

SALARY SURVEY 07/08

WELCOME

Welcome to the Michael Page Finance Salary Survey for 2007/2008.

The survey provides employers and candidates with useful insights into employment conditions, business confidence levels and recruitment trends.

Our commentary is based on both quantitative and qualitative research and covers the finance and accounting sector across Hong Kong and China.

We wish to thank everyone who contributed to this year's survey and trust you find it helpful and informative. We welcome your feedback and encourage you to contact us for further information or specific market advice.

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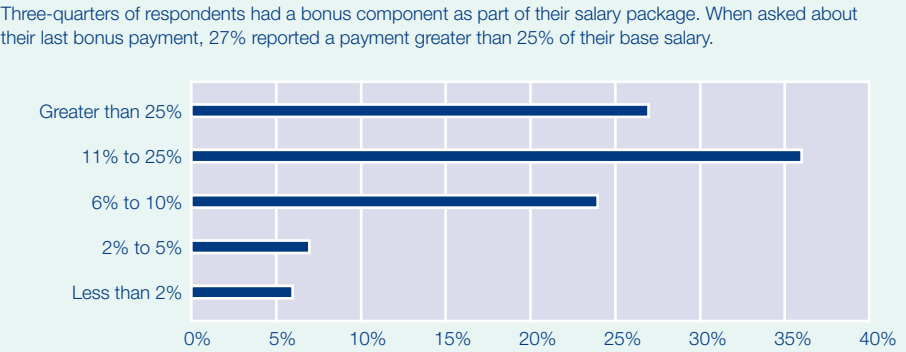
INTRODUCTION

Business confidence is high due to sustained economic growth and companies are expanding operations to capitalise on positive market conditions. This is creating a tight labour market in which a lack of finance and accounting skills threatens to hamper continued economic growth.

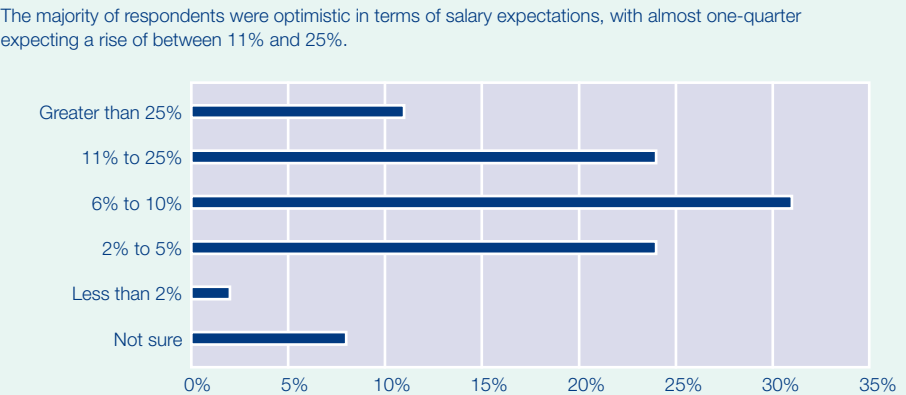
The skills shortage is most pronounced in the manufacturing and banking and finance industries. Booming industrial growth in China is driving demand for senior level finance professionals and the growing emphasis on governance and accounting standards is creating unprecedented demand for qualified accountants. The employment market for finance and accounting professionals in Hong Kong is also strong and candidates with 5–10 years experience are most highly sought after.

Demand for accounting and finance candidates outweighs supply. High calibre candidates are receiving multiple job offers and many are moving jobs to advance their careers. Our survey results support this with 47% of candidates citing career advancement as the primary motivator for their last job change. It is therefore important for employers to adopt flexible resourcing strategies to attract and retain the best talent, including the provision of training and development and clear career paths for candidates. We also suggest that employers extend their recruitment initiatives to regional and global markets to address the domestic skills shortage.

PERCENTAGE OF SALARY GIVEN FOR MOST RECENT BONUS



WHAT PERCENTAGE INCREASE WOULD YOU EXPECT WITH YOUR NEXT SALARY REVIEW?



Disclaimer: While every care is taken in the collection and analysis of data, the survey is interpretive and should only be used as a guide. We encourage you to contact us directly for further information or personalised advice.

NATIONAL EMPLOYMENT SURVEY

The National Employment Survey is conducted on an annual basis and measures employment conditions, business confidence levels and recruitment trends. The survey for 2007 was completed by 1454 employees and 503 employers from a variety of professional sectors in Hong Kong and China.

A selection of key findings is listed throughout this publication. The survey results, which form the quantitative component of the broader research project, are supplemented with qualitative insight derived from our extensive involvement with white collar employers and job seekers across Hong Kong and China.

KEY FINDINGS FROM THIS STUDY:

Employer Trends

- 98% of employers surveyed predicted their staff numbers would remain constant or increase in the next 12 months, an increase of 40% from our last survey.
- At 32% and 25% respectively, organic growth and new projects were listed as the main areas of focus for employers in the year ahead.
- Over the past 12 months, 65% of companies experienced difficulty in retaining staff.
- 84% of companies see staff retention as another important focus for the next 12 months.
- When asked which retention strategies employers would consider over the next year, career promotion, training and development and bonus schemes were the three most common responses.

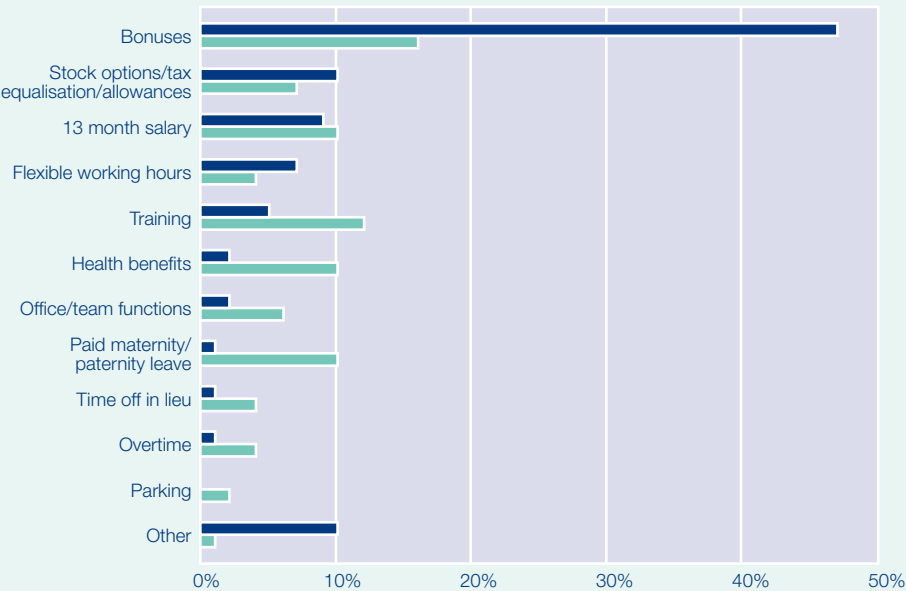
Employee Trends

- 47% of respondents cited career advancement as the primary motivator for their last job change. Only 7% nominated more money as the main reason.
- 76% of respondents rated their company's training and career development opportunities as average or below average.
- Half of the respondents surveyed have worked overseas and of those 76% would consider doing it again.
- When asked what their salary expectations were for the year ahead, one third of the respondents expected a salary increase greater than 11%.
- Close to half of the respondents surveyed expect a bonus of 11% to 25% of their salary, with one third of respondents seeking a minimum of 25%.

ACTUAL INCENTIVES VS PREFERRED INCENTIVES

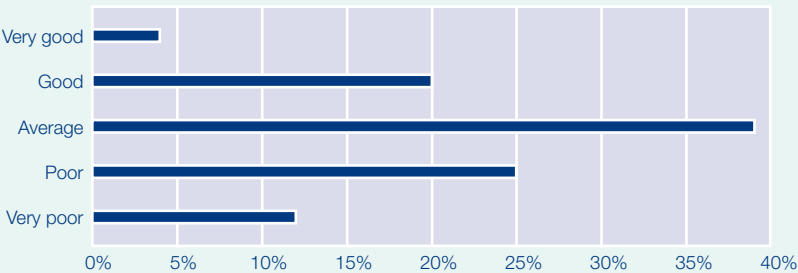
This survey showed there was disparity between the incentives employees wanted and those their employers were providing. Bonuses and stock options/tax allowances were the most preferred incentives by employees.

■ Preferred incentive
■ Actual incentive



HOW WOULD YOU RATE YOUR COMPANY'S TRAINING AND CAREER DEVELOPMENT OPPORTUNITIES?

76% of respondents rated their company's training and career development opportunities as average or below average.



FINANCE

HONG KONG MARKET REVIEW

The finance industry in Hong Kong is benefiting from escalating international trade, economic growth in China and an increasing number of mainland companies conducting public listings.

This is creating an unprecedented level of demand for finance and accounting professionals, directly leading to a talent shortage in Hong Kong.

Hong Kong's standing as an international financial services hub and its strong economic ties with mainland China are creating a vibrant employment market in the finance and accounting sector. Recruitment from the local market is still the preferred channel but the domestic skills shortage means there is a lack of candidates to satisfy demand. This is further exacerbated by employers in China recruiting from the Hong Kong talent pool. Our advice to employers is to extend their recruitment initiatives to regional and global markets. Failure to do so will result in escalating competition for local candidates which will drive up salary levels and labour costs.

In this highly competitive market, talent retention is also a key challenge. Employers need to provide training and development and career advancement opportunities as these are highly valued by employees and have proved effective for long term talent retention. Our survey results reinforce this viewpoint with 47% of candidates citing career advancement as the primary motivator for their last job change.

Due to the acute shortage of finance and accounting professionals, candidates can expect to receive multiple job offers. Those at the senior level with 5–10 years experience are in greatest demand. Candidates with auditing, tax, financial analysis and business development skills are also highly sought after.

EMPLOYMENT FORECAST

We expect sustained demand for finance and accounting professionals in Hong Kong. Salaries will increase over the next 12 months as demand outweighs supply and competition for talent remains high. We predict salary increases of 10% to 20% across the board with increases of over 20% for hard to find skills sets and senior roles.

TOP FIVE ROLES IN DEMAND

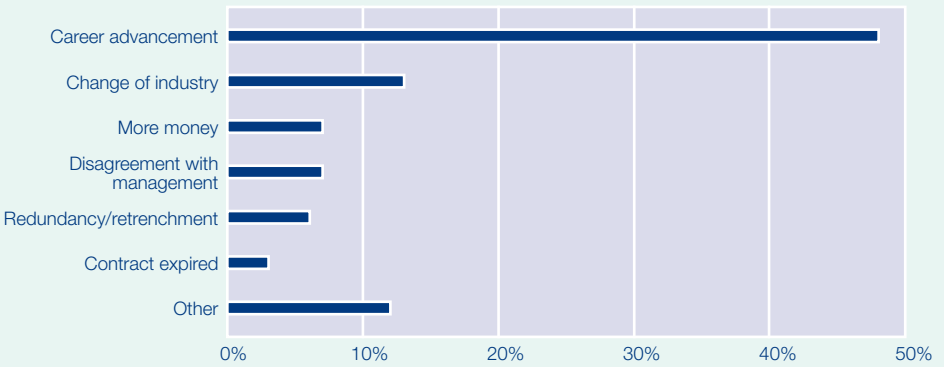
- External Auditor (Big 4)
- Financial Analyst
- Treasury and Tax Professional
- Business Development Manager
- Internal Auditor

HONG KONG FINANCE SALARY TABLE	
Role	Salary HK\$'000
FINANCE & ACCOUNTING	
Chief Financial Officer – Established Company	1.5–3 million+
Finance Director – Regional	1.2–2 million
Finance Director – Country Level	1–1.5 million
Financial Controller – Regional	900–1.2 million
Financial Controller – Country Level	800–1 million
Business Unit Controller – Regional	800–1.2 million
Finance Manager – Regional	700–900
Finance Manager – Country Level	600–850
Financial Planning & Analysis Manager	700–900
Senior Financial Analyst	450–650
Financial Analyst	350–500
Senior Accountant (Qualified)	400–550
Accountant (PQ/Qualified)	300–400
TREASURY	
Treasury Director – Regional/Corporate	1–2 million+
Treasury Manager – Regional	800–1.2 million
Treasury Accountant	450–600
CREDIT CONTROL	
Credit Manager – Regional	650–1 million
Credit Controller	350–500
TAXATION	
Tax Director – Regional	1.2–1.5 million+
Tax Manager – Regional	750–1.2 million
INTERNAL AUDIT	
Internal Audit Director – Regional/Corporate	1.2–2 million+
Senior Internal Audit Manager	900–1.3 million
Audit Manager	650–900
Internal Auditor	400–600

Notes:
1. The above table is based on basic salary, excluding bonus/incentive schemes.
2. Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.

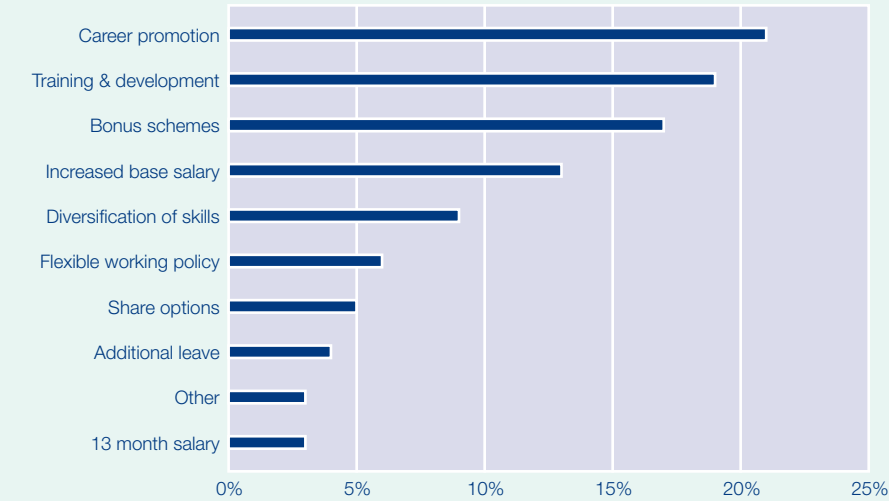
WHAT WAS THE MAIN REASON FOR YOUR LAST JOB CHANGE?

Almost half of respondents cited career advancement as the primary motivation for their last job change.



WHICH RETENTION STRATEGIES DO YOU THINK YOUR COMPANY WILL CONSIDER OVER THE NEXT 12 MONTHS?

84% of companies see staff retention as an important focus for the year ahead. When asked which retention strategies they would consider over the next 12 months, career promotion and training & development were the most common responses.



FINANCE

CHINA MARKET REVIEW

Finance and accounting professionals are highly sought after in China's expanding economy which has been growing at a double-digit rate in recent years. Demand far outweighs supply and as a result, China is witnessing the highest salary inflation in Asia as well as significant turnover rates. To combat the skills shortage, many employers are recruiting candidates from Hong Kong.

Nowhere in Asia Pacific is there more career opportunities for accountants than in China. According to the Chinese Institute of Certified Public Accountants, China needs a further 230,000 accountants to meet the growing emphasis on governance and financial control. The requirement for public companies to report according to International Financial Reporting Standards, introduced at the beginning of 2007, is creating additional demand for qualified accountants. The skills shortage is driving salaries upwards and top accountants are now attracting international salary levels, rapidly closing the salary gap with Hong Kong.

Financial controllers are highly sought after to manage governance issues. Internal auditors are also in demand as the Big Four expand their audit functions and develop new transactional service lines such as due-diligence, IPO and tax advisory. Tax remains an incredibly challenging area in which to recruit and there is a severe shortage of candidates, particularly at the management and executive levels. There is an acute shortage of bilingual candidates in the local market. As more companies move into China, they often have to bring in Mandarin speaking staff from Hong Kong and Singapore.

With the current global skills shortage, candidates are becoming a lot more mobile and are willing to relocate. To attract talent from other Asia Pacific locations such as Hong Kong, employers in China are providing tax equalisation and additional incentives like medical and education allowances. The companies that are most successful in retaining talent are those that can provide early promotions, long term career growth, salary increments and performance-related bonuses.

EMPLOYMENT FORECAST

The future for finance and accounting professionals in China is very bright. Demand far outweighs supply, particularly at the senior end of the market and this will continue to put upwards pressure on salaries. Over the next 12 months, we anticipate salary increases of 15% to 20% across the board, with over 30% for hard to find skill sets.

TOP FIVE ROLES IN DEMAND

- Treasury Manager
- Internal Controls/SOX Specialist
- Financial Manager/Finance Director
- CFO (IPO)
- Tax Manager

CHINA FINANCE SALARY TABLE

Role	Salary RMBS'000
FINANCE & ACCOUNTING	
Group CFO/Regional CFO	1.2–2.1 million+
Regional Finance Director	960–1.8 million
Finance Director, China	480–1.4 million
Regional Financial Controller	600–1.2 million
Financial Controller – China Division	360–960
Finance Manager	240–540
Management Accountant	240–420
Financial Accountant	240–420
Accounting Manager	180–360
Accountant	120–300
Assistant Accountant	120–240
Head of Strategy/Business Development/M&A	720–1.4 million
Financial Planning & Analysis Manager	420–780
Senior Financial Analyst	300–540
Financial Analyst	240–480
TREASURY	
Head of Treasury	720–1.3 million+
Regional Treasury Director	840–1.3 million+
Treasury Manager	300–660
Treasury Accountant	180–300
TAXATION	
Vice President/Head of Tax	900–1.5 million+
Regional Tax Director	900–1.4 million+
Tax Director, China	600–1.3 million+
Tax Manager	300–660
Tax Accountant	180–420
INTERNAL AUDIT	
Head of Audit/Director of Audit	840–1.4 million+
Senior Internal Audit Manager	480–1 million+
Audit Manager	360–720
Internal Auditor	240–540

Notes:

1. The above table is based on basic salary, excluding bonus/incentive schemes.
2. Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.

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