
DIRECTORS, SENIOR MANAGEMENT AND STAFF

DIRECTORS

The table below shows the information in respect of the members of the Board. Our Board comprises of eight Directors, including four executive Directors, one non-executive Directors and three independent non-executive Directors. Each of the executive Directors has entered into a service contract with our Company for an initial term of three years commencing from the date of the Main Board Listing. Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with our Company for an initial term of three years commencing from the date of the Main Board Listing. For further information, please see the paragraph headed “Directors’ service contracts and appointment letters” under the section headed “Further information about the Directors, senior management and staff” in Appendix V to this document.

Name	Age	Position
Liu Dejian	36	Executive Director
Liu Luyuan	34	Executive Director
Zheng Hui	39	Executive Director
Chen Hongzhan	35	Executive Director
Lin Dongliang	45	Non-executive Director
Chao Guowei, Charles	42	Independent non-executive Director
Lee Kwan Hung	42	Independent non-executive Director
Liu Sai Keung, Thomas	35	Independent non-executive Director

Executive Directors

Liu Dejian, aged 36, Chairman, Executive Director

Mr. Liu led us to become one of the PRC’s leading online game development companies. He is mainly responsible for our overall business strategic development and is the chief game designer of our game development team. Mr. Liu leads the game development team on the design of our online game products. He formulates our development policy and contributes to our growth as a competitive online game operator and developer. Apart from his management and leadership, Mr. Liu constantly holds training seminars to further enhance the development of our human resources. Mr. Liu has over nine years of experience in information technology related industry since his founding of NetDragon (Fujian) in May 1999. Mr. Liu graduated with a Bachelor’s degree of Science in Chemistry from University of Kansas in the USA in 1995. He had been the vice-president of Beso from 1995 to 2005. He was also the vice-president of Fuzhou 851 from 1995 to 2000 and then promoted to be the president since 2001. Mr. Liu was first introduced to the technology of Internet during his study in the USA when he established a website for marketing of softwares. Anticipating that Internet would have a good development opportunity in the PRC, he founded NetDragon (Fujian) in May 1999 when he came back to the PRC. He was awarded as Most Influential Person within the Online Game Industry in

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China for 2007 (2007年度中國遊戲產業最具影響力人物) in the Chinese Game Industry Annual Conference 2007 in January 2008. He was appointed as vice-chairman of Fujian Province Association of Youth Entrepreneur (福建省青年企業家協會) in April 2006. He also obtained Fujian Youth Entrepreneur Achievement Award (福建青年創業成就獎) in April 2005, Go Tone Fujian IT Industry Top 10 Outstanding Youth (全球通福建IT行業十大傑出青年) in May 2005 and Certificate of Fujian Entrepreneurial Tutor of the Chinese Youth Business International Programme (中國青年創業國際計劃福建創業導師證書) in June 2005. Mr. Liu is a brother of Liu Luyuan and a cousin of Zheng Hui.

Liu Luyuan, aged 34, Executive Director, Chief Executive Officer and one of the authorised representatives of the Company

Mr. Liu has over 10 years of experience in management and administration of technical institutions. Mr. Liu is mainly responsible for the overall management of the Group. Mr. Liu established the project management department and introduced the game project management system to ensure the standard of our games are in compliance with the standards. Mr. Liu is also responsible for the coordination with the governmental departments, media and the other external parties, under which he has built up our good reputation over years. Prior to joining us in May 1999, Mr. Liu was the technical engineer of the information technology system project in Fujian Tumour Hospital (福建省腫瘤醫院) and the section officer of the mechanic management system project in Fujian Provincial Health Bureau (福建省衛生廳) from 1997 to 1999. He was awarded as Online Game Pioneer in China for 2007 (2007年度中國遊戲產業新銳人物) in Chinese Game Industry Annual Conference 2007 in January 2008. Mr. Liu graduated with a Bachelor's degree in Electronic and Mechanical Engineering from the University of Electronic Science and Technology in Chengdu (成都電子科技大學) in 1997. Mr. Liu is a brother of Liu Dejian and a cousin of Zheng Hui.

Zheng Hui, aged 39, Executive Director

Mr. Zheng is our Director responsible for the overall management and administration of the Group. Mr. Zheng manages our administrative department and provides supporting resources to our operation. Mr. Zheng also coordinates, supervises and manages the duties of our various departments. Mr. Zheng has more than 9 years of experience in information technology related industry since he joined NetDragon (Fujian) in May 1999. He is one of the Founding Shareholders and has been appointed as the senior executive manager in NetDragon (Fujian) since May 1999. Mr. Zheng is also the legal representative and executive director of NetDragon (Shanghai) since 2004. Before founding NetDragon (Fujian) in May 1999, Mr. Zheng worked in Beso and Fuzhou 851 from 1992 to 1999. He obtained a graduation certificate from the Continuing Education Institute of Beijing Normal University (北京師範大學持續教育學院) in 2000. Zheng Hui is the cousin of Liu Dejian and Liu Luyuan.

Chen Hongzhan, aged 35, Executive Director, Vice President, Chief Technology Officer

Mr. Chen is our chief technology officer. He worked as a game developer before joining the Group in 2001. The technical team led by Mr. Chen is responsible for the development procedure of our games and the technical supports to the production of our games. His technical supports and experience have raised the efficiency and quality of our game development department. He is an experienced online game developer with over 10 years of experience in the management of game

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development. He is mainly responsible for game development of our Company. Mr. Chen established his own online game studio from 1996 to 1998. Before joining us in May 2001, Mr. Chen worked as the project manager in Chongqing Dazhong Software Company (重慶大眾軟件公司) from 1998 to 2000 and a director in the online game department in Beijing Beijibing Technology Development Company Limited (北京北極冰科技發展有限公司) from 2000 to 2001. Mr. Chen graduated with a Bachelor's degree in Mechanical-Electrical Integration from the Beijing University of Aeronautics and Astronautics (北京航天航空大學) in 1995.

Non-executive Directors

Lin Dongliang, aged 45, Non-executive Director

Mr. Lin graduated with a Master's degree in Engineering Management in 1988 from Tsinghua University. He joined IDG Technology Venture Investment Inc. as its vice president in 1994, and has served as a general partner of IDG Technology Venture Investment since 1999. He has over 13 years of experience in venture investment. He was nominated by the IDG Group to the Board and was appointed as a non-executive Director on 15 December 2004. Mr. Lin is also a non-executive director of Superdata Software Holdings Limited, a company previously listed on GEM from 6 June 2003 to 18 May 2006 upon its withdrawal, since July 2002.

Independent non-executive Directors

Chao Guowei, Charles, aged 42, Independent non-executive Director

Mr. Chao was appointed as an independent non-executive Director on 15 October 2007. Mr. Chao is also the chairman of the audit committee, a member of our remuneration committee and nomination committee. Mr. Chao is the chief executive officer and director of SINA Corporation, a publicly listed company in Nasdaq. He has served as an experienced audit manager in PricewaterhouseCoopers LLP to provide audit and business consulting services for companies in Silicon Valley, California. He joined SINA Corporation as a vice president of finance in 1999 and has served as its co-chief operating officer, president and chief financial officer before his current position as the chief executive officer. He is a certified public accountant and a member of the American Institute of Certified Public Accountants. Mr. Chao is also an independent non-executive director of Focus Media Holding Limited, a publicly listed company in Nasdaq, and E-House (China) Holdings Limited, a company listed on the New York Stock Exchange. Mr. Chao graduated with a Master's degree in Professional Accounting from the University of Texas at Austin in 1993, a Master's degree in Journalism from the University of Oklahoma in 1991 and a Bachelor's degree in Journalism from the Fudan University in 1988.

Lee Kwan Hung, aged 42, Independent non-executive Director

Mr. Lee was appointed an independent non-executive Director on 15 October 2007. He is a partner of Woo, Kwan, Lee & Lo and the chief representative of Woo, Kwan, Lee & Lo's Beijing Office. Mr. Lee received his LL.B (Honours) degree and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and in England and Wales in 1997. Mr. Lee is currently a non-executive director of

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Mirabell International Holdings Limited and GST Holdings Limited and an independent non-executive director of GZI REIT Asset Management Limited (being the manager of GZI Real Estate Investment Trust) and Embry Holdings Limited, the shares of these companies are listed on the Stock Exchange. Besides, Mr. Lee had been an independent non-executive director of Magician Industries (Holdings) Limited from 1 February 2005 to 23 April 2005 and China Mining Resources Group Limited (formerly known as Innomaxx Biotechnology Group Limited) from 31 May 2005 to 7 February 2007, the shares of these companies are listed on the Stock Exchange. Mr. Lee is also a member of Advisory Committee of School of Professional Education and Executive Development of The Hong Kong Polytechnic University and a founding member of the Hong Kong Professionals and Senior Executives Association. Save as disclosed, in the three years preceding the Latest Practicable Date, Mr. Lee did not hold any directorship in other listed public companies or any major appointments.

Liu Sai Keung, Thomas, aged 35, Independent non-executive Director

Mr. Liu is the managing director of strategic investments of GroupM China. He was appointed as an independent non-executive Director in 15 October 2007. Mr. Liu is also the chairman of our nomination committee, a member of our audit committee and remuneration committee. He graduated with a MBA degree from The Anderson School at the University of California, Los Angeles in 2001, and a Bachelor's degree in Business Administration and a Master's degree in Finance from The Chinese University of Hong Kong in 1995 and 1999, respectively. He worked in Swire Pacific Limited from 1995 to 1999 and left as the marketing manager of its motor division. Prior to joining GroupM China in 2007, he served as a deputy director and subsequent promote to director in the Beijing office of Tom Online Limited from 2004 to 2006, and a manager in the business development department of Tom Group Limited from 2003 to 2004. He has also served as an associate in the Investment Banking division of the New York office of Lehman Brothers Inc. from 2001 to 2002 and as a vice-president of Star Group China from 2006 to 2007.

SENIOR MANAGEMENT

Wu Chak Man, aged 36, Vice President, Chief Financial Officer, General Manager of NetDragon (Shanghai)

After joining us in January 2004, Mr. Wu has been responsible for sales and marketing in the PRC, the overseas business development and the operations in the USA. Mr. Wu has contributed to the success of our online games in the overseas market. He is currently responsible for our corporate finance and financial management matters. Mr. Wu graduated with a Bachelor's degree in Economics from the University of California, Berkeley in 1994, and a Master's degree in business administration from Duke University in 2004. He has over 10 years of experience in business and management experience. He was the vice-president in the marketing of Beso from 1995 to 1999. From 2000 to 2002, he was the chief operating officer of Octant Communications Inc.

Wu Jialiang, aged 31, Vice President, Director of TQ Digital and NetDragon (Fujian)

He graduated with a Bachelor's degree in Applied Mathematics from the University of Fuzhou (福州大學) in 1999. He has over eight years of experience in system management, server operation

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and anti-hacking. After joining us in May 1999, he is responsible for the maintenance of game servers to ensure the timely application and implementation of advanced network technology. Mr. Wu has been the responsible officer in our technical department, value-added business department and VIP management centre.

Qualified accountant and company secretary

Tam Hon Shan, Celia, aged 35, Financial Controller, company secretary, qualified accountant and one of the authorised representatives of the Company

Ms. Tam joined us in April 2007 and is responsible for the financial and accounting management and secretarial affairs of the Company. She is one of our senior management and is employed on a full time basis. She graduated with a Bachelor's degree in business accounting from the University of Lincolnshire and Humberside in 2000. She is a member of Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. She has over 10 years of experience in accounting and finance field. She was the accountant in Baker Norton Asia (BNA) from 1997 to 1999. She was the senior accountant in World Pioneer Limited from 1999 to 2000. She was the financial accountant and subsequent promoted to finance & administration manager in Infoserve Technology Hong Kong Limited from 2001 to 2003. She was the financial manager in Heal Force Development Limited, a subsidiary of Heal Force Bio-Meditech Holdings Limited, and was promoted subsequently to the group finance manager of Heal Force Bio-Meditech Holdings Limited from 2004 to 2007.

COMPLIANCE OFFICER

Liu Luyuan, Compliance Officer

Mr. Liu's role includes advising on and assisting the Board in implementing procedures to ensure that we comply with the Main Board Listing Rules and other relevant laws and regulations applicable.

Audit committee

We established our audit committee on 15 October 2007 which has adopted written terms of reference in compliance with the Rules 3.21 to 3.22 of the Main Board Listing Rules. The primary duties of our audit committee are to review and supervise our financial reporting process and internal control systems.

Our audit committee comprises three independent non-executive Directors, namely Chao Guowei, Charles, Lee Kwan Hung and Liu Sai Keung, Thomas. Chao Guowei, Charles is the chairman of the audit committee.

Remuneration committee

We established a remuneration committee on 15 October 2007 which considers and recommends to our board of Directors the remuneration and other benefits paid by us to our Directors and senior management. The remuneration of all our Directors and senior management is subject to regular monitoring by the remuneration committee to ensure that levels of their remuneration and compensation are appropriate.

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Our remuneration committee comprises three independent non-executive Directors, namely Chao Guowei, Charles, Lee Kwan Hung and Liu Sai Keung, Thomas. Lee Kwan Hung is the chairman of the remuneration committee.

Nomination committee

We established a nomination committee on 15 October 2007 which considers and recommends to our board of Directors suitably qualified persons to become our Directors and is responsible for reviewing the structure, size and composition of our board of Directors on a regular basis.

Our nomination committee comprises three independent non-executive Directors, namely Chao Guowei, Charles, Lee Kwan Hung and Liu Sai Keung, Thomas. Liu Sai Keung, Thomas is the chairman of the nomination committee.

DIRECTORS' REMUNERATION

Each of the executive Directors has entered into a service contract with the Company and each of the non-executive and independent non-executive Directors has entered into an appointment letter with the Company, all for an initial term of three years commenced on the date of the Main Board Listing and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term unless and until terminated in accordance with the terms of the service contract or by either party thereto giving to the other not less than three months' prior written notice. Each of the executive Directors will receive a salary which is subject to annual review at the discretion of the Board.

The total basic salary and benefits-in-kind received by the Directors for each of the three years ended 31 December 2007 were approximately RMB678,000 (equivalent to approximately HK\$739,000), RMB1,287,000 (equivalent to approximately HK\$1,403,000) and RMB1,805,000 (equivalent to approximately HK\$1,968,000), respectively. Each of the Directors has entered into a service contract or appointment letter with us for a term of three years commenced from the date of the Main Board Listing. The following sets out the estimated total basic salary and benefits-in-kind payable to each of the Directors under the respective service contract or appointment letter (as applicable) for the year ending 31 December 2008:

Director	Annual remuneration RMB
Liu Dejian	1,459,000
Liu Luyuan	546,000
Zheng Hui	157,560
Chen Hongzhan	499,200
Lin Dongliang	—
Chao Guowei, Charles	180,000
Lee Kwan Hung	240,000
Liu Sai Keung, Thomas	—

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The salary payable to each of the Directors may, subject to Shareholders' approval in general meeting, be revised by the Board each year as a result of which the above rates may or may not be increased but, in any event, any increase shall not exceed 25% of the annual salary paid to the Director in the previous year.

Each of the executive Directors may also be entitled to a bonus payment in such amount as shall be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payments in any financial year shall, unless the Board shall determine otherwise, not exceed 1% of the audited consolidated net profit of the Company after taxation but before extraordinary items in the relevant financial year.

Pursuant to the arrangements currently in place, it is expected that an aggregate amount of approximately RMB3,082,000 (equivalent to approximately HK\$3,359,000) will be paid to the Directors as remuneration for the year ending 31 December 2008.

Details of the terms of the Directors' service contracts and appointment letters are set out in the section headed "Further information about the Directors, senior management and staff" in Appendix V to this document.

STAFF

As at 31 December 2007, we had a total of 788 employees. The breakdown of the number of our staff by their respective function is as follows:

Function	The Group (excluding NetDragon (Fujian) and NetDragon (Shanghai))	NetDragon (Fujian) and NetDragon (Shanghai)	Total
Game development	386	26	412
Game operation and marketing	33	164	197
Accounting, finance and general administration	27	152	<u>179</u>
Total			<u><u>788</u></u>

To attract and retain our human resources, we generally adopt the following strategies:-

- we provide competitive compensation package and offer share option to our employees;
- we have established an incentive program for key staff to share the profit of our operation;
- we provide various internal training programs for different level and function of employees;

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- we provide a recreation centre and create a friendly working environment for our employees; and
- we offer scholarship for talented candidates to study in the PRC and overseas.

STAFF RELATIONS

We confirm that we maintain good relations with our staff and have not encountered any major difficulties in our recruitment and retention of staff. There were no interruption to our operations due to labour disputes in the past.

SHARE OPTION SCHEME

The Company adopted the GEM Share Option Scheme on 15 October 2007. As at the Latest Practicable Date, no option has been granted by the Company under the GEM Share Option Scheme. In connection with the Introduction and in order to comply with the provision of the Main Board Listing Rules, the Group will, subject to the approval of the Shareholders at the EGM to be held on 12 June 2008, adopt the Proposed Share Option Scheme to replace the GEM Share Option Scheme. A summary of the principal terms of the Proposed Share Option Scheme is set out in Appendix V to this document.

RETIREMENT BENEFIT SCHEMES

All our employees in Hong Kong have joined a mandatory provident fund scheme (“MPF Scheme”). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance.

With respect to social security benefits, the Group’s employees participate in employee social security plans, namely medical (including maternity), housing, unemployment insurance, and retirement (collectively, “Social Insurance Funds”). These Social Insurance Funds are organised and administered by the Fuzhou government authorities and Shanghai government authorities. Except for the welfare benefits provided by these Social Insurance Funds, the Group has no other material commitments to employees. The Group is required to contribute to these Social Insurance Funds based on percentages of the total salary of employees.

COMPLIANCE ADVISER

On 22 May 2008, we entered into an agreement (the “Compliance Adviser Agreement”) with First Shanghai Capital to appoint it as our compliance adviser pursuant to the requirements under Rule 3A.19 of the Main Board Listing Rules. Pursuant to Rule 3A.19 of the Main Board Listing Rules, the appointment is expected to be for a term commencing on the Main Board Listing Date and ending on the date on which we distribute the annual report for the first full financial year commencing after the Main Board Listing Date, unless terminated earlier pursuant to the terms of the agreement thereof.