

NWI is committed to the highest standards of corporate governance. The overriding objective is to optimize returns to shareholders over time. To achieve this, NWI ensures the long-term viability of its business and effectively manages stakeholder relationships. NWI has adopted practices that meet or exceed the Code of Best Practice contained in the Listing Rules.

Accountability is at the center of the corporate governance initiative. The board of directors as an entity, and each member as an individual, is responsible to all shareholders. The board treats all shareholders equitably and ensures that the rights of all investors are protected. This cooperation with stakeholders is essential in creating wealth, employment and a financially sound enterprise.

An independent voice on the board is critical to decision-making. With three independent non-executive directors on the NWI board, shareholders are assured an objective view on major strategic and operational issues.

From time to time there are changes in the board and NWI enacts these changes in a transparent manner. To introduce the board to shareholders the news of each appointment is readily disclosed. A biography of each member is supplied in every annual report, detailing core competencies, professional backgrounds and factors affecting independence.

Communications and Democracy

Communicating with stakeholders is important to the corporate governance agenda. Given that mandate the Investor Relations Department discloses accurate, adequate and timely information. This allows investors to make informed decisions about acquisitions, ownership obligations, shareholders' rights and the sale of securities.

Shareholder democracy is a key plank in the governance platform. Ordinary shares feature one vote for each share and NWI ensures shareowners of the right to vote. NWI makes it a priority to keep shareholders informed of the outcome of votes and to make sure all shareholders have the information to vote responsibly.

Audit Committee

NWI supports the development of the highest-quality international accounting standards. The Audit Committee oversees annual audits by independent auditors and deals with other issues related to the audit process. This committee works to build confidence in the quality and independence of the audit procedure. In addition, the committee reviews internal controls and the audit process.

Investor Relations (IR)

NWI is a strong believer in the benefits of investor relations. This initiative is led by the Investor Relations Department, which reports directly to the Managing Director on all major issues.

A main focus of the IR Department relates to the dissemination of timely information. Besides the release of interim and annual reports, NWI provides a quarterly statistical review on a request basis to institutional investors. All information is readily available on a web site (www.nwi.com.hk) designed to provide investors with the latest news and project information.

A central strategy in the IR initiative is one-on-one meetings with institutional investors, analysts, fund managers and investment bankers. NWI remained active in this regard last year. In addition, company visits were arranged for leading bankers and investors.

Employee Relations

Employee relations are fundamental to the success and growth prospects of any corporation. With that in mind, NWI has established a comprehensive range of training programs, incentives and other benefits for its employees in Hong Kong and Mainland China. Ongoing training and continuing education programs have been created to support the growth of individual employees within the context of the corporation.



Medical benefits are another area important to staff. The health and welfare of the staff is supported in a number of ways. For instance, NWI permits employees to make claims for medical treatment and employees receive a discount for regular medical check-ups in an effort to prevent sickness.

Furthermore, NWI offers a range of other benefits that employees can take advantage of due to the widespread nature of New World Group. For instance, discounts are available on ferry tickets offered by New World First Ferry.

Community Relations

NWI strives to be a good corporate citizen in all the markets in which the Company operates. With operations spread across Mainland China, Hong Kong and Macau, the need to present a positive image for the Company is a challenge. However, in recent years, NWI has met this challenge with innovative programs and ideas.

This year, NWI was especially proud of its contribution to education in the southwestern province of Guizhou, one of the less developed provinces in Mainland China. NWI joined forces with "Oriental Horizon", a popular CCTV news program to rebuild two primary schools in Tongzi County. In support of this program PrediWave donated a digital long-distance learning system along with 12 television sets. This donation of leading-edge technology will go along way to dealing with the improvement of the literacy rate in less developed areas of China.

The recipients of this donation were Keqing Primary School and Tianshenqiao Primary School, the poorest schools in the country. The long distance learning technique will allow students to benefit from the most up-to-date lessons in a range of subjects. NWI believes that the delivery of quality education at a low cost will prove to be a model for other rural communities. In this regard, NWI will achieve a watershed development in the educational sector.

During the course of the year, NWI and its employees maintained their pledges to the Community Chest, a Hong Kong charity that supports the poor and underprivileged. This year, the NWI family made donations to the Community Chest for various programs.



Environmental Relations

Infrastructure development is an environmentally sensitive area. The construction of such projects as roads, bridges, and power stations has an impact on the environment. In pursuing the sustainable development route, NWI applies new technology to develop infrastructure. For instance, in the energy segment New Qu excels in clean energy solutions.

One standout in this area is the Guangzhou City Northern Ring Road (GNRR). This year, GNRR was again recognized as a model enterprise in the area of environment by the Guangzhou City government. The GNRR status as a state of the art enterprise was enhanced with the achievement of ISO 9002 certification this year.

Another member of the Group that strives for excellence in the environmental field is Sino-French, a joint venture in the water treatment segment. Perhaps no segment of the environment is impacted more by industrial development than water. Sino-French focuses on this area by improving the quality of life with clean drinking water and conducting industry standard surveys prior to every development initiative.