

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The table below shows certain information in respect of the members of the Board:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Ma Huateng .....	32	Executive Director
Zhang Zhidong .....	32	Executive Director
Antonie Andries Roux .....	46	Non-executive Director
Charles St Leger Searle .....	40	Non-executive Director
Li Dong Sheng .....	46	Independent non-executive Director
Iain Ferguson Bruce .....	63	Independent non-executive Director
Ian Charles Stone .....	53	Independent non-executive Director

### Executive Directors

**Ma Huateng** (馬化騰), age 32, is an executive Director, Chairman of the Board and Chief Executive Officer of the Company. Mr. Ma has overall responsibilities for strategic planning and positioning and management of the Group. Mr. Ma is one of the Core Founders and has been employed by the Group since 1999. Prior to his current employment, Mr. Ma was in charge of research and development for Internet paging system development at China Motion Telecom Development Limited, a supplier of telecommunications services and products in China. Mr. Ma has a Bachelor of Science degree specializing in Computer & its Application obtained in 1993 from Shenzhen University and more than nine years of experience in the telecommunications and Internet industries.

**Zhang Zhidong** (張志東), age 32, is an executive Director and Chief Technology Officer of the Company. Mr. Zhang has overall responsibilities for the development of our proprietary technologies, including the basic IM platform and massive-scale online application systems. Mr. Zhang is one of the Core Founders and has been employed by the Group since 1999. Prior to his current employment, Mr. Zhang worked at Li Ming Network Group focusing on software and network application systems research and development. Mr. Zhang has a Bachelor of Science degree specializing in Computer & its Application obtained in 1993 from Shenzhen University and a Master's degree in Computer Application and System Structure from South China University of Technology obtained in 1996. Mr. Zhang has more than six years of experience in the telecommunications and Internet industries.

### Non-executive Directors

**Antonie Andries Roux**, age 46, has been a non-executive Director since December 10, 2002. Mr. Roux is currently Chief Executive Officer of Internet Operations for the MIH group companies, a position he has held since 2002. Mr. Roux joined the Naspers group in 1979 and was a founding member of M-Net in 1985. In 1997, he was appointed Chief Executive Officer of M-Web South Africa. Currently, Mr. Roux serves on the boards of directors of a number of companies that are subsidiaries of or associated companies with MIH including Sportsn, Mweb (Thailand) Limited and M-Web Holdings (Pty) Limited. Mr. Roux has 25 years of experience in the telecommunications industry.

**Charles St Leger Searle**, age 40, has been a non-executive Director since June 5, 2001. Mr. Searle is currently the Director of Corporate Development for the MIH group companies in Asia. Prior to joining the MIH group companies, he held various corporate finance positions at Cable & Wireless plc and Hong Kong Telecom. Prior to joining Cable & Wireless plc, he was a senior corporate finance manager at Deloitte & Touche in London and Sydney. Currently, Mr. Searle serves on the boards of directors of a number of companies that are subsidiaries of or associated companies with MIH, including Mweb (Thailand) Limited. Mr. Searle graduated from the University of Cape Town in 1987 with a Bachelor of Commerce degree and is a member of the Institute of Chartered Accountants in Australia (1992). Mr. Searle has ten years of experience in the telecommunications and Internet industries.

### **Independent Non-executive Directors**

**Li Dong Sheng** (李東生) age 46, was appointed as an independent non-executive Director in April 2004. Mr. Li is the executive chairman and President of TCL Corporation and the Chairman of the Hong Kong listed TCL International Holdings Limited, both of which companies produce consumer electronic products. Mr. Li graduated from Huanan Polytechnic University in 1982 with a Bachelor degree in radio technology and has more than nine years of experience in the information technology field.

**Iain Ferguson Bruce**, age 63, was appointed as an independent non-executive Director in April 2004. Mr. Bruce joined KPMG in Hong Kong in 1964 and was elected to its partnership in 1971. He was the Senior Partner of KPMG from 1991 until his retirement in 1996 and served as Chairman of KPMG Asia Pacific from 1993 to 1997. Since 1964, Mr. Bruce has been a member of the Institute of Chartered Accountants of Scotland and is a fellow of the Hong Kong Society of Accountants with over 40 years' experience in the accounting profession. Mr. Bruce is currently an independent non-executive director of China Merchants DiChain (Asia) Ltd., a logistics platform operating company, Vitasoy International Holdings Ltd., a beverage manufacturing company, and Wing On Company International Ltd., a department store operating and real property investment company. All of these companies are publicly listed companies in Hong Kong. Mr. Bruce is also a non-executive director of Noble Group Limited, a commodity trading company that is publicly listed in Singapore.

**Ian Charles Stone**, age 53, was appointed as an independent non-executive Director in April 2004. Mr. Stone is a consultant for Pacific Century CyberWorks. Mr. Stone has 34 years of experience in the telecom and mobile industries. He was the Chief Executive Officer of SmarTone between 1999 and 2001. Prior to joining SmarTone, he was Senior Adviser to First Pacific/PLDT of the First Pacific Group, Chief Operations Officer of Piltel, Managing Director of Pacific Link and Executive Director of Asialink, the regional telecom investment arm of First Pacific, respectively. Mr. Stone has also held senior positions at Cable & Wireless plc and Hong Kong Telecom.

### **Other Senior Management Members**

**Zeng Liqing** (曾李青), age 34, is the Chief Operating Officer of the Company. Mr. Zeng is one of the Core Founders and has been employed by the Group since 1999. He has overall

responsibilities for growing the Group's business lines and product portfolios, and manage different marketing teams across China. Prior to his employment, Mr. Zeng worked at the Shenzhen Data Telecommunications Bureau and has experience in the Internet and telecommunications industries in China.

**Xu Chenye (許晨曄)**, age 33, is the Chief Information Officer of the Company. Mr. Xu is one of the Core Founders and has been employed by the Group since 1999. He has overall responsibilities for strategic planning and development of website properties and communities, customer relations and public relations. Prior to his employment, Mr. Xu gained experience in software system design, network administration as well as marketing and sales management in his previous position at Shenzhen Data Telecommunications Bureau.

**Chen Yidan (陳一丹)**, age 33, is the Chief Administration Officer of the Company. Mr. Chen is one of the Core Founders and has been employed by the Group since 1999. Mr. Chen has overall responsibilities for administration, legal affairs and human resources. He is also responsible for the development of the Group's management system, intellectual property rights and government relations. Prior to his employment, Mr. Chen worked in the Shenzhen Entry-Exit Inspection and Quarantine Bureau for several years.

**Tsang, Patrick Chun Kwok (曾振國)**, age 50, is the Chief Financial Officer of the Company, a position he has held since 2001. He has the overall responsibilities for finance, accounting and investor relations. Prior to his employment with us, Mr. Tsang held key positions in finance and treasury at multinational corporations such as BASF and Hoechst. Prior to that, he worked in global commercial banks in the United States and held managerial positions in merchant banking and corporate finance, credit policy, credit risk rating as well as strategic planning. His experience in these financial positions in both the PRC and the United States exceeds 10 years in each jurisdiction.

**David A. M. Wallerstein**, age 29, is Vice President, International Business of the Company, a position he has held since 2001. Mr. Wallerstein leads Tencent Technology's international business initiatives with multinational partners, and is responsible for Tencent Technology's service operations outside mainland China. Prior to this, Mr. Wallerstein was Vice President, Business Development of MIH in China, involved in Internet strategy and mergers and acquisitions activities in China. Before that, Mr. Wallerstein worked as a management consultant in China's telecommunications and IT industries.

**Woo, Steve Sze Fat (胡士發)**, age 37, is the Chief Counsel of the Company. Mr. Woo has been employed by the Group since April 2004. Prior to his employment with us, Mr. Woo was an assistant solicitor at an international law firm in Hong Kong. He has a Master of Laws degree obtained from each of the City University of Hong Kong and the Renmin University of China in 1997 and 1998, respectively, and a Bachelor of Laws degree obtained from the University of Hong Kong in 1989. Mr. Woo has more than ten years of experience in the legal profession, specializing in securities and mergers and acquisitions.

**Lau Suk Yi (劉淑儀)**, age 37, is the Company Secretary of the Company. Ms Lau has been employed by the Group since September 2003. Prior to her employment, Ms Lau held managerial positions at several listed companies in Hong Kong. Ms Lau is an associate

member of The Hong Kong Institute of Company Secretaries (1994). Ms. Lau obtained a Bachelor of Arts degree in accountancy from the City University of Hong Kong in 1994 and obtained a Master of Business Administration from the University of Wales in 2001, and she has more than ten years of experience as a company secretary.

**Lo, John Shek Hon (羅碩瀚)**, age 35, is the Financial Controller of the Company. Mr. Lo has been employed by the Group since January 2004. Mr. Lo oversees the Group's financial controls and reporting matters. Prior to his employment, Mr. Lo was a senior manager at an international accounting firm. Mr. Lo has a Bachelor of Business degree obtained from Curtin University of Technology in Western Australia in 1990 and has 13 years of experience in the accounting profession. Mr. Lo was admitted as a CPA by CPA Australia in 1994 and has been a Fellow of the Hong Kong Society of Accountants since 2002.

## **WAIVER FROM THE STOCK EXCHANGE**

Rule 8.12 of the Listing Rules requires that a new applicant applying for listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

We do not have operations in Hong Kong and our only two executive Directors, Ma Huateng and Zhang Zhidong are PRC residents. Our corporate headquarters have been located in Shenzhen since our establishment. The other five members of our Board are non-executive Directors. It would be very difficult and unduly burdensome for us to either relocate our current executive Directors to Hong Kong or to appoint two additional executive Directors who are Hong Kong residents.

As a result, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from compliance with Rule 8.12 of the Listing Rules on the following conditions:

- we have appointed two authorized representatives, one of whom is a Hong Kong resident, and we will ensure that they comply with the relevant requirements of the Listing Rules at all times. Contact details for each authorized representative have been provided to the Stock Exchange and these representatives are authorized to speak on behalf of the Company;
- our Financial Controller, Mr. Lo, John Shek Hon, and our Company Secretary, Ms. Lau Suk Yi, both Hong Kong residents, will be available to meet with the Stock Exchange on short notice. Ms. Lau has been authorized to accept service of process and notices on our behalf in Hong Kong; and
- our two executive Directors, whilst ordinarily residents in Shenzhen, will both be readily available by telephone, facsimile, or email and, if required, to meet in person with the Stock Exchange on short notice.

## **AUDIT COMMITTEE**

The Company established an audit committee on April 20, 2004 with written terms of reference in compliance with the Rule 3.21 of the 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 audit committee consists of two independent non-executive Directors, Iain Ferguson Bruce (Chairman) and Ian Charles Stone, and one non-executive Director, Charles St Leger Searle.

## **REMUNERATION COMMITTEE**

The Company established a remuneration committee on April 20, 2004 with written terms of reference. The remuneration committee shall make recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all Directors and senior management and shall be delegated by the Board the responsibility to determine on behalf of the Board the specific remuneration packages for all executive Directors and senior management.

## **DIRECTORS' AND SENIOR MANAGERMENTS' COMPENSATION**

The aggregate amount of salaries, housing allowances, other allowances and benefits in-kind (including our contribution to the pension scheme on behalf of our five highest-paid individuals) paid by us to the five highest-paid individuals of the Group during each of the three years ended December 31, 2001, 2002 and 2003 and for the three months ended March 31, 2003 and 2004 was approximately RMB1.6 million, RMB2.2 million, RMB4.0 million, RMB0.7 million and RMB2.1 million, respectively.

The aggregate amount of salaries, housing allowances, other allowances and benefits in-kind (including our contribution to the pension scheme on behalf of our Directors) paid by the Group to the Directors during each of the three years ended December 31, 2001, 2002 and 2003 and for the three months ended March 31, 2003 and 2004 was approximately RMB0.9 million, RMB0.9 million, RMB1.7 million, RMB0.2 million and RMB0.9 million, respectively.

The following table sets forth the numbers of Directors whose remuneration fell within the bands set out below as of the dates indicated:

	<u>Year ended December 31,</u>			<u>Three months ended March 31</u>	
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2003</u>	<u>2004</u>
HK\$0-HK\$1,000,000 .....	3	2	2	2	2

Saved as disclosed above, no other payments have been paid or are payable, in respect of the three years ended December 31, 2003, and for the three months ended March 31, 2003 and 2004 by the Company or any of its subsidiaries to the Directors and the five highest-paid individuals.

Under the arrangements currently in force, the aggregate remuneration of the Directors payable for the year ending December 31, 2004 is estimated to be approximately RMB3,280,000.

## **EMPLOYEES**

See information under the section entitled "Business—Employees".

**TRAINING**

We place great emphasis on the training and development of our staff. The Group started a training program for its employees in 2001. Employees are required to attend a number of compulsory courses and elective courses. New employees are provided with training to ensure that they are equipped with the necessary skills to perform their duties. We also provide ongoing on-the-job training.

**THE PRE-IPO SHARE OPTION SCHEME AND THE SHARE OPTION SCHEME**

The Company has adopted the Pre-IPO Share Option Scheme and the Share Option Scheme, details of which are set out in the sections entitled “Pre-IPO Share Option Scheme” and the “Share Option Scheme” in Appendix VII to this Prospectus.

The purpose of the Pre-IPO Share Option Scheme is to recognize the contribution of a number of individuals to the Group and/or the Offering. Options for an aggregate of 72,386,370 Shares (approximately 4.31% of total issued share capital of the Company immediately after completion of the Offering, assuming the Over-allotment Option is not exercised) were conditionally granted to 256 employees of the Group under the Pre-IPO Share Option Scheme for the consideration detailed in the table set forth under the heading entitled “Pre-IPO Share Option Scheme” in Appendix VII to this Prospectus. No further options will be granted under the Pre-IPO Share Option Scheme.

The Pre-IPO Share Option Scheme and the Share Option Scheme provide for the grant of options to the directors and employees of the Group. The principal terms of the Pre-IPO Share Option Scheme and the Share Option Scheme are summarized under “Pre-IPO Share Option Scheme” and “Share Option Scheme” in Appendix VII to this Prospectus.

**OTHER STAFF BENEFITS**

The Company also provides other benefits to its staff including bonuses and medical insurance.

Since the commencement of its business in 1998, the Group has not experienced any strikes or other labor disputes which materially affected its business activities. The Group considers its labor relations to be good.

Remuneration of the Group’s employees includes basic salary and bonuses. Bonuses generally include an additional one month’s salary and a discretionary bonus. The Group incurred staff cost of approximately RMB13.1 million, RMB22.5 million, RMB81.9 million for the three years ended December 31, 2003 and is expected to incur approximately RMB174.0 million for the year ending December 31, 2004, respectively, representing 26.7%, 8.5%, 11.1% and 14.4% of the Group’s revenues for those periods.

The Group and its employees participate in a pension scheme approved by the Shenzhen Social Insurance Management Bureau (深圳市社會保險管理局), pursuant to which the Group and its employees pay contributions to the scheme. The Group and its employees make contributions to the State pension scheme in accordance with the requirements contained in the Work Injury Insurance Regulations (工傷保險條例) and applicable local regulations.