



Tai Fook has laid a solid foundation to capture opportunities and to face challenges in the future.

**SEAMLESS OPERATIONAL STRUCTURE**  
for future growth

# Corporate Highlights

## Corporate Development

### Implementation of the Balanced Scorecard

Last year, Tai Fook Securities Group decided to implement the Balanced Scorecard framework to provide greater transparency to the organization, consequently allowing for better corporate governance and performance management. The Balanced Scorecard focuses on the Group's vision and mission, which is grounded in our core values. The scorecard approach encompasses four perspectives, namely financial, customers, internal business processes, and learning and growth that provide a comprehensive and balanced set of measures of our performance. It gives us insight into the non-financial drivers of financial value, thus increasing the visibility of company policy, which in turn helps us gain the trust and confidence of our shareholders and investors.



*The Strategic Balanced Scorecard Framework*

Through implementation of the Balanced Scorecard this year, we will be able to achieve the following objectives:

- Define and communicate the Group's strategy to employees throughout the organization;
- Allocate resources based on the strategic relevance of each business activity;
- Link budget and capital expenditure to strategy; and
- Ensure executive talents are aligned to its strategy and are accountable for, and rewarded according to these priorities.

## Market & Business Development

### Investment Banking

In 2004, Tai Fook Capital Limited was the sponsor of four initial public offerings, namely Kam Hing International and Vision Grande Group on the Main Board of the Hong Kong Stock Exchange, and Tianjin Tianlian Public Utilities and Lang Chao International on the GEM Board. The listing enterprises covered a diverse range of business sectors from textiles to tobacco, as well as energy and information technology. The Group expects that it will further assist four to six companies in their listing activities in 2005.

In the first half of 2005, the Group will recruit new staff for its Equity Capital Market Department, and will aggressively seek for more corporate finance deals.

### Mainland Market

#### Development of new market

In 2004, the Group continued to proactively develop the Mainland markets through participation in exhibitions, seminars and forums in Beijing, Shanghai, Guangzhou, Shenzhen, Zhuhai and Dongguan. The Group also penetrated into new markets such as Tianjin, Qingdao, Wuhan, Ningbo and Hangzhou, promoting financial and investment banking services to Mainland enterprises and investors.



*The Group organised large-scale seminar in the Mainland.*

**Guangzhou subsidiary**

The Group first established a representative office in Beijing in early 1997, and gradually expanded its network to Shanghai and Shenzhen. In 2004, the Group strengthened its development in the South China Pearl River Delta, with the opening of its Guangzhou subsidiary in September. In the Mainland, the Group primarily provides financial consultancy services to enterprises.

Leveraging on the implementation of the QFII initiative and the gradual rollout of QDII, the Group believes the financial markets in the Mainland will further open up and connect with international financial markets. Established in Hong Kong's financial sector for over 32 years, Tai Fook will continue to adhere to the principle of "Rooted in Hong Kong and outreaching to China" and provide Mainland enterprises with quality professional financial services.



Tai Fook currently has representative offices and subsidiaries in major Mainland cities including Beijing, Shanghai, Guangzhou and Shenzhen.

**Strengthen the development of information technology**

The Group has always valued the application of information technology and considers it one of our long-term strategies. In order to meet growing business opportunities in the Mainland and Hong Kong, the Group's software development arm, iT Technology (Shenzhen) Company Limited, further expanded its business in 2004.

**Customer First**

**Service Excellence Program**

Believing in "Customer First" servicing attitude, the Group is committed to providing comprehensive and quality financial services to customers. We launched the "Service Excellence Program" in early 2004, with the objective of enhancing our customer service level. Through theoretical and practical training in quality service, our frontline staff were able to meet a brand new service standard set by relevant departments. The new quality service standard will be elevated further through continuous assessment and improvement.



Tai Fook launched the Service Excellence Program.

**Diversified Investment Markets, Products and Channels**

The Group is destined to becoming a "Financial Supermarket", providing clients with professional investment services as it faces an ever-changing market, with varied products and evolving customer needs. The Group has launched several new products and services, including structured products, mini bonds, artificial intelligence investment tools, and sophisticated real-time quote systems, among many others.

**Management of International Information Security**

As part of an effort to protect the personal information of clients and heighten the security of Internet transactions, the Group was the first financial institution in China and Hong Kong to obtain the International Information Security Management System BS 7799 Certification. The BS 7799, a British Standard

Certification System, is the world's most authoritative certification in the field of information security management system. The certification has not only catapulted the Group to a higher international standard in this area, but as a pioneer, the certification also has profound implications for the Group as well as to Hong Kong financial services providers.



Tai Fook's Data Centre.



Tai Fook was the first financial institution in China and Hong Kong to obtain the International Information Security Management System BS 7799 Certification.

**Brand New Investment Products and Services**  
**Zhi Zun Bao and Fu Zhong Bao**

The Online Services Department of the Group has released the Hong Kong stock double treasures; the Zhi Zun Bao software for Hong Kong stock trading and the Fu Zhong Bao software for real time quotation, to keep pace with the needs of today's investors, as well as improve the efficiency, security, and flexibility of online securities trading.



Fu Zhong Bao is a software designed for Hong Kong stock real time quotation.

The Zhi Zun Bao is the first Hong Kong stock trading application specially designed for professional Mainland investors. The software currently adopts the most popular operation mode in the Mainland, enabling clients to carry out Internet securities trading efficiently and strategically. Used in conjunction with Fu Zhong Bao, the two software programs will enhance the quality of stock information in terms of timeliness, analysis effect and investor interaction.

**Online leveraged foreign exchange**

An online foreign exchange trading platform was implemented at the end of 2004, thereby extending the functionality of the Group's Internet investment platform, to satisfy diverse customer needs.



Customers can trade foreign exchange through Tai Fook's trading platform.

**Upgrading of Information Technology and Online Trading Platform**

**Multi-Market Trading and Settlement System**

One of the Group's major strategies in 2004 was the upgrading of our information system in order to cope with demanding business requirements. A new generation trading and settlement platform- the Multi-Market Trading and Settlement System (MTSS) was in place in March 2005. The new system enhances cross-selling by providing both front and back end support for simultaneous trading in multi-market and multi-currency environments. With this new system in place, the Group is able to increase the level of secure customer service and achieve significant improvements in transaction capacity, efficiency and overall operational performance.

### Research

The Research Department is engaged in multi-faceted research of macroeconomics, industries, publicly-listed companies and securities investment consultation. The research products include daily market reports, company reports, sectorial reports, monthly market reports and reports of new publicly-listed companies.

The Research Department also participates in the compilation of publications. Over the last two years, the Department has published the "H Share and Red Chips Investment Guide Book". The Research Department has also signed a Cooperation Agreement with the Shanghai Stock Exchange to jointly write on the subject of "Cases Research of the Operations of the Hong Kong securities companies and manifestation for the Mainland securities companies". The Research Department has a close relationship with both the Mainland and Hong Kong news media and provides commentary of individual securities, industries and technologies to several newspapers.

The various research reports are available on the Tai Fook website so clients can access the information quickly and conveniently.



The "H Share and Red Chips Investment Guide Book" researched and published by Tai Fook Research is welcomed by most of the investors.

### Staff Training and Development

The Group regards human resources as its most important asset, and has consistently provided staff with ample training opportunities, including management techniques, sales and customer service skills, and industry knowledge. The Group believes that through training, its staff will improve their professional standards, and at the same time, develop a broader career path.

In 2004, the Group's cumulative training reached 16,231 hours, equivalent to over 40 hours per capita. Training development can be categorized into the following four areas:

- Product and market knowledge and techniques;
- Leadership development;
- Service Excellence; and
- Putonghua.

The Group greatly values training of professional talents to meet the demand of current and future business development. Through appropriate training, our elite staff will help the Group maintain a high level of customer satisfaction, and at the same time, make contributions to the financial services industry.



Members of Management Development Program participated in an outward bound training.

## Community Service and Caring Culture

As one of Hong Kong's leading financial institutions, the Group actively takes part in various community services in order to give back to the community. The Group strives to promote a caring culture and help staff build a sense of belonging in the company.

In order to foster a caring environment, the "Tai Fook Volunteer Team" was formed last year, and has organized a variety of community service activities, which staff have actively participated in. In September 2004, members of the "Tai Fook Volunteer Team" and several of our colleagues took part in a charity sale organized by "Christian Action" to raise funds for immigrant and minority children in Hong Kong. In addition, our colleagues also participated in activities organized by other charities, such as "The Community Chest Corporate Challenge", the "Casual Wear Day" and "Volunteer Service for Oxfam". We hope our staff will further develop their potential and sense of social responsibility through participation in these community activities.

In respect of environmental protection, apart from donating to relevant organizations, we have also compiled internal guidelines to minimize the consumption of electricity and paper to help protect the environment.



*Tai Fook staff visited the elderly.*



*"Tai Fook Sports Day" realises the Group's caring culture.*

The Group cares about staff and their families. We organize social activities regularly such as barbecues and outings for staff and their family members. We believe these activities will strengthen the ties between staff and their relatives, thus enhancing a greater sense of belonging to the Group. In November 2004, we organized a large outdoor activity named as the "Tai Fook Sports Day" with participation of hundreds of staff and their family members. Some of them even took part in various sport competitions and other contests and had great fun. In joining with staff, the Group hopes to develop a caring environment for them as well as their families and the wider community as well.

The Group has been promoting education rigorously because it understands the importance of educating the next generation as they will be our future. Last year, the Group participated in financing the "Students Awards Plan" organized by the "Vocational Training Council" for secondary school students with outstanding performance in financial subjects. The objective is to cultivate new talents in the financial sector. The Group has also jointly organized a financial course with "Guangzhou Baiyun College" in the Mainland, aimed at training financial professionals for the future.

**Awards and Achievements**

Over the last 32 years of operation experience, the Group has received numerous awards in recognition of its excellent service quality standards and contribution to the Hong Kong economy.

Among the many awards, the Group has been named “Best Local Equity House” by prestigious international and local financial magazines for five consecutive years since 2000. Last year, Capital Magazine awarded the Group “Best Brokerage Company” as part of its “Outstanding Enterprise Award” for the third year running. In July of the same year, the Group was

awarded “Best Local Equity House” by international finance magazine “FinanceAsia”. Meanwhile, in respect of its outstanding achievement in information technology application, Tai Fook also won the “CIO 100 Honouree” awarded by the overseas information technology magazine “CIO” for the second year.

The Group is always enthusiastic about participating in community services. In 2004, the Group was acknowledged as a Caring Company by the Hong Kong Council of Social Services in recognition of its active participation in social services and commitment to excellence in corporate citizenship.



Capital  
“Best Brokerage Company”  
2002 / 2003 / 2004



FinanceAsia  
“Best Local Equity House”  
2001 / 2004



Asiamoney  
“Best Domestic Equity House  
in Hong Kong”  
2002 / 2003



Euromoney  
“Best Local Securities House”  
2000



CIO 100 Honouree,  
CIO Asia’s Top Performing  
Enterprise Users of IT  
2003 / 2004



BS 7799  
Information Security  
Management System  
2004



Hong Kong Society of Accountants  
“Best Corporate Governance Disclosure Award”  
Diamond - 2001 / Gold - 2002



ISO 9001:2000  
“Quality Management  
Systems Certificate”  
2002



Hong Kong Council of  
Social Services  
Caring Company  
2004