

NWI is committed to the highest standards of corporate governance, disclosure and transparency. The objective of the corporate governance policy is to optimize shareholder returns over time and to present relevant financial information in a timely and transparent manner. In so doing, NWI ensures the long-term viability of the business and effectively manages stakeholder relationships.

Accountability is at the center of the governance initiative. In that regard, NWI has adopted practices that meet the Code of Best Practice contained in the Listing Rules of the Hong Kong Stock Exchange. These practices are based on the initiatives of governance leaders in the global market.

Central to accountability and governance is the Board of Directors. The Board 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 (minority or majority) are aptly protected.

An independent voice on the board is critical to the governance platform. NWI is served by two independent non-executive directors and is thus assured an objective view on important 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 appointments is readily disclosed. A biography of each member is supplied in the annual report, detailing core competencies, professional backgrounds and factors affecting independence. By following these strict guidelines the Board can gain the confidence of shareholders and support the corporate mission.

### Audit Committee

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

Communicating with investors is important to the governance agenda. Within that context the Investor Relations (IR) Department discloses accurate, adequate and timely information. The IR Department reports directly to the Managing Director on all major issues.

Over the course of the year, the IR team touches on many distinct areas. One main focus relates to the dissemination of 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 available on a web site ([www.nwi.com.hk](http://www.nwi.com.hk)) designed to supply the latest news and financial information.

At times, NWI executives attend financial or industry related conferences to spread key messages. Speeches are given in an effort to build market confidence and reach new investors. Road shows cover a wide geographic scope, and this initiative stresses one-on-one meetings with institutional investors, analysts, fund managers and investment bankers. In addition, company visits are arranged for leading bankers and investors.

### Employee Relations

Employee relations are fundamental to the growth prospects of any corporation. In order to attract the best and brightest employees, management must

create a satisfying working environment at all levels of the Company. With that in mind, NWI has established a comprehensive range of training programs, incentives and other benefits for its employees in both Hong Kong and China.

Ongoing training and continuing education programs have been created to support the growth of individual employees. In addition, a program to sponsor language development and other educational programs continued.

NWI offers a range of other benefits that employees can take advantage of due to the widespread nature of New World Group. For instance, one popular benefit is the discounts offered by New World First Ferry. Another is the reduction in phone costs, courtesy of New World Mobility. Discounts are also available at the Fulintang (Hong Kong) Ltd. and New World Department Stores.