

Solid foundations, diversified business and excellent service.



Corporate Highlights

Corporate Development

New Corporate Identity



Tai Fook Securities Group has launched a new corporate identity to embody and promote its corporate philosophy: "Close to the Market, Close to You." Hands receiving an ancient Chinese coin symbolise how, with diligence and prudence, the Group grasps investment opportunities and helps create wealth for its clients.



The Group's new corporate identity embodies its corporate philosophy.

Implementation of Balanced Scorecard

The Group continued its Balanced Scorecard programme to enhance transparency and corporate governance. The four dimensions of a full Scorecard - financial, customer, internal business processes, and learning and growth - provide quantifiable key performance indicators across financial and non-financial perspectives, and align the Group's vision and mission more fully with customers' needs to achieve the requisite balance between strategy and operations.



Market & Business Development

Investment Banking

The Group specialises in providing corporate finance and advisory services to private organisations and listed companies in Hong Kong and China. During 2005, Tai Fook Capital sponsored 1 IPO and completed 32 IPO underwriting, 17 share placements, 5 rights issue underwriting and 45 corporate advisory assignments. In the first six months of 2006, expansion of the Group's Equity Capital Market Department will continue, while proactive measures will be taken to acquire additional corporate finance deals.

Brokerage

Tai Fook provides innovative and flexible securities trading and investment services to over 70,000 individuals and hundreds of institutional clients in Hong Kong and China. Service offerings include securities and derivatives, futures and options, forex and bullion, IPO and placing, online trading, margin financing, wealth management, discretionary accounts, nominee and custodian services as well as research. Last March, the Group pioneered the launch of the Multi-Market Trading and Settlement System (MTSS), which provides both front-and back-end support for multi-market and multi-currency environments, leading to significant improvements in transaction capacity, efficiency and overall operational performance.

Mainland Market

Development of New Markets

The Mainland market is a key focus of the Group's business strategy. Through the initiation of and active

Corporate Highlights

participation in seminars, forums and exhibitions in Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou and Foshan, the Group has begun the process of building presence and brand recognition.



The Group tapping huge growth opportunities through organising seminars in key Mainland cities.

Leveraging on the progressive financial market reforms supported by the Chinese government, such as the implementation of the QFII and the gradual rollout of QDII, the Group is well positioned to benefit from the enormous opportunities in China.

Customer First

Service Excellence Programme

The Group's "Customer First" culture has been strengthened since the launch in early 2004 of a "Service Excellence Programme". The programme engaged independent external mystery shoppers to evaluate service levels in all branches. Subsequently, structured training programs in quality service have enabled all staff



"Service Excellence Program" enables our services standard to stay at the top of the industry benchmark.

to meet the new service standards set by individual departments. Continuous assessment and refresher training will be conducted in order to remain at the top of the industry benchmark.

Diversified Investment Products and Channels

The Group provides clients with an increasingly comprehensive range of professional investment services in the face of ever-changing markets and evolving customer needs. During 2005, the Group launched upgraded versions of futures and equities trading systems with added functionalities and, at the end of 2005, introduced an online simulator for futures trading. Our offerings have further widened in February 2006 when the Group has successfully launched an equities online simulator, together with an enhanced forex trading system and a brand new bullion trading system.



Innovation acts as the catalyst for Tai Fook's tremendous success in creating value for customers.

To empower customers to capture every profit-making opportunity, the Group partnered with Telecom Digital and The Hong Kong Jockey Club to introduce the world's first wireless multi-functional handheld device, MangoCombo. This portable device enables users to stay online at all times, not only to perform securities trading but also to receive real-time information. Additionally, the Group allied with Hutchison Telecom to offer a 3G trading platform that provides significant value-added services.

Last November, the Group opened its Sai Wan Branch in Hong Kong's Western District. The Group's territory-wide presence will continue to be expanded throughout 2006 in order to maintain its leadership position.

Corporate Highlights



The Group's branch network in Hong Kong and Macau.

Research

Tai Fook Research Limited is the Group's wholly-owned subsidiary dedicated to the provision of independent equity research services. Apart from periodical market reports, we also produce idea-driven company and sector reports. The Group regularly provides unbiased investment ideas to the public through the media and by organising public seminars in Hong Kong and the Mainland. Investors can access original research reports by visiting Tai Fook's website, or by subscription to other external information service providers.

The research team is principally based in Hong Kong, supplemented by staff stationed in Shanghai. The Group's research capability is well recognised – financial data and investment opinions are provided to selected international financial publications that specialise in promoting investment opportunities in the Greater China stock markets. The Group will be moving forward to establish our leading position in providing independent equity research services for Chinese enterprises listed overseas.

Human Capital Management

Learning and Development

The Group has always regarded human resources as being its most important asset, and believes sound human capital management enhances staff productivity and loyalty that will ultimately translate into business growth and customer satisfaction. To this end, the Group consistently provides staff with ample training opportunities in the fields of management development, customer service, product knowledge, industry trends and language proficiency via various workshops and seminars.

To encourage continuing education, a company-wide Learning Needs Analysis was conducted in 2005, following which several initiatives were generated, including a job rotation programme and training sessions in software applications, language proficiency and negotiation skills.

The Group's library makes available the latest books and provides online catalogues through its Intranet. In early 2005, policies on study allowances and study leave were introduced. These measures are geared towards upgrading staff's professional standards and assisting them in their career development.

Understanding recognition is a critical factor in staff motivation, the Group arranged training sessions for directors and managers to enable them to share ideas and experiences in giving positive feedback to staff.



The Group fostering a continuous learning culture and environment.

Corporate Highlights

Professional Standards

Thirty training sessions were organised and coordinated to fulfil the Continuous Professional Training (CPT) requirements for SFC licensed persons; and Continuing Professional Development (CPD) requirements for Technical Representatives and MPF Intermediaries. At management level, four modules of a Management Development Program were organised for selected directors and managers.

In 2005, the Group's training hours exceeded the targeted 40 hours per head per annum.



An outdoor discussion session of the Group's Management Development Program.

Corporate Citizenship

Our Board members and senior management actively participate in various working committees of local regulatory bodies and were frequently invited by various public organisations, professional bodies, trade associations, financial institutions and the media to give speeches in seminars and forums across Hong Kong and the Mainland. A diverse range of topics were covered, including listing issues, corporate financing, corporate governance, global investment knowledge and wealth management.

In late 2004, a volunteer team, "Tai Fook Caring Ambassadors", was formed. During 2005, the team organised a variety of community service activities that benefited many charitable organisations: fund-raising events hosted by Hong Kong Red Cross and Oxfam Hong Kong to help South Asian tsunami victims; the Community Chest's Corporate Challenge, Dress Casual Day and Skip Lunch Day; Oxfam Trailwalker; Hong Kong Cancer Fund's Stride for a Cure; and Helping Hands' elderly care programmes. Through their involvement in community service, Tai Fook staff demonstrated their care for those in need, and in the process gained an enhanced sense of communication and bond amongst one another.

In 2005, the Group sponsored the "Students Awards Plan" organised by the Vocational Training Council for secondary school students demonstrating outstanding performance in financial subjects. The Group participated in the Young Entrepreneurs Development Council's School-Company Partnership 2005/2006, providing coaching workshops to students.

Regular social activities are organised for staff and their families. Three company-wide staff communication meetings were held last year to foster direct dialogue between management and staff on various issues of concern. Such activities strengthen bonds and augment a stronger sense of belonging.

In recognition of its active participation and support of social and community service, our Group was publicly acknowledged as a "Caring Company" by The Hong Kong Council of Social Services.



Tai Fook staff organising and participating in a host of community service.

Awards and Achievements

Tai Fook has won numerous accolades over the past 33 years. In 2005, the Group was named "Best Brokerage Company" by the finance magazine Capital for four consecutive years in its "6th Outstanding Enterprise Awards", and awarded "Best Equity House in Hong Kong" by the international finance magazine FinanceAsia for the third year.



Receiving the "Best Brokerage Company" trophy from Capital Magazine.



Tai Fook was awarded the "Best Practice in Enterprise Governance" award for its outstanding achievements in enterprise governance.

The Group is renowned for its outstanding achievements in information technology application and enterprise governance. For the third year running, the Group was awarded "CIO 100 Honouree" by the international information technology magazine CIO, and won the "Outstanding Securities Website Award in Hong Kong and Taiwan" and the "Distinguished Potential Award" by China's Securities Times. The Group was also awarded the "Best Practice in Enterprise Governance Award" by Best Practice Management Group.



"Best Practice Award" in Enterprise Governance 2005



FinanceAsia "Best Equity House in Hong Kong" 2001 / 2004 / 2005



Capital "Best Brokerage Company" 2002 - 2005



Asiamoney "Best Domestic Equity in Hong Kong" 2002 / 2003



Euromoney "Best Local Securities House" 2000



Securities Times "Outstanding Securities Website Award in Hong Kong and Taiwan" "Distinguished Potential Award" 2005



Hong Kong Institute of Certified Public Accountants "Best Corporate Governance Disclosure Award" Diamond - 2001 / Gold - 2002



BS 7799 Information Security Management System 2004



CIO 100 Honouree "CIO Asia's Top Performing Enterprise Users of IT" 2003 - 2005



ISO 9001:2000 "Quality Management Systems Certificate" 2002



Hong Kong Council of Social Services "Caring Company" 2004 - 2005