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AKuP International Holding Limited

艾克國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

**DISCLOSEABLE TRANSACTION
INVOLVING CASH CONSIDERATION
IN RESPECT OF THE ACQUISITION OF 6% INTEREST
IN THE ISSUED SHARE CAPITAL OF
BEIJING ZYD SOFTWARE CO., LTD.**

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

* *for identification purposes only*

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 to gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at *<http://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 otherwise requires, the following expressions have the following meanings:

“Acquisition”	means the acquisition by the Company of 6% interest in the issued share capital of Beijing ZYD from Jiangsu Zongyi
“Acquisition Agreement”	means a conditional agreement entered into between Jiangsu Zongyi and the Company in respect of the Acquisition on 21 December 2001
“AKuP Taiwan”	艾克國際股份有限公司 (with an English translation of AKuP International Technology Co., Ltd. and can also be referred to as AKuP International Inc.), a company with limited liability incorporated in Taiwan and is a subsidiary of the Company
“Beijing ZYD”	means 北京綜藝達軟件技術有限公司 (Beijing ZYD Software Co., Ltd.), a company incorporated in the PRC which is owned as to approximately 70% by Jiangsu Zongyi and as to approximately 30% by an independent third party, Mr. Hao Li Hua. Beijing ZYD and all of its shareholders are independent from the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates as defined under the GEM Listing Rules
“Board”	means the board of directors of the Company
“Company”	means AKuP International Holding Limited, an exempted company incorporated in the Cayman Islands on 14 June 2000 with limited liability
“Completion”	means the completion of the sale and purchase of the Acquisition
“Completion Date”	means the date after all the relevant conditions precedent set out in the Acquisition Agreement are fulfilled, which took place on 21 December 2001
“Consideration”	means HKD8 million, being the consideration payable by the Company to Jiangsu Zongyi pursuant to the Acquisition Agreement
“CPY”	Core Pacific-Yamaichi Capital Limited
“CPY International”	Core Pacific-Yamaichi International (H.K.) Limited

DEFINITIONS

“CRM”/“eCRM”	an acronym for “customer relationship management”/ “electronic customer relationship management”, a business strategy aiming to understand, anticipate and manage the needs of existing and prospective customers. It entails all aspects of interaction a company has with its customers
“Director(s)”	means the director(s) of the Company
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“Group”	means the Company and its subsidiaries
“HKD”	means Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Jiangsu Zongyi”	means 江蘇綜藝股份有限公司 (Jiangsu Zongyi Co., Ltd.), a company incorporated in the PRC with limited liability which is listed on the Shanghai Stock Exchange. Jiangsu Zongyi is independent from the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates as defined under the GEM Listing Rules
“Latest Practicable Date”	means 11 January 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Mr. Hu”	Mr. Hu Shin Min, Alex, one of the founders and shareholders of the Group and the chairman and chief executive officer of the Company
“Option”	means an option to subscribe for Shares granted pursuant to the Share Option Scheme
“PRC”	means the People’s Republic of China
“PRC GAAP”	means the accounting principles generally accepted in the PRC
“Prospectus”	means the prospectus of the Company dated 30 October 2001
“RMB”	means Renminbi, the lawful currency of the PRC
“SDI Ordinance”	means the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	means share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	means share option scheme adopted by the Company on 24 October 2001 which became unconditional on 2 November 2001
“Singapore”	means the Republic of Singapore
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Undertakings”	being the undertakings as described under the section headed “Undertakings from Beijing ZYD” in this circular
“USA”	means the United States of America
“%”	means per cent.

For the purpose of this circular, unless otherwise specified, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of HKD1 : RMB1.0614.



AKuP International Holding Limited

艾克國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

Executive Directors:

Hu Shin-Min, Alex
Chiang Li-Chin, Grace
Huang Hsian-Cheng
Chang Jun-Min
Chu Han-Ping

Registered office:

P.O. Box 1320 GT
Suite D-2
Cayman Business Park
George Town
Grand Cayman
British West Indies

Independent Non-executive Directors:

Hsu Hsiang-Jen
Lee Mun Chee

*Head office and principal
place of business in Taiwan:*

4F-1, No. 213
Sec. 5, Nanking East Road
Taipei
Taiwan

*Principal place of business
in Hong Kong:*

Unit 906, 9th Floor
Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai
Hong Kong

14 January 2002

To the shareholders of the Company

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
INVOLVING CASH CONSIDERATION
IN RESPECT OF THE ACQUISITION OF 6% INTEREST
IN THE ISSUED SHARE CAPITAL OF
BEIJING ZYD SOFTWARE CO., LTD.**

INTRODUCTION

On 24 December 2001, the Board made an announcement that on 21 December 2001, the Company has entered into the Acquisition Agreement with Jiangsu Zongyi, under which and subject to certain terms and conditions thereof, the Company agreed to acquire 6% interest in the issued share

* for identification purposes only

LETTER FROM THE BOARD

capital of Beijing ZYD for an aggregate consideration of HKD8 million, representing a premium of approximately HKD7.2 million on 6% interest of the unaudited net tangible assets of Beijing ZYD as at 30 June 2001. The Acquisition was completed on 21 December 2001.

ACQUISITION AGREEMENT

Date : 21 December 2001

Purchaser : the Company

Vendor : Jiangsu Zongyi

The Company agreed to acquire 6% interest in the issued share capital of Beijing ZYD from Jiangsu Zongyi for the Consideration.

Consideration

The total consideration for the Acquisition is HKD8 million, representing a premium of approximately HKD7.2 million on 6% interest of the unaudited net tangible assets of Beijing ZYD as at 30 June 2001. The Consideration was funded by the proceeds from the placing of new shares in the Company in November 2001. The Consideration, payable in full within 5 business days after the Completion Date, was fully paid in cash on 28 December 2001.

The Consideration was arrived at after arm's length negotiations and based on certain criteria, such as the Company's internal evaluation of the financial performance, business profile, future prospects and shareholding background of Beijing ZYD.

In the process of negotiating the Consideration with Jiangsu Zongyi, the Directors have taken into consideration of the respective costs and time to be saved by making use of the distribution network, customer base and research and development facilities of Beijing ZYD in the PRC. The Directors have also assessed the future benefits arising from forming a strategic alliance with Beijing ZYD in determining the Consideration.

Conditions precedent of the Acquisition

Completion is subject to and conditional upon, inter alia, the satisfaction of the following conditions:

- (a) board approval of the Company being obtained with respect to the Acquisition;
- (b) board approval of Jiangsu Zongyi being obtained with respect to the Acquisition;

LETTER FROM THE BOARD

- (c) shareholders' approval of Beijing ZYD being obtained with respect to the Acquisition; and
- (d) undertakings from Beijing ZYD being obtained with respect to the Acquisition.

UNDERTAKINGS FROM BEIJING ZYD

As one of the conditions precedent for Completion, Beijing ZYD has undertaken to the Company that:

- Beijing ZYD will offer a 40% discount on the market prices of all of its software products being sold to the Company and the Company's customers; and
- Beijing ZYD will charge the Company at cost on the research and development projects of software products.

As at the Latest Practicable Date, the Company does not have any definite plans regarding the purchase of software products from Beijing ZYD and the research and development projects of software products.

Completion

All the relevant conditions precedent of the Acquisition, including the Undertakings from Beijing ZYD, have been fulfilled and the Completion took place on 21 December 2001. The Consideration was fully paid in cash on 28 December 2001.

INFORMATION ON BEIJING ZYD AND JIANGSU ZONGYI

Beijing ZYD is a company incorporated in the PRC which is owned as to approximately 70% by Jiangsu Zongyi and as to approximately 30% by an independent third party, Mr. Hao Li Hua.

Established in July 2000, Beijing ZYD is principally engaged in the development and provision of Web-based e-commerce management software products, including Internet communication software, enterprise resource planning software and network management software. Beijing ZYD's head office is located in Beijing, and it has set up two research and development centres in Beijing and Nanjing respectively, and two representative offices in Shanghai and Guangzhou respectively. Beijing ZYD's research and development and technical support teams comprise a total of approximately 32 employees.

Beijing ZYD has established an extensive network of distributors in the PRC covering approximately 22 provinces, 4 municipalities and 5 autonomous regions. Beijing ZYD's distribution network is administered by its head office in Beijing and the two representative offices in Shanghai and Guangzhou respectively.

Beijing ZYD's major customers mainly include PRC companies engaged in various industries, such as retail and wholesale, manufacturing, logistics, food and beverage, petrochemical, and information technology.

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The audited turnover of Beijing ZYD for the period from 26 July 2000, the date of incorporation, to 31 December 2000 as reported under the PRC GAAP amounted to approximately RMB2.0 million (approximately HKD1.9 million) and the unaudited turnover for the six months ended 30 June 2001 amounted to approximately RMB8.0 million (approximately HKD7.5 million).

The audited loss before taxation and audited net loss attributable to the shareholders of Beijing ZYD for the period from 26 July 2000, the date of incorporation, to 31 December 2000 as reported under the PRC GAAP amounted to approximately RMB1.1 million (approximately HKD1.07 million) and approximately RMB1.2 million (approximately HKD1.1 million) respectively.

The unaudited profit before taxation and unaudited net profit attributable to the shareholders of Beijing ZYD for the six months ended 30 June 2001 amounted to approximately RMB5.3 million (approximately HKD5.0 million) and approximately RMB4.4 million (approximately HKD4.1 million) respectively.

As at 30 June 2001, the unaudited net tangible assets of Beijing ZYD was approximately RMB13.9 million (approximately HKD13.1 million).

Jiangsu Zongyi is a company listed on the Shanghai Stock Exchange and principally engaged in the production and distribution of clothes, wood products and beverage. Jiangsu Zongyi also participates in other businesses including telecommunications, e-commerce, computer training and software development.

Both Beijing ZYD and Jiangsu Zongyi are independent from the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of their respective associates as defined under the GEM Listing Rules. The Group has no business relationship with either Beijing ZYD or Jiangsu Zongyi before the Acquisition.

REASONS FOR ENTERING INTO THE ACQUISITION AGREEMENT

The Directors believe that the Acquisition will achieve several business objectives of the Company at a cost lower than developing by itself alone in the PRC, including: (1) enhancement of research and development capabilities; (2) extension of the marketing and distribution network; (3) expansion of customer base; and (4) strengthening its operations in the PRC.

- The Group, in addition to its own research and development facilities, can make use of Beijing ZYD's research and development centres under the terms of the Undertakings.
- Beijing ZYD has established an extensive network of distributors in the PRC of which the Group can utilise to sell its CRM software products.
- Beijing ZYD, through the support of Jiangsu Zongyi, has build up a strong customer base and business connections in the PRC, in particular in retail and wholesale, manufacturing and logistics industries, which can provide potential business opportunities to the Group.

LETTER FROM THE BOARD

- The Group can strengthen its operations in the PRC as Beijing ZYD has a thorough understanding of the local business culture and the market conditions of the IT industry in the PRC.

As disclosed in the Prospectus, the Group plans to use HKD8 million for strategic investments, business collaboration with and acquisition of other related IT companies. The Directors have modified the original time schedule on the intended use of proceeds for business expansion as disclosed in the Prospectus. Set out below is the time schedule as disclosed in the Prospectus and a revised time schedule on applying HKD11 million for business expansion.

Period	Original schedule as disclosed in the Prospectus (HKD million)	Revised schedule (HKD million)
From 25 October 2001 to 31 December 2001	2	8
Six months ending 30 June 2002	3	2
Six months ending 31 December 2002	3	1
Six months ending 30 June 2003	<u>3</u>	<u>Nil</u>
Total	<u><u>11</u></u>	<u><u>11</u></u>

The Directors are of the view that the time schedule in making strategic investments depends, to a large extent, on potential investment opportunities available to the Company. The Group has accelerated the use of proceeds in business expansion because the Directors believe that forming a strategic alliance with Beijing ZYD will assist the Group in achieving its business objectives in research and development of new software products and technologies, marketing and promotion of its products, and business expansion in the PRC.

The Directors believe that, after Completion, the Group has sufficient funds for financing its business objectives as disclosed in the Prospectus.

GENERAL

The Group is principally engaged in the design, development, sale and implementation of standardised eCRM software solutions and the provision of IT-related consulting and training services for commercial enterprises in Asia, namely Taiwan, the PRC, Hong Kong and Singapore.

The Company began negotiation on the terms of the Acquisition Agreement with Jiangsu Zongyi on 12 December 2001. The Company identified Beijing ZYD through the introduction of the Company's existing distributors and resellers in the PRC.

LETTER FROM THE BOARD

The Directors consider that the Acquisition Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the Acquisition Agreement are fair and reasonable and in the interests of the Group so far as the shareholders are concerned.

The Consideration represents approximately 19% of the adjusted net tangible assets of the Company as at 30 September 2001, the Acquisition constitutes a discloseable transaction under Chapter 19 of the GEM Listing Rules.

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

Yours faithfully,
By Order of the Board
AKuP International Holding Limited
Hu Shin Min, Alex
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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) 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

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the share capital of the Company or any of its associated corporations (within the meaning of the SDI Ordinance) which were notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which they were taken or deemed to have under Section 31 of, or Part 1 of the Schedule to, the SDI Ordinance), or which were required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.40 to 5.59 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in the Company

Name of the Directors	Corporate interest	Personal interest
	<i>No. of Shares</i>	<i>No. of Shares</i>
Mr. Hu	161,254,875*	—
Ms. Chiang Li-Chin, Grace	161,254,875*	—
Mr. Chang Jun-Min	—	10,800,000
Mr. Huang Hsian-Cheng	—	5,400,000
Mr. Chu Han-Ping	—	4,500,000

* Each of Mr. Hu and Ms. Chang Li-Chin, Grace will be deemed to have interests in these Shares under the SDI Ordinance due to his and her respective interests in Sean & Leo Assets Management Limited.

(b) Interest in associated corporations

AKuP Taiwan

Name of the Directors	Corporate	Personal
	interest <i>No. of Shares</i>	interest <i>No. of Shares</i>
Mr. Hu	—	3*
Ms. Chiang Li-Chin, Grace	—	3*

* Each of Mr. Hu and Ms. Chiang Li-Chin, Grace will be deemed to have interests in 1 share in AKuP Taiwan held by Mr. Hu Yao-Hsiang (Mr. Hu and Ms. Chiang Li-Chin, Grace's infant child) and Mr. Hu Yao-Hsun (Mr. Hu and Ms. Chiang Li-Chin, Grace's infant child) respectively under the SDI Ordinance.

As at the Latest Practicable Date, no Options have been granted or agreed to be granted by the Company. As at the date hereof, the Group has not adopted any share option scheme other than the Share Option Scheme.

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) were interested in 10% or more of the issued share capital of the Company:

Name of shareholders	Note	Number of Shares held	Percentage of shareholding %
Sean & Leo Assets Management Limited	1	161,254,875	25.60
Intel Pacific, Inc.	2	75,991,794	12.06
Grand Pacific Investment & Development Co., Ltd.	3	39,349,845	6.25
Century Venture Capital Co. Ltd.	4, 5	18,992,850	3.02
H-Com Venture Capital Co. Ltd.	4, 5	9,227,859	1.46
Jupiter Venture Capital Co. Ltd.	4, 5	9,227,859	1.46
Mercury Venture Capital Co. Ltd.	4, 5	9,227,859	1.46
Venus Venture Capital Co. Ltd.	4, 5	9,227,859	1.46

Notes:

- Sean & Leo Assets Management Limited is beneficially owned by Mr. Hu (an executive Director), Ms. Chiang Li-Chin, Grace (Mr. Hu's wife and an executive Director), Mr. Hu Wey-Min (Mr. Hu's brother), and Ms. Lin Hsueh-Yun (Mr. Hu's mother) as to approximately 59.33%, 27.26%, 7.58%, and 5.83% respectively.
- Intel Pacific, Inc. is a wholly-owned subsidiary of Intel Corporation, a company listed on the Nasdaq Market in the USA.
- Grand Pacific Investment & Development Co., Ltd. is owned by the associated parties of 辜濂松 (Jeffrey Lien-Sung Koo) and 駱錦明 (Kenneth C.M. Lo) and other corporate and individual investors.

4. Each of these venture capital companies is a separate discretionary investment fund of which Pacific Venture Partners and Pacific Capital Partners are their fund manager. Any new investments made by each of these venture capital companies are subject to the approval of the directors of the respective venture capital companies. The shareholders of each of these venture capital companies are mainly individual Taiwanese, investment trusts, financial companies or other corporations.
5. Grand Pacific Investment & Development Co., Ltd. itself holds a direct interest of approximately 8.13% and 3.08% in Century Venture Capital Co., Ltd. and H-Com Venture Capital Co. Ltd. respectively. In addition, Grand Pacific Investment & Development Co., Ltd.'s associates in aggregate hold an interest of approximately 26.03%, 46.15% and 11.67% in Century Venture Capital Co. Ltd., H-Com Venture Capital Co. Ltd. and Jupiter Venture Capital Co. Ltd. respectively.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest in any shares in the Company or any associated corporations (within the meaning of the SDI Ordinance) which would have to be notified to the Company and the Stock Exchange pursuant to Section 28 of the SDI Ordinance (including interests which he or she was taken or deemed to have under Section 31 of, or Part 1 of the Schedule to, the SDI Ordinance) or which were required, pursuant to Section 29 of the SDI Ordinance, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.40 to 5.59 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

3. SPONSOR'S INTERESTS

A sponsor's agreement dated 30 October 2001 was entered into between CPY and the Company whereby the Company has appointed CPY to act as its sponsor for the purposes of the GEM Listing Rules for the remainder of the financial year ended 31 December 2001 and the two financial years ending 31 December 2003 pursuant to which CPY will receive a fee.

During the year ended 31 December 2000, CPY International had entered into a contract with AKuP Taiwan for the purchase of several software products together with the relevant services from AKuP Taiwan for HK\$500,000. Pursuant to the provisions of the contract, CPY International shall pay 30 per cent. of the consideration within 30 days from the signing of the contract; 40 per cent. within 30 days from the full operation of such software products; and the remaining 30 per cent. within 30 days from the completion of the training services. During the three months ended 31 March 2001, CPY International further purchased additional software products from AKuP Taiwan for HK\$920,000. Pursuant to the supplemental contract, CPY International shall pay AKuP Taiwan the total sum of HK\$920,000 within 6 months after the full operation of such software products. AKuP Taiwan has granted a relatively longer credit term to CPY International because it is the first time for the Company's software products to be used for Internet securities trading on a real-time basis and therefore, a longer time is required. CPY International has fully settled the amount payable to AKuP Taiwan prior to the listing of Shares on GEM.

As at the Latest Practicable Date, neither CPY nor its directors or employees or associates had any interests in any class of securities of the Company or any other companies in the Group (including options or rights to subscribe for such securities).

No director or employee of CPY nor any of its associates has a directorship in the Company or any other company in the Group.

4. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

5. SERVICE CONTRACTS

Each of the executive Directors, being Mr. Hu, Ms. Chiang Li-Chin, Grace, Mr. Huang Hsian-Cheng, Mr. Chang Jun-Min and Mr. Chu Han-Ping, has entered into a service contract with the Company. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

Each service contract is of an initial term of three years commencing from 4 July 2001, and may continue thereafter until terminated by not less than six months' prior notice in writing served by either party on the other, which notice period shall not expire at any time during the first year. Each of the executive Director is entitled to the respective basic salaries set out below (subject to an annual increment at a rate of not more than 10% of his/her annual salary (excluding the Company's mandatory provident fund contributions) immediately prior to such increase to be determined from time to time by a majority vote of the Directors). In addition, each of the executive Directors is also entitled to a discretionary annual bonus of a sum to be determined at the discretion of the Directors provided that the amount of the bonuses payable to each executive Directors for any financial year of the Company may not exceed 5% of the audited consolidated net profit of the Company after taxation and minority interests but excluding extraordinary and exceptional items for that financial year of the Group. The executive Directors' entitlement to the discretionary annual bonus in respect of any financial year shall only be payable when the consolidated net profit of the Group after taxation and minority interests but before payment of such bonuses and before extraordinary and exceptional items for such year exceeds HK\$30 million. The amount of the annual salary increase and the bonus payable under such service contracts is at the sole discretion of the Board provided that the respective party to such service contracts may not vote or be counted in the quorum in respect of any such determination of the Board in relation to him or her. Each of the Directors will also be entitled to all reasonable out-of-pocket expenses and medical expenses.

Save as disclosed in this document, none of the Directors has entered into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

6. GENERAL

- (a) The head office and principal place of business of the Company in Taiwan is at 4F-1, No. 213, Sec. 5, Nanking East Road, Taipei, Taiwan.
- (b) The principal place of business of the Company in Hong Kong is at Unit 906, 9th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong. The share registrar and transfer office of the Company in Hong Kong is Hong Kong Registrars Limited at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong.

- (c) The Company Secretary and the Qualified Accountant of the Company is Mr. Pau Wai Lun, Willy (鮑偉倫). Mr. Pau Wai Lun, Willy (鮑偉倫), aged 28, is the financial controller of the Group. He joined the Group in March 2001 and is responsible for financial control, accounting and general administration of the Group. He has over 5 years of experience in auditing and taxation. Prior to joining the Group, he worked for KPMG, an international certified public accountants firm, in Hong Kong as an assistant manager. Mr. Pau holds a bachelor's degree of arts in accountancy from the City University of Hong Kong. He is an associate member of the Hong Kong Society of Accountants and an associate member of the Association of Chartered Certified Accountants.
- (d) The Compliance Officer of the Company is Mr. Hu Shin-Min, Alex (胡興民). Mr. Hu, aged 40, is one of the founders, the president and chief executive officer of the Group. He is responsible for the strategic planning and the overall development of the Group. He has over 12 years of experience in the IT industry in Asia. Prior to establishing the Group, he was an area sales manager of Intel Hong Kong and Taiwan and a marketing representative and segment manager of IBM. Mr. Hu holds a master's degree of business administration from Chiao-Tung University (交通大學), Taiwan.
- (e) The Group established an audit committee on 24 October 2001 with written terms of reference in compliance with the requirements as set out in rules 5.23 and 5.24 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board.

The following sets out the members of the Group's audit committee:

Name	Position in the audit committee	Position in the Board
Mr. Hsu Hsiang-Jen	chairman	independent non-executive Director
Mr. Lee Mun Chee	member	independent non-executive Director
Mr. Hu	member	chief executive officer

Mr. Hsu Hsiang-Jen (許相仁), aged 40, was appointed as a non-executive Director on 24 October 2001. He is a partner of Deloitte & Touche in Taiwan, a certified public accountants firm. He has over 12 years of experience in auditing and taxation. He holds a bachelor's degree of business management degree from Tatung Institute of Technology, Taiwan and a master's degree of accounting from Shu-Chow University (東吳大學), Taiwan.

Mr. Lee Mun Chee (李萬志), aged 36, was appointed as a non-executive Director on 24 October 2001. He is the founder and president of Centurywind International Corporation, a company engaged in software development, online travel and distribution. Prior to this, he served as a marketer and senior manager of several US companies. Mr. Lee holds a bachelor's degree of science in electronics engineering from Texas A&M University, the USA and a master's degree of business administration from the University of Hull, the United Kingdom.

- (f) Save as disclosed in this circular, the Directors are not aware of any person who was, as at the Latest Practicable Date, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including options in respect of such capital) carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries.
- (g) The English text of this circular shall prevail over the Chinese text.