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# A PEDAGOGICAL STUDY ON EFFECTIVENESS OF CORPORATE GOVERNANCE

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**Abstract**

*Despite the fact that regulators and professional bodies are calling upon the companies to practise good governance, the issues related to governance seem unresolved. The regulators are consistently persuading the practice of "good governance" by providing written criteria on practices required by companies to be appreciated as possessing "good governance". Theories pertaining to governance have undergone numerous changes over the last decade. Nevertheless the impact of such governance promulgation on prevention of fraud is yet to become evident. In this study, we test the statement that the current corporate governance practices may not be adequate unless qualitative factors such as organizational values, cultures, human governance and other internal qualitative factors are given effect to. In order to emphasize this point, Researchers used the case of three companies - a Hong Kong listed company, an unlisted company in Hong Kong and a financial institution listed in the New York Stock Exchange.*

**Key words:** *Governance, Corporate, Reports, Fraud, Effectiveness*

***JEL CODE: G32, G33, G38, O16***

## 1. Introduction

The term "corporate governance" is related to the processes and organizational structures by which organisations are directed, controlled and governed. It concerns the relationship between an organisation's management, its board, its shareholders and other stakeholders. Corporate governance has been high on the agenda, with emphasis placed primarily on listed companies. The board's role is not only to pinpoint the company's strategic direction but also to ensure responsiveness towards the interests of shareholders and stakeholders. Corporate governance practices, however, are dependent on a myriad of factors which shall be analysed in this study. We identify the difference in corporate governance practices between two countries, namely, United States of America and Hong Kong. The firms chosen are Goldman Sachs, a financial institution on the New York Stock Exchange; Emperor Watch &

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Jewellery Limited listed on the Hong Kong Stock Exchange (not related to Emperor Group International Investment Development Limited) and an unlisted firm, which in this study, is the Hong Kong Red Cross, the non-governmental organization well known for its humanitarian efforts. We identify the corporate governance systems in the countries of interest, followed by a comparative analysis of the key aspects of corporate governance adopted by the three organizations. The differences in corporate governance practices are evaluated. It is found that there is plenty of room for improvement in terms of governance. Recommendations are made to address the deficiencies.

### 1.1 Statement of Problem

A number of corporate collapses witnessed in the United States had brought about changes in the disclosures for financial reporting purposes. These were recognized in the Sarbanes Oxley Act of 2002. This had made certain disclosures mandatory for the companies listed in New York Stock Exchange including disclosure of corporate governance practices. However, Hong Kong is still practising the principle based practices of corporate governance where disclosures are voluntary. Yet the extent of corruption and financial mismanagement in the United States is notable and most financial frauds are allotted to poor corporate governance practices.

### 1.2 Objectives of this Study

- To identify the differences in corporate governance practices between developed and developing countries
- To identify whether listed companies are more committed to corporate governance best practices than non listed companies
- To identify whether mandatory practices are more effective than voluntary practices of corporate governance

## 2. Literature Review

According to Shliefer and Vishny (1997), corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment. Corporate governance proclamations guide corporations on ethical do's and don'ts to uphold them in their quest for profit. In the US, these guidelines are now reduced to rules. The essential features of corporate governance are mechanisms that can be either internal or external. The responsiveness and interaction of these mechanisms combined, determine the overall efficacy of corporate governance in an organisation (Gillan, Hartzell and Starks, 2007). Corporate governance is defined widely in a number of sources like Cadbury Report, 1992; Cornelius, 2005; Financial Times Lexicon website, 2010; Brancato and Plath, 2005 and several others. The focus of all these definitions is on the corporate system, responsibilities of the board, and value to stakeholders as well as efficient functioning of the organization. Despite the various efforts of researchers and lawmakers, the fraud and corporate collapses of the last decade, with Lehman brothers being the latest, prove that corporate governance and corporate accountability have failed to a great extent. We witness a number of disclosures made both statutorily and voluntarily in financial statements, which reveal wide variations in reporting practices by companies. (Barghava and Singh, 2008; Carolene, 2008; Ubha, 2008). Hence this paper compares the corporate governance requiremens between United States and Hong Kong.

### 2.1 Corporate Governance Practices in USA

Since the emergence of serious corporate scandals involving reputed multinational corporations such as Enron, Tyco, WorldCom, and Arthur Andersen, corporate governance in USA have taken a huge turn, evidently by the enactment of the famous (or infamous) Sarbanes-Oxley Act (SOX) in 2002. This is seen as an attempt to curb accounting fraud and management wrongdoings which would hopefully restore confidence in the US market. Thus, for the first time ever in US, a country known for their capitalist stance, the government has an indirect influence on all corporations listed in the US by making corporate governance standards a mandatory compliance rather than principle-based. It is believed that due to the nature of SOX, these rules only address circumstances known or anticipated by legislators at the time of implementation. In other words, these rules are made based on past lessons rather than seeking governance security for possible future threats. Hence there is concern that these rules will be outdated as circumstances change, resulting in firms complying with the letter of the law, rather than following the spirit or underlying principles of the law.

### 2.2. Corporate Governance Practices in Hong Kong

Hong Kong became a British Colony after the First Opium War (1839–1842) and remained its colony until 1997. This period of time has prominently influenced the current culture of Hong Kong (Hong Kong Tourism Board, 2007). It also explains why Hong Kong's corporate governance practices are adopted from the Cadbury Report. In 1993, the Stock Exchange of Hong Kong (SEHK) incorporated the Code of Best Practices as an appendix to the Exchange Listing Rules in order to (1) increase the accountability of company board directors to their shareholders and (2) to improve shareholders' access to information. However, the Code is a set of voluntary guidelines for boards of directors. Thus, all companies listed on SEHK are only required to explain in their interim and annual reports whether or not they comply with the Code and give reasons should there be non-compliance. Clearly, the Code was not intended as a set of rules to be rigidly adhered to but rather serve as guidelines that companies should aim to follow (Banff Executive Leadership Inc., 2004).

As for as Non-Governmental Organizations (NGOs) in Hong Kong, there is no legal and regulatory framework established to govern their operations. At present, the Government does not require any obligation of transparency and accountability even from subverted organizations (Chan et al, 2011). However, there is plenty of "support, not dictate" guidance on best practices, albeit in a much unconsolidated fashion. Various government agencies in Hong Kong (e.g. the Social Welfare Department, the Efficiency Unit, the Independent Commission Against Corruption) provide their own version of best practices checklist. For the purpose of this study, corporate governance compliance of the Hong Kong Red Cross (HKRC) will be examined with reference to the most up-to-date "Guide to Corporate Governance for Subverted Organizations", published by the Efficiency Unit of Hong Kong in May 2010.

## 3. Research Methodology and Key Aspects of Corporate Governance

The essential features of corporate governance are mechanisms that can be either internal or external. The responsiveness and interaction of these mechanisms combined, determine the overall efficacy of corporate governance in an organization (Gillan, Hartzell and Starks, 2007).

### 3.1 Board Structure, Composition and Functions

The board of directors of a company is responsible for its general leadership and decision-making. The board plays a vital role in corporate governance as it oversees the company's approach to major risks. This role is further supported by various committees, e.g. Audit Committee, Remuneration Committee, Risk Committee. Board structure plays a big role in corporate governance. Some researchers view that split roles of the CEO and Chairman to be better because the board would not be dominated by one person. But some corporations prefer the combined role approach. Board quality is assured when there is balance, i.e. half of the board is non-executive or independent of management (ADB, 2003).

### 3.2 Ownership Structure

Shareholders can influence the behaviour of the board in view of their control over capital. This ability is a key mechanism of good corporate governance as it allows for alignment of goals between shareholders and the board. For example, concentrated share ownership motivates blockholders to undertake more effective monitoring of management and helps tackle the agency problem arising from the separation of ownership and control (evident in the case of Emperor). This scenario may reduce possibilities for risk diversification but more dispersed ownership may not provide the right incentives to promote healthy long-term relationships. Thus, companies face the challenge of developing a corporate governance framework which secures blockholders' benefits and also manages those of other shareholders (Maher and Andersson, 1999).

### 3.3 Shareholder Participation Mechanisms

Another key aspect is the shareholders' right to effectively participate in major corporate governance decisions such as nomination and election of board members. Shareholders have the right to information and to influence the decition of the board through participation in general meetings and voting rights. Ensuring the opportunity of shareholders to approve important matters, to question and to propose resolutions with reasonable limitations is vital. A company's good corporate governance practices ensure that shareholders are able to express views on matters such as compensation schemes and various company-related amendments as specified in company law (OECD, 2004).

### 3.4 External Monitoring

External Monitoring is the mechanism of corporate governance that involves third parties such as creditors, credit rating agencies and most importantly, auditors. The auditing function reduces the likelihood of financial misreporting and thus, it is an indispensable form of external monitoring used by firms to reduce agency costs. It is also related to ownership structure and shareholders' rights as investors could use their influence over the management to choose the company's audit partner and due to their financial interest in the company, investors would have an incentive to ensure that managers adopt high-quality audits as an effective monitoring device (Han, Kang and Rees, 2009).

## 4. Comparative Analysis

In this section, we provide a comparative analysis of the key aspects of corporate governance between the two companies, Emperor Watch and Jewellery Ltd and Goldman Sachs, in a tabular form. This comparison is based on the annual financial statements of 2012. We analyse separately the corporate governance disclosures of Hong Kong Red Cross, a non profit organization for the year 2012 and later provide our recommendations and conclusion.

## 5. Evaluation

### 5.1 Goldman Sachs (GS)

As explained earlier, the corporate governance guidelines in the States are rule-based. This indicates that public-listed corporations are required to adhere to guidelines to the letter. However, studies by Shliefer and Vishny (1997) have shown that rule-based corporate governance promotes only rule-abiding management rather than following the underlying principles of the law. This inevitably leads to unethical practices such as lobbying and insider trading in order to increase profits. While surface research revealed that GS adheres to almost 99% of the NYSE corporate governance guidelines, deeper analysis revealed the nature of the guidelines being silent on unethical approaches to profit-making. This is evident when the 2008 credit crunch revealed that financial scandals were linked to GS, the most famous being the case where GS encouraged clients to trade in the housing market which they expected to perform badly.

According to an article in the Economist (2010), Goldman Sachs was guilty of misleading investors regarding financial instruments (CDOs) linked to toxic US subprime mortgages, pressured rating agencies to provide absurdly high ratings and subsequently bet against those same instruments. Such profiteering methods further strengthen the belief that the current corporate governance rules, set by the NYSE which incorporates SOX, has not addressed vital governance issues such as profit-making restrictions. A deeper look into the Goldman Sachs corporate governance rules reveals that due to lack of strict restrictions on the number of directorship a board member may hold, GS management have further strengthened their grip on the so called "American Dream" – freedom with prosperity and success. Cultures such as "greed is good" are evidently instilled in the mindsets of the management staff, the evidence being the multiple directorships that some board members have over various large corporations (Table 3). This begs the question of the commitment level of the directors towards upholding the integrity of the corporation. Coupled with the greed culture, this would actually encourage lobbying and insider trading activities for personal gains rather than for shareholders' interests.

Further analysis also shows that due to lack of strict definitions of roles and restrictions of board committees, GS board was able to employ unethical compensation schemes for the benefits of the board members. GS is currently employing a "pay for performance" philosophy linking total compensation of its employees to the company's performance (Reder, 2011). This philosophy is alleged to have led management to pursue high-risk business strategies that emphasized short-term profits in order to increase the board's annual bonuses in a manner that caused management's interests to diverge from those of the shareholders. This philosophy clearly complements the greed culture that is apparent in GS. Although GS is following the SOX-incorporated NYSE corporate governance guidelines, the rules themselves have large loopholes. Until these loopholes are filled, it can be said that the current corporate governance of GS is still insufficient to minimize or prevent further unethical activities by the board or senior management. In short, the corporate culture itself remains a vital piece of the corporate governance puzzle in GS.

### 5.2 Emperor Watch & Jewellery Limited

There have been debates on how effective are the corporate governance practices in Hong Kong. Some suggest that Hong Kong corporate governance guidelines are indeed effective, going by the lack of reported corporate scandals. Others, on the other hand, feel that the corporate guidelines by themselves are not effective and they are complemented by strong family ties which bind majority of the shareholders. However, the effectiveness of corporate governance guidelines does depend heavily upon the users. Due to Hong Kong's unique regulatory framework, which is found to have weak legal protection for investors, most listed firms in Hong Kong are governed by families (Ho, 2003). In Hong Kong, listed companies come under the purview of the stock exchange's Code on Corporate Governance Practices which form Appendix 14 to the listing rules. The Hong Kong Code of Corporate Governance contains recommended best practices and non-binding provisions. Many important issues are therefore left to the discretion of companies. The Board of Emperor Watch and Jewellery Limited (Emperor) has adopted various policies to ensure compliance with provisions in the Code on Corporate Governance based on the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

For the year ending 31 December 2010, the Company had complied fully with the provisions of the Code (Emperor Watch & Jewellery Ltd., 2008). Emperor was also never involved in accounting frauds. Although Hong Kong's Corporate Governance Code is not mandatory, Emperor disclosed all information as listed in the Governance guidelines and no fraud has been detected so far. This is because majority of Emperor is family-owned (53% share ownership) and family values are upheld.

**5.3 Hong Kong Red Cross (HKRC)**

Being an NGO, the corporate governance practices of HKRC are certainly not as multifaceted and complex as that of GS and Emperor which face the pressure of producing healthy financial performance and returns for their shareholders. Thus, taking this into account as well as the fact that the corporate governance disclosures and practices are not binding on NGOs in Hong Kong and that such disclosures are taken in a lighter view due to the nature of their activities, HKRC can be considered to be above average in their corporate governance practices compared to the majority of NGOs in the country. In a recent survey conducted by Chan et al (2011) on the overall picture of corporate governance among NGOs in Hong Kong, 89 NGOs out of the sample of 377 had published their 2009 and 2010 financial reports while 83 published their recent auditor's reports. HKRC has been very consistent in disclosing to the public their annual reports and financial reports which are very up-to-date, the most recent being their annual report for 2010/11. This includes the financial report and auditor's report. However, the HKRC financial report for 2010/11 was very much open to concern as approximately 85.5% of their recurrent expenditure for the year was unaudited. HKRC stated that the expenditure accounts of blood transfusion services and HKRC special schools are under the financial management of external bodies such as Hospital Authority and thus the information is ''for reference only and do not wholly contribute to the HKRC Auditor's Report 2010/11" (HKRC, 2011) The percentage of unaudited figures was quite high and despite disclosure on this, there was insufficient justification and reassurance as to why such material figures were omitted.

Contrary to the norm, HKRC has split the roles of the Chairman and CEO, who are normally combined and appointed mainly by donors. This split structure implies a separation of authority and allows for better checks and balances. This is also evident by the establishment of the five sub-committees to support the Council with main activities of HKRC such as blood transfusion, special education and rehabilitation services. However, it should be noted that the terminology used is rather confusing as HKRC refers to the CEO as the Chairman who provides general leadership to the organization while the Chairman is referred to as the President who chairs Annual Meetings and performs other duties (HKRC, 2010).

Interestingly, the Council may also "appoint an Advisory Board and such other committees as may from time to time be considered necessary." This is a rather vague disclosure as the role of an Advisory Board and under what circumstances this Board needs to be appointed, are not disclosed in the HKRC Constitution. Furthermore, there is no elaboration on the purpose for which the Advisory Board would have "the power to co-opt members, who need not be members of the Hong Kong Red Cross" (HKRC, 2010). Since the Advisory Board is an impermanent feature of the HKRC governing system, fundamentally the organisation is deemed to have a one-tier board system, i.e.

the Council. The description of the roles and profiles of the members of the Council is very much limited if compared to GS and Emperor. Only the names and positions are mentioned, giving a very bare picture of those in the leadership positions in HKRC. Furthermore, there is no Remuneration Committee and Nomination Committee within the organisation. Thus, it is vague as to how these two processes are carried out.

## 6. Conclusion and Recommendations

Based on the analysis and evaluation done on GS, Emperor and HKRC, it can be concluded that although all parties understand the importance of good corporate governance, the principle-based approach to corporate governance followed by Hong Kong-based companies, Emperor and HKRC, seems to indicate a healthier picture of corporate governance compared to the rule-based approach that GS has to strictly adhere to. However, due to the nature of its activities, HKRC has less incentive than the two listed companies to enhance such practices. No major problems were found in the analysis of Emperor's governance. Hence the company is advised to continue its commendable ethical performance and the existence of a reliable Audit Committee. Evidently, majority of the companies in Hong Kong have excelled without the need for rigid rules and laws. However, SEHK should continue encouraging listed companies to follow the Code of Recommended Best Practice as stated in Appendix 1 of the Hong Kong Code of Corporate Governance.

The changes are most needed in GS. Reinventing its corporate governance practices is needed if the company is to be adequately armed to prevent future ethical misconduct, especially among members of the board and senior management. This is still possible due to the corporate governance system in the US and the American corporate culture. A change in governance is an imperative start to changing the corporate culture of greed. One of the propositions would be for the GS board to limit the directorships held by any board member to curb lobbying and insider trading. Minimizing multiple directorships among board members would optimize their level of commitment to the firm. This is vital to ensure that the board's focus remains on shareholders' value creation rather than on personal gains. In addition, the GS board should clearly define the roles, restrictions and descriptions of board committees to the shareholders during annual general meetings. Such action would have dual impacts (1)restoring shareholder confidence, that the board is now back on track and working towards shareholders' value creation after the surfacing of various scandals involving ethical misconduct by senior staff and (2)ensuring that board committees have defined roles and restrictions that members must adhere to rather than just acting as a public figure assurance.

Most importantly, after filling in the loopholes in the system, the toughest part would be instilling the right work culture to replace the greed culture. Although the "American Dream" promotes freedom, prosperity and success, it must be controlled and limited to ensure a balance between profit generation and corporate social responsibility. Such balance is highly important to minimise scandal occurrences. On the part of HKRC, although its disclosures as an NGO are above average, there are still improvements that could be made, such as establishing remuneration and nomination committees where resources permit (ICAC, n.d.). In essence, NGOs in Hong Kong could do with increased support from the government on good corporate governance practices as despite their non-profit aims, they are organisations which generate income for their operations via subventions and donations and should be held accountable to the public for their activities and performance. It is recommended that a new governing body be established to monitor NGO operations and provide consolidated corporate governance guidance as for now, numerous agencies provide best practices checklists but their impact is not reinforced and consolidated and thus, unknown.

In conclusion, the phenomenon of culture is the most important factor that drives employee behavior. Organizational culture is greatly influenced by the actions of those in its leadership. In the case of GS, there may be an ethical statement of values and an extensive company code of ethics. However, the misconduct of senior leadership encourages unethical behavior at all levels. Misalignment between core values, organizational culture, leadership behavior and overpowering greed has the potential to derail the company again and eventually lead to its demise (Burkus, 2011). Thus, organizational leaders need to place culture at the core of building an ethical organization which truly walks its talk on corporate governance instead of cutting corners until it is too late.

### 6.1 Scope for further study

This study can be further developed by doing a cross country study across different continents. It would be interesting to choose few samples of developed, developing and underdeveloped countries and compare the governance practices to check if lessons can be learnt from the same. A statistical analysis can also be incorporated to establish the results though content analysis is more appropriate for these kinds of studies.

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**Table-1: Governance Disclosures of Emperor Watch and Jewellery Limited vs. Goldman Sachs**

| Key Aspects | Emperor Watch and Jewellery Ltd | Goldman Sachs |
|---|---|---|
| **BOARD STRUCTURE, COMPOSITION AND FUNCTIONS** | | |
| Board system | One tier (all directors as well as non executive directors) form one board, called the board of directors | One tier (all directors as well as non executive directors) form one board, called the board of directors |
| How are directors chosen? | Each Director, including all the Non-executive Directors, has the period up to his/her retirement by rotation at least once every three years and shall eligible for re-appointment | "Nomination and Corporate Governance Committee", then election at AGM. Can also be invited to join, no need for vote. |
| Roles of chief executive and chairman: Split or combined? | Split (page 27 of 100) | Combined (same person) |
| The balance between executives and non-executives | Balance (4 executives and 4 non-executives directors) | Unbalanced (10 NED, and 2 ED [Chairman/CEO & President/COO]) |
| Independence of NEDs | NEDs are all professionals with well recognized experience and expertise in legal and accounting aspects who provide valuable advice to the Board. They are appointed for an initial term of two years and shall continue thereafter on a yearly basis subject to early termination by either party | NED's meet NYSE rules of independence |
| Activities of board committees | General Meeting, Board Meeting | General Meeting, Board Meeting |
| Risk | N/A | Risk Committee (established September 2010 ; prior to this Audit Comm. Handled the tasks) |
| Remuneration | Remuneration committee | Compensation Committee |
| Audit | Audit committee | Audit Committee |

**Table-1: Governance disclosures of Emperor Watch and Jewellery Limited vs. Goldman Sachs (Contd...)**

| Key Aspects | Emperor Watch and Jewellery Ltd | Goldman Sachs |
|---|---|---|
| | **OWNERSHIP** | |
| Dispersion of share ownership | Yes (Yeung's Family Trust & Public) | Yes (Publicly owned) |
| The presence of family/government/other block shareholders | Family | None |
| The extent of director shareholdings | 53% | All non-employee Directors must have at least 5,000 shares of common stock and/or fully vested restricted stock units within 2 years of becoming director |
| Employee/customer ownership | 47% | N/A |
| **SHAREHOLDER PARTICIPATION MECHANISM** | | |
| Voting rights attached to shares | Ensure that shareholders are familiar with the detailed procedures for conducting a poll | one vote per share |
| Rights to vote off directors | N/A | Majority voting policy for election of directors |
| Vote on director remuneration | Only by remuneration committee | Vote during AGM |
| Vote on call shareholder meetings | Yes, they do have the right | Right of 25% of shareholders to call shareholders meetings |
| **EXTERNAL MONITORING BY** | | |
| Auditors | Yes (Deloitte Touche Tohmatsu) | PriceWaterhouse Coopers LLP |
| Regulators | Yes (Hong Kong Exchanges and Clearing Limited) | SEC |
| Credit rating agencies | No | S&P, Moody's, Fitch, DBRS, R&I |
| Major creditors | No | No details, just breakdown of TYPE of borrowings they undertake, mostly short and long-term debt instruments |

Source: www.nyse.com, www.hkex.com.hk, www.goldmansachs.com, www.emperorwatchjewellery.com

**Table 2: Governance disclosures of Hong Kong Red Cross (HKRC)**

| Key Aspects | Hong Kong Red Cross (HKRC) |
|---|---|
| **BOARD STRUCTURE, COMPOSITION AND FUNCTIONS** | |
| Board system | One-tier, known as the Council |
| How are directors chosen? | Not more than 15 members co-opted by the Council from time to time, who shall serve for a period of one year but eligible to stand for re-appointment |
| Roles of chief executive and chairman: Split or combined? | Split (Chairman and President) |
| The balance between executives and non-executives | 10 executive and 3 non-executive directors (Patron and Vice Patrons) |
| Independence of NEDs | Appointed by the Council to support the organisation without any executive authority. Although influential in their own fields, e.g. media, civil service, they are independent of character and judgement |
| Activities of board committees | Annual Meeting |
| Risk Committee | N/A |
| Remuneration Committee | N/A |
| Audit Committee | N/A |
| **EXTERNAL MONITORING BY** | |
| Auditors | Price Waterhouse Coopers LLP |
| Regulators | Yes (subject to the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and other laws enacted by the legislature of the Hong Kong Special Administrative Region) |
| Credit rating agencies | Not applicable |
| Major creditors | None |

Source: www.redcross.org.hk/en/home.html

**Table 3: Goldman Sachs Directors Holding**

| Name of Director | Committees Chaired in Goldman Sachs | Directorship in Other Companies | Committees Chaired |
|---|---|---|---|
| James J.Schiro | Audit Committee Chairperson | Pepsi Co. Inc. | |
| | | REVA Medical, Inc. | |
| | | Royal Phillips | |
| Lois D. Julliber | | E.I. du Pont Nemours and Company | Audit Committee Chairperson |
| | | Kraft Foods Inc | Vice Chairperson of Compensation Committee |
| Lakshmi N. Mittal | | European Aeronautic Defence and Space Company (EADS | |
| James A. Johnson | Compensation Committee Chairperson | Forestar Group Inc | Compensation Committee Chairperson |
| | | Target Corporation | |
| William W. George | | Exxon Mobil Corporation | Compensation Committee Chairperson |
| M. Michelle Burns | | Cisco Systems Inc | |
| | | Wal Mart Stores Inc | |

Source: www.goldmansachs.com

Note: 6 out of 12 Goldman Sachs directors holding various other directorships

## Appendix 1: Full Addresses of Sample firms

**Emperor Watch and Jewellery (HongKong)**
25/F., Emperor Group Centre,
288 Hennessy Road, Wanchai, Hong Kong
Tel: (852) 2522 2918

**Hong Kong Red Cross Headquarters**
33 Harcourt Road, Hong Kong
Tel : 2802 0021
Fax : 2802 7359

**Goldman, Sachs & Co.**
200 West Street, New York, NY 10282
United States
Within: (212) 902 1000
International: + 1 212 902 1000