

Good Governance Comes  
with Membership



ANNUAL REPORT 2004

THE HONG KONG INSTITUTE OF COMPANY SECRETARIES

香港公司秘書公會

# The Hong Kong Institute of Company Secretaries

## 香港公司秘書公會

*(Incorporated in Hong Kong and limited by guarantee)*

### **About The Hong Kong Institute of Company Secretaries**

*Good governance comes with membership*

The Hong Kong Institute of Company Secretaries is an independent professional body with over 4,400 members and over 2,800 students. It is dedicated to the promotion of its members' role in the implementation, and formulating, of good and effective corporate governance policies in Hong Kong and China that will help maintain and advance Hong Kong's position as a leading international business centre.

The Institute was first established in 1949 as an association of Hong Kong members of the Institute of Chartered Secretaries and Administrators (ICSA) of London. It became a branch of ICSA in 1990 before gaining local status in 1994 and changing its name to The Hong Kong Institute of Company Secretaries.

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**Neil M. McNamara**

At the start of the year your Council made two key decisions: Firstly to focus on improving the quality of members and students and, secondly, to advance to the next stage in our relations with our counterparts in mainland China. Significant progress has been made in each of these areas.

Three strategic initiatives were agreed: The promotion of the new graduate only entry International Qualifying Scheme (IQS) to all universities in Hong Kong; the launch of an Enhanced Continuing Professional Development (ECPD) scheme to upgrade member's skills and knowledge; and the development of an Affiliate Programme (AP) for H-share board secretaries. The ECPD and IQS programmes began in the third quarter of 2004, and the AP is scheduled to start in early 2005.

ECPD is vital to our members and the profession as the regulatory challenges faced by organisations become increasingly complex. As the only profession trained specifically in governance issues, we are the leaders in our chosen area of expertise and this message must be given clearly to employers, regulators and government officials. We will do this by demonstrating that our members have the qualifications, experience and up-to-date knowledge necessary to succeed.

Thus it is essential that members participate fully in the ECPD programmes. For experienced members working in the corporate secretarial sector, accreditation is available for selected ECPD courses leading to a Practitioner's Endorsement (PE). It is intended that in time the PE will become a prerequisite for company secretaries of listed companies. The Stock Exchange of Hong Kong has endorsed the ECPD programme and the PE, thereby recognising the increasing importance of the role of the Company Secretary and the core responsibilities in the area of corporate governance. As members we need to be ready.

The first examinations for the IQS in Hong Kong took place in early June and heralded a new era of graduate entry in Hong Kong. This move will improve the overall quality of membership and brings us in line with other ICSA divisions. The ICSA's Assessment Review Panel undertook strict quality checks on marking these new papers, which I am pleased to say were endorsed, although it did give rise to some delays in issuing the results. While such delays are frustrating, it was essential to ensure the quality and integrity of the new qualifying scheme.

Mr. Jiang Guo Liang was appointed as the Institute's new Chief Representative in Beijing in September. One of Mr. Jiang's first tasks has been to help implement of our new AP for H-share board secretaries that was endorsed by International Council in May. As a former H-share board secretary himself and an experienced businessman, Mr. Jiang is well placed to co-ordinate with the current H-share board secretaries and to liaise with the regulatory authorities.

An important event for the Institute and the Secretariat was the purchase of new premises in Central, which were officially opened by guest of honour Mr. Gordon Jones, Registrar of Companies, in October. The new premises will enable us to serve our members better and provide a good venue for ECPD programmes. As a

professional body operating in the heart of Hong Kong's business community, we also need to have a suitable presence if we are going to influence the regulatory environment in Hong Kong.

One memorable moment in the past six months was the inaugural Fellows' Luncheon that provided a forum for senior members to put their ideas and criticisms to the President directly — which they did with a passion. This is exactly the kind of feedback needed if we are to progress and grow both as an Institute and a profession. The main areas of concern centred on the size and make up of Council. Namely that many Fellows believed it to be too large at twenty, with too few serving company secretaries of listed companies and not enough new blood. This has been partly addressed with April W.Y. Yiu (April Chan), Deputy Company Secretary of CLP Holdings Limited and Lila M.L. Fong, Legal Manager — Secretarial of MTR Corporation Limited joining to provide greater representation in one of our core areas. But there is more to be done, and as President it is one of my responsibilities to ensure that there is a balance of experience and expertise on the Council and that it operates effectively on behalf of the Institute and its members. I hope that further Fellows' Luncheons will be equally as productive.

We have also made progress in refining our committee structure to align it with our strategic directives. This is covered in more detail later in the Report. It is important that we concentrate on building our standards of professionalism over the next few years, and the Institute's processes must support this effort. The committee changes have improved our governance, flexibility and decision making processes dramatically.

The initiatives outlined above are designed to position the Institute and its members so that they can meet the challenges that lie ahead. So that you can support your company or organisation in the knowledge that you have sound and up to date experience as well as a

strong Institute backing you. In this way we can truly say that "Good Governance Comes with Membership."

Work continues on the effective implementation of the delegation agreement signed with ICSA in August 2003. I believe that being part of an internationally recognised body that has supported and nurtured the profession in Hong Kong is of immense value to members. It is recognised that in Hong Kong we face a unique set of circumstances and a cookie-cutter model of relationships will not necessarily work. Certain concerns have been expressed by the regulators in Hong Kong with regard to local knowledge and local disciplinary procedures, and ways of dealing with these concerns in a constructive manner are being sought. It is also clear that the new arrangements must allow the continued development of the Institute in China through its existing Chinese body, Hong Kong. ICSA is sympathetic to these concerns and has undertaken to work with us to put in place arrangements that will be presented to members for consideration in the new year.

I have enjoyed my year as President and believe that we are heading in the right direction. As a professional organisation we must reach higher, work harder and focus our efforts on maintaining the momentum that has been created. Council members have participated fully during the year on behalf of members in pursuing our strategy. I would also like to thank all those who serve on the committees, panels and working groups. I would like to give special thanks to our Chief Executive for his dedication and enthusiasm and the hard working staff at the Secretariat.

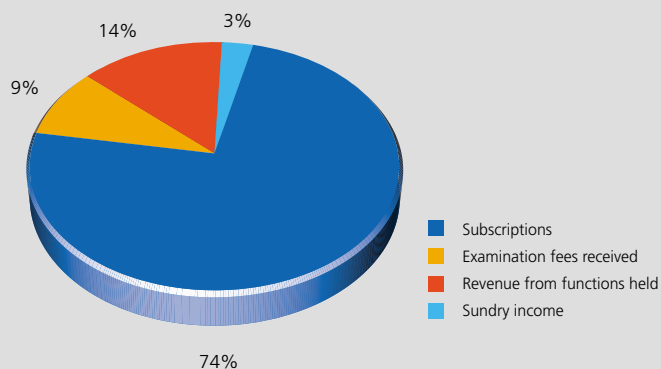
Finally, I would like to thank you, our members. You are the Institute. Be active.

**Neil M. McNamara**

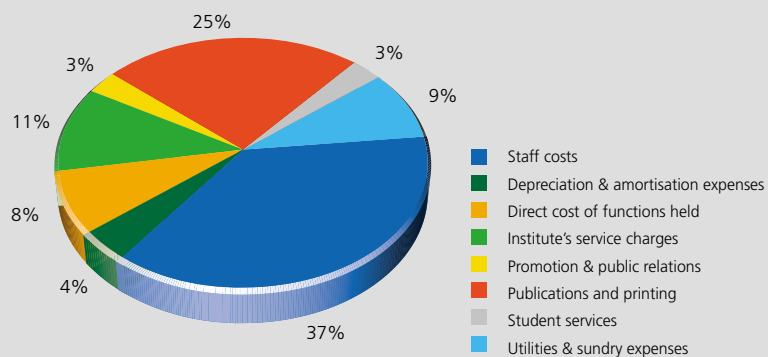
*President*

4 November 2004

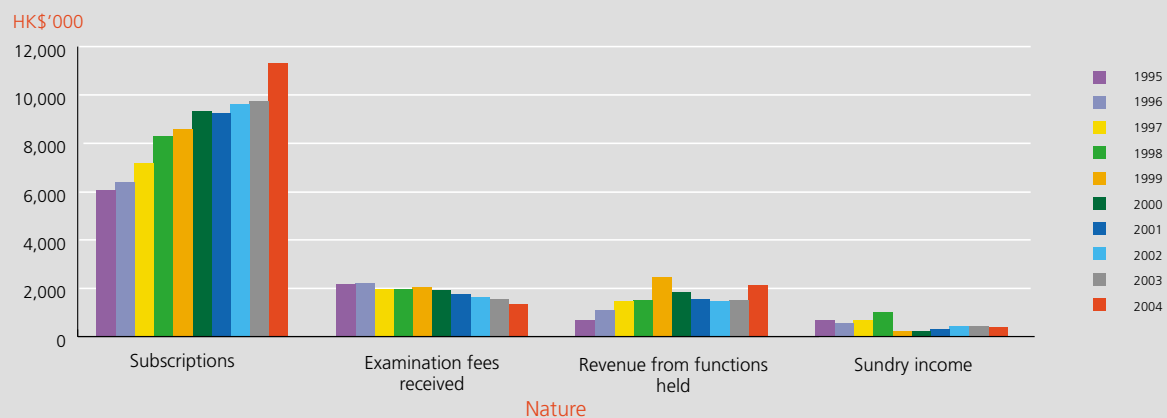
## 2003/04 Income Portion



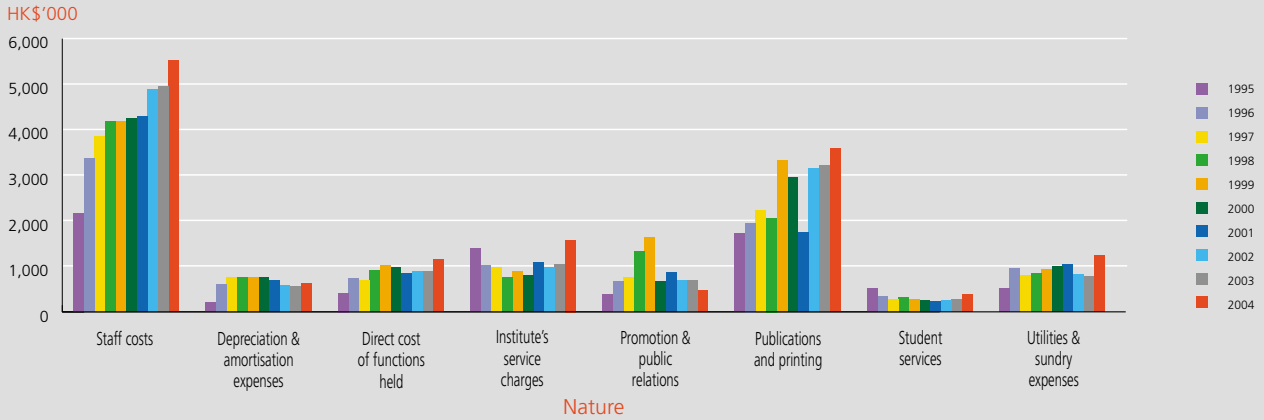
## 2003/04 Expenditure Portion



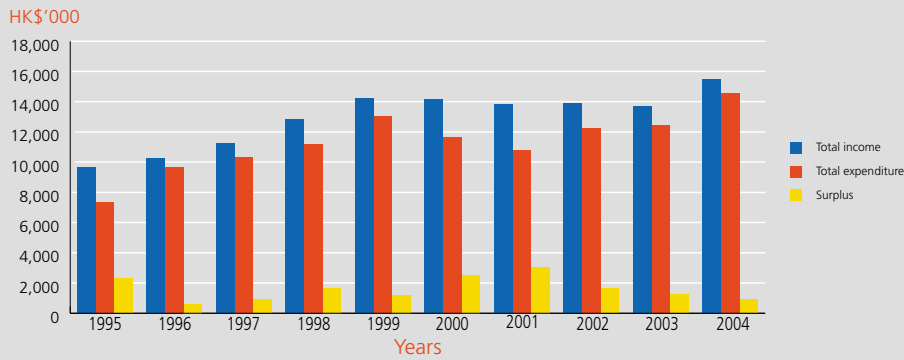
## Income Comparison between 1995 and 2004



### Expenditure Comparison between 1995 and 2004



### Ten-year Comparison for Income, Expenditure and Surplus



The Council is pleased to submit its Report, together with the audited statement of accounts, for the financial year ended 31 July 2004.

### Principal Activity

The principal activity of the Institute is to promote and advance the efficient administration of commerce, industry and public affairs by the continued development of the study and practice of company secretaryship and administration of companies and other bodies.

The Council set and pursued three strategic objectives from January 2004. These objectives are:

1. Launch of Enhanced Continuing Professional Development (ECPD) Programme

- To develop and run for the benefit of all members a practical, sustainable and useful Continuing Professional Development (CPD) programme that will build upon the existing programme and include an accredited section (the 'Practitioner's Endorsement' — "PE") for those members working in the corporate secretarial field which is endorsed by the Stock Exchange of Hong Kong.

Assessment: The ECPD programme was launched on 1 August 2004 and is proving popular with members. The accredited section of the programme received the backing of the Stock Exchange of Hong Kong and the first PE will be issued in 2006. Recipients of this endorsement will be entitled to place the letters '(PE)' after their Institute post-nominals.

2. Affiliate Programme — H-share Board Secretaries

- To establish by the end of 2004 an Affiliate Programme (AP) for board secretaries of H-share listed companies. The AP will include a CPD programme to help establish the profession in mainland China and create a link with the Institute, thereby encouraging affiliated persons to gain membership through examinations.

Assessment: The structure of an AP has been prepared and consultations have been made with various regulatory authorities in Hong Kong and China. The initial response from H-share board secretaries has been encouraging. The programme is intended to be launched at the beginning of 2005. In order to support the process Mr. Jiang Guo Liang, the former Chairman of H-share Board Secretaries Association and the former Board Secretary of a H-share company has been appointed as Chief Representative of the Beijing Representative Office to spearhead operations in China.

3. Improve services to members and implement the International Qualifying Scheme (IQS -a graduate only entry scheme that is intended to upgrade the quality of student intake and ultimately that of members joining the Institute)

- To increase the number and quality of student intake by introducing the profession and the IQS to every major university in Hong Kong from 2004 onwards.
- To introduce at least two major new services that will encourage fellowship by the end of 2004.



**Assessment:** The IQS was held for the first time in Hong Kong during June 2004. An ICSA global initiative, the Institute is one of the last ICSA divisions to introduce this graduate entry programme. The Education Committee reported to Council that a proportion of the students who took examinations during the June 2004 diet received their results later than in previous diets. This was due to stringent quality control measures concerning the marking of these new papers by the ICSA's Assessment Review Panel, and is unlikely to be repeated as the new systems bed-down.

Initiatives to encourage Associates to apply for Fellowship focused on eliciting Fellows' views and encouraging them to contribute to the Institute by way of serving on a committee and/or panel.

Events held included a Fellows' Luncheon during May 2004, where Fellows questioned the President and Council members on the progress made on its previously announced initiatives as well as some more general questions regarding the structure of the Institute and Council.

Other initiatives launched by Council aimed at improving communications included the introduction of a Customer Relationship Management and web content management system; relocation of the office from Causeway Bay to Central (see report below); and the restructuring of the Institute in order to meet the needs of members and students.

### Structuring

At the beginning of 2004 Council took the decision to reduce the number of operating committees of the Institute from eight to four, plus the Executive Committee which acts as the management committee of the Institute and oversees the day to day operations of the Secretariat. The four operating committees are all chaired by a member of the Executive Committee and report directly to Council, namely:

- China Affairs Committee -Chaired by Maurice W.F. Ngai -Vice-President
  - Responsibilities include designing, structuring and implementing the AP for H-share board secretaries and the nurturing and maintaining of relationships with mainland regulators, government departments, board secretaries' associations and listed companies associations in a provincial level and other relevant academic and commercial organisations in Mainland.
  - co-ordinating with the Stock Exchange of Hong Kong and Research Institute of State Council's Office of Hong Kong and Macao Affairs and in conducting the bi-annual training programme in Hong Kong that caters for training needs of H-share board secretaries and senior executives of the existing and newly listed H-share companies.



- Education Committee -Chaired by Natalia K.M. Seng -Vice-President
    - Responsibilities include overseeing and maintaining standards of the Institute's qualifying scheme, which this year included the implementation of the IQS and the establishment and maintaining of contacts with relevant academic and professional institutions for the purpose of preparing students for membership.
  - Membership Committee -Chaired by Samantha P.Y. Suen -Immediate Past President
    - Responsibilities include processing of applications and maintaining standards for acceptance to membership of graduate students of the Institute and others as well as the processing and maintaining of standards for acceptance of Fellow status of Associate applicants.
    - Disciplinary matters and the setting, monitoring and implementing codes of ethics and conduct.
    - Improving and maintaining services and benefits to members (not including professional development and publishing).
  - Professional Development Committee -Chaired by Neil M. McNamara -President
    - Responsibilities include implementation and maintenance of standards of the ECPD including the awarding of CPD points for the PE.
    - Establishing and maintaining contact with governmental and regulatory bodies in Hong Kong to promote the Institute and profession.
- Issue of all published materials of the Institute (with the exception of the Annual Report).
  - Overseeing the composition and standard of the Company Secretaries Panel, Technical Panel and Editorial Board (for the Company Secretary journal).

By streamlining the committee structure, the aim was to focus on policy issues that help the Institute achieve its strategic initiatives. Committees therefore become directly involved in policy implementation rather than operational aspects. Reports to Council from the Committees are also more meaningful and can be assessed by Council in more detail. This helps the Institute to function more efficiently and enhances decision making and enables the Secretariat to implement policies faster.

#### **Office Relocation**

In April 2004, Council approved the purchase of the third floor of the Hong Kong Diamond Exchange Building, 8 Duddell Street, Central, Hong Kong for \$16.3 million. The then premises in Causeway Bay were approved for sale on 15 July 2004 for \$5.66 million. The Causeway Bay office was vacated on 21 August 2004 and the new premises in Central became operational on 23 August 2004. The new premises provide superior working conditions for the Secretariat, provide suitable accommodation for ECPD courses, allow better access for members and enhance the stature of the Institute in the professional community.

No debt was incurred by the Institute in the purchase of the new premises and through careful management of funds and timing of transactions no significant impact on cash flow has been experienced or is expected.

### Council Members

Members of Council at the date of this Report are as follows:

- |                       |                          |
|-----------------------|--------------------------|
| (1) Alan K.M. Au      | (2) Katherine M.K. Cheng |
| (3) Rebecca Y. Chow   | (4) Diana M.Y. Chung     |
| (5) Lila M.L. Fong    | (6) Seaman S.M. Kwok     |
| (7) Davy K.F. Lee     | (8) Richard W.K. Leung   |
| (9) Roger L.C. Leung  | (10) Gloria S.K. Ma      |
| (11) Neil M. McNamara | (12) Maurice W.F. Ngai   |
| (13) Douglas C. Oxley | (14) Natalia K.M. Seng   |
| (15) Alberta K. Sie   | (16) Samantha P.Y. Suen  |
| (17) Albert W.K. Wong | (18) Joseph S.W. Yau     |
| (19) April W.Y. Yiu   |                          |

Charles H.S. Hui, Edwin Ing, Anthony F. Neoh and John C.W. Wong did not stand for re-election at the 2003 Annual General Meeting. (20) Dennis Y.F. Ha and (21) Patrick L.T. Wong stepped down from Council on 7 July 2004 and 12 July 2004 respectively. Council wishes to place on record its appreciation for their valuable contribution to the Institute during their membership of Council. Lila M.L. Fong and April W.Y. Yiu were co-opted to Council on 20 July 2004 to fill the casual vacancies.

At the 2004 Annual General Meeting, Alan K.M. Au, Diana M.Y. Chung, Richard W.K. Leung, Maurice W.F. Ngai and Alberta K. Sie will retire from Council by rotation pursuant to Article 55 of the Articles of



Back row from left to right (9), (20), (21), (15), (17), (10), (6), (3), (7), (2), (13)  
 Front row from left to right (18), (12), (16), (11), (14), (8)

Association; Lila M.L. Fong and April W.Y. Yiu will retire pursuant to Article 56. All retiring Council members, namely, Alan K.M. Au, Diana M.Y. Chung, Lila M.L. Fong, Richard W.K. Leung, Maurice W.F. Ngai, Alberta K. Sie, and April W.Y. Yiu will offer themselves for re-election.

None of the Council members had, during or at the end of the year, an interest, directly or indirectly, in any contract of significance with the Institute. Pursuant to Clause 4 of the Institute's Memorandum of Association, no member of Council shall be appointed to any salaried office of the Institute, or any office of the Institute paid by fees and no remuneration shall be given by the Institute to any member of Council.

#### **Candidates for Election to the 2004 Council**

At the close of the nomination date, including the above seven retiring Council members, three candidates namely, Frankie H. Ho, Brian K.H. Lo and Doris W.N. Wong have been nominated for election. As the number of candidates exceeds the vacancies, the election shall be conducted by postal ballot.

#### **Financial Statements**

The surplus for the financial year ended 31 July 2004 and the state of the Institute's affairs at that date are set out on pages 38 to 49 of the Financial Statements respectively.

#### **Fixed Assets**

Details of movements in fixed assets during the year are set out in note 10 to the Financial Statements.

#### **Auditors**

A resolution to appoint Fan, Chan & Co. as Auditors of the Institute to hold office until the conclusion of the next Annual General Meeting and to authorise the Council to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

By Order of the Council

**Natalia K.M. Seng**

*Company Secretary*

9 November 2004

## 2003

**August 2003*****PRC Training***

The ninth training programme for H-share board secretaries and senior officials of Mainland listed companies was held in conjunction with the Research Institute, State Council's Office of Hong Kong & Macao Affairs and Hong Kong Exchanges and Clearing Limited from 12 to 20 August.

***Members' Convocation***

A Members' Convocation was held on 27 August at the Institute for the newly elected members from February to July 2003.

***Students' Forums***

Four Students' Forums were organized to explain the International Qualifying Scheme.

**September 2003*****Breakfast Briefing on Corporate Governance***

A breakfast briefing by the Chairman of the Standing Committee on Company Law Reform, the Honourable Justice Rogers on the *Consultation Paper on Proposals made in Phase II of the Corporate Governance Review* was held jointly with Hong Kong Securities Institute on 4 September.

***Company Secretaries Panel Luncheon***

A luncheon was held on 17 September attended by Chairman Andrew Sheng and other senior officials from the Securities and Futures Commission.

***Report on The Duties and Responsibilities of Independent Non-Executive Directors of Hong Kong Listed Companies***

The report on *The Duties and Responsibilities of Independent Non-Executive Directors of Hong Kong Listed Companies* was published and announced at a press conference held on 18 September.

***Essential Company Secretary Booklet***

*The Essential Company Secretary* booklet was published.

**October 2003*****Cocktail Reception for ICSA International President and Chief Executive***

A cocktail reception was held on 2 October to welcome ICSA International President Russell Barnier and Chief Executive John Ainsworth to Hong Kong and to witness the presentation of the Delegation Agreement signed by ICSA, ICSA-HK Committee and the Institute.



## November 2003

### ***PRC Training Programme***

The second training programme for senior financial management staff and officials of Mainland listed companies was held in conjunction with the Research Institute, State Council's Office of Hong Kong and Macao Affairs, Hong Kong Exchanges and Clearing Limited and The Hong Kong Polytechnic University from 11 to 18 November.

## December 2003

### ***Annual General Meeting 2003***

The Annual General Meeting 2003 was held on 9 December.

### ***New Students' Orientation***

A New Students' Orientation was held on 13 December.

## 2004

### **January 2004**

#### ***Council Retreat***

The 2004 Council Retreat was held on 10 January.

#### ***New Beijing Representative Office***

Institute's Beijing Representative Office was relocated new offices in Chaoyang District on 12 January.

### ***Annual Dinner 2004***

The Annual Dinner 2004 was held on 14 January. The Chief Executive of Hong Kong Exchanges and Clearing Limited Paul Chow was the Guest of Honour.

### **February 2004**

#### ***Visit to Beijing***

Visit to the Research Institute, State Council's Office of Hong Kong and Macao Affairs and Hong Kong Exchanges and Clearing Limited Beijing Representative Office took place on 24 and 25 February.

#### ***New Look Website***

The Institute's new look website was launched.

### **March 2004**

#### ***Delegates from PRC***

Delegates from Anhui University of Finance and Trade visited the Institute on 1 March.

#### ***Company Secretaries Panel Luncheon***

A luncheon was held on 17 March attended by Registrar of Companies Gordon Jones and other senior officials from Companies Registry.

#### ***ACRU 2004***

The Institute organised the fifth Annual Corporate and Regulatory Update seminar on 18 March.



**Customer Relationship Management System**

The Institute launched its *Customer Relationship Management* system and new website.

**April 2004****New Office Premises**

Purchases of new office premises in Central.

**May 2004****Visit to ICAC**

A visit to Independent Commission Against Corruption took place on 8 May.

**Fellows' Luncheon**

The inaugural Fellows' Luncheon — Meet the President was held on 18 May.

**PRC Training**

The tenth H-share training programme for H-share board secretaries and senior officials of Mainland listed companies was held in conjunction with the Research Institute, State Council's Office of Hong Kong and Macao Affairs and Hong Kong Exchanges and Clearing Limited from 11 to 19 May.

**June 2004****International Qualifying Scheme**

The first examination of the International Qualification Scheme was held from 1 to 5 June.

**Company Secretaries Panel Luncheon**

A luncheon was held on 16 June attended by Richard Williams (Head of Listing) and other senior officials from Hong Kong Exchanges & Clearing Limited.

**Study Tour to Shanghai**

A Study Tour to Shanghai was held from 30 June to 4 July.

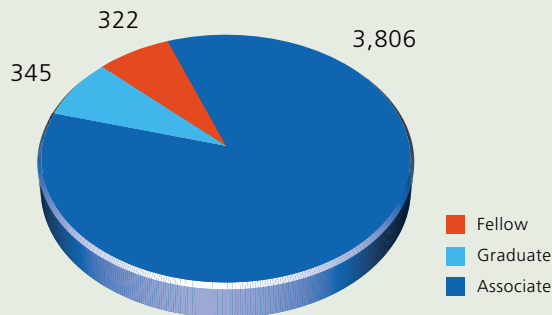
**July 2004****PRC Training**

The third training programme for senior financial management staff and officials of Mainland listed companies held in conjunction with the Research Institute, State Council's Office of Hong Kong & Macao Affairs, The Hong Kong Polytechnic University and Hong Kong Exchanges and Clearing Limited was held from 28 July to 4 August.



## Membership Statistics

As of 31 July 2004, the Institute had 4,473 members and graduates, an increase of 4% compared with the previous year. The statistics are summarised in the following pie-chart:



## Members' Admission

To enable the Institute to move forward, a strong membership base is crucial. Membership applications are considered on a monthly basis in accordance with the relevant international standards and a new Vetting Sub-Committee was formed during the year. More than 216 applications were considered; among these 206 Associates and 8 Fellows were admitted during the year.

## Professional Development

To keep members abreast of their technical skills and knowledge to discharge their duties, the Institute provides a Continuing Professional Development (CPD)

programme. During the year, 28 seminars and 2 post-qualification practical workshops on legal, accounting and management topics were organised.

To ensure the quality and professionalism of members, the Institute took a significant step forward and launched its new Enhanced Continuing Professional Development (ECPD) Programme on 1 August 2004. This new programme builds on the success of our previous CPD programme and is designed to enhance the knowledge and skills of all members to make sure they stay ahead of the game in today's increasingly demanding and competitive business environment. The Institute is committed to provide members with a practical and quality continuing education programme that is recognised by regulators and employers. The Institute believes that the new programme succeeds in this regard and recommends members to undertake at least 15 CPD hours a year.

The accredited section of the ECPD programme is the Practitioner's Endorsement (PE) which is designed specifically for those members working in the corporate secretarial sector. The PE will confirm to employers, HKEx and other regulators that the accredited member is up to date with the latest listing rules and regulations as required of the Company Secretary of a Hong Kong listed company and has the requisite level of practical experience.





### Fellows' Gathering

As an initiative to enhance communication between Council and senior members, the inaugural Fellows' Luncheon — Meet the President was held on 18 May 2004. Over 30 fellows attended the luncheon and expressed their views for issues relating to the Institute and the Company Secretary profession.

### Bulletin Board Update Service

The Institute provides a Bulletin Board Update (BBU) Service which circulates information and announcements issued by various governmental and regulatory bodies via email or fax in a timely manner. During the year, 40 BBUs were circulated.

### New Look Website

A new interactive website was launched in February 2004 to enhance communication with members. Members will be able to log-in to update their contact and employment details via the website.

### Customer Relationship Management System

The Institute invested nearly HK\$400,000 to launch the Customer Relationship Management System in March 2004. The system provides a central database and a variety of web-based support functions to help improve and streamline its communication and services to members.

### Company Secretarial Practice Manual

The annual update of the Company Secretarial Practice Manual was released in August 2003. An on-line survey to garner members' views on the use of the Practice Manual was conducted in April 2004 with a members' response rate of 10%.

The Practice Manual was suspended in June 2004 pending the outcome of a market research programme undertaken to ensure the Institute delivers useful products to its members.

### Welfare

To promote the welfare of members and students and to enhance a feeling of comradeship, a series of social activities were arranged during the year:

- Leisure trip to Zhongshan in August 2003;
- Dinner gathering and stress management seminar in October 2003;
- War game in March 2004;
- Visit to ICAC in May 2004; and
- Study tour to Shanghai in June/July 2004.

### Members' Discipline

The Institute is pleased to announce that there were no disciplinary cases referred for hearing during the year.

### Looking Ahead

The Fourth biennial Corporate Governance Conference "Corporate Governance Reform: Is it Working?" was successfully held on 15 and 16 October 2004. In the year ahead, the Institute will continue to explore opportunities to improve members' services and promote fellowship. The following projects are underway:

- Annual Dinner 2005 scheduled for 12 January 2005;
- ECPD seminars and workshops that cover topics of interest and necessity for members working in areas both in and outside the corporate secretarial sector will continue to be organised on a regular basis;
- A comprehensive review of the publications that members demand; and
- Solicit associated benefits for the membership cards.

## Student Statistics

As of 31 July 2004, the Institute had 2,826 students. 714 new students registered during the year, an increase of 16% compared with the previous year.

## Launch of Degree Entry Scheme

The Institute launched the International Qualifying Scheme (IQS) during the year. This is a global graduate entry qualification that focuses on skills and competencies required by company secretaries.

Under IQS, new subjects such as Corporate Governance have been introduced as company secretaries play an increasingly crucial role in its application. Holders of relevant qualifications such as those who hold degrees in law, accounting, finance and management are entitled to some exemptions. The Exemptions Sub-Committee held regular meetings to assess exemptions granted to new registered students during the year.

students were awarded subject prizes for outstanding performance in the examination. The average passing rates for the December 2003 and June 2004 examination diets are 37.6% and 43% respectively.

## Revision Courses and Examinations Techniques Workshops

To assist students in preparing for the Qualifying examinations, a series of revision courses and examination technique workshops were organized during the year.

## Students' Forums

With the implementation of the IQS, 4 Students' Forums were organized in August 2003 to answer their concerns on the new examination structure and transitional arrangement. A list of Frequently Asked Questions has been put onto the Institute's website under "Studentship" for students' information.



## Examinations

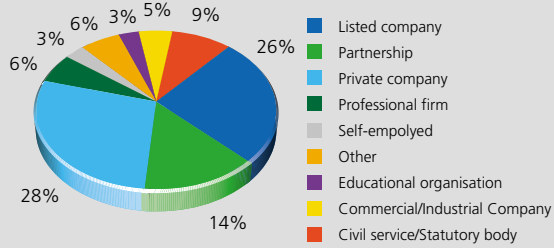
The first IQS examination was conducted in June 2004. The Foundation and Pre-Professional Programmes of Hong Kong Qualifying Scheme (HKQS) were extended until November 2004 for students to complete before entering the IQS.

During the year, a total of 1,992 students enrolled in December 2003 and June 2004 examination diets with 149 students completing the Qualifying Scheme. 6

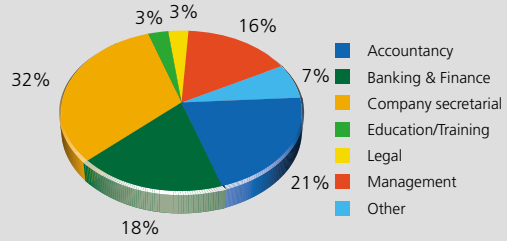
## Looking Ahead

For the year ahead, the Institute will ensure a smooth transition for current students to enter the IQS such as provision of the Feeder Programme. The Feeder Programme will enable those students who have not completed the Foundation and Pre-Professional Programmes of HKQS to move on to Part I of the IQS. Through the implementation of the IQS, the Institute will continue to recruit high calibre university graduates.

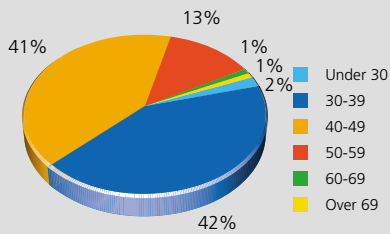
### Employer Organisation Type



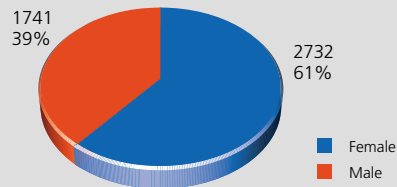
### Job Activity Area



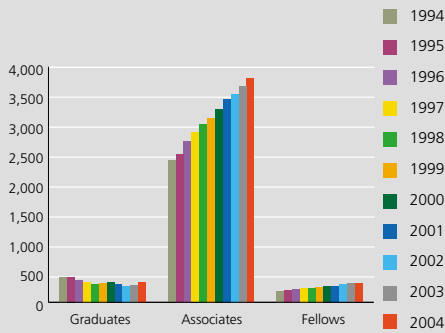
### Age Profile



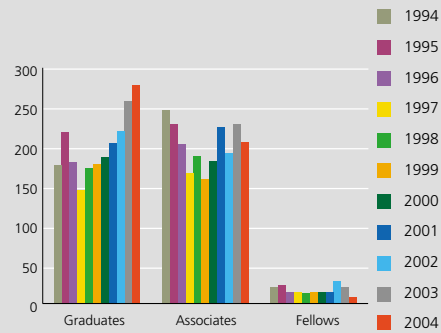
### Gender Distribution



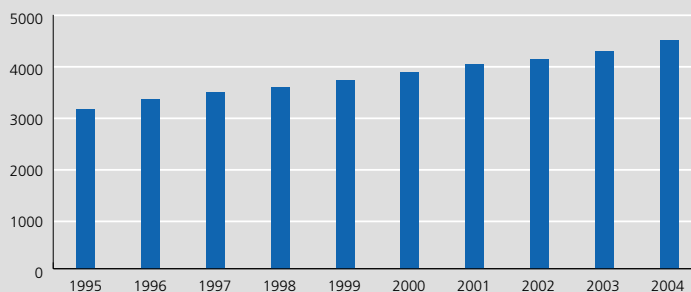
### Member/Graduate Growth



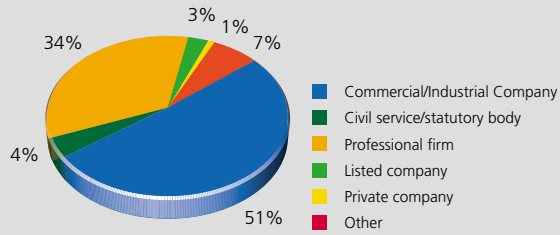
### Admissions



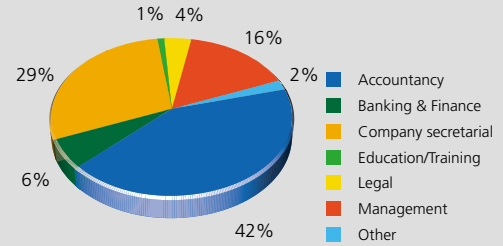
### Membership Growth (including graduates)



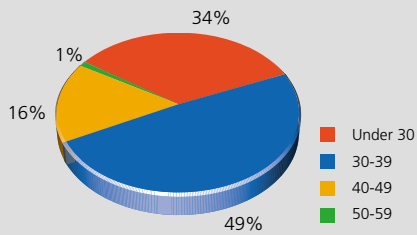
## Employer Organisation Type



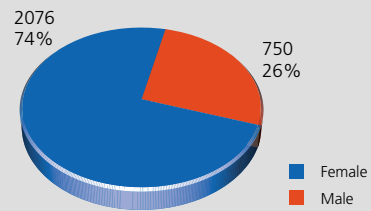
## Job Activity Area



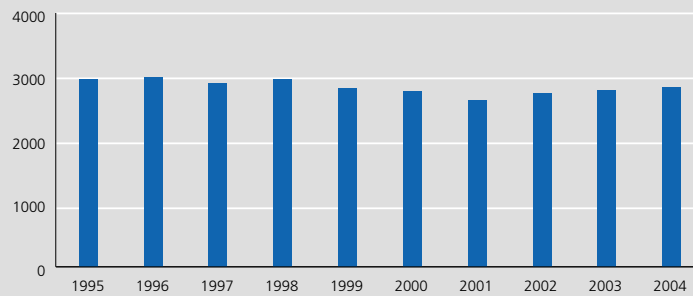
## Age Profile



## Gender Distribution



## Student Registration



### Institute Representation

The Institute maintains a close dialogue and relationship with the regulators. Throughout the year the Institute receives invitations for representatives to sit on various panels and working groups to contribute professional opinions. A list of current representatives is listed on pages 35 and 36.



### Professional Development

The Institute maintains its status as an approved "recognised institution for providing Continuous Professional Training" to the Securities and Futures Commission for licensed persons under the Securities and Futures Ordinance (SFO).

The Institute successfully organised the fifth Annual Corporate & Regulatory Update (ACRU) seminar in March 2004 which was supported by Hong Kong Exchanges and Clearing Limited, Official Receiver's Office and Securities and Futures Commission. Officials from the regulators presented the latest legal and regulatory development at the seminar.

### Technical Submissions

During the year, the Institute submitted comments to:

- (a) Financial Services and the Treasury Bureau on -
  - (i) the "*Consultation on Proposals relating to the Trust Account Arrangement under the Companies (Corporate Rescue) Bill*" in October 2003;
  - (ii) the "*Consultation Paper on the Proposals to (a) Enhance the Oversight of the Public Interest Activities of Auditors and (b) Establish a Financial Reporting Review Panel*" in October 2003;
  - (iii) the "*Consultation on Proposed Amendments to the Companies Ordinance to Facilitate Offers of Shares and Debentures*" in November 2003;
  - (iv) the "*Consultation Paper on the Proposals to Enhance the Regulation of Listing*" in December 2003; and

- (v) the *"Consultation Paper on Statutory Derivative Action in the Companies (Amendment) Bill 2003"* in May 2004.
- (b) the Securities and Futures Commission on the consultation on *"Part XV of the Securities and Futures Ordinance"* in February 2004.
- (c) the Hong Kong Exchanges and Clearing Limited on -
  - (i) the *"Consultation Paper on a Proposed Operational Model for a Scripless Securities Market"* in December 2003; and
  - (ii) the consultation on the *"Exposure Paper on the Draft Code on Corporate Governance Practices and Corporate Governance Report"* in March 2004.
- (d) the Standing Committee on Company Law Reform on the *"Consultation on the Proposals made in Phase II of the Corporate Governance Review"* in September 2003.
- (e) the Bills Committee of the Legislative Council on the consultation on the *"Companies (Amendment) Bill 2003"* in September 2003.

These submissions are available on the Institute's website under "submissions".

### Company Secretaries Panel

To discuss and provide valuable input for issues affecting listed issuers, the Company Secretaries Panel held four quarterly luncheons and invited guests from the regulators to attend during the year.

### Looking Ahead

The Institute will continue to maintain a close relationship with the regulators to enhance the status of the Company Secretary profession for the benefits of members' professional practices.

The upcoming ACRU is scheduled for April 2005. The Institute will continue to solicit support from the regulators.

## Network in China

The ever increasing dominant role of Mainland enterprises in Hong Kong's capital markets and the melding of Hong Kong and Mainland businesses through the Closer Economic Partnership Arrangement (CEPA) means that Hong Kong's role as a service centre in rendering value added and professional services to the Mainland remains as vital as ever. The Institute's role in pursuing the following objectives continues imperative:

To these ends, the Institute has been working closely with authorities and regulators in Mainland China in promoting the development of professional standards and good corporate governance practices through visits, study tours and training programmes for company secretaries, managers and administrators in China during the year.



- to help Mainland enterprises and regulators understand the importance of a Company Secretary in developing good corporate governance in order for business to prosper in the long term;
- to promote the company secretarial fundamentals, namely role, functions and qualification in China through presentations to regulators and co-operation with educational institutes and commercial organizations;
- to support the enhancement of the Company Secretary profession through on-the job professional training to board secretaries and senior executives of the Mainland enterprises listed in Hong Kong; and
- to ensure that Institute members understand legal practice, government and economic systems in China.

## Visits to China

Immediate Past President Samantha P.Y. Suen, Vice-Presidents Natalia K.M. Seng and Maurice W.F. Ngai, Treasurer Joseph S.Y. Yau, China Affairs Committee Member Bernard L.T. Wu and Director — Membership & Administration Louisa T.M. Lau visited Shenzhen and Guangzhou from 14 to 16 November 2003.

Institute President Neil M. McNamara, Maurice W.F. Ngai, Samantha P.Y. Suen and Louisa T. M. Lau paid a visit to Beijing and Shanghai from 19 to 22 April 2004.

The main purposes of these trips were to strengthen networking in China to present the H-share Board Secretaries Affiliate Programme initiative to China Securities Regulatory Commission, to promote the Company Secretary/board secretary profession and corporate governance to various regulatory, professional, academic and commercial organisations in China; to encourage future exchange of knowledge and experience between Mainland board secretaries and Institute members.

## PRC Training

During the year, more than 90 company secretaries and senior management from H-share companies and Mainland enterprises attended training courses organised by the Institute in August 2003 and May 2004.

## Shanghai Study Tour

Between 30 June and 4 July 2004, 24 Institute members, graduates, students and their companions joined the Shanghai Study Tour. The Institute's delegates visited various regulators, professional and commercial organisations in Shanghai to get themselves acquainted with the legal and regulatory updates regarding foreign enterprises' (inclusive of Hong Kong enterprises) investment policies, business registration policies and

The AP has been developed and endorsed by the ICSA. Maurice W.F. Ngai, China Affairs Committee Chairman and Louisa T.M. Lau of the Secretariat paid two visits to Beijing in February and July 2004 to meet various H-share board secretaries, gather their views and conduct a survey on the profiles of H-share board secretaries for preparing the AP Proposal. A joint working committee with representatives from various standing committees including China Affairs, Education, Executive, Membership and Professional Development had been formed to review the proposal for submission to Council in July 2004. Consultations were being made in seeking endorsements on the programme from China Securities Regulatory Commission and Hong Kong Exchanges and Clearing Limited.



procedures, banking accounts operations, capital market development and corporate governance development in Shanghai.

## Affiliate Programme Proposal

The Institute is gearing up its support of company secretaries in Mainland and has set the Affiliated Programme (AP) as one of the three key strategic initiatives of the Institute for the year.

## List of organisations visited in China during the year

### Regulators

- China Securities Regulatory Commission
- Hong Kong Exchanges and Clearing Limited Beijing Representative Office
- Research Institute, State Council's Office of Hong Kong & Macao Affairs
- Shanghai Industry & Commerce Administration Bureau
- Shanghai Stock Exchange
- Shenzhen Stock Exchange



**Professional bodies**

Association of H-share Listed Companies in Guangzhou  
The Association of Board Secretaries of  
Shanghai Listed Companies  
Shenzhen Securities Association

**Universities and commercial organizations**

Baoshan Iron & Steel Co. Ltd.  
China Eastern Airlines Co. Ltd.  
China International Intellectualtech (Shenzhen) Co. Ltd.  
China Petroleum & Chemical Corporation  
Guangdong Television  
Hong Kong and Shanghai Banking Corporation Limited  
(Shanghai Office)  
Hong Kong Commercial Daily, Guangzhou Branch  
Jinan University OUHK Consultants (Shenzhen) Ltd.  
PetroChina Company Limited

### International Council meeting

The ICOSA International Council meets bi-annually. During the year, meetings were held in October 2003 in Kula Lumpur and subsequently in May 2004 in Sri Lanka.

### Meeting Hong Kong Members

ICOSA International President for 2003 Russell Barnier and International Chief Executive John Ainsworth visited Hong Kong on 2 and 3 October 2003 to meet Hong Kong members and present the signed Delegation Agreement to the ICOSA-Committee for Hong Kong. A cocktail reception was held with nearly 100 members attending the event and sharing their views regarding the future development of the Institute.

- Permanent Secretary for Financial Services and the Treasury Tony Miller and Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) Shirley Lam, Financial Services and the Treasury Bureau.

### International Qualifying Scheme

The Institute launched the graduate only International Qualifying Scheme in June 2004 denoting the advancement of the professional qualifying examinations, bringing it in line with other ICOSA divisions.



During the visit, Russell and John also met with the following officials and regulators:

- Chief Executive Paul Chow, Head of Listing Richard Williams and Vic-President of Listing Anne Chapmen of Hong Kong Exchanges & Clearing Limited;
- Director of Accounting Policy Charles Grieve and Executive Director Ashley Alder, Securities & Futures Commission;
- Registrar of Companies Gordon Jones, Companies Registry;
- Official Receiver Eamonn O'Connell and his colleagues, Official Receiver's Office; and

### Looking Ahead

Under the Delegation Agreement, the Institute will promote recognition of ICOSA members in Hong Kong by the Government of the HKSAR and relevant regulators. A General Meeting of Institute members will be held in the first half of 2005 to consider the structural changes proposed under the Delegation Agreement designed to maintain Hong Kong's position as an integral part of the ICOSA family.

### Institute Representation

The Institute collaborates with other professional and academic bodies through participation and support of their functions and activities. The Institute also has representatives sitting on the panels and working groups of some of these bodies (see list on pages 35 and 36).

### Collaborative Courses

The Institute continues to work with local universities in developing high quality education programmes. New Collaborative Course agreements have been signed with The Hong Kong Polytechnic University, City University of Hong Kong and The Open University of Hong Kong. Graduates of these postgraduate programmes will be entitled to full exemptions from the Institute's Qualifying Scheme.

### Career Talks and Exhibitions

To promote the International Qualifying Scheme and the Company Secretary profession, the Institute conducted a series of career talks and exhibitions at local colleges and universities on a regular basis which includes:

- Caritas Francis Hsu College
- City University of Hong Kong
- Hong Kong Baptist University
- Hong Kong Institute of Vocational Education
- Hong Kong University of Science and Technology
- Lingnan University

- Shue Yan College
- The Hong Kong Polytechnic University

### Scholarship

The Institute sponsors prizes and bursaries to local universities and colleges annually to encourage students who achieve outstanding academic performance in company secretarial and related subjects.

Universities/Colleges	Number of scholarships and bursaries
Caritas Francis Hsu College	4
Chinese University of Hong Kong	3
City University of Hong Kong	7
Hong Kong Baptist University	3
Hong Kong Institute of Vocational Education	11
Hong Kong University of Science and Technology	3
Lingnan University	3
Shue Yan College	3
The Hong Kong Polytechnic University	5
The Open University of Hong Kong	5
The University of Hong Kong	2

### Professional Development

The Institute successfully organised its fifth Annual Corporate & Regulatory Update (ACRU) seminar in March 2004 co-hosted by Hong Kong Securities Institute, The Law Society of Hong Kong and CPA Australia.



The Institute maintains its status as an accredited Continuous Professional Development (CPD) course provider recognised by The Law Society of Hong Kong during the year. All 28 seminars organised during the year were accredited by The Law Society.

### CPD Alliance

As a founding member of the CPD Alliance, the Institute maintains its membership among 20 professional bodies during the year. Director of Professional Development Wendy S.W. Yu was appointed as its Honorary Secretary at its Annual General Meeting held on 17 June 2004.

### Looking Ahead

The Institute will continue to maintain a close relationship with other professional and academic bodies to enhance the status of the Company Secretary and Chartered Secretary profession.

The Corporate Governance Conference was successfully held in October 2004. ACRU is scheduled for April 2005. The Institute will continue to solicit support from other professional bodies.



### Charity Walk 2003

The Institute participated in the charity walk organised by Neighbourhood Advice-Action Council on 14 December 2003 to raise funds for the service units. The Institute was awarded “Highest Number of Participants Award” and “Highest Funds Raised Award”.



### Education and Careers Expo 2004

The Institute participated in the Education and Careers Expo 2004 from 19 to 22 February 2004 at the Hong Kong Convention and Exhibition Centre. At the Expo, Council members enthusiastically introduced the roles of Company Secretary, the Institute’s services and the new International Qualifying Scheme to visitors. A career seminar on *Duties of Company Secretary / Routes*



### Charitable Donation

The Institute helps to solicit donations for the needy. During the year, donation flyers for The Salvation Army and East China Flood Relief Project were circulated to members.

### Community Services

The Institute supported 2004 Ten Outstanding Young Persons Selection organised by the Junior Chamber International Hong Kong. Such participation reflected the Institute’s recognition of the contributions of young people who excel in professional endeavours and commitment to shaping a better Hong Kong.

to *HKICS Qualification* was delivered by the Chairman of Education Committee Natalia K.M. Seng to over 150 participants.

### Looking Forward

The Institute will continue to raise members’ awareness regarding the plight of the needy in our society and extend help and care to them for the year ahead.

## President

### **Neil M. McNamara, FCS, FCIS**

Mr McNamara is Group Corporate Secretary for the Jardine Matheson Group. He is also Company Secretary of Jardine Matheson Limited, the Group management company. He has extensive experience in providing legal and company secretarial head office support.

Mr McNamara was a member of the Institute Council from 1989 to 1996. He was re-elected to the Institute Council as President in December 2003.

## Vice-President/Company Secretary

### **Natalia K.M. Seng, FCS, FCIS, FHKIoD**

Mrs Seng is a Director and the Head of Corporate Services of Tricor Services Limited. She has over 20 years' experience in corporate secretarial, corporate management, trust administration and business advisory fields.

Mrs Seng joined the Institute Council in 1996. She was elected Vice-President/Company Secretary in December 2002.

## Vice-President

### **Richard W.K. Leung, FCS, FCIS, MA, LL B, Barrister**

Mr Leung is a Barrister-at-law with the Des Voeux Chambers, and has 18 years' experience, first in the accounting field and, for the past 9 years, in legal practice as a barrister specialising in civil and commercial litigation.

Mr Leung joined the Institute Council in 1993.

## Vice-President

### **Maurice W.F. Ngai, FCS, FCIS, MHKSI, MIOD, MCF, MBA, LL B(Hons)**

Mr Ngai is the Chairman and a Director of Top Orient Group of Companies. He has 18 years' experience in various capacities including Company Secretary, Chief Financial Officer, Executive Director and Assistant Managing Director for a number of listed companies including a red-chip company.

Mr Ngai joined the Institute Council in 1999.

## Treasurer

### **Joseph S.W. Yau, FCS, FCIS, PhD, MBA, FHKSA, FCCA, FCMA, Hon. HKAT, Cert. Ed**

Dr Yau is an Assistant Professor at The Open University of Hong Kong. He has over 20 years' experience in the tertiary education field in addition to his 6 years' management accounting exposure.

Dr Yau joined the Institute Council in 1999 and was elected Treasurer in 2000.

## Council Members

### **Alan K.M. Au, FCS, FCIS, FHKIM, CPM (HK), MBA, MMS, PhD**

Dr Au is an Associate Professor and a Strand Leader responsible for the BBA (Hons) in Corporate Administration and Master of Corporate Governance programmes at The Open University of Hong Kong. He previously served in various academic positions in Hong Kong and New Zealand.

Dr Au joined the Institute Council in 2003.

**Katherine M.K. Cheng, FCS, FCIS**

Ms Cheng is a Certified Public Accountant practising in Hong Kong and concurrently serving as a consultant in corporate matters of M. B. Lee & Co., Certified Public Accountants Limited, of which she has associated for over 20 years.

Ms Cheng joined the Institute Council in 2003.

**Rebecca Y. Chow, FCS, FCIS**

Ms Chow is a Director of Trident Corporate Services (Asia) Limited, and has 15 years' experience in the corporate, trust and mutual fund administration fields.

Ms Chow joined the Institute Council in 1994 and was elected President from 1999 to 2001. She was an ICSA International Council member for 1999 and 2002.

**Diana M.Y. Chung, FCS, FCIS, BSc (Hons)**

Ms Chung is a Director of Corporate Services at Tricor Services Limited.

With over 30 years' company secretarial experience, she has advised on company secretarial matters covering a wide spectrum of businesses. Ms Chung's specialist areas include setting up of new businesses, corporate reorganizations, company liquidations, and trust administration.

Ms Chung joined the Institute Council in 2002.

**Lila M.L. Fong, FCS, FCIS**

Ms Fong is the Legal Manager — Secretarial of MTR Corporation Limited. She has extensive working experience in legal and company secretarial practice.

Ms Fong joined the Institute Council in July 2004.

**Seaman S. M. Kwok, FCS, FCIS, FFA, AHKI Arb, AMHKIHRM, ATIHK, MCI Arb, MHKSI, RFP, PgD (Laws), CPE (Laws), BA (Hons)(Acct), PD (Co Sec)**

Mr Kwok is the Assistant General Manager of Elegance Finance Printing Group. He has about 20 years' experience in the corporate management, company secretarial, investor relations and legal fields gained from Hong Kong and Norwegian blue-chip listed companies and a leading international accounting firm. In addition, Mr Kwok is the Vice-President of a charitable trust in Hong Kong.

Currently the longest serving Council Member, Mr Kwok joined the Institute Council in 1989.

**Davy K.F. Lee, FCS, FCIS**

Mr Lee is the Group Corporate Secretary of the Lippo Group. He has over 20 years' experience in the company secretarial field.

Mr Lee joined the Institute Council in 1994. He was elected Vice-President in 1995 and President in 2002. Mr Lee was an ICSA International Council member in 2003.

**Roger L.C. Leung, FCS, FCIS, MBA, FCMA, FHKSA**

Mr Leung is the Chief Legal and Compliance Officer of Shanghai Industrial Holdings Limited and has over 22 years' management experience in the company secretarial, corporate administration and finance fields.

Mr Leung joined the Institute Council in 1995.

**Gloria S.K. Ma, FCS, FCIS, MBA**

Ms Ma is a Senior Manager of KCS Limited and has extensive years of company secretarial experience with an international CPA firm.

She has been teaching company secretarial courses with the objective of promoting the profession and raising its standard.

Ms Ma joined the Institute Council in 2003.

**Douglas C. Oxley, FCS, FCIS**

Mr Oxley has operated his own consulting firm since 1994. Prior to that, he taught at The Hong Kong Polytechnic University from 1978 to 1997 and was the Founding Course Leader of Bachelor of Arts (Honours) Degree in Accountancy.

Mr Oxley was a Hong Kong Committee member from 1979 to 1984. He joined the Institute Council in 2003.

**Alberta K. Sie, FCS, FCIS**

Ms Sie is the Company Secretary of EFA Secretarial Limited which is an affiliate of Lau & Au Yeung CPA Limited. She is responsible for exploring new business relationships and oversees the secretarial, IT, general and personnel administration departments.

Ms Sie joined the Institute Council in 2002.

**Samantha P.Y. Suen, FCS, FCIS, FTIHK**

Ms Suen is the Managing Director of KCS Limited and has over 20 years' experience in the company secretarial field.

Ms Suen was a member of the Institute Council from 1995 to 2000. She was re-elected to the Institute Council as Vice-President/Company Secretary in December 2001. Ms Suen was an ICSA International Council member in 2004.

**Albert W.K. Wong, FCS, FCIS**

Mr Wong is currently the CEO of Minghua Group International Holdings Co. Ltd, a US Nasdaq-listed company.

Mr Wong joined the Institute Council in 2003.

**April W.Y. Yiu, FCS, FCIS**

Ms Yiu is the Deputy Company Secretary of CLP Holdings Limited. She has extensive working experience in company secretarial practice and is instrumental in developing and implementing the framework of corporate governance in CLP.

Ms Yiu joined the Institute Council in July 2004.



**Hong Kong Registered Office****Chief Executive**

Phillip Baldwin

**Director, Membership & Administration**

Louisa T.M. Lau, ACS, ACIS

**Director, Technical & Research**

Linda Wong

**Director, Professional Development**

Wendy S.W. Yu, ACS, ACIS, FCPA, FTIHK, AICPA

**Chief Accountant**

Erica Y.Y. Sin, CPA, FCCA

**Manager, Membership & Marketing**

Cherry S.Y. Chan

**Manager, Education & Examinations**

Candy N.L. Wong

**Assistant Manager, Membership**

Jacqueline K.K. Mak

**Assistant Manager, Education & Examinations**

Catherine P.Y. Shek, ACS, ACIS

**Senior Administrator**

Peggy M.Y. Law

**Officer, Professional Development**

Maggie T.W. Fong

**Administrative Assistants**

Ivy C.S. Chow

Mabel M.P. Lam

Helen Y.M. Tong

**Data Entry Clerk**

Angie S.M. Chan

**Beijing Representative Office****Chief Representative**

Jiang Guo Liang

**Liaison Officer**

Hu Lei



## Executive Committee

- Chairman : Neil M. McNamara  
 Members : Rebecca Y. Chow  
 Davy K.F. Lee  
 Richard W.K. Leung  
 Maurice W.F. Ngai  
 Natalia K.M. Seng  
 Samantha P.Y. Suen  
 Joseph S.W. Yau



## Education Committee

- Chairman : Natalia K.M. Seng  
 Vice-chair : Charles H.S. Hui  
 Members : Katherine M.K. Cheng  
 Diana M.Y. Chung  
 Lila M.L. Fong  
 Seaman S.M. Kwok  
 Connie T.M. Wong  
 Horace H.M. Wong  
 Joseph S.W. Yau  
 Francis K.T. Yuen



## China Affairs Committee

- Chairman : Maurice W.F. Ngai  
 Vice-chair : Joseph S.W. Yau  
 Members : Davy K.F. Lee  
 Roger L.C. Leung  
 Natalia K.M. Seng  
 Samantha P.Y. Suen  
 Albert W.K. Wong  
 Bernard T.L. Wu



## Exemption Sub-committee

- Chairman : Charles H.S. Hui  
 Members : Diana M.Y. Chung  
 Connie T.M. Wong  
 Horace H.M. Wong  
 Joseph S.W. Yau

## Affiliate Programme Working Group

- Leader : Maurice W.F. Ngai  
 Members : Richard W.K. Leung  
 Joseph S.W. Yau

## Affiliate Programme Joint Committees Working Group

- Leader : Maurice W.F. Ngai  
 Members : Davy K.F. Lee  
 Roger L.C. Leung  
 Neil M. McNamara  
 Natalia K.M. Seng  
 Samantha P.Y. Suen  
 Joseph S.W. Yau

## Curriculum Sub-Committee

- Chairman : Duffy C.N. Wong  
 Members : Po-wah Cheng  
 Katherine M.K. Cheng  
 Seaman S.M. Kwok  
 Anna S.H. Sum  
 Francis K.T. Yuen

## Academic Advisory Panel

- Members : Eunice P.Y. Chan  
 Po-wah Cheng  
 Kam-fai Li  
 Anna S.H. Sum  
 Joseph S.W. Yau

## Review Panels

- Accounting Panel Chairman : Helena Y.Y. Keung  
 Law Panel Chairman : Duffy C.N. Wong  
 Management Panel Chairman : John Y.W. Chung

**Membership Committee**

Chairman	: Samantha P.Y. Suen
Vice-chair	: Gloria S.K. Ma Alberta K. Sie
Members	: Alan K.M. Au Angie W.S. Fung Edwin Ing Horace H.M. Wong April W.Y. Yiu

**Vetting Sub-committee**

Chairman	: Gloria S.K. Ma
Members	: Angie W.S. Fung Grace W.W. Kwok Paul K.K. Ng Horace H.M. Wong Margaret S.M. Yu

**Social and Benefits Sub-committee**

Chairman	: Alberta K. Sie
Vice-chair	: May K.M. Cheung
Members	: Elly Y.L. Chan Kwong-hung Chan Kam-fai Li Virginia M.S. Ng Nita B.Y. Tai William M.P. Tsang

**Marketing Working Group**

Leader	: Samantha P.Y. Suen
Members	: Seaman S.M. Kwok Gloria S.K. Ma Natalia K.M. Seng Alberta K. Sie

**National Disciplinary Tribunal**

Chairman	: Roger L.C. Leung
Members	: John R. Brewer Maria S.Y. Chan Pun-tak Kwok Yew-wah Lip Michael W. Scales Duffy C.N. Wong Peter C.Y. Wong

**National Investigation Group**

Chairman	: Edwin Ing
Members	: Davy K.F. Lee Richard W.K. Leung William S.M. Tam

**Professional Development Committee**

Chairman	: Neil M. McNamara
Vice-chair	: Roger L.C. Leung
Members	: Rebecca Y. Chow Dennis Y.F. Ha Richard W.K. Leung Joseph K.S. Mau David T.C. Ng Douglas C. Oxley Patrick L.T. Wong

## Company Secretaries Panel

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Chairman : Michael W. Scales  
 Members : Wilson W.S. Chan  
 Robin S.W. Ching  
 Lila M.L. Fong  
 Peter W. Greenwood  
 Theresa L.P. Ho  
 Eric S.K. Ip  
 Roger L.C. Leung  
 Joseph K.S. Mau  
 Neil M. McNamara  
 Stella S.Y. Or  
 Edith Shih  
 William S.M. Tam  
 Peter Y.W. Tsang  
 Eirene Yeung  
 Susan C.L. Yip  
 Margaret S.M. Yu  
 Wendy W.Y. Yung

## Editorial Board

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Members : Phillip Baldwin  
 Kieran Colvert  
 Phyllis S.Y. Ng  
 Kate Wyllie

## Professional Development Committee Working Group

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Leader : Douglas C. Oxley  
 Members : Rebecca Y. Chow  
 Dennis Y.F. Ha  
 Joseph K.S. Mau

## Technical Consultation Panel

---

Chairman : Richard W.K. Leung  
 Members : Peter W. Greenwood  
 Davy K.F. Lee  
 Dominic T.H. Lee  
 Maurice W.F. Ngai  
 Consultants : Douglas Arner  
 Say Goo  
 C. K. Low

The Council wishes to place on record its appreciation to all members who served on Committees, Sub-Committees, Panels and Working Groups during the year.

## 1. International

- |    |   |                    |
|----|---|--------------------|
| a. | ICSA International Council                          | Samantha P.Y. Suen |
| b. | ICSA International Professional Standards Committee | Joseph S.W. Yau    |

## 2. Governmental and Regulatory Bodies

- |    |   |                    |
|----|---|--------------------|
| a. | Companies Registry Customer Liaison Group                                       | Natalia K.M. Seng  |
| b. | Official Receiver's Office Services Advisory Committee                          | Richard W.K. Leung |
| c. | Inland Revenue Department Users' Committee                                      | Samantha P.Y. Suen |
| d. | Electoral Affairs Commission — HKICS authorized representative                  | Neil M. McNamara   |
| e. | Financial Services and the Treasury Bureau's Corporate Governance Working Group | Neil M. McNamara   |

## 3. Business Sector

- |    |   |                    |
|----|---|--------------------|
| a. | Hong Kong Coalition of Service Industries — Professional Services Committee   | Rebecca Y. Chow    |
| b. | Hong Kong Management Association — Best Annual Reports Awards 2003  | David T.C. Ng      |
| c. | Vocational Training Council — Accountancy Training Board  | Francis K.T. Yuen  |
| d. | Hong Kong Society of Accountants — Best Corporate Governance Disclosure Awards' Review Panel for the Quality Review | Peter W. Greenwood |

## 4. Academic Bodies

- |      |   |                   |
|------|---|-------------------|
| a.   | City University of Hong Kong  |                   |
| i.   | Member of Advisory Committee on Accountancy   | Charles H.S. Hui  |
| ii.  | External Examiner and Moderator for Master of Arts in Professional Accounting and Information Systems (Corporate Administration Stream) | Maurice W.F. Ngai |
| iii. | Education Committee for Master of Arts in Professional Accounting & Information Systems (Corporate Administration Stream)               | Francis K.T. Yuen |
| b.   | The Hong Kong Polytechnic University  |                   |
| i.   | External Examiner and Moderator for Postgraduate Diploma in Corporate Administration  | Terry S. Walter   |
| c.   | The Open University of Hong Kong  |                   |
| i.   | Advisory Peers Group (APG) Marketing and International Business Strand  | Natalia K.M. Seng |
| ii.  | External Examiner for Master of Corporate Governance  | Po-wah Cheng      |
| d.   | Hong Kong Institute of Vocational Education (Chai Wan and Tsing Yi campuses)  |                   |
| i.   | Member of Departmental Advisory Board of the Department of Business Administration  | Patrick L.T. Wong |
| ii.  | External Examiner and Moderator of Higher Diploma and Higher Certificate Courses in Corporate Administration — Validation Panel         | Po-wah Cheng      |

	iii.	External Examiner of Higher Diploma in Corporate Administration & Systems — Validation Panel	Seaman S.M. Kwok
e.		Hong Kong Institute of Vocational Education (Morrison Hill)	
	i.	External Examiner of Higher Certificate in Corporate Administration programme	Louisa T.M. Lau
	ii.	External Examiner of Certificate in Corporate Administration programme	Joseph S.W. Yau
	iii.	Diploma in Corporate Administration & Systems	Joseph S.W. Yau
	iv.	Certificate in Business Information Systems	Joseph S.W. Yau
f.		Caritas Francis Hsu College	
	i.	External Examiners of Higher Diploma in Company Secretaryship and Administration and Higher Diploma in Corporate Management programmes	Seaman S.M. Kwok Horace H.M. Wong Joseph S.W. Yau
	ii.	External Examiner of Diploma Programme in Business Management	Seaman S.M. Kwok
	iii.	Academic Advisor in the Department of Business Administration	Karen K.Y. Lo

**To the Members of  
The Hong Kong Institute of Company Secretaries**  
*(incorporated in Hong Kong and limited by guarantee)*

We have audited the financial statements on pages 38 to 49 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**Respective responsibilities of Council and Auditors**

The Companies Ordinance requires the Council of the Institute to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Institute's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Institute's affairs as at 31 July, 2004 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Ordinance.

**Fan, Chan & Co.**  
*Certified Public Accountants*

Hong Kong  
21 September, 2004

	<i>Note</i>	<b>2004</b> <b>HK\$</b>	2003 <i>HK\$</i>
Subscriptions	(3)	<b>11,327,165</b>	9,726,986
Other revenue	(4)	<b>3,913,923</b>	3,470,284
		<b>15,241,088</b>	13,197,270
Staff costs	(5)	<b>(5,514,747)</b>	(4,958,611)
Depreciation and amortisation expenses		<b>(619,566)</b>	(568,481)
Other operating expenses	(6)	<b>(8,434,876)</b>	(6,904,235)
		<b>(14,569,189)</b>	(12,431,327)
Operating surplus		<b>671,899</b>	765,943
Bank interest income		<b>97,829</b>	146,128
Income from investments	(7)	<b>144,990</b>	338,792
<b>Surplus for the year</b>		<b>914,718</b>	1,250,863

The accompanying notes form an integral part of these financial statements.



	Note	2004 HK\$	2003 HK\$
<b>Non-current assets</b>			
Property and equipment	(10)	<u>23,820,972</u>	<u>4,813,753</u>
<b>Current assets</b>			
Cash and bank balances		1,146,054	588,647
Fixed and call deposits at banks		108,174	10,534,888
Investments in securities	(11)	6,507,463	12,543,014
Utility and other deposits		996,620	13,000
Prepayments		85,766	103,943
Accounts receivable		140,998	337,217
Inventories		122,609	74,712
		<u>9,107,684</u>	<u>24,195,421</u>
<b>Current liabilities</b>			
Accounts payable and provisions		1,426,632	618,195
Deposits received		283,000	—
Receipt in advance		140,945	31,635
		<u>1,850,577</u>	<u>649,830</u>
<b>Net current assets</b>		<u>7,257,107</u>	<u>23,545,591</u>
<b>Net assets</b>		<u>31,078,079</u>	<u>28,359,344</u>
<b>Reserves</b>		<u>31,078,079</u>	<u>28,359,344</u>

The financial statements were approved and authorised for issue by the Council on 21 September, 2004 and are signed on its behalf by:

**Neil M. McNamara**  
President

**Joseph S.W. Yau**  
Treasurer

The accompanying notes form an integral part of these financial statements.

# 40 CASH FLOW STATEMENT

For the year ended 31 July, 2004

	2004 HK\$	2003 HK\$
<b>Cash flow from operating activities</b>		
Surplus for the year	914,718	1,250,863
Adjustments for:		
Depreciation	619,566	568,481
Interest income	(97,829)	(146,128)
Unrealised gain arising on holding of investments	(99,507)	(338,792)
Gain on disposal of investment in securities	(15,483)	—
Loss on disposal of equipment	—	1,890
	<hr/>	<hr/>
Operating profit before working capital changes	1,321,465	1,336,314
Increase in utility and other deposits	(983,620)	—
Decrease in prepayments	18,177	32,433
Decrease/(increase) in accounts receivable	196,219	(321,469)
Increase in inventories	(47,897)	(14,550)
Increase in accounts payable and provisions	808,437	104,205
Increase in deposits received	283,000	—
Increase in receipt in advance	109,310	26,935
	<hr/>	<hr/>
Cash generated from operations	1,705,091	1,163,868
	<hr/>	<hr/>
Cash flow from operating activities	1,705,091	1,163,868
<b>Cash flow from investing activities</b>		
Interest received	97,829	146,128
Purchase of property and equipment	(17,822,768)	(73,517)
Proceeds on disposals of equipment	—	3,150
Proceeds on disposal of investment in securities	6,150,541	—
	<hr/>	<hr/>
Cash flow from investing activities	(11,574,398)	75,761
	<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(9,869,307)	1,239,629
<b>Cash and cash equivalents at the beginning of the year</b>	11,123,535	9,883,906
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>1,254,228</u>	<u>11,123,535</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	1,146,054	588,647
Fixed and call deposits at banks	108,174	10,534,888
	<hr/>	<hr/>
	<u>1,254,228</u>	<u>11,123,535</u>

	<b>General Fund</b>	<b>Examination prize fund</b>	<b>Company law prize fund</b>	<b>Research fund</b>	<b>Leasehold land and building revaluation reserve</b>	<b>Total</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Balance at 1 August, 2002	26,937,932	58,056	49,959	62,534	—	27,108,481
Surplus for the year ended 31 July, 2003	1,250,863	—	—	—	—	1,250,863
Interest income appropriated	(126)	73	53	—	—	—
Balance at 1 August, 2003	28,188,669	58,129	50,012	62,534	—	28,359,344
Surplus on revaluation	—	—	—	—	1,804,017	1,804,017
<b>Surplus for the year ended 31 July, 2004</b>	<b>914,718</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>914,718</b>
Interest income appropriated	(32)	19	13	—	—	—
<b>Balance at 31 July, 2004</b>	<b>29,103,355</b>	<b>58,148</b>	<b>50,025</b>	<b>62,534</b>	<b>1,804,017</b>	<b>31,078,079</b>

## 1. CORPORATE STATUS AND PRINCIPAL ACTIVITIES

The Institute is limited by guarantee, such that under the provisions of the memorandum of association, every member shall, in the event of the Institute being wound up, contribute such amount as may be required to meet the liabilities of the Institute, but not exceeding HK\$10 for each member.

The principal activities of the Institute are to promote and advance the efficient administration of commerce, industry and public affairs by the continued development of the study and practice of company secretaryship and administration of companies and other bodies.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of preparation of financial statements

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention modified by revaluation of certain investments as explained in the accounting policies set out below.

### b. Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Institute and when the revenue can be measured reliably, on the following bases:

- (i) Members and graduates subscription income is recognised on a cash receipt basis.
- (ii) Students subscription income is recognised on an accrual basis.
- (iii) Examination fees received and function income are recognised in the period in which the examinations and functions are held.
- (iv) Interest income is recognised on an accrual basis.

### c. Property and equipment

Property and equipment are stated at cost or valuation less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition and location for its intended use.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

**c. Property and equipment** *(Continued)*

Any surplus or deficit arising on the revaluation of leasehold land and building is credited or charged to the leasehold land and building revaluation reserve unless the balance on this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the leasehold land and building revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of a leasehold land and building, the balance on the leasehold land and building revaluation reserve attributable to the property disposed of is transferred to the income statement.

Depreciation is provided to write off the cost or valuation of property and equipment and after taking into account their estimated residual value, using the straight-line method over their estimated useful lives as follows:

Leasehold land	Over the remaining lease term
Buildings	50 years
Leasehold improvements	5 years
Fixtures and fittings	3 years
Office furniture	5 years
Office equipment	5 years

The Institute formerly depreciated leasehold land and buildings at the rate of 5% per annum. Effective from the current year, the depreciation rates for leasehold land and buildings have been changed as stated above. There is no retrospective effect on the previous years result for the change in accounting estimate. As a result of the changes in depreciation rates, the surplus for the year has been increased by HK\$920,616.

**d. Impairment**

At each balance sheet date, the Institute reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)***e. Inventories**

Inventories, comprising souvenirs and textbooks held for sale, are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

**f. Foreign currencies**

Transactions in foreign currencies during the year are translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are incorporated into the financial statements by translating foreign currencies into Hong Kong dollars at the rates of exchange ruling on the balance sheet date. Exchange differences arising are dealt with in the income statement.

**g. Investments in securities**

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

All securities other than held-to-maturity debt securities are measured at subsequent reporting dates at fair values.

Where securities are held for trading purpose, unrealised gains and losses are included in net operating surplus and deficit for the year. For other securities, unrealised gains and losses are dealt with in reserves, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss is included in net operating surplus and deficit for the year.

**h. Leases**

Operating leases represent those leases under which substantially all the risks and rewards of ownership of the leased assets remain with the lessors. Rental payments under operating leases are charged to the income statement on a straight-line basis over the period of the relevant leases.

**i. Employee benefits**

Salaries, annual bonuses and the cost to the Institute of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Institute.

The Institute operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Institute in an independently administered fund.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**j. Cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

**3. SUBSCRIPTIONS**

Subscriptions comprise subscription fees received from members, graduates and students during the year.

**4. OTHER REVENUE**

	<b>2004</b> <b>HK\$</b>	2003 <b>HK\$</b>
Examination fees received from students	<b>1,363,780</b>	1,548,465
Revenue from functions held	<b>2,141,495</b>	1,495,222
Sundry income	<b>331,600</b>	383,655
Net foreign exchange gain	<b>77,048</b>	42,942
	<b><u>3,913,923</u></b>	<b><u>3,470,284</u></b>

**5. STAFF COSTS**

	<b>2004</b> <b>HK\$</b>	2003 <b>HK\$</b>
Salaries, allowances and other benefits	<b>5,264,363</b>	4,906,029
Contributions to the MPF Scheme, net of invested benefits	<b>250,384</b>	52,582
	<b><u>5,514,747</u></b>	<b><u>4,958,611</u></b>

**6. OTHER OPERATING EXPENSES**

	<b>2004</b>	2003
	<b>HK\$</b>	<b>HK\$</b>
Auditors' remuneration	<b>24,000</b>	24,000
Direct cost of functions held	<b>1,159,232</b>	890,915
Institute's service charges	<b>1,581,436</b>	1,052,136
Operating lease rental — land and building	<b>49,230</b>	—
Promotion and public relations	<b>474,269</b>	685,277
Publications and printing	<b>3,590,669</b>	3,219,714
Student services	<b>388,421</b>	281,892
Sundry expenses	<b>666,695</b>	386,198
Utilities	<b>500,924</b>	364,103
	<b><u>8,434,876</u></b>	<b><u>6,904,235</u></b>

**7. INCOME FROM INVESTMENTS**

	<b>2004</b>	2003
	<b>HK\$</b>	<b>HK\$</b>
Gain on disposal of certificate of deposit	<b>30,000</b>	—
Realised gain on disposal of investment in securities	<b>15,483</b>	—
Unrealised gain on investments in securities	<b>99,507</b>	338,792
	<b><u>144,990</u></b>	<b><u>338,792</u></b>

**8. TAXATION**

In the opinion of the Council, the Institute is a professional association and not more than half of the receipts from subscriptions are from persons who claim or would be entitled to claim that their subscriptions are allowable deductions against their own business profits for the purpose of Section 16 of the Inland Revenue Ordinance. The Institute is therefore not subject to profits tax under Section 24(2) of the Inland Revenue Ordinance, and no provision for Hong Kong profits tax has been made in the financial statements.

**9. COUNCIL MEMBERS' EMOLUMENTS**

During the years ended 31 July, 2004 and 2003, no amounts have been paid in respect of Council members' emoluments, Council members' or past Council members' pension or for any compensation to members of Council or past members of Council in respect of loss of office.



10. PROPERTY AND EQUIPMENT

	Leasehold land and building HK\$	Leasehold improvements HK\$	Fixtures and fittings HK\$	Office furniture HK\$	Office equipment HK\$	Total HK\$
<b>Cost or valuation</b>						
Brought forward	8,492,229	558,893	422,519	216,935	1,362,017	11,052,593
Additions	17,190,305	99,638	—	—	532,825	17,822,768
Revaluation	(2,522,534)	—	—	—	—	(2,522,534)
Carried forward	23,160,000	658,531	422,519	216,935	1,894,842	26,352,827
<b>Representing:</b>						
Cost	—	658,531	422,519	216,935	1,894,842	3,192,827
Valuation	23,160,000	—	—	—	—	23,160,000
	23,160,000	658,531	422,519	216,935	1,894,842	26,352,827
<b>Accumulated depreciation</b>						
Brought forward	3,963,040	551,551	422,519	175,500	1,126,230	6,238,840
Charge for the year	363,511	24,380	—	16,023	215,652	619,566
Elimination on revaluation	(4,326,551)	—	—	—	—	(4,326,551)
Carried forward	—	575,931	422,519	191,523	1,341,882	2,531,855
<b>Net book value</b>						
<b>At 31 July, 2004</b>	<b>23,160,000</b>	<b>82,600</b>	<b>—</b>	<b>25,412</b>	<b>552,960</b>	<b>23,820,972</b>
At 31 July, 2003	4,529,189	7,342	—	41,435	235,787	4,813,753

**10. PROPERTY AND EQUIPMENT** (Continued)

- a. The net book value of leasehold land and buildings comprises:

	<b>2004</b> <b>HK\$</b>	2003 <i>HK\$</i>
Leasehold land in Hong Kong		
— Medium term leases	<b>5,660,000</b>	4,529,189
— Long leases	<b>17,500,000</b>	—
	<u><b>23,160,000</b></u>	<u>—</u>
	<u><b>23,160,000</b></u>	<u>4,529,189</u>

- b. On 31 July, 2004, the leasehold land and buildings with net carrying value of HK\$21,355,983 were revaluated to HK\$23,160,000 by the Council members and Knight Frank, professional surveyor on the open market value basis. The surplus arising on revaluation of HK\$1,804,017 was credited to leasehold land and building revaluation reserve.

**11. INVESTMENTS IN SECURITIES**

	<b>2004</b> <b>HK\$</b>	2003 <i>HK\$</i>
Trading securities, at market value		
Unlisted debt securities, Hong Kong	<b>6,507,463</b>	6,407,956
Unlisted equity securities, Hong Kong	—	6,135,058
	<u><b>6,507,463</b></u>	<u>6,135,058</u>
	<u><b>6,507,463</b></u>	<u>12,543,014</u>

As at 31 July, 2004, investments represented funds set aside for investment by external professional fund managers on behalf of the Institute.

**12. COMMITMENTS**

At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases relating to properties are payable as follows:

	<b>2004</b> <b>HK\$</b>	2003 <i>HK\$</i>
Within one year	<u><b>62,260</b></u>	<u>—</u>

**13. POST BALANCE SHEET EVENTS**

On 29 July, 2004 the Institute agreed to sell its property in Causeway Bay which it bought for HK\$8,492,229 on 26 November, 1991 for HK\$5,660,000. The transaction was completed on 20 September, 2004.

Year	Significant events
1994	<ul style="list-style-type: none"> <li>— Establishment of HKICS as an independent professional body with the power to award a qualification of international status</li> <li>— Grant of first honorary membership to Secretary General of the Legislative Affairs Commission of China Yue Xiang</li> <li>— Upgrade of official journal <i>Company Secretary</i> to a 48-page full coloured version</li> <li>— Admitted the first batch of graduates from collaborative course offered by City Polytechnic of Hong Kong</li> </ul>
1995	<ul style="list-style-type: none"> <li>— Launch of Continuing Professional Development Programme</li> <li>— Launch of Special Entry Examination Scheme for senior non-member company secretaries of publicly listed companies</li> <li>— Issued the first edition of <i>Corporate Governance Quarterly</i></li> <li>— Launch of HKICS Qualifying Scheme</li> <li>— Launch of official website</li> <li>— Publication of research report on <i>The Company Secretary in Hong Kong's Listed Companies</i></li> <li>— Publication of <i>Duties of the Company Secretary in Hong Kong</i></li> </ul>
1996	<ul style="list-style-type: none"> <li>— Established the Beijing Representative office</li> <li>— Collaborative course offered by The Hong Kong Polytechnic approved and accepts its first intake</li> <li>— Signed Memorandum of Understanding with Shenzhen Stock Exchange for company secretarial training for A and B share companies listed in Shenzhen</li> <li>— Launch of the Hang Seng Affinity Card</li> </ul>
1997	<ul style="list-style-type: none"> <li>— Recognition granted by Hong Kong Bar Association for HKICS associates and fellows for the purposes of Direct Professional Access to the Bar</li> <li>— HKICS Associate Membership qualification regarded as comparable to a local first degree at the honours level for civil service appointments as per the Hong Kong Council for Academic Accreditation's evaluation of the Hong Kong Qualifying Scheme</li> <li>— Collaborative course offered by The Open University of Hong Kong accepted its first intake</li> <li>— Inaugural training programme jointly organised with Shenzhen Stock Exchange</li> </ul>
1998	<ul style="list-style-type: none"> <li>— Staged the inaugural Corporate Governance Conference</li> <li>— Publication of the first edition of <i>Corporate Governance International (formerly known as Corporate Governance Quarterly)</i></li> </ul>
1999	<ul style="list-style-type: none"> <li>— Publication of <i>Hong Kong Company Secretarial Practice Manual</i></li> <li>— Held inaugural Convocation for new members</li> </ul>

Year	Significant events
2000	<ul style="list-style-type: none"> <li>— Held inaugural Annual Corporate and Regulatory Update seminar in conjunction with the Companies Registry and the Stock Exchange of Hong Kong, and co-hosted by the Hong Kong Securities Institute and The Law Society of Hong Kong</li> <li>— Staged second biennial Corporate Governance Conference</li> <li>— Signed Memorandum of Understanding with the Association of Board Secretaries of Shanghai Listed Companies</li> </ul>
2001	<ul style="list-style-type: none"> <li>— Released of the research report on <i>Division of Duties and Responsibilities Between the Company Secretary and Directors in Hong Kong</i></li> <li>— Launched the Company Secretaries Support Program</li> </ul>
2002	<ul style="list-style-type: none"> <li>— Recognised by the Securities &amp; Futures Commission as an institution to provide Continuous Professional Training</li> <li>— Staged third biennial Corporate Governance Conference</li> <li>— Organised a Walkathon and Carnival Charity Day jointly with the Neighbourhood Advice-Action Council which raised HK\$500,000</li> </ul>
2003	<ul style="list-style-type: none"> <li>— Released the report on <i>The Duties and Responsibilities of Independent Non-Executive Directors of Hong Kong Listed Companies</i></li> <li>— Publication of <i>The Essential Company Secretary</i></li> <li>— Signed the Delegation Agreement between ICSA, ICSA-HK Committee and HKICS</li> <li>— Membership exceeded 4,000 for the first time</li> </ul>
2004	<ul style="list-style-type: none"> <li>— Institute's office relocated to Central</li> <li>— Launch of the Enhanced Continuing Professional Development Programme</li> <li>— Affiliate Programme announced for H-share board secretaries</li> <li>— Staged fourth biennial Corporate Governance Conference</li> <li>— Launch of the International Qualifying Scheme</li> </ul>

The new HKICS Enhanced Continuing Professional Development (ECPD) Programme endorsed by Hong Kong Exchanges & Clearing Limited started on 1 August 2004. The objectives of the ECPD Programme are:

To upgrade technical and practical know-how of members

To increase awareness of members for the need to continually develop their skills

To demonstrate to the business community the Institute's leading position in key sectors

To promote quality of membership

*Topics to be covered:*

HKEx Listing Rules

Companies Ordinance

Securities & Futures Ordinance

Corporate Governance

Accounting, Taxation and Finance

Communication skills

Doing business in Mainland China

*For more details:*

- click on "ECPD" under [www.hkics.org.hk](http://www.hkics.org.hk)
- email at [ecpd@hkics.org.hk](mailto:ecpd@hkics.org.hk)
- telephone at 2881 6177.



