

The Company's Commitment

The Company believes in having high standards of corporate governance, and is committed to making sure that effective self-regulatory corporate practices exist to protect the interests of its shareholders. These include a Board of Directors comprising high calibre members, Board Committees, an internal audit function, and a development and asset performance function.

Board of Directors and its Committees

The Board of Directors is responsible for the corporate governance of the Company. Currently, it consists of ten members, of whom eight are non-executives. Brief details of their wide ranging responsibilities and qualifications are set out on page 15.

The Board meets regularly on a quarterly basis to review and approve appropriate strategic, operational and financial matters, supervise executive management and ensure that the Company's strategies lead to enhanced shareholder wealth. Each Board member has equal responsibility to oversee the business and affairs of the Company. The Chairman and Managing Director, and the Executive Director are responsible for the day-to-day operation and administration of the Company.

Three Board Committees continue to undertake specific roles. These are the Audit Committee, the Share Option Scheme Committee and the Board Committee (Delegated Powers), the last mentioned of which is delegated the responsibility of approving routine matters such as the affixation of the Company's seal and approval of loan documentation. All other key matters, eg appointment of additional Directors, significant capital expenditures, etc are dealt with by the Board of Directors.

Internal Audit Function

The Company's internal audit team performs two types of audits - the traditional financial audits and the audits of other management processes. In the first type of audit, tests are conducted to verify the Group's assets and liabilities, and also to check for compliance with the Company's system of internal financial control. This control system comprises all the procedures which combine to give the Board of Directors reasonable assurance of:

- the maintenance of proper accounting records, and the reliability of financial information used within or published by the Group; and
- the safeguarding of the Group's assets against unauthorised use or loss.

For management audits, areas such as productivity, information security and business strategy are covered.

Staffed by suitably qualified executives, the internal audit team has direct access to the Audit Committee.

Development and Asset Performance Audit ("DAPA") Function

The DAPA function was set up in December 1996. It is a quality control process in respect of design development for all the Group's projects from commencement to completion to ensure that completed projects are consistent with project objectives and market demands. In addition, the audit is another tool for understanding the operating and financial performance of the Group's completed properties so as to identify opportunities for improvement. In other words, DAPA seeks to safeguard the value of the Group's assets by checking compliance with standards set internally based on customer and competitor information, and by seeking ways to exceed the standards set.