

*Notes:*

- (1) The 172,644,210 shares held by Carlet Investments Ltd. were indirectly owned by United Home Limited by virtue of its 100% ownership of Carlet Investments Ltd. In addition to the 172,644,210 shares held by Carlet Investment Ltd., 505,199,614 shares which represents approximately 32.55% of the issued share capital of the Company, were directly owned by United Home Limited.
- (2) The 141,698,000 shares held by Arisaig Greater China Fund Limited were indirectly owned by Arisaig Partners (Holdings) Ltd. by virtue of its 100% ownership of Arisaig Partners (BVI) Limited. Arisaig Partners (Mauritius) Limited is a direct wholly owned subsidiary of Arisaig Partners (BVI) Limited and the immediate holding company of Arisaig Greater China Fund Limited.
- (3) This referred to the same number of 141,698,000 shares as mentioned in note (2) above through 33% interests in Arisaig Partners (Holdings) Ltd. held by Madeleine Ltd.. Madeleine Ltd. is beneficially owned by Cooper Lindsay William Ernst.
- (4) This referred to the nil-paid warrant issued to Templeton Strategic Emerging Markets Fund II, LDC, represented by its investment manager, Templeton Asset Management Limited, exercisable to subscribe for 79,947,009 shares of the Company.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2006.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

## **CORPORATE GOVERNANCE**

The Company has complied throughout the period with the Code on Corporate Governance (the "Code") as set out in Appendix 14 to the Listing Rules except the following major deviations:

### **CODE PROVISION A.2.1**

This Code stipulates that the roles of chairman and managing director (or chief executive officer) should be separate and should not be performed by the same individual.

The Company does not presently have any officer with the title of "CEO" or "Managing Director". At present, Mr Wang Boming, being the Chairman and an Executive Director of the Company, is assuming the role of the CEO of the Company and is responsible for the strategic planning and corporate policy of the Group.

The Directors consider that Mr Wang Boming is the most appropriate person to assume the role of the CEO because he has considerable knowledge and experience in the advertising and publication businesses in the PRC and has leadership and corporate expertise in the Group. The Directors believe that vesting the roles of the chairman and CEO in the same person provides consistent and sustainable development of the Group, strong and consistent leadership in the Company's decision making and operational efficiency.

## CODE PROVISION A.4.1

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

The term of office for non-executive directors are the same as for all directors (i.e. no specific term and subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Company's Articles of Association). At each annual general meeting, one-third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least one every three years.

## REMUNERATION COMMITTEE

The Committee comprises of two independent non-executive directors, namely Mr. Ge Ming, being the Chairman of the Committee and Mr. Ding Yu Cheng.

## AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors. The Committee is chaired by Mr. Fu Fengxiang and comprising two other members, namely Mr. Ge Ming and Mr. Wang Xiangfei. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2006.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors confirmed they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company for the six months ended 30 June 2006.

## MEMBERS OF THE BOARD OF DIRECTORS

As at the date hereof, the members of the Board are as follows:

### *Executive Directors:*

Mr. Wang Boming (*Chairman*)  
 Mr. Zhang Zhifang  
 Mr. Dai Xiaojing  
 Mr. Li Shijie  
 Mr. Lau See Him Louis

### *Independent Non-Executive Directors:*

Mr. Fu Fengxiang  
 Mr. Wang Xiangfei  
 Mr. Ge Ming  
 Mr. Ding Yu Cheng

By Order of the Board  
**Wang Boming**  
*Chairman*

Hong Kong, 21 September 2006