

10 Effective Governance

Our Commitment to Corporate Governance

Attaining a high standard of corporate governance has become an intrinsic value in Hysan since its early days as a publicly-listed company. At the time of listing in 1981, separate management and operations of the private company (Lee Hysan Estate Company, Limited) and the public company (Hysan Development Company Limited) were consciously maintained to avoid potential conflicts of interest.

Meaning of Corporate Governance

The core meaning of corporate governance is about setting a framework for the functioning of a Board. The Board sets a clear goal for the business and empowers management to achieve that goal. Monitoring mechanisms are set to limit the risks that the business should be taking in pursuing its goals.

Corporate governance is an important component in our belief to act as a responsible business. That belief applies to our relationship with various stakeholders, our shareholders, business partners as well as the community.

Our Approach

We believe that central to good corporate governance is engendering an appropriate management philosophy. Both the Board and management must fully appreciate their respective roles and are supportive of developing a healthy relationship and culture.

In considering applicable regulatory codes and international best practices, we therefore look beyond a mechanical "compliance" approach. We emphasise our underlying principles and not only compliance with the detailed rules.

Value of Good Corporate Governance

Our key driver for good corporate governance is our belief that it is the right thing to do as a responsible business.

We also believe that corporate governance provides a framework (essentially by ensuring the necessary check and balances) that helps enhance the effective functioning of boards. This contributes to business prosperity.