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## DIRECTORS, MANAGEMENT AND STAFF

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### DIRECTORS

#### Executive Directors

Mr. SHAO Zhong (邵忠), aged [48], the founder of our Group. Mr. Shao was initially appointed as a Director on 8 March 2007, and was subsequently designated as chairman of the Board and executive Director on [●]. Mr. Shao is responsible for the overall corporate strategies, policy-formulating and instilling corporate philosophy of our Group and more significantly, Mr. Shao has been heavily involved in the following key operational aspects: (a) formulating the business model; (b) guiding the innovative directions of publication development and advertising services and marketing solutions; and (c) as our Group’s editor-in-chief, directing the content production of the Magazines since founding our Group, which experience has earned him remarkable reputation in the media industry in the PRC. Prior to founding our Group, Mr. Shao worked for 廣州市計劃經濟委員會 (Guangzhou Planned Economy Committee\*) from September 1983 to December 1987, and was subsequently employed by 廣州市鄉鎮企業管理局 (Guangzhou Town Enterprises Management Bureau\*) as head of the Enterprises Management Department from January 1988 to December 1989. He also undertook senior positions in other publishing and media enterprises. Mr. Shao worked as the publisher in 現代畫報 (Modern Magazine\*), which is believed to be one of the pioneering lifestyle magazines in PRC since the economic reform of China, from August 1993 to September 1996, and he was responsible for formulating the overall editorial directions, magazine development strategy and content planning, and managing the operation of that magazine. Capitalising on his experience in the publication industry in China, Mr. Shao joined Paramount Publishers Limited in Hong Kong [(its holding company, then known as Paramount Publishing Group Limited, was then listed in Hong Kong)] during 1998 and 1999 as the chief executive officer and also undertook the position of chief editor of a financial and business style magazine of that company, namely 資本雜誌 (Capital Magazine\*), during which he accumulated solid experience in the media and publishing industry in Hong Kong. Mr. Shao’s working experience in both the public and private sectors enables him to become more capable of capturing various business opportunities from the macro-economy growth of the greater China region. Mr. Shao obtained his EMBA degree from 清華大學 (Tsinghua University\*) in July 2006. His in-depth experience in the media and publication industries in the PRC earned him the nomination as one of 十大傳媒創新人物 (Top 10 Innovative Media Figure\*) at 第四屆中國傳媒創新年會暨中國傳媒改革三十年論壇 (China Media Innovation Forum & 30 Years of China Media Reform Forum\*) by 傳媒雜誌社 (Chuanmei Magazine Society\*) (*note 1*) in the PRC in December 2008.

Mr. WONG Shing Fat (黃承發), aged [51], was appointed as the chief executive officer and executive Director of our Group on 27 July 2009. Mr. Wong is responsible for the corporate and business planning and development as well as the overall management and operation of our Group. He joined our Group in January 2003 as a chief consultant and also assumed the office of the chief operation officer and was subsequently promoted as the chief executive officer of our Group in September 2006. Prior to joining our Group, Mr. Wong undertook senior positions in Ogilvy & Mather Marketing Communications Limited and Mindshare Hong Kong Ltd., each being a subsidiary of the WPP Group (a leading international advertising group), for eight and a half and four years respectively, and was responsible for the media planning, overall operational management and business development in the greater China region. Mr. Wong’s managerial experience in the advertising industry enables him to develop close business relationship with our customers and to develop his expertise in the publication and advertising industry. Mr. Wong has over 25 years of

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## DIRECTORS, MANAGEMENT AND STAFF

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experience in media operation and management of the advertising and media industries. Mr. Wong was granted the “*SALUTE*” *Media Award* by the Association of Accredited Advertising Agencies of Hong Kong in 1996 in recognition of his professional and significant contribution to the advertising industry in Hong Kong (*note 2*).

Mr. LI Jian (厲劍), aged [40], was appointed as the chief operation officer and executive Director of our Group on 27 July 2009. Mr. Li is responsible for the formulation and execution of the advertising sales strategies, as well as the publication management of our Group. He joined our Group in May 1999 and had worked as business development manager, regional general manager in Shanghai, regional general manager in Beijing, and he was subsequently promoted to be the chief operation officer of our Group in July 2006. Mr. Li’s long service history with our Group enables him to become acquainted with all operational details and resources of our Group, which equips him with the ability to deploy our Group’s resources optimally to serve the business needs of our customers. Mr. Li obtained his MBA degree from Murdoch University in Australia in March 2000 and his bachelor’s degree in Applied Mathematics from the Faculty of Applied Mathematics of 蘭州大學 (Lanzhou University\*) in China in June 1992. He has over 10 years of experience in the marketing industry.

Mr. MOK Chun Ho, Neil (莫峻皓), aged [44], was appointed as the chief financial officer and executive Director of our Group on 27 July 2009. Mr. Mok joined our Group in March 2003 and is responsible for the general financial planning and management of our Group. He obtained his MBA degree from Charles Sturt University in Australia in November 2002 and the Diploma in Accountancy from the Lingnan College of Hong Kong (currently known as Lingnan University) in November 1989. Mr. Mok was admitted as an associate member of each of the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong in June 1996 and April 1999, respectively. Mr. Mok has over [10] years of experience in finance and accounting management through his prior engagements as finance manager and financial controller of other companies. His extensive experience in the finance and accounting fields enables him to utilise his accounting expertise in ensuring the healthiness of our Group’s finance and in supporting our Group’s business growth.

Mr. CUI Jianfeng (崔劍鋒), aged [37], was appointed as the chief investment officer and executive Director of our Group on 27 July 2009. Mr. Cui joined our Group in May 2008 and is responsible for the investment strategies and business management of our Group. Prior to joining our Group, he worked as the financial director, supply chain director and director of government relations and brand marketing of the Asia branch of RR Donnelley for seven years and also the senior financial manager of Osram division of Siemens Ltd., China for five and a half years. Mr. Cui’s past working experience in multinational companies helps our Group in developing constructive investment and business finance systems. He obtained his MBA degree from the Deakin University in Australia in September 2003 and another MBA degree from the University of Western Ontario in Canada in October 2004 and also the bachelor’s degree of commerce (major in accountancy) from the University of Wollongong in Australia in October 1995. Mr. Cui is a member of CPA Australia. Mr. Cui has over 10 years of experience in finance and business management.

Each of the executive Directors has entered into a service contract with our Company for a period of three years commencing from [●]. Under such contract, each Director will receive a fixed monthly salary and may receive a discretionary bonus. Further details of the terms of the service contracts of the executive Directors are set out under the paragraph headed “Particulars of service contracts” in Appendix [V] to this document. Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, payable to our Directors for the year ending 31 December [2009] to be approximately HK\$[●].

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## DIRECTORS, MANAGEMENT AND STAFF

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### Independent non-executive Directors

Mr. WANG Shi (王石), aged [58], was appointed as the independent non-executive Director on [●]. Mr. Wang has almost 20 years of experience in real estate development in the PRC. He worked in 廣州鐵路局 (Guangzhou Railway Bureau\*) from 1978 to 1980, 廣東省省委 (Guangdong Provincial Committee\*) from 1981 to 1983 and 深圳特區發展公司 (Shenzhen Special Region Development Company\*) from 1983 to 1984. Mr. Wang found 深圳現代科教儀器展銷中心 (Shenzhen Exhibition Centre of Modern Science and Education Equipment\*), the predecessor of 萬科企業股份有限公司 (China Vanke Co., Ltd.\*) (a company which is listed on the Shenzhen Stock Exchange) in 1984 and acted as its general manager. He held the office of general manager of 萬科企業股份有限公司 (China Vanke Co., Ltd.\*) from 1988 to 1999, and has been its chairman since 1988.

Details of Mr. Wang’s existing directorships with listed companies are as follows:

Month and year of appointment	Capacity	Name of listed company
April 1997	Independent non-executive director	China Resources Land Limited (whose shares are listed on the main board of the Stock Exchange)
March 2005	Independent non-executive director	Sohu.com Inc. (a company whose issued common stock is traded on the National Association of Securities Dealers Automated Quotations (NASDAQ))
November 2007	Independent non-executive director	上海美特斯邦威服飾股份有限公司 (Shanghai Metersbonwe Fashion and Accessories Co., Ltd.*) (a company which is listed on the Shenzhen Stock Exchange)
January 2008	Independent non-executive director	Central China Real Estate Limited (whose shares are listed on the main board of the Stock Exchange)

Mr. Wang obtained his bachelor’s degree in water supply studies from 蘭州交通大學 (Lanzhou Jiaotong University\*) in China in September 1977. [We consider that it is not uncommon for independent non-executive directors of listed companies in Hong Kong to hold directorships in several public companies and assume other major appointments concurrently. As their roles are “non-executive” (i.e. they are not expected to have hands-on involvement in the day-to-day operation of the listed companies), these directors’ contribution to the listed companies are generally expected to be assessed by their broad exposure and vast experience to the proceedings of the board of the listed companies rather than by the amount of time. Given Mr. Wang’s credentials for his executive role or his experience as non-executive directors of the aforesaid listed companies in the PRC or Hong Kong respectively, our Board believe Mr. Wang’s contribution to our Group will be valuable. Meanwhile, Mr. Wang [has also confirmed] to the Company that he will devote reasonably sufficient time to discharge his duties as an independent non-executive Director.]

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## DIRECTORS, MANAGEMENT AND STAFF

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Mr. JIANG Nanchun (江南春), aged [36], was appointed as the independent non-executive Director on [●]. Mr. Jiang has over [15] years of experience in the media and advertising industries in the PRC. He held the office of chief executive officer of Everease Advertising Corporation, which is one of the top 50 advertising agencies in China, from 1994 to 2003. In 2003, Mr. Jiang was the general manager of Aiqi Advertising, an advertising company founded by his immediate family members in 1997 which was subsequently renamed as Focus Media Advertisement in May 2003. He also founded 分眾傳媒控股有限公司 (Focus Media Holding Limited) (“**Focus Media**”) (a company which is listed on the National Association of Securities Dealers Automated Quotations (NASDAQ)) and served as its chairman of the board of directors and the chief executive officer since May 2003. As at the Latest Practicable Date, Mr. Jiang’s shareholding in Focus Media is [9.82]%. In September 2003, Mr. Jiang was selected by the Television and Newspaper Committees of the China Advertising Commission as one of its “contemporary outstanding advertising media personalities” and in December the same year, he was selected by China News Publisher’s Media magazine as one of the “Media People of the Year”. Mr. Jiang obtained his bachelor’s degree in Chinese language and literature from 華東師範大學 (East China Normal University\*) in China in 1995.

Based on the information provided by Mr. Jiang and the publicly available information gathered by our Company, Focus Media is a leading digital media group that provides a broad portfolio of out-of-home media advertising platforms in the PRC. While the principal advertising services of Focus Media are not entirely the same as those offered by our Group, its services may be targeted to similar advertising customers of our Group and thus there might be potential competition between Focus Media and our Group with respect to the sale of advertising services in the PRC given the similarity in the targeted advertising customers. In addition, Mr. Jiang is also a shareholder in K’s Media (with a [1]% shareholding in K’s Media as at the Latest Practicable Date), which is engaged in specialised media and advertising activities in China and the shares of which are traded on OTC Bulletin Board of the United States of America. By virtue of his directorship and his ultimate interest in the shareholding in Focus Media and his shareholding in K’s Media, Mr. Jiang is considered to be interested in a business which is likely to compete with our business.

Notwithstanding his overlapping directorships and his shareholding interest in Focus Media and K’s Media and that our Group had business relationship with Focus Media during the Track Record Period which is expected to continue after the [●], [we consider that Mr. Jiang is still able to discharge his duties as an independent non-executive Director, given the media platform adopted by Focus Media and K’s Media actually differs from that adopted by our Group, and that Mr. Jiang’s directorship in Focus Media, a public listed company, should in turn enable Mr. Jiang to be acquainted of his duties as a director of a listed company.] Furthermore, the annual transaction amount involved in the said business with Focus Media is not considered to be significant and no over reliance has been or will be placed on Mr. Jiang in this regard. We have therefore invited and appointed Mr. Jiang to act as an independent non-executive Director in view of his extensive experience in the media and advertising industries in the PRC which is expected to benefit our Group. We believe that with the implementation of various corporate governance measures of our Group (as disclosed in the paragraph headed “Corporate governance” in the section headed “Relationship with the Controlling Shareholder” in this document), our Board can function independently of, and at arms’ length from, any potential influence Mr. Jiang will bring for his role as a director of Focus Media and his vested interest in Focus Media and K’s Media. Most importantly, Mr. Jiang, as an independent non-executive Director, will not be involved in the day-to-day operations and management of our Group. We believe that by acting as an independent non-executive Director, Mr. Jiang will provide the Board with distinctive insight in strategic planning and in formulating corporate directions of our Group.

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## DIRECTORS, MANAGEMENT AND STAFF

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During the Track Record Period, our Group has placed outdoor light emitting diode billboards advertisements with the media advertising platforms operated by Focus Media. Such transactions are expected to continue after the [●] with an annual transaction amount of not exceeding RMB3 million. On the other hand, K’s Media did not have any business relationship with our Group during the Track Record Period and is not expected to have any business relationship with our Group upon the [●].

Mr. AU-YEUNG Kwong Wah (歐陽廣華), aged [44], was appointed as the independent non-executive Director on [●]. Mr. Au-Yeung obtained a bachelor’s degree in commerce from the Bond University in Australia in September 1996, a master’s degree in accountancy from The Chinese University of Hong Kong in December 2000, a postgraduate diploma in corporate administration from The Hong Kong Polytechnic University in December 2005 and an EMBA degree from The Chinese University of Hong Kong in December 2008. Mr. Au-Yeung is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. He has over ten years of experience in auditing and financial control through his prior employments with accounting firms and listed companies in Hong Kong. Mr. Au-Yeung was an executive director of C&O Pharmaceutical Technology Holdings Limited, the shares of which are listed on the main board of the Singapore Stock Exchange, from 12 August 2005 to 31 March 2006, after which he was re-designated as an independent non-executive director of this company from 1 April 2006 to 31 January 2007.

The aggregate amount of fees, salaries, pension scheme contributions, other allowances and benefits-in-kind granted by us to our Directors for each of the three years ended 31 December [2008] and the three months ended 31 March 2009 was approximately HK\$[4.4] million, HK\$[7.2] million, HK\$[7.2] million and HK\$[1.3] million respectively.

Save as disclosed above, no other payments had been paid or are payable, in respect of the three years ended 31 December [2008] and the three months ended 31 March 2009, by our Company or any of our subsidiaries to our Directors.

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial or controlling shareholders of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in listed public companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save as Mr. Shao’s interests in the Shares which are disclosed in the section headed “Interest discloseable under the SFO and substantial Shareholders” and the paragraph headed “Further information about Directors, management and staff and experts” in Appendix [V] to this document, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as at the Latest Practicable Date.

### SENIOR MANAGEMENT

Mr. Alain DEROCHE, aged [48], the vice president and the publishing controller of our Group. Mr. Deroche joined our Group in June 2008 and is responsible for the management of our Group’s international copyright business and the planning and content innovation for the Magazines. Prior to joining our Group, Mr. Deroche served as the general manager in charge of publishing in Asia for two



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## DIRECTORS, MANAGEMENT AND STAFF

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and a half years and the publishing controller for ELLE’s international edition in the International Department of a French company called Hachette Filipacchi Medias Group for five years. Mr. Deroche’s intensive working experience in the international publication arena helps to bridge our Group’s publication practice with the best practice of the leading international publishers, and helps to bring in more international cooperation opportunities to our Group. Mr. Deroche obtained his doctoral degree in international enterprise management from Université Paris-Dauphine (English translation: Paris Dauphine University) in France in October 1986. He has over 25 years of experience in international media management of the international media industry.

Mr. LIU Heung Shing (劉香成), aged [58], the editorial director of our Group. Mr. Liu joined our Group in January 2009 and is responsible for the planning and innovation of international news content and the promotion of international business in news. Prior to joining our Group, he was the executive vice president of 新聞集團 (News Group\*) for [six] years, the chief representative in China of 時代華納集團 (Time Warner Inc.\*) for [three] years and the chief photographer in China for the Time Magazine (時代周刊) for [three] years. Mr. Liu has over 35 years of experience in the international news media industry which enables him to help develop networks for our Group with the international press, and to contribute his vast experience and insight to our Group’s quality news reporting. In 1989, he was granted the *1989 Award for Top AP Photographic Performance (News)* by The Associated Press Managing Editors Association and the *1989 Pictures of the Year – 2nd Place Newspaper Spot News* at the 47th Annual Pictures of the Year Award (note 3). Mr. Liu was also part of The Associated Press team which was granted the *1991 Award Sponsored by the Eastman Kodak for the Best Photographic Reporting from Abroad for Newspaper or Wire Services* by the Overseas Press Club of America in 1991. In 1992, together with the other staff of the Associated Press, Mr. Liu was awarded the *Pulitzer Prize in Journalism for News Photography* by the Columbia University, the United States of America. Mr. Liu obtained his Bachelor of Arts degree from Hunter College of The City University of New York in [June] 1975.

Ms. YU Ping (虞萍), aged [40], the publishing controller of “優家畫報” (U+ Weekly) and “健康時尚” (LOHAS). Ms. Yu joined our Group in [April] 2007 and is responsible for the overall operation and management, as well as the overall brand marketing strategies of the two magazines of our Group. Prior to joining our Group, she had worked as the regional market controller in China for 路威名軒香水化妝品有限公司 (Luweimingxuan Perfume & Cosmetic Co., Ltd.\*) for one and a half years and 瑞表國際貿易上海有限公司 (SMH International Trading (Shanghai) Co., Ltd.\*) for about one year respectively. Ms. Yu obtained her MBA degree from 中歐國際工商學院 (China Europe International Business School (CEIBS)\*) in September 2005. She has over 12 years of experience in marketing and is particularly familiar with the customers and business in our key segments, including luxury goods and cosmetic products. This significantly helps the development of “優家畫報” (U+ Weekly) and “健康時尚” (LOHAS), which target readers with higher living standards.

Mr. TAN Chih-Cheng (譚志澄), aged [44], the national human resource director of our Group. Mr. Tan joined our Group in June 2007 and is responsible for the human resource development planning and management of our Group. Prior to joining our Group, he was the chief human resource officer in China for the WPP Group for [three] years and the chief human resource officer in the greater China region for B&Q King Fisher Group UK for [three] years. Mr. Tan obtained his EMBA degree from National Chengchi University (國立政治大學) in Taiwan in September 2005. He has over 15 years of experience in the human resource sector which helps our Group in gradually developing our strategic human resource systems and reserves.

Ms. ZHONG Yuanhong (鍾遠紅), aged [38], the administration and production controller of our Group. Ms. Zhong, being one of the most senior employees of our Group, joined our Group in [April]

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## DIRECTORS, MANAGEMENT AND STAFF

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1998 and is responsible for the procurement, production and administrative management of our Group. Prior to joining our Group, she was an assistant to director in Ramada Pearl Hotel (凱旋華美達大酒店) in Guangzhou for [three] years. Ms. Zhong completed her secondary education in Guangzhou No. 62 middle school in [June 1989]. She has over 15 years of experience in administrative management, with a particular expertise in printing and the post production management of publications, in the media industry.

Mr. CHING Siu Wai (程少偉), aged [44], joined our Group in July 2003 as the creative director of “號外” (City Magazine) and is now the deputy general manager in Hong Kong, creative director of our Group and also the publishing director of “號外” (City Magazine) in Hong Kong. Mr. Ching is responsible for the administration of our Hong Kong office, the management of the creative design business of our Group and the operation and management of “號外” (City Magazine). Mr. Ching obtained a diploma in design from [香港正形設計學校] (HK Chingying Institute of Visual Arts). He has over 20 years of solid experience in magazine design and the media industry. Mr. Ching was granted the *Best Magazine Design Award* by the Society of Publishers in Asia in 2005 and 2007 respectively.

Mr. LIM Timothy Edward (林添靈), aged [35], joined our Group in February 2006 and is the fashion director of our Group responsible for the planning and development of the fashion aspects of the Magazines. Prior to joining our Group, Mr. Lim was the fashion editor of The South China Morning Post in Hong Kong for [six] years. Further, Mr. Lim has contributed to a number of famous international fashion magazines including Elle, Marie Claire, Tank and Bazaar in the past. Mr. Lim obtained his bachelor’s degree from McGill University in Canada in 1997. He has over 12 years of experience in international fashion news reporting and styling for advertising and professional fashion media.

Ms. HUANG Wenhua (黃文樺), aged [39], joined our Group in June 2002 and is the regional general manager of Guangzhou, responsible for the operation and management of the advertising business in Southern China. Prior to joining our Group, Ms. Huang was the head of the customers relations department in 中央酒店 (Central Hotel\*) in Guangzhou for [two] years. She completed her secondary education in Guangzhou. Ms. Huang has over 10 years of experience in the media industry.

*Notes:*

1. Please refer to “Note 5” in the paragraph headed “Major awards and recognitions” in the section headed “Business” in this document for details.
2. The Association of Accredited Advertising Agencies of Hong Kong was established in 1957, whose members are mostly advertising agencies in Hong Kong with the common objectives to set and maintain the standards of business ethics, to enforce an advertising standards code, to act as a means of arbitration between agencies and to provide a forum for the exchange of views between advertising agencies and others engaged in the industry. The Media Award is organised by the association to recognise the creative minds that have taken the industry to new heights of excellence and nominations for awards are to be adjudicated by a panel of local, regional and international professionals from media agencies, clients, media owners, creative directors and research houses. To the best knowledge of our Directors, the award candidates were assessed by their influence and performance in the advertising agency industry. Since the advertising agencies are the major customers of our Group, we consider that the Media Award manifests the recognition of our Group by the most important customer category of our Group and could attract the attention of the leading players in the industry. Thus, our Group can gain better understanding of the business needs of these major customers.

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## DIRECTORS, MANAGEMENT AND STAFF

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3. The Associated Press Managing Editors Association is a non-profit association of editors at newspapers in the United States and Canada and works closely with The Associated Press to foster journalism excellence and to support a national network for the training and development of editors who will run multimedia newsrooms in the 21st century. The nominations for awards are to be adjudicated by a panel of selected members of the association. To the best knowledge of our Directors, the panel will select and grant the award to the most influential news report with the best quality generated by the publisher member of the association during the year. Our Group is proud of producing high quality contents and the award is a significant recognition of the quality of our Group’s editors.

### COMPANY SECRETARY

[Mr. MOK Chun Ho, Neil] (莫峻皓) is our company secretary and is an ordinary resident in Hong Kong as required under Rule 8.17 of the Listing Rules. Mr. Mok is a practicing accountant and his past working experience also includes company secretarial work for companies incorporated in Hong Kong. [Mr. Mok]’s biography is set out in the paragraph headed “Executive Directors” above.

### AUDIT COMMITTEE

We established an audit committee on [●] in compliance with Rules 3.21 and 3.23 of the Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. AU-YEUNG Kwong Wah, Mr. WANG Shi and Mr. JIANG Nanchun. Mr. AU-YEUNG Kwong Wah is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and the internal control procedures of our Group.

### REMUNERATION COMMITTEE

We established a remuneration committee on [●] in compliance with Appendix 14 to the Listing Rules. The remuneration committee consists of three members, namely Mr. WONG Shing Fat, Mr. JIANG Nanchun and Mr. AU-YEUNG Kwong Wah. Mr. WONG Shing Fat is the chairman of the remuneration committee. The primary duties of the remuneration committee are to make recommendations to the Board on the remuneration of our Directors and senior management and determine on behalf of the Board specific remuneration packages and conditions of employment for our Directors and senior management. The remuneration policy of our Directors and senior management both before and after the [●] is and will continue to be determined based on their seniority, qualification and contribution to our Group, having regard to our Group’s operating results and comparable market benchmark. After the [●], increase in our executive Directors’ remuneration shall not occur at any time prior to [1 January 2010], and the exact percentage of increase will be considered and recommended by our remuneration committee (comprised of independent non-executive Directors in majority) to the Board for consideration, while the relevant Director has to abstain from voting in relation to the resolution for considering his own pay rise. Furthermore, such percentage of increase will be subject to the limit imposed under the respective service contract [entered into] between the executive Directors and the Company.



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## DIRECTORS, MANAGEMENT AND STAFF

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### STAFF

As at the Latest Practicable Date, we had [602] full-time staff in the PRC and [61] full-time staff in Hong Kong. The following sets forth the total number of our staff by responsibilities:

	<b>Total number</b>
Management	[16]
Magazine production	[305]
Sales and marketing	[147]
Magazine distribution	[78]
Finance	[30]
General administration and others	<u>[87]</u>
<b>Total</b>	<u><u>[663]</u></u>

### Relationships with our employees

Since our inception in 1999, we have not experienced any significant problems with our employees or disruptions to our operations due to labour disputes, nor do we have experience any difficulties in the recruitment and retention of experienced employees. We believe we have a good working relationship with our employees.

### Compensation

Compensation of our employees primarily includes salaries, discretionary bonus, contributions to housing fund and defined contribution benefit scheme (including pension). For each of the three years ended 31 December 2008 and the three months ended 31 March 2009, our Group incurred staff costs (including Directors' remuneration) of approximately HK\$[56.8] million, HK\$[75.0] million, HK\$[91.2] million and HK\$[24.1] million respectively, representing approximately [24.6]%, [26.7]%, [26.2]% and [40.2]% of our Group's turnover for the respective periods.

### Other benefits

During the Track Record Period, our Group has complied with all applicable laws and regulations in relation to the social security and retirement contribution in the jurisdictions where we operate. [As at the Latest Practicable Date, the registration for social security and retirement contribution by Zhuhai Yinhu and Zhuhai Modern Zhimei was pending due to business deployment. To the best knowledge of our Directors after consultation with our PRC legal adviser, we are not aware that there is any material legal impediment for us to obtain such registration for social security and retirement contribution.

Our employees in the PRC participate in various social security plans enacted in China, which cover pension, medical and other welfare benefits, such as insurance premiums paid pursuant to 工傷保險條例 (Regulation on Work-Related Injury Insurances\*) which took effect on 1 January 2004; 企業職工生育保險試行辦法 (Trial Measures for Maternity Insurance for Enterprise Workers\*) which took effect on 1 January 1995; 社會保險費徵繳暫行條例 (Interim Regulation on the Collection and Payment of Social Insurance Premiums\*) which took effect on 22 January 1999 and

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## DIRECTORS, MANAGEMENT AND STAFF

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社會保險登記管理暫行辦法 (Interim Measures for the Administration of Social Insurance Registration\*) which took effect on 19 March 1999. We are required to make contributions to the plans calculated based on a percentage of the monthly compensation of employees, subject to a certain ceiling, and are paid to the respective labour and social welfare authorities in accordance with the applicable PRC rules and regulations, such as 住房公積金管理條例 (Regulation on the Administration of Housing Accumulation Funds\*). The local government is responsible for the planning, management and supervision of the scheme, including collecting and investing the contributions, and paying out the pension to the retired employees.

We participate in a provident fund scheme, registered under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong. Contributions from us are made based on a percentage of the employees’ basic salaries. Further, a few of our employees in Hong Kong are members of the occupational retirement scheme.

### **PRC labour contract law**

中華人民共和國勞動合同法 (PRC Labour Contract Law\*), which took effect on 1 January 2008, stipulates certain requirements relation to, among others things, the signing of labour contracts between enterprises and employees, dissolving labour contracts, the payment of remuneration and compensation as well as the employee social insurance. In addition, 中華人民共和國勞動合同法 (PRC Labour Contract Law\*) requires employers to provide remuneration packages which are not lower than the respective local minimum standards.

Our Directors consider that the implementation of 中華人民共和國勞動合同法 (PRC Labour Contract Law\*) has not given rise to any material and adverse impact on the operations and businesses of our Group as the remuneration package we offered our staff is in general higher than the respective minimum standards prescribed by the local authorities and the terms of the labour contracts we entered into with our employees are on terms no less exacting than those prescribed by 中華人民共和國勞動合同法 (PRC Labour Contract Law\*).

Our Directors confirm that we had complied with all requirements of the human resources management under 中華人民共和國勞動合同法 (PRC Labour Contract Law\*) during the Track Record Period.

### **Share Option Scheme**

We have conditionally adopted the Share Option Scheme whereby such selected classes of participants (as more particularly described in Appendix [V] to this document) may be granted options to subscribe for Shares at the discretion of the Board. The principal terms of the Share Option Scheme are summarised under the paragraph headed “Share Option Scheme” in Appendix [V] to this document.

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## DIRECTORS, MANAGEMENT AND STAFF

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### COMPLIANCE ADVISOR

We will appoint ICBC International as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including shares issues and shares repurchases;
- where we propose to use the proceeds of the [●] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- where the Stock Exchange makes an inquiry of us regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the [●] Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [●] Date and such appointment may be subject to extension by mutual agreement.