

## **EXECUTIVE DIRECTORS**

**Mr. Lau Chuk Kin**, aged 54, was appointed as Chairman and an executive Director in October 2002. Mr. Lau was formerly the managing director of a leading executive search consultancy in Hong Kong and the managing director of Midas International Holdings Limited and is currently a director of ER2. He also founded Midas International Holdings Limited, a company engaged in printing and property investment and development and listed on the Main Board. Mr. Lau has over 10 years of experience in advertising and printing businesses. Mr. Lau holds a Bachelor of Arts Degree from the US and a Master of Business Administration Degree from The Chinese University of Hong Kong.

**Ms. Ho Suk Yi**, aged 40, was appointed as an executive Director in June 2004. She is also the qualified accountant and the company secretary of the Group. Ms. Ho holds a Bachelor's and a Master's Degree in Accountancy and is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants respectively. She has over 15 years of experience in auditing, finance and accounting.

**Mr. Peh Tun Lu, Jefferson**, aged 47, was appointed as an executive Director in March 2007. He joined the Company in March 2006 and is taking the office of Chief Operating Officer of the Company. Mr. Peh holds a Master's Degree in Business from University of Technology, Sydney, Australia, a Bachelor's Degree in Accounting, Finance and System from the University of New South Wales, Australia and is a certified accountant in Hong Kong and Australia. Mr. Peh has over 24 years of experience in finance, accounting and management from listed and private companies in Hong Kong and Australia. Mr. Peh is an independent non-executive director of City Telecom (H.K.) Limited, the securities of which are listed on the Main Board with an American depositary receipt listing on the Nasdaq National Market in the United States.

## **NON-EXECUTIVE DIRECTORS**

**Mr. Lee Ching Ming, Adrian**, aged 56, was appointed as a non-executive Director in June 2002. Mr. Lee graduated from The University of Hong Kong with a Bachelor of Social Sciences degree. He is an assistant director of Great Eagle and has more than 31 years of experience in banking, finance, investment, marketing and general management.

**Mr. Wan Siu Kau**, aged 55, joined the Group in January 2003 as a non-executive Director. Mr. Wan has over 19 years of experience in the executive search industry and holds a Master of Business Administration Degree from The Chinese University of Hong Kong. He is currently the Managing Partner of Amrop Hever, a global executive search firm, a director of ER2 and an independent non-executive director of Wai Kee Holdings Limited, a company listed on the Main Board.

## DIRECTORS, SENIOR MANAGEMENT, AUDIT COMMITTEE AND STAFF

**Mr. Peter Stavros Patapios Christofis**, aged 63, was appointed as a non-executive Director in March 2000. Mr. Christofis is a consultant – International Transport Media to JCDecaux SA. Prior to taking on this role, he was the managing director of JCDecaux Pearl & Dean – Hong Kong from where he retired in 2003. Mr. Christofis has over 36 years of advertising sales and general management experience gained in Europe, Africa and Southeast Asia.

**Ms. Lam Mei Lan**, aged 41, was appointed as an executive Director in October 2002. She resigned her executive role but continues to serve on the Board as a non-executive Director in July 2003. Ms. Lam holds a Master of Business Administration Degree from The Chinese University of Hong Kong. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants respectively. Ms. Lam has over 18 years of experience in finance and was the financial controller of various Main Board listed companies in Hong Kong namely Tomorrow International Holdings Limited, Dah Hwa International Limited (currently known as “Honesty Treasure International Holdings Limited”) and Midas Printing Group Limited (currently known as “Midas International Holdings Limited”). She was also an executive director of Midas Printing Group Limited. Ms. Lam is now the financial administrator of The Salvation Army Hong Kong and Macau Command and also a director of City Apex.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mrs. Ling Lee Ching Man, Eleanor**, *SBS, OBE, JP*, aged 59, was appointed as an independent non-executive Director in April 2000. Mrs. Ling has over 30 years of experience in management and is a fellow of the Chartered Management Institute. Mrs. Ling is now an adviser to Jardine Matheson Limited and also serves on a number of statutory bodies including the Medical Council, the Standing Commission on Civil Service Salaries and Conditions of Service. Mrs. Ling is also an executive committee member of the Employers’ Federation of Hong Kong and a vice patron of the Community Chest.

**Mr. Cheng Ping Kuen, Franco**, aged 53, was appointed as an independent non-executive Director in January 2003. Mr. Cheng has over 27 years of experience in the management of private banking and investment businesses both in Hong Kong and Canada. Mr. Cheng holds a Master’s Degree in Business Administration from The Chinese University of Hong Kong and is now the Chief Representative of Rothschild Bank AG in Hong Kong.

**Mr. Tyen Kan Hee, Anthony**, aged 51, was appointed as an independent non-executive Director of the Company in September 2004. Mr. Tyen holds a Doctoral Degree in Philosophy and a Master’s Degree in Business Administration, both from The Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of both the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators. He is currently a practising certified public accountant in Hong Kong and has over 29 years of experience in auditing, accounting, management and company secretary. Mr. Tyen is currently an independent non-executive director of Value Convergence Holdings Limited, a company listed on GEM. Mr. Tyen was a director of Show8 Cyber Media Limited (“Show8”), a company incorporated in Hong Kong prior to its dissolution as a result of

creditors' voluntary liquidation commenced on 20 January 2001. Show8 was dissolved in July 2003. The Directors are of the opinion that Mr. Tyen serving as director of Show8, has acted honestly and in good faith, for proper purpose and in the interest of Show8 at all time. Before its liquidation, Show8 was an Internet content provider. Due to the unfavourable economic condition at that time and the burst of the Internet bubble in the 2000 and the significant decline in business activities in the Internet sector, Show8 was unable to overcome its financial difficulty and was then put into liquidation in January 2001. Mr. Tyen confirmed that he was not involved in the dissolution of Show8 and is not aware of any liability as a result of the dissolution of Show8. He is also not aware of any outstanding claim from the creditors of Show8 after the dissolution of the company. Mr. Tyen's extensive experience in auditing, accounting, management and company secretary as well as his serving as independent non-executive director with another GEM listed company, have fully demonstrated that he has the requisite character, experience, integrity and level of competence to act as, and commensurate with his position as, director of the Company as a listed issuer.

## **SENIOR MANAGEMENT**

**Mr. Chan Shu To, Camus**, aged 36, is the information technology manager of the Group. Mr. Chan holds a Master's Degree in E-Commerce and a Bachelor's Degree in Information Engineering from The Chinese University of Hong Kong. He has nearly 11 years of experience in the information technology field. Prior to joining the Group in June 2005, he had worked for three listed companies, as assistant information technology manager in SUNeVision Holdings Limited, telecommunication engineer in Hutchison Telecommunications International Limited and assistant software engineer in PCCW Limited, in Hong Kong.

**Ms. Choi Ching Kam, Dora**, aged 43, is the human resources manager of the Group. Ms. Choi has over 16 years of experience in mainstream publishing and held senior positions in a number of leading newspapers and magazines in Hong Kong. She joined the Group as editor in July 2002, was promoted to managing editor in November 2002 and became the chief editor of the Group in 2005. In April 2007, she was reassigned as the human resources manager of the Group. Ms. Choi holds a diploma in Chinese Language and Literature from Hong Kong Shue Yan College, the predecessor of Hong Kong Shue Yan University.

**Ms. Chow So Chu, Rita**, aged 34, is the general manager of inflight magazine business division of the Group. Ms. Chow holds a Bachelor's Degree in Language and Communication from The Hong Kong Polytechnics University and has over 11 years experience in sales and marketing. She joined the Group in March 2004.

**Ms. Lai Wing Ting, Jacklen**, aged 36, is the general sales manager of the Group. She is responsible for the recruitment and display advertising business of the Group. She joined the Group in October 1995 and has 12 years of experience in advertising industry.

## **DIRECTORS, SENIOR MANAGEMENT, AUDIT COMMITTEE AND STAFF**

**Ms. Shao Yang, Amy**, aged 38, joined the Group in May 2004. Ms. Shao joined the Group as project manager in May 2004, promoted to project director of the Group in 2007. She has nearly 16 years of China-related experience gained from the financial and direct investment fields. Ms. Shao is responsible for the Group's business expansion in mainland China and other regions. Ms. Shao holds a Master's Degree in Business Administration from University of South Australia and a Bachelor's Degree in English Literature from Shanghai International Studies University.

**Mr. Tsoi Chit Shun, Roger**, aged 46, joined the Group in September 2005. Mr. Tsoi is the chief operating officer of 1010 Printing, the printing division of the Group. Mr. Tsoi has 15 years of experience in factory management. Mr. Tsoi holds a degree in Science from University of Hong Kong. Prior to joining the Group, he was the general manager of an ink plant in mainland China.

### **AUDIT COMMITTEE**

The Company established an audit committee with terms of reference updated and amended with reference to Appendix 15 of the GEM Listing Rule, the "Code on Corporate Governance Practices". The audit committee has three members comprising the three independent non-executive Directors, namely, Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Tyen Kan Hee, Anthony, who is also the chairman of the audit committee. The primary duty of the audit committee is to review and supervise the financial reporting process and internal control systems of the Group.

### **REMUNERATION COMMITTEE**

The Company established a remuneration committee with written terms of reference. The remuneration committee comprises the three independent non-executive Directors, namely Mrs. Ling Lee Ching Man, Eleanor, Mr. Cheng Ping Kuen, Franco and Mr. Tyen Kan Hee, Anthony. The primary duties of the remuneration committee include making recommendations to the Board regarding the policies and structure of remuneration packages of the Directors and senior management of the Group and reviewing their performance-based remuneration. Discretionary bonuses are paid to Directors and staff based on their performance.

### **COMPLIANCE ADVISER**

Pursuant to Rule 3A.19 of the Listing Rules, the Company has appointed Somerley as its compliance adviser to assist and advise the Company in connection with the Listing Rules and other applicable laws, rules, codes and guidelines. The material terms of the agreement entered into between the Company and Somerley are as follows:

- (i) the Company appoints Somerley as its compliance adviser for a period commencing on the date on which the Shares are listed on the Main Board and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the financial results of the Group for the year ending 31st December, 2008, or until the agreement is terminated, whichever is earlier;

## DIRECTORS, SENIOR MANAGEMENT, AUDIT COMMITTEE AND STAFF

- (ii) Somerley shall provide the Company with services, including guidance and advice as to compliance with the requirements of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany the Company to any meetings with the Stock Exchange;
- (iii) the Company agrees to indemnify Somerley for certain actions against and losses incurred by Somerley arising out of or in connection with the performance of Somerley's duties under the agreement, except where the loss occurs as a result of fraud, wilful misconduct, bad faith or negligence on Somerley's part; and
- (iv) the Company may terminate the appointment of Somerley if its work is of an unacceptable standard or if there is a material dispute over fees payable to Somerley (which cannot be resolved within 30 days) pursuant to the terms of the agreement. Somerley will have the right to terminate its appointment as compliance adviser by giving written notice to the Company.

### DIRECTORS' REMUNERATION

The aggregate amount of fees, salaries and allowances, discretionary bonuses, retirement benefit scheme contributions and equity-settled share based payment expenses paid by the Group to the Directors for each of the three years ended 31st December, 2006 were HK\$623,000, HK\$1,299,000 and HK\$4,412,000, respectively.

Save as disclosed above, no other payments have been paid or are payable, during the Track Record Period, by the Company or any of its subsidiaries to the Directors.

### STAFF

Set out below is a breakdown of the number of staff of the Group by function as at the respective year end dates during the Track Record Period and the Latest Practicable Date:

	As at 31st December, 2004	As at 31st December, 2005	As at 31st December, 2006	As at the Latest Practicable Date
Production	11	14	14	12
Circulation	2	16	14	14
Management	2	5	4	5
Finance and administration	9	16	18	17
Sales and marketing	18	70	93	86
Editorial	7	7	6	7
Inflight magazine	7	7	17	16
Information technology	4	13	17	15
Printing	—	17	17	25
<b>Total</b>	<b>60</b>	<b>165</b>	<b>200</b>	<b>197</b>

## **STAFF RELATIONS**

The Group maintains good relations with its staff and has not encountered any major difficulties in its recruitment and retention of staff. There was no interruption to the Group's operations due to labour disputes in the past.

## **RETIREMENT SCHEMES**

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs to the MFP Scheme, which contribution is matched by the employee.

The employees of the Group's PRC subsidiaries are required to participate in central pension scheme operated by the local municipal governments. The PRC subsidiaries of the Group contribute 31.5% to 45.6% of its payroll costs to the central pension scheme in compliance with the applicable PRC regulations on social insurance.

Further details regarding the expenses incurred for the retirement schemes for the Group's staff are set out in the accountants' report contained in Appendix I to this document.

## **GEM SHARE OPTION SCHEME**

The Company has adopted the GEM Share Option Scheme since 2000 and has granted options to a total of 17 participants (including one executive Director and 16 employees of the Group) to subscribe for an aggregate of 2,332,000 Shares, representing approximately 0.8% of the issued share capital of the Company as at the Latest Practicable Date. The exercise price of these options ranges from HK\$0.24 to HK\$0.80, representing the market price of the Shares on the respective dates of grant. The consideration paid for each grant of options was HK\$1.00. The principal terms of the GEM Share Option Scheme are summarised in the paragraph headed "GEM Share Option Scheme" in Appendix V to this document.

Although the GEM Share Option Scheme is to be terminated on the day immediately prior to the Listing Date, the options granted under the GEM Share Option Scheme will continue to be exercisable in accordance with their terms of issue within one month after the termination of the operation of the GEM Share Option Scheme.

In connection with the Introduction and in order to comply with the provisions of the Main Board Listing Rules, the Group will, subject to the approval by the Shareholders at the SGM to be held on Friday, 13th July, 2007, adopt the Proposed Share Option Scheme to replace the GEM Share Option Scheme. A summary of the Proposed Share Option Scheme is set out in the paragraph headed "Proposed Share Option Scheme" in Appendix V to this document.