in Hong Kong and was responsible for business development in the PRC. Mr. Lau has substantial experience and knowledge of the Internet industry and of investment in technology companies in the PRC. He holds a Bachelor of Social Science degree from the Chinese University of Hong Kong. Mr. Lau is the son of Mr. Lau Yeung Sang, the Chairman of the Group.

Mr. Man Wing Pong, aged 30, is one of the founders and an executive director of the Group. Mr. Man is responsible for the corporate development and corporate communication strategy of the Group. Mr. Man has over 4 years of experience in corporate development and management in the PRC. Before founding the Group, Mr. Man worked in the corporate communications department of a company with its headquarters based in Hong Kong. Mr. Man graduated from an university in Hong Kong with a Bachelor degree in Social Science.

Independent Non-executive Directors

Mr. Lee Yee Bun, aged 61, is currently a director of a number of companies in Hong Kong and the PRC. Mr. Lee is the founder and founding president of Sunbrite Business Association, a non-profit and non-political organisation formed by a group of investors in Canada. He was its chairman for the initial four years until 1996. Mr. Lee holds a Bachelor of Science (Engineering) degree from the University of Hong Kong. Mr. Lee was appointed as the Company's independent non-executive director in October 2001.

Dr. Lo Wing Yan, William, J.P., aged 40, has substantial experience in the IT industry. Dr. Lo was the chairman and the chief executive officer of netalone.com Limited, the shares of which were listed on the Stock Exchange, from 1999 to April 2001. Before founding netalone.com Limited, Dr. Lo was the chief executive officer of Citibank's Global Consumer Banking business for Hong Kong, Macau and China from 1998 to 1999. Prior to his appointment at Citibank, Dr. Lo was the founder and the first managing director of Cable & Wireless HKT's wholly-owned interactive multimedia subsidiary, Hong Kong Telecom IMS Limited, and was responsible for developing the world's first commercial broadband interactive television (iTV) service and the Internet access and portal service in Hong Kong. Dr. Lo was appointed as the Company's independent non-executive director in October 2001.

Directors' remuneration

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of two years commencing from 18th October, 2001 and which will continue thereafter until terminated by three months' notice in writing served by either party on the other, which notice shall not expire until after the initial fixed term of two years. Each of the executive

Directors will receive a salary subject to an annual review. In addition, the executive Directors are also entitled to a fixed sum bonus equal to one month's salary and a discretionary bonus payable to all the executive Directors at the absolute discretion of the Board. The Company's independent board of Directors will regularly review the performance and contribution of the board of executive Directors as a basis for determining the discretionary bonus to be made payable. Under the present arrangement, the aggregate of the executive Directors' remuneration in cash and in kind for the year ending 31st March, 2002 is estimated to be about HK\$1.36 million. Further details of the terms of the above service contracts and appointments are set out in the paragraph headed "Particulars of service agreements" in the section headed "Further information about Directors, management and staff" in Appendix V to this prospectus.

SENIOR MANAGEMENT

Mr. Liu Yun, aged 30, is the Chief Technology and Operation Officer of the Group and is responsible for the R&D activities and business operations of the Group. Mr. Liu Yun joined the Group in April 1999. Mr. Liu Yun has over six years' working experience in the areas of the Internet, software and computer systems. Prior to joining the Group, Mr. Liu Yun worked in an Internet company in the PRC. Mr. Liu Yun is a graduate from Chongqing University in the PRC and has professional qualifications in Computer Science.

Mr. Michael Doo Young Lim, aged 38, is the Chief Executive Officer of iLogistics Shanghai and is responsible for the sales, marketing and operations of iLogistics Shanghai. Mr. Lim joined the Group in April 2001. Before joining the Group, Mr. Lim was the Managing Director of EXE for the North Asia region. Mr. Lim has over 10 years of experience in software development and marketing in the United States and Asia. Mr. Lim holds a Bachelor of Science degree from the University of Lowell in the United States.

Mr. Au Wai Keung, aged 30, is the Vice President of the Group. He is responsible for the corporate development, corporate finance and strategic investment of the Group. Mr. Au joined the Group in February 2001. Before joining the Group, Mr. Au worked in a commercial bank in Hong Kong. He holds a Bachelor of Social Science degree and a Master degree in Business Administration from universities in Hong Kong.

Mr. Chor Ngai, aged 29, is the finance manager of the Group, the company secretary and one of the members of the audit committee and authorised representatives of the Company. He is responsible for the Group's financial management. Mr. Chor joined the Group in February 2001. Before joining the Group, Mr. Chor worked with an international accounting firm for over five years. He holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University. Mr. Chor is an associate member of the Hong Kong Society of Accountants and an associate member of the Association of Chartered Certified Accountants.

CONSULTANTS

Professor Cheng Yurong, is a professor of the Centre for Software Technology of Tsinghua University in the PRC and is responsible for various research projects of the Computer Science Department of Tsinghua University in the PRC. Professor Cheng graduated from Tsinghua University in the PRC with professional qualification in Computer Science. He was a member of the Year 2000 expert team of Ministry of Information Industry (信息産業部) in the PRC. Professor Cheng became the Group's consultant in October 1999.

DIRECTORS, AUDIT COMMITTEE, SENIOR MANAGEMENT, CONSULTANTS AND STAFF

Mr. Li Ye, is an e-commerce consultant in the PRC. Mr. Li Ye graduated from Tsinghua University in the PRC with a professional qualification in Computer Science. Mr. Li Ye was previously a senior staff of The People's Bank of China (中國人民銀行). Mr. Li Ye became the Group's consultant in March 2001.

AUDIT COMMITTEE

The Company established an audit committee on 12th October, 2001 with written terms of reference in compliance with Rules 5.23 to 5.25 of the GEM Listing Rules.

Function of audit committee

The duties of the audit committee include reviewing, in draft form, the Company's annual report and accounts, half-year report and quarterly report and providing advice and comments to the board of Directors. In this regard, members of the audit committee will liaise with the board of Directors, senior management and its qualified accountant, the Company's reporting accountants and auditors. The audit committee will also consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by the Company's accountant, compliance officer or auditors. Members of the audit committee are also responsible for reviewing the Company's financial reporting process and internal control system.

The audit committee comprises two independent non-executive Directors, namely Mr. Lee Yee Bun and Dr. Lo Wing Yan, William, and the company secretary of the Group, Mr. Chor Ngai. Mr. Lee Yee Bun is the chairman of the audit committee.

STAFF

As at the Latest Practicable Date, the Group had a workforce of 48 engaged in the following areas:

	Hong Kong	PRC	Total
Management	3	2	5
Finance and accounting	3	3	6
Sales and marketing	–	15	15
Administration	3	6	9
R&D and technical	2	11	13
	<u>11</u>	<u>37</u>	<u>48</u>
Total	<u>11</u>	<u>37</u>	<u>48</u>

THE GROUP'S RELATIONSHIP WITH STAFF

The Group has experienced no disruption of its operations due to major labour disputes in the past. The Directors consider that the Group has a good relationship with its employees.

REMUNERATION POLICY

The Company's policies concerning remuneration of executive Directors are as follows:

- (a) the amount of remuneration is determined on the basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (b) non-cash benefits may be provided to the Directors under their remuneration package; and
- (c) the executive Directors may be granted, at the discretion of the board of Directors, share options of the Company, as part of their remuneration package.

As an incentive to the sales and marketing personnel of the Group to generate more business, the sales staff of the Group are entitled to discretionary bonuses as determined by the Directors. They are provided with on-the-job training by the senior sales manager and project managers in both marketing and technical aspects. Most of the non-sales staff receive a fixed salary.

BENEFITS SCHEMES

The Group has implemented a provident fund scheme for its staff in Hong Kong in compliance with the requirements of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

In accordance with the relevant provisions of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Group may be required to provide for long service payments to its employees in Hong Kong. As at the Latest Practicable Date, the Group had no obligation for long service payments to its employees in Hong Kong pursuant to the Employment Ordinance.

The Group is required to contribute to a state-sponsored retirement plan for all of its employees in the PRC at 25.5% of the basic salary of its employees in Shanghai. The state-sponsored retirement plan is responsible for the entire pension obligations payable to all retired employees and the Group has no further obligations for the actual pensions payments or post-retirement benefits beyond the annual contributions.

SHARE OPTION SCHEMES

Under the Pre-IPO Share Option Schemes, certain employees, Directors (including independent non-executive Directors) and advisers of the Company have been conditionally granted options to acquire Shares. The Company has conditionally adopted the Share Option Scheme whereby employees (whether full-time or part-time), all Directors (whether executive or non-executive and whether independent or not), any consultants or advisers of or to any company in the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid) may be granted options which entitle them to subscribe for Shares representing up to a maximum when aggregated with any securities subject to any other scheme of the Company of 30% of the Shares in issue from time to time. The principal terms of the Pre-IPO Share Option Schemes and the Share Option Scheme are set out respectively in the paragraphs headed "Pre-IPO Share Option Schemes" and "Share Option Scheme" of Appendix V to this prospectus.