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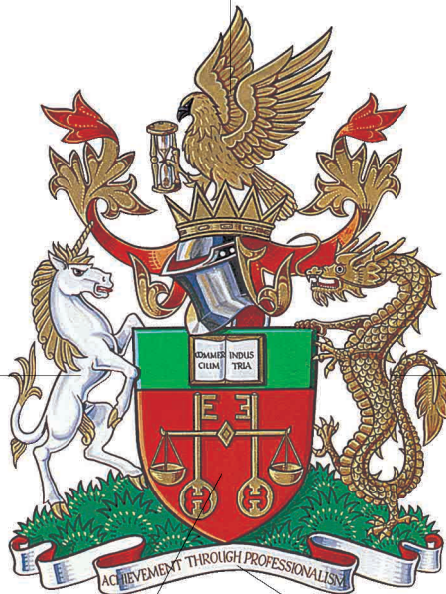
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The Crest

The crest is an Ancient Crown representing the authority of IIM as a professional body. Rising from the Crown is a Philippine Eagle representing The International Institute of Management Limited branching internationally. Holding in the Eagle's Claw is a Timer representing Effective Use of Time.

The Supporters

On the left of the shield is a White Unicorn with Golden Horn representing Righteousness.



The Supporters

On the right of the shield is an Imperial Golden Dragon representing Flexibility.

The Shield

Across the top of the shield is a band with an open book in the center. Written on the book are two Latin words, "Commercium" for Commerce on the left and "Industria" for Industry on the right. On the lower part of the shield are two Keys representing the Keys to Knowledge and a pair of Scales representing Fairness in Dealings.

The Motto

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“The Management Journal”
of
IIM**

President’s Message

“The Management Journal” is the official periodical of The International Institute of Management (IIM). It is a platform open to all, including academics, management practitioners and entrepreneurs, many of whom are our IIM Corporate Partners (CP’s), for sharing management thoughts, innovative ideas, good practices and leadership wisdom.

I am most pleased to report to you that since the launch of its inaugural issue last year, we have received article contributions from more than a dozen prominent social and business leaders, learned scholars and highly seasoned practicing professionals, some even providing us more than one article for our Editorial Board for selection. These articles come not only from local contributors but also from overseas opinion leaders, some carrying roles overseeing more than a nation. This healthy cross-fertilization of knowledge **and views from different regions truly reflects the international nature of this platform**, substantiating our theme goal – developing future global leaders.

I look forward to comments from readers and subscribers to help us further improve this initiative, and also your contribution of articles, enabling your management wisdom to be shared with members and the public, as well as stimulating constructive debates and cross-fertilization of learned opinions from different industries, professions and cultures.

This is your platform for free exchange of management ideas, updates on management good practices, observations, highlighting of new management trends.... Your cultivation will help to make this a fertile land of knowledge and ultimately a temple of management thought leadership.

I sincerely wish you happy and gainful reading.



國際專業管理學會

The International Institute of Management

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Making Hong Kong a Beacon of Innovation

Prof. Tony F. Chan

President

Hong Kong University of Science and Technology



A decade ago, an ambitious young man named Wang Tao attended HKUST as an undergraduate student with a dream to develop his own flying machine. Regardless of the few means he had, he took his chance and started his own company in Shenzhen. That company, DJI, has turned into the world's no. 1 drone maker, and is now believed to be worth billions of US dollars.

The success story of DJI serves as proof that innovation can indeed be nurtured in Hong Kong. But there will always be skeptics on whether Hong Kong should make innovation, and just as important, Science and Technology, a priority. Some will argue that Hong Kong would be better off focusing on its finance and professional service industries. Some will argue that Hong Kong will only become a talent farm for other competing cities (e.g. Shenzhen or Silicon Valley), or for multinationals, which brings little benefit to the local community. Some will say that S&T are high-risk industries and their children would be better off pursuing a stable career such as medicine and law.

These are fair questions, which should be addressed. A report released by the

LEGCO found that the four pillars of our economy, namely, financial services, professional and producer services, tourism, and trading and logistics, are all slowing down and saw their contribution to Hong Kong's GDP dropped to 58.3%, a trend that started since 2007. That means we must seek new engines of growth, and investment in Science and Technology will be one of the ways to diversify our economy. Singapore, Japan, Taiwan, and South Korea are all spending much more than Hong Kong in Science and Technology's research and development. We must change the course if our city is to maintain its competitive edge in the world.

I see no reason why we should fear that Hong Kong will become a talent farm for multinationals and bring little back to the community. The city of Boston and Pasadena, where the world-renowned MIT and Caltech are located, would never ask what these schools would do to benefit their community. Their very existence and reputation benefit not only the US, but indeed the world. Ideas are generated in the Silicon Valley and products are manufactured elsewhere; that is an example Hong Kong can follow. Instead of fearing an impending brain drain, the right question

to ask would be what we can do to bring more world-class company headquarters here to utilize our people's talents.

The time has come for our society to accept that our children's career choices may well be different from ours. Americans, much like us, also embrace the security that comes with a stable job; and still some of them would dare to try something different. The likes of Steve Jobs, Elon Musk, and Mark Zuckerberg did not take the path of an ordinary office worker; they wanted to make a difference, had a dream to change the world, and they did just that. US students look at these entrepreneurs as role models who make lots of money and are cool at the same time. The success of Chinese entrepreneurs such as Jack Ma, Pony Ma, and Wang Tao will only bring more inspiration to Hong Kong and Chinese students alike to dream and make a difference on their own.

The push by the Chinese government to make innovation as a catalyst for economic growth will only work in Hong Kong's favor: we have all the elements aligned to shine as the new innovation hub for China. The city already has world-class infrastructure, highly-regarded rule of law, low tax, a skilled bilingual work force, and excellent universities; our prime geographical location allows us to tap easily into the wealth of resources in China. A number of Mainland technology enterprises have already recognized these benefits and opened R&D laboratories in Hong Kong recently, including Huawei, BGI, TCL, Lenovo and DJI. There is no better time to start building Science and Technology as a cornerstone for our economy.

Hong Kong's younger generations are more ready than ever to embrace this challenge. Mounting evidence shows that they are now more eager to take risk and work on their own instead of following their parents' advice to secure a stable career. Co-working spaces, where young people meet and pitch their ideas to VCs, are booming in Hong

Kong, and applications for entrepreneurial funding are at an all-time high. A sea change is looming.

As senior citizens of the city, it is our responsibility to create an environment where talents of our young can flourish. The establishment of the Information and Technology Bureau (ITB) will be an important first step. The ITB should not aim at becoming a government-owned venture capital betting on risky projects; its mission, I believe, should be to provide long-term planning and infrastructure for the development of S&T, set policies and incentives to attract talents and investments, as well as inspiring young people in Hong Kong who want to pursue their dreams. A key task is to spearhead programs for collaboration between Hong Kong and the Mainland. The world renowned MIT Media lab invented a new motto recently: "Deploy, or Die". That captures the essence of embracing innovation: some of the ideas will succeed, and some will fail. But we must not fault our young people for daring to try and having a "Can-Do" attitude. Let us all have confidence in our young people. We made Hong Kong a great city. They will make it even greater.

We must take fate into our own hands and act, as our Finance Secretary recently quoted Einstein: "If you do what you always did, you'll get what you always got!"

Brief Biography of the Author

Professor Tony F. Chan assumed the presidency of HKUST on 1 September 2009. From 2006-2009, Professor Chan was Assistant Director of the Mathematical and Physical Sciences Directorate at the U.S. National Science Foundation (NSF), which is the largest directorate at NSF. In that position, he guided and managed research funding in astronomy, physics, chemistry, mathematical science, material science, and multidisciplinary activities.

Professor Chan's scientific background is in Mathematics, Computer Science and Engineering. He received his BS and MS degrees in Engineering from the California Institute of Technology (Caltech) and his PhD in Computer Science from Stanford University. He pursued postdoctoral research at Caltech as Research Fellow, and taught Computer Science at Yale University before joining the University of California at Los Angeles (UCLA) as Professor of Mathematics in 1986. He was appointed Chair of the Department of Mathematics in 1997 and served as Dean of Physical Sciences from 2001 to 2006. He also holds honorary joint appointments with the University's BioEngineering Department and the Computer Science Department.

Professor Chan was one of the principal investigators who made the successful proposal to the NSF to form the Institute for Pure and Applied Mathematics (IPAM) at UCLA. He served as IPAM's Director from 2000 to 2001.

Professor Chan is an active member of many scientific societies. He is an elected member of the US National Academy of Engineering (NAE), a senior member of the Institute of Electrical and Electronic Engineers (IEEE), an elected fellow of both the Society for Industrial and Applied Mathematics (SIAM) and the American Association for the Advancement of Science, and a member of the American Mathematical Society. Professor Chan has served on the editorial boards of many journals in mathematics and computing, including SIAM Review, SIAM Journal of Scientific Computing, and the Asian Journal



of Mathematics, and is one of the three Editors-in-Chief of *Numerische Mathematik*. He co-wrote the proposal to start a new SIAM Journal of Imaging Sciences and serves on its inaugural editorial board till 2012. He formerly served on the NSF Mathematical and Physical Sciences Advisory Committee and the US National Committee for Mathematics, and was one of five US representatives to the General Assembly of the International Union of Mathematicians in 2006.

Professor Chan is currently a member of the Board of Trustees of the King Abdullah University of Science and Technology (KAUST) in Saudi Arabia, President's Advisory Council of the Korea Advanced Institute of Science and Technology (KAIST), Scientific Advisory Board of the University of Vienna, and the United States Committee of 100. Professor Chan is also a member of the Advisory Committee on Innovation and Technology of the Hong Kong Government. He was a member of the Selection Committee for the Shaw Prize in Mathematical Sciences in 2012 and 2013.

Professor Chan's research interests include mathematical image processing and computer vision, Very Large-Scale Integration (VLSI) physical design and computational brain mapping. He has published over 200 refereed papers and was one of the most cited mathematicians in the world. He has mentored over 35 PhD students and 25 postdoctoral fellows.

多少香港人感覺到危機

曾淵滄博士, MH
香港城市大學管理科學系特約教授



今日香港，商場內依然是人山人海。但是，多家上市零售商發佈的業績皆不理想，營業額，利潤皆大幅下降，特區政府的統計數據也顯示旅客數量連續下降。

也許，盛暑天，商場的冷氣吸引了人群，但是光看不買的人多了，還是零售商的數據才能真正說明事實。除了零售商的數據之外，商鋪租金的走勢也反映了事實，銅鑼灣、旺角旅遊區的商鋪租金在下降中。

多少人感覺到危機？

很少！羞辱內地旅客的本土運動沒有停止。內地旅客減少的一個可能原因是：的確有，也越來越多內地旅客開始對香港不滿。他們心想：我們來香港消費，來到香港卻被香港人當街羞辱。難道，除了香港外，世界上就沒有其他地方適合購物？是的，香港免稅。但是，其他要徵稅的國家，都有安排旅客退稅的服務，算起來香港不一定更便宜。如果想買意大利、法國的名牌，直接飛到意大利、法國，可以選擇的式樣更多，價格也比香港低。香港的吸引力正在下降，競爭力當然也下降。

也許，更正確的說，全球的經濟都不見得好，歐洲最糟糕。數年前的歐債危機導致歐洲多個國家實行經濟緊縮政策，越緊縮越衰退。美國在復蘇中，但復蘇緩慢。為了避免被指為「狼來了」，美國今年加息機會很大，但加息肯定會拖慢美國的經濟復蘇。中國內地仍然是世界經濟的火車頭。但是，中國經濟改革已到了瓶頸階段，增長放緩成了新常

態。多年前經濟增長放緩時，口號是保八，現在，能保七已是很不錯了。

目前香港的經濟增長率只有2.3%，屬於低增長，之所以仍有增長，龐大的基建扮演重要的角色。但是，經濟增長靠基建來維持帶來多項副作用。第一個副作用是不穩定，基建工程是有開始有結束的，工程動工時，需要非常大量的勞動力，特別是體力勞動要求高的勞動力。這段時間，基層靠體力勞動找生活的人會很風光。但是，基建結束後，勞動力的需求會突然下降，這群人風光不再，若風光期沒有積蓄，風光不再時生活會有問題。第二個副作用是挑動整體基建，房屋建設的成本，羊毛出在羊身上，買樓的人自然得付出這筆錢。第三個副作用是文化水平不高的體力勞動者的收入是擔任白領工作的大學畢生的好幾倍，這造成年輕的大學畢業生心理不平衡，認為自己讀這麼多年書而沒有得到應得的回報，淪為低薪一族。於是，高學歷、低收入的年輕人成為反社會、反政府的力量，為香港政治帶來不穩定性。

造成今日香港經濟結構的原因，很大程度是香港人自己造成的。驅趕、羞辱內地旅客是激進力量搞的；但是，姑息、暗暗叫好的人也很多。姑息使激進變得更激進。開始的時候，更有一些機會主義政客，自稱建制派的政客，也加入這些所謂的本土運動，因為他們看到激進分子動員的人數也真不少，於是加入成為一分子，即香港俗語的所謂「抽水」，希望藉此撈取政治資本。溫和反對派雖不參加羞辱內地旅客的活動，但是，看到有人破壞香港經濟，他們是內心喜歡的，也就不出身、不表態、不反對這類的行為，甚至為這種行為

多少香港人感覺到危機

辯護，逼特區政府打壓內地旅客的數量。基本上，反對派的大原則是希望弄垮香港經濟，香港經濟越差，反政府、埋怨政府的人也越多，這些不滿政府的人就成為反對派的票倉。

香港是一個言論、集會非常自由的地方，本土運動者只要不犯刑事者，他們的確可以為所欲為，唯一能制衡這群激進分子的力量是輿論。但是，溫和反對派的姑息，搖擺不定，認不清形勢的建制派也加入「抽水」，就非常錯誤。

香港的經濟發展，基本上也是十分自由，百分百為民間力量自由發展，自由尋找商機。過去一百多年看來行之有效，但是，過去五十年，有些國家、地區採取政府鼓勵再加上自由經濟的混合體，也證明有效，更證明是比香港優勝的經濟模式。

台灣的新竹高新工業區是台灣政府人為開發出來的，今日證明是成功的。中國內地改革開放三十多年，走的道路也是帶規劃式的市場經濟，也證明是成功的，經濟增長速度第一。今日新加坡的家庭收入中

位數，遠比香港多一倍，那是很驚人的差距，為什麼新加坡人的家庭收入會比香港人多一倍？三十年前，新加坡是遠遠落後於香港的。新加坡的經濟發展模式與內地相似，基本上也是規劃式的市場經濟。新加坡政府以低稅、免稅來鼓勵高科技的工業開發。新加坡政府很努力地吸引高科技人才及各式各樣新加坡所需要的人才移民到新加坡。新加坡也為僱主開放廉價外勞的輸入以減輕成本。一些風險相當高的高科技行業，則直接由新加坡政府投資。當然，新加坡政府除了投資於高風險高回報的高科技行業外，也參與大量的傳統投資。香港人熟悉的星展銀行、新加坡航空公司、又一城……都是新加坡政府的國營企業。傳統投資的收益穩定，就可以用來支付高科技的不穩定高風險投資。香港作為百分百的由民間主導的自由經濟體，民間資金有限、也較短視、較少會願意投資於高科技行業。

因此，香港的高科技行業遠遠落後於亞洲四小龍的其他三龍，也落後於亞洲巨龍，即中國內地。

作者簡介

曾淵滄博士畢業於新加坡南洋大學數學系，之後他考取了英國蘭卡士特大學之運籌學碩士學位和曼徹斯特大學管理科學博士學位。

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- 中原城市指數研究組組長
- 香港運籌學會主席
- 香港深水埗區區議員
- 中國江西省贛州市人民政府顧問

曾博士曾任多家企業、機構之顧問。

曾博士于 2001 年榮獲香港城市大學之最佳商業應用研究獎。他先後出版了 13 部專書和發表了 3000 多篇論文和文章，是多家報刊雜誌的專欄作者。他也多次受邀在中國、美國、香港和新加坡電視、電臺、報章和研討會發表意見和主講有關經濟與管理方面的課題。

How can Asia reap greater benefits from global value chains?

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A. Introduction

Over the past 30 years, the growing technological complexity of products, trade liberalization, and lower transportation and communications costs have reshaped the landscape of global trade. In particular, production has become increasingly fragmented through the growing prevalence of global value chains (GVC), with components crossing numerous international borders. This has resulted in the faster growth of trade in intermediate inputs than the growth of trade in final goods. Asia has especially exemplified this new pattern of production: during 1995-2013, the region's trade in intermediate goods grew by a factor of six, while trade in final goods grew almost four times. This compares with fourfold and threefold increases, respectively, in the rest of the world.

This short article sheds light on these issues by focusing on the following: first, it documents key stylized facts about Asia's GVC participation, the positions within GVCs where Asian economies are situated, and how much of the GVC pie they capture. It then presents some policy implications.

We rely on a unique OECD-WTO trade in value-added database on GVCs covering 57 countries, which became available only recently to address these questions—an impossible task just a few years ago. A Primer on Asia's GVC Participation follows.

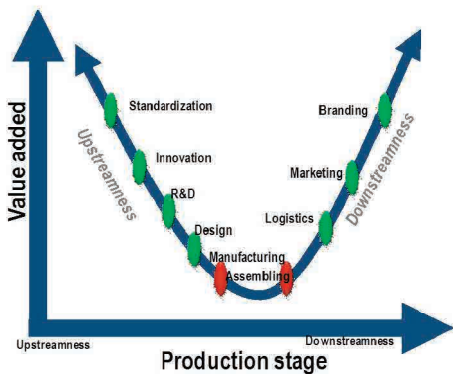
B. What are GVCs?

A GVC is a network of interlinked stages of production for the manufacture of goods and services that straddles international borders. Typically, a GVC involves combining imported intermediate goods and domestic goods and services into products that are then exported for use as intermediates in the subsequent stage of production.

A standard GVC encompasses a number of production stages from upstream product conception to midstream assembly and then to downstream branding and marketing. As Figure 1 illustrates, a hypothesis in the GVC literature is that the relation between the production stage and value added exhibits a “smiley shape,” suggesting that most value added in a GVC accrues to firms at the two ends of the production line, such as R&D in the upstream and marketing in the downstream, with a smaller share of

How can Asia reap greater benefits from global value chains?

Figure 1
A Hypothesized “Smiley-Shaped” Relationship between Value-Added and GVC Position



Source: World Economic Forum (2012).
Note: GVC = global value chain.

value added captured by assembling in the midstream.

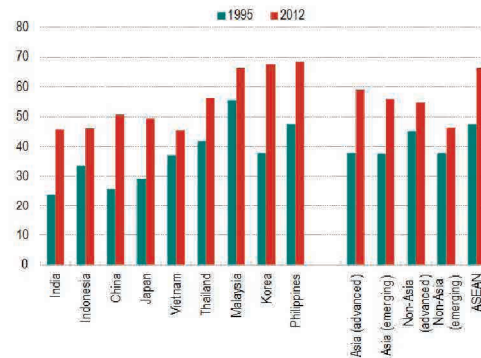
C. How Much Do Asian Economies Participate in GVCs?

The extent to which an economy is engaged in a GVC can be measured by the GVC participation index, developed by Koopman and others (2010). Specifically, the index is defined as the ratio to a country's gross exports of the sum of foreign value added in domestic exports (backward participation) and domestically produced intermediates to be used in third countries (forward participation). This measure therefore excludes exports of final goods that have no foreign input content.

As Figure 2 shows, the extent of GVC participation has been relatively high in Asia, including in Korea, Malaysia, and the Philippines. The growth in GVC participation has been faster in Asia, particularly in ASEAN, than elsewhere in the world. China's participation also grew significantly during 1995–2012, likely reflecting its accession to the World Trade

Figure 2
Participation in Global Value Chains: 1995 versus 2012

(Share of foreign inputs and domestically produced inputs used in third countries' exports in a country's gross exports; in percent)



Sources: Organization for Economic Cooperation and Development and World Trade Organization, Trade in Value-Added database; and IMF staff estimates.
Note: Non-Asia includes comparable advanced and emerging economies.

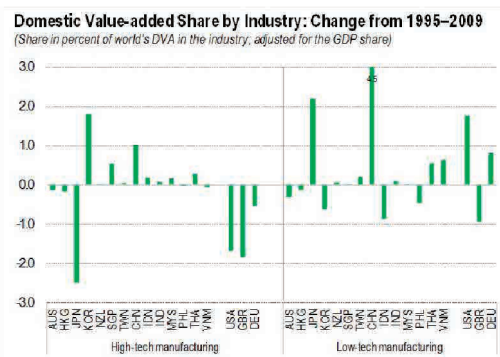
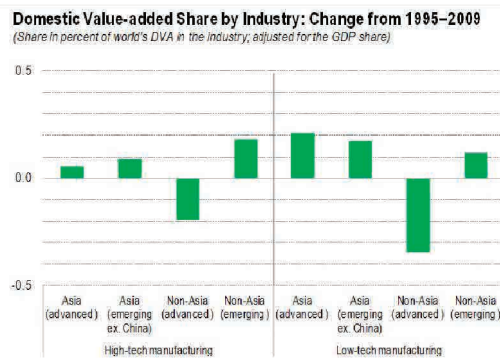
Organization in 2001, although China's participation rate is lower than the Asian average.

D. How Are GVCs Sliced Up?

The GVC pie is not sliced up evenly and the shares of value added captured by economies vary over time and across sectors. Figure 3 illustrates the dynamics within GVCs for Asia and elsewhere. Key patterns can be summarized as follows:

- During 1995–2009, both advanced and emerging economies in Asia gained (domestic) value-added shares in GVCs, but the gains were larger in low-tech than in high-tech manufacturing. Outside Asia, emerging economies gained, while advanced economies lost shares in GVCs during the same period (Figure 3, top panel).

Figure 3
Domestic Value-Added Share in Global Value-Added



Sources: Organization for Economic Cooperation and Development and World Trade Organization, Trade in Value-Added database; and IMF staff estimates.

- Among individual countries, Japan's value-added share in high-tech manufacturing was significantly eroded, while Korea gained during the same period. China has also moved up GVCs, but the gain is most significant in low-tech manufacturing. Advanced economies outside Asia, notably Germany, the United Kingdom, and the United States, have lost value-added shares in high-tech manufacturing and gained in low-tech manufacturing (Figure 3, bottom panel).

E. Upstreamness versus Downstreamness

Upstreamness (or downstreamness) refers

to where an economy is located in a GVC. One measure, developed by Fally (2012), looks at how many stages of production remain before reaching final consumers. A long distance to final demand suggests that a country is upstream in the production process, such as a producer of raw materials or product design and research. Conversely, a short distance to final demand suggests that a country is downstream in the production process, such as customer service.

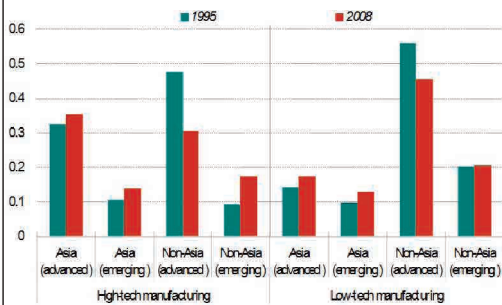
Figure 4 illustrates the main characteristics of upstreamness and downstreamness in Asia. Key patterns include:

- In high-tech manufacturing, advanced economies tend to specialize in upstream stages, while emerging economies specialize in more downstream stages. This differentiation is more pronounced in Asia, where advanced Asia is more upstream than their counterparts in the rest of the world, with the opposite holding for Asia's emerging economies. During 1995–2008, Asian economies moved upstream relative to the rest of the world (Figure 4, top panel).
- Among individual countries, advanced Asian economies (Hong Kong SAR, Korea, Singapore) are generally located upstream in high-tech manufacturing, whereas emerging economies, such as China, India, and Vietnam, are generally located downstream (Figure 4, bottom panel).
- In low-tech manufacturing, both advanced and emerging Asian economies have moved slightly upward, but have remained downstream relative to the rest of the world. Unlike in high-tech manufacturing, there is no dichotomy in Asia between emerging and advanced economies in upstreamness and downstreamness in low-tech manufacturing.

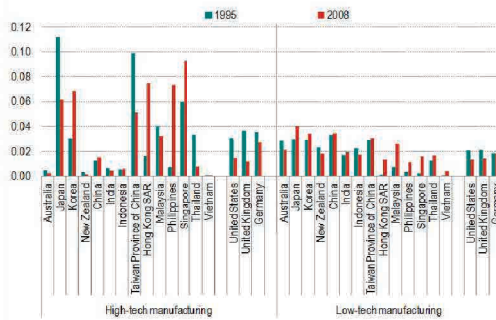
How can Asia reap greater benefits from global value chains?

Figure 4
Upstreamness or Downstreamness

Relative Distance to Final Demand - Weighted Average
(By region and industry type, adjusted for changes in length over time)



Relative Distance to Final Demand: Weighted Average
(Normalized by the length of sectoral value chains)



Sources: Organization for Economic Cooperation and Development and World Trade Organization, Trade in Value-Added database; and IMF staff estimates. Note: Given that production processes have become more fragmented, the length-total number of production stages has increased. Therefore, the distance to final demand as shown in the chart in each year in each industry has been adjusted for changes in length. The underlying data for distance to final demand is based on Fally (2012).

F. Policy Implications

Asian economies have increased their participation in GVCs, captured an increasingly bigger slice of the GVC pie, and relocated toward upstream production. In addition, upstream production

(particularly in high-tech manufacturing), a higher degree of economic complexity, and a lower level of tariffs on intermediate goods are associated with improved prospects for capturing a higher share of value added along a GVC.

For Asia, integration into GVCs has provided an important path for transitioning from low to middle-income status and, in a few instances, for moving up to advanced country status. The main policy challenge is to secure these gains while exploring opportunities to capture an even larger slice of the GVC pie by repositioning toward higher value-added production. Against this background, key policy lessons include:

- Removing trade barriers —Our empirical analysis finds that tariffs on imports of intermediate goods reduce GVC participation, but also hamper the ability to capture a higher share of value added along a GVC once an economy is a member of a GVC. This is because when intermediate inputs cross borders multiple times it compounds the detrimental effect of a given trade barrier. In fact, within a GVC, imports are essentially inputs into exports, and thus any trade barrier imposed by an economy on its imports of intermediate goods is effectively a tax on that economy's own exports. Against this background, removing tariffs and other forms of trade barriers would benefit all GVC participants. More specifically, as indicated in IMF (2015), advanced economies should focus on opening services markets while emerging economies should move away from import-substitution policies and avoid protectionism in the form of non-tariff barriers.

- Facilitating trade and regional cooperation—Apart from eliminating trade impediments, policymakers should go a step further to reduce costs of trade; for example by implementing trade-facilitating measures such as simplifying port and customs procedures. Regional

How can Asia reap greater benefits from global value chains?

trade agreements and cooperation will also help. In particular, given the high GVC participation of ASEAN economies, commitments for greater regional integration under the ASEAN Economic Community, beginning at the end of 2015, are welcome.

- **Enhancing human capital formation and technology development**—Upstreamness is generally associated with capturing a higher share of value added along a GVC, particularly in high-tech manufacturing, likely reflecting the higher value added of R&D and similar activities. Accordingly, shifting upstream requires a wide range of knowledge- and technology-enhancing measures. These include investing in human capital as well as measures to encourage innovation and R&D.
- **Improving fundamentals**—Enhanced participation in GVCs and economic sophistication also requires a host of

efficiency-enhancing structural reforms. These include better infrastructure, a more efficient regulatory framework, and stronger economic and legal institutions, as well as unwinding overly rigid labor market regulations.

- **Mitigating GVC-related risks**—In the presence of GVCs, a supply shock originating in one part of a GVC—such as the 2011 tsunami in Japan—may propagate to all downstream and upstream countries in the GVC unless there are built-in redundancies through duplication or sufficient inventories. Accordingly, participation in GVC networks may make countries more vulnerable to spillovers from external shocks, thus calling for more policy coordination across borders. Participants should strengthen their economies' resilience to macroeconomic shocks as well as ensuring adequate financial safety nets.

The above paper is based on an IMF Working Paper Working Paper No. 15/204 and Chapter 3 of the IMF's 2015 Asia Regional Economic Outlook, where Dr. Cheng is the lead author and project manager.

Brief Biography of the Author

Based in Washington DC, Dr. Kevin C Cheng currently works for the Strategy Unit of the IMF's Strategy Policy Review Department, which plays a central role in developing the Fund's strategic direction. Prior to his current role, he was the Mission Chief for Brunei Darussalam and worked on Asia's Regional Economic Outlook.

Outside his IMF career, he is the Global Founding President of the Chicago Economics Society (CES), a global network connecting Economics alumni from the University of Chicago. Under Dr. Cheng's leadership, the CES has established chapters in Washington DC, Hong Kong, Singapore, and Peru. The CES has organized featuring top-notch economic thinkers and policy-makers leaders around the world including Nobel Laureates Gary Becker, James Heckman, Lars Hansen, world-renowned scholars Arnold Harberger, Kevin Murphy, Steve Davis, as well as JP Morgan Chairman Jacob Frenkel, and Governor of Central Bank of Mexico Agustin Carstens.

Dr. Cheng obtained his PhD in Economics from the University of Chicago. He is also a CFA and FRM charter-holder.

淺談港股運行的一些原理

周全浩

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筆者研究能源，需接觸很多數字，例如一國的能耗量、國內產值及世界的油價變動等。久而久之，對數字的縱向變動如升跌幅度、變動速度及週期性等，產生一定的敏感度。

自上世紀七十年代末期，個人即開始研究本港股市的走勢，拿著自1964年開始的恒生指數觀摩，作種種分析，寫成文章，以張公道的筆名於《信報月刊》發表。後經《信報》創辦人林山木(行止)先生邀約，以同一筆名於《信報》撰寫「走勢縱橫」的專欄，迄今三十餘年。

由於筆者的學術專業為能源政策，培訓出宏觀角度看事物的背景。而股市走勢的剖析，涉及每天指數的變動，加上對上述數字的敏感度，發覺數字上微小的變化，以及其他蛛絲馬跡，往往對大市的升跌，具一定的啟示作用；間中會看到一些他人不察覺的現象，漸次建立起一套簡單的分析系統。將之套入自1970年開始的恒生指數，(恒指自1970年後才有較詳盡的資料)，既有趣，又有實用價值。

股市的運行乃是基於若干項大原理：一為恒指的升跌以波浪形式進行，一個大升浪包含三個中期浪，一個大跌浪包含三個下跌浪。升跌浪的運行需時，若干個大升浪合併組成一個大牛市，若干個跌浪則組成一個熊市，此為粗略分法。

股市的升跌源於兩大因素，一為經濟週期的景氣及衰退，經濟興旺帶起股市，衰退甚至蕭條之時則股市大瀉，陷入熊市，其理自明，無需多所解說。

另一個重要元素為股票的收集及派發。經濟衰退，股價低殘之時，世間的聰明錢便施施然入市，張開大袋收集股份，蓋此時價廉物美，不吸入更待何時。滿街鮮血之時，乃是最佳吸入時機。

待經濟好轉，百業漸復甦，股市亦冉冉回升，牛市重生。到市況熱烘烘，人人都談股票，個個都入市之時，聰明錢便暗中滲貨出來，而且越沽越高，而新股上市，舊公司供股或批股集資，此時亦無日無之，一片歌舞昇平，表面上人人賺錢之時，大市已危機四伏，不久轉入熊市。

一個牛市的週期可為時七年或更長，很多時與經濟的週期脗合。一次熊市卻往往於兩三年內見底，若然長逾此限，則便是超級熊市，必有非常重大的政經事件出現，如經濟大蕭條或戰爭等。以港股為例，熊市的底點通常於兩年內出現。

上述的概括性論述，只要仔細檢視過去四十五年的恒生指數，即可得到印証，茲不詳引數字。

從投資股票賺錢的角度看，最理想當然是於熊市接近底點之時吸入，(無人事前知道底點在哪裡)，一直持有至接近牛市高點時沽出，然後清貨，留待下次熊市才再買貨。

但世間上沒有多少人能做到？理論歸理論，卻必需務實，否則淪為空談。正如大投資家美國畢菲特的長期持有，亦甚少人做得到。

那末，在現實的層面看，股民如何決定入

市及出市的時機？個人研究過一些重要資產類別的長期走勢，如石油、地產、黃金、外匯及股市等，發覺很多都有「均值回歸」(MEAN REVERSION) 的取向：其價格可能反覆大升數年，升至極高的水平，其後若干年，卻可能反覆回落，總體的趨勢則為回歸長期移動平均值。

正因如此，才有上升大浪及下跌大浪，股票於長期移動平均綫上下大幅波動。那末，股價在上方遠遠拋離長期移動平均綫之時，市況便十分超買，此為牛市接近頂峰之時，距離越遠則越超買，此時應沽貨。

同一原理，熊市之時股價大跌，遠遠跌離長期移動平均價，此時乃是買貨的上佳時機。一個可行的指標為股價或恒指，向上拋離120個月移平綫(即十年)或向下跌離該綫的距離。

若然在上方拋離120個月移平綫達40%或以上，大市已極超買，超越50%，更為瘋狂。相反，在大跌市之時，跌至120個月移平綫的水平，往往會有支持力，在市況最惡劣時，可能跌離該綫20%，以至30%，此時可考慮吸入，風險甚低，亦即遲些獲利的機會升高。

吸入股份後，宜耐心持有，待恒指遠遠拋離120個月移平綫時，才考慮回吐，例如升離該綫40%或以上，屆時為牛市，應漸次趁高回吐，離市後等待下一個熊市降臨才再入市。

當然很少人具如此耐性及紀律，能作這種理想化的買賣，但其中涉及的操作原理卻淺顯易明。

要掌握出入市的時機，除卻上述的走勢層面外，亦可參看實體經濟的表現及專家的意見，但卻要反其道而行，採用逆向思維。在經濟十分惡劣，滿街鮮血，一眾專家及大行報告皆呼籲切勿購買之時，要獨立特行，擇肥而噬。到牛市熱火朝天，人人都講股票之時，乘高回吐，如此方為投資高手。

有興趣研究者，大可拿過去四十年股票專家及大行報告的建議，與其後實際的市況比較一下，看看是否大體上應反其道而行，才能獲利。此一課題甚適合作為一個博士論文的題目，其研究既具實用性，亦十分有趣。

選股方面，可考慮交易所買賣基金(ETF)，例如本港的盈富基金，該基金涵蓋全部恒指成份股，因而買盈富等同買入恒指，其升跌與恒指完全同步，乃是捕捉港股升跌的最佳工具。

當然亦可選擇其他大藍籌，一般股民宜避開恒指成份股以外的股份，因為良莠不齊，只買賣恒指成份股較有保障。

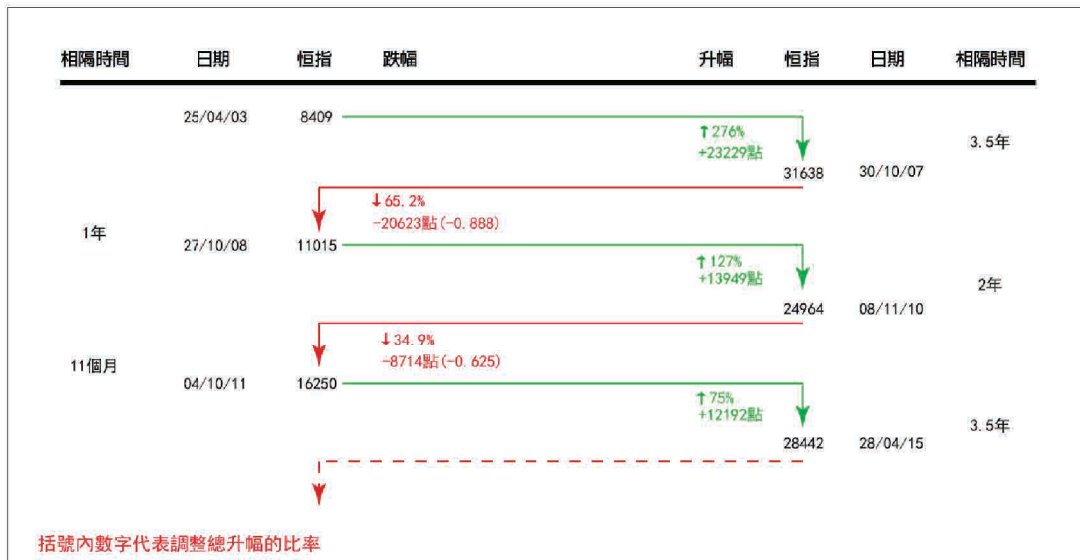
筆者累積的人生經驗稍多後，細察過去數十年不少經濟及金融現象的變動，近年感受到似乎很多人在做決定時，並非純基於事實(數據)，而是憑印象或輕信專家的言論，結果一錯再錯。

個人這套簡易的測市系統建基於本港的恒生指數，因而與外國的波浪理論或日本的陰陽燭理論不盡相同：可用作投機的東西有其共通性，而每個市場亦有其獨特性。

簡單即是美，系統內尚有其他指標，但都

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不複雜。很多分析者利用外國指標測市，並不理解指標背後的涵義，等同囫圇吞棗，結果事倍功半。個人對於系統內的指標，經多年浸淫，在一定程度上洞悉其內涵，外人借用，可能有「差之毫釐，謬以千里」的反效果。



照港股下跌大浪的運行時間推算，似乎由今年大浪頂開始的跌市，應於2016年才找到底點。

作者簡介

周全浩教授(Prof. Larry Chuen-ho Chow)於美國堪薩斯大學取得博士學位。他是一位地理學教授，自 1974 年到 2012 年任教於香港浸會大學，2012 年至 2014 年作為該大學的客座教授，直至 2014 年退休。他於 1998 年在浸會大學創立了「香港能源研究中心」，並擔任該中心的主任直至退休。

除了在暢銷雜誌和報紙上撰寫了大量的書籍章節、書評以外，他還在多個國際刊物上發表論文，例如《能源政策》、《石油輸出國組織評論》、《中國季刊》和《亞洲及太平洋地區經濟學報》。此外，自 2003 年以來，他還編輯了多本書籍並曾為《能源政策》的四期特刊，以及國際刊物《能源》的一期特刊擔當客席編輯。

他作為《能源政策》國際編委會的成員已經超過 10 年，同時也擔任了《能源：乙部分》編委會的成員多年。他是國際公認的香港和中國能源方面的權威專家。

解年輕人難以向上流動的迷思

何順文教授
校長
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縱使香港近幾年失業率低與經濟財政狀況平穩，年輕人近10年面對一連串的自身困難，包括教育、就業、置業、創業、和向上流動等，怨氣似有增無減。

此外，加上對一連串社會現象，如樓價高企、貧富懸殊、政治紛爭、陸港矛盾、資源與政經權力分配不公等的加劇，這些矛盾和怨氣在2014年秋政改佔領事件中激化突顯出來。

特區政府於佔領事件後亦承認青年政策與向上流動出現問題，須要重新檢討和回應年輕人的訴求，2015年的《施政報告》更提出多項短期支援措施作回應，包括設立「青年發展基金」協助年輕人創業。不過，不少人認為港府對現今青年議題的理解過時，甚至錯判年輕人的想法，未斷症就落藥，未完全瞭解他們所需；單靠甜頭也未能滿足年輕人的期望或改變未來主人翁的心態，無助化解社會矛盾。他們相信，現今年輕人不但要求更多流動機會改善生活，更關心民主、公義和公平等一些非物質核心價值的追求。

向下流沒有增加

無論政改結果為何，我們不能只追求政治理想而放下其他當前政策制度與個人自身的追求。根據中大亞太研究所2014

年底的調查，最多年輕人期望《施政報告》會優先處理房屋規劃（45%），然後依次是政治及管治（24%）、民生及福利（13.2%）、經濟發展（5.4%）。

那雖非問題的全部，但年輕人流動仍是大眾較為關心的問題。近年，很多人認為年輕人的社會流動（social mobility，即在社會經濟地位或職業階層上的轉變）減慢了；相反，也有一些創業家相信現今年輕人擁有的機會仍比三四十年前為大。這些爭論只反映片面或表面徵狀，未能指出整體實際流動水準、改變和因由。這些問題都值得我們有系統地分析，以提升年輕人流動和減少流動不足所帶來的負面效應。

香港屬於高平均個人年收入（25,000美元）而又高度貧富懸殊的社會（2014年的堅尼係數已達0.537），官方資料更顯示兩極擴大的趨勢。中高層就業人士10年來的收入流動變化減少，近5年的情況更差。以收入分佈及相對貧窮人口比例來看，一些近期統計分析，反映向上流動的機會或能力沒有明確改善。但收入差距與社會流動不一定是直線關係。

2014年底立法會研究報告指出，經理及行政人員級職位20年間增長不足5%，由1991

解年輕人難以向上流動的迷思

年13%升至2011年18%；同期輔助級經理人員比例不斷上升，年輕人更集中擔任該類職位。至於年輕人從事工資較低的服務與銷售工作不斷上升，由1991年的21%增至2011年的34%。

根據香港科大吳曉剛幾年前發表的研究，相對「第四代」（1976至1990年間出生）受訪者目前的職位與14歲時其父親的職位比較，整體向上流佔六成七、停滯佔不足一成、向下流佔兩成四。結果證實，隔代流動（intergenerational mobility）大多為向上流。相對「第四代」受訪者目前的職位與自己第一份工，研究發現整體向上流佔兩成八、停滯佔五成，而向下流佔兩成二。

在停滯方面，「第四代」佔4個年代的六成三，向上流（兩成一）與向下流（一成五）均比其他世代為低。由此證明，香港「第四代」呈現同代流動（intragenerational mobility）停滯不升的明顯趨勢，但向下流（包括同代及隔代）卻沒有增加，年輕人流動情況並不像很多人所說的那麼差。吳的回歸分析結果也發現，教育程度較高、家境較富裕與成為中產階層有顯著正相關，證明個人出身確實能影響其向上流動機會，並非真的人人平等。

客觀定量的社會流動資料與個人主觀感受可能不一樣，主觀感受調查可瞭解年輕人認為向上流動的機會有多少困難。香港中文大學亞太研究於2011年中的研究發現，五成二受訪者認為目前社會向上流動的機會並不足夠，六成五人認為流動機會比起14年前差了。

未有埋怨社會

筆者在2010年年底參與專資會的意見調查。研究結果顯示，只有約半成「第四代」受訪者在過去5年覺得自己有向上流動、七成半認為停滯、約有兩成感到經歷向下社會流動。再次證實向下社會流動沒有成為普遍現象。

「其他世代」受訪者比「第四代」受訪者對社會流動機會的看法較正面。這些主觀感覺結果與上述的客觀數據有差異，前者發現「第四代」流動停滯的比例比後者高出約兩成半，但向下流比例卻相若。四分三年輕人感到流動停滯，因而引起了負面情緒是可以明白的。

「第四代」受訪者認為，自己未能向上流動的原因依次為「學歷低」（52%）、「香港經濟唔好」（39%）、「政府政策失誤」（33%）、「我唔夠努力」（33%）、「缺乏相關經驗」（26%）、「家庭背景唔好」（17%）、「上層職位唔多」（17%）、「運氣唔好」（14%）、「人事關係唔好」（14%）、「缺乏社會網絡」（13%）、「高層退休無期」（2%）等。

約三分二的「第四代」受訪者同意讀大學或持續進修，可以提高向上流動機會，逾四分三也同意「個人努力和其他後天因素比家庭背景更重要」。這個對家庭背景影響的主觀理解，顯然與上述的客觀數據回歸分析結果有差異。

調查顯示，大多「第四代」較少歸咎於機會不足或不公，反而認為自己未夠學歷、努力或經驗；約三分二受訪者仍認為香港是公平公正的地方、就業市場開放、社會充滿機遇、雖然大部分年輕人對向上流動的機會不表樂觀，但仍然積極面對，願意持續進修以提高學歷，保持「每人皆有機會向上爬」的主觀感，這與傳媒的一般報導只強調政府政策失誤與年輕人抱怨上位機會減少，明顯不同；亦證明香港大多年輕人並非想像中那麼負面，只願埋怨客觀環境，他們仍然相信個人努力與表現會改變命運。

流動停滯的部分因由，是由於一些世界大趨勢而不可避免（如環球一體化、經濟結構轉型、財富分配不均、高等教育普及化、M形社會出現）。有部分是週期性經濟因素，自九七後，本地經濟增長一直放緩，僅為1978至1996年間的一半。經濟繁榮為人們帶來更多就業機會，同時也促進社會流動；相反，當經濟成熟與增長放緩

時，競爭自然較大，令向上流機會減少。過去6年，香港受到環球金融危機的影響，短期的經濟上落可能是導致過半停滯及兩成向下流的主因之一，而低技術工人更是首當其衝。

過去政府一直增加入讀大專人數的比例，從1996年的18.5%上升至近年的40%。教育對提升個人競爭力與流動仍有一定幫助，學士學位是很多職位的入場券，其後成就很依賴個人的修為與表現。較高學歷也有助減少向下流動的風險，但增加學士學額等於增加畢業後的職位競爭，擁有大學學位不一定很快便能找到合適或好職位，特別是當經濟增長放緩時。換句話說，社會流動機會供應本身並非單方面由勞動質素或供應所決定。當然，念大學不是單單為了找工作和入息，而是為個人未來一生過著有意義快樂生活做準備。

在年輕人流動的問題上，也有個人因素，包括年輕人自身的不足（如欠缺獨立、溝通、自學、解難、創新、人際關係、團隊合作、全球視野、國家認識、抗逆及自信等核心能力），或理想過大，不夠實際；更有部分原因是很多家庭的縱容與學校教育的落後偏差，未能令年輕人裝備應有的態度與核心能力。上一代人對下一代人的特質表現應付上一定的責任。

再者，在全球化趨勢下，新一代年輕人不僅面對本地競爭對手，更面臨全球競爭對手。提高競爭力與自信，不但可提高個人專業知識，更要重的是視「深層學習」和培養個人為二十一世紀可轉移核心能力。學校及青年組織應致力協助年輕人進一步自我裝備。

在促進社會向上流動，我們需要多聆聽和瞭解年輕人的擔憂，也要有公共政策措施、家庭及院校教育改革作對應。在公共政策與制度方面，不少問題是歷史遺留下來（如經濟單一化、欠缺土地發展令樓價飆升）而需較長期方案來解決，但也有部分是與現屆政府的政策表現和官民溝通信任有關；當然也有部分是政治因素，非本港社會可單獨短期內自行解決。公共政策可以舒緩，但很難短期內改變流動停滯的環球趨勢。

機遇仍比以前多

筆者認為，不可單要年輕人講求「獅子山精神」，政府有責任在各政策範疇上加強支援，包括改善教育機會與質素、協助就業創業、增加交流、培訓與實習機會。但政府最重要的責任，在於提供有利社會經濟平穩發展的條件，從而給年輕人一個得以靠自身努力來向上游的公平大環境。

一些政策與制度的失誤造成不同階層的教育機會不一樣，例如政府對進修夜中學及大部分自資學士課程的人不給予資助，對有意進修者設置障礙。我們的著眼點應該是在於平等的教育機會。

雖有不少挑戰，新一代年輕人有的機遇，仍比以前的人更多。時下年輕人不論在教育水準、知識面、視野和體魄方面都比上一代優勝，年輕人應抓緊機會，應改變自己的態度和相信自己。正如馬雲所說：「若能改變自己，世界就會改變。」

這一代的客觀環境確實有很大變化，所以制定青年政策時，不能強把上一代的經驗或價值觀加諸於新一代身上，也絕不能說「一代不如一代」。現今不少基層憑着努力和拼搏精神取得驕人成就，繼續寫出一個又一個典型的成功故事。換句話說，機會是留給已準備好的人，凡事只懂怪罪政府或制度，或要求政府樣樣出手干預，並不可以真正解決問題，反而會令社會真的「向下流」。

只有年輕人成長，香港才可以成長。

作者簡介

何順文教授於2014年3月出任香港恒生管理學院(恒管)校長。

他在香港出生及接受基礎教育，其後獲美國西雅圖華盛頓大學工商管理學學士，以優異成績獎取得英國倫敦經濟政治學院資訊系統學碩士學位，及英國百蘭福特大學會計與財務學哲學博士學位。曾獲頒「英聯邦學人」(Commonwealth Scholar)銜，現為英國、澳洲與加拿大註冊會計師。

何教授現為Asian Journal of Business Ethics《亞洲商業倫理學報》(Springer)的總編輯、Journal of Business Ethics(Springer)、Advances in Business Ethics Research (Springer)及南開大學「公司治理學術文庫」編委。在公共服務方面，他現任香港企業管治論壇主席、中國高等教育學會理事、香港玉山科技協會理事、香港-東盟經濟合作基金會理事以及多個國際團體的顧問。他亦是澳洲維多利亞大學策略經濟研究中心的高級研究員及香港學者協會「香江學者計劃」學術委員會委員。

何教授曾任香港特區政府多個委員會委員，包括香港證券及期貨事務監察委員會投資者教育諮詢委員會、香港稅務上訴委員會、香港證券及期貨事務上訴審裁處、香港存款保障上訴審裁處、香港政府財經事務局金融業人力資源發展諮詢委員會、有關董事及高級人員的條文專責諮詢小組委員會(AG3)及香港廉政公署公民教育委員會。

作為國際知名的企業管治專家，何教授於1993年於中大開創並教授首個在香港有關企業管治的大學碩士科目。何教授曾協助聯合國貿易及發展委員會(UNCTAD)的國際會計和報告標準專家工作小組，發展國際公司治理及披露指引。2004年，他創辦全球首個授課式「公司管治與董事學理學碩士」課程，並在香港舉辦首屆亞太區公司管治國際會議。在2005年他合創由香港浸會大學與澳門大學聯辦每兩年一度之「世界商業倫理論壇」。何教授於2005年取得世界銀行的資助，獲中國財政部財政科學研究所委任為「國際公司治理」一科之講師。

在2006年，他推動十五間世界其他大學的公司治理研究中心共同成立國際學術聯盟。於2007年，他主力研發由香港上市公司商會與浸大公司管治與金融政策研究中心合辦的「香港公司管治卓越獎」與「香港企業管治約章」。

何教授發表了很多學術文章及書籍，也是《信報》「企業管治」、《南華早報》網站及China Daily的專欄作家。何教授在公司管治和家族企業的研究工作受到廣泛關注及獲頒多個獎項。

在2008年，何教授為首位華人獲國際機構美國亞斯平學院(Aspen Institute)頒發「學界先鋒獎」(Faculty Pioneer Award)，此獎被《金融時報》視為商學院界的奧斯卡獎，以表揚其推動企業管治與企業社會責任的貢獻。他在2008年亦獲環球商業道德與反貪污機構Ethisphere評選為一百名在商業倫理最具影響力的人物。另外，在2013年他獲中國民(私)營企業經濟研究會頒發「中國家族企業研究先鋒獎」，以表揚其在研究中國家族企業社會責任上作出傑出的貢獻。

在2014年，他獲40+ 協會頒發40+典範獎。

近年來，何教授作為博雅教育的倡導者，他廣泛寫作及演說，分享他在培育具滿足感、靈性和社會責任感的畢業生之經驗。他與團隊亦努力推動主流企業透過創新以同時創造經濟與社會價值。

加深認知 吸收經驗正面向前走

藍鴻震博士
前民政事務局局長
國際專業管理學會會長



2015-10-10 | 文匯報 | A15 | 文匯論壇 | By 藍鴻震 |

轉眼一年，猶記得去年香港發生了水深火熱的「佔領行動」，今年九二八沒有大型紀念活動，行動發起人也變得低調，承認行動失控，反映了大家當初的擔心和判斷並非無理，而香港人也從這個沉重經驗中學習。在這段日子的前後，香港社會又起了兩個討論：一是就中聯辦主任張曉明就特首的法律地位和香港並非實行三權分立發言的延伸爭論，二是港大副校長任命的風波。後者至今已塵埃落定，只有不服氣者仍在抱怨，筆者倒是對前者有一點想法，且約略談談。

首先，張曉明主任當日在《基本法》頒佈25周年研討會的演說，從來沒有提過特首「凌駕」於法律，倒是有不少人誤傳，這個也是大家都了解的事實。筆者雖然不是法律專家，但從張主任全句說話的意思所理解，他指出特首有超然於行政、立法、司法的三個機關之上的特殊法律地位，是基於特首具有的雙首長身份和雙負責制的責任。

雙首長身份即是既是行政機關的首長，也是香港特別行政區政府的首長，至於雙負責制，也就是特首既向香港市民負責，也向中央負責。這些事實向來是《基本法》第四十三條的內容，也體現於「一國兩制」的精神，從這個層面去理解「超然於行政、立法、司法的三個機關之上的特殊法律地位」，筆者看不出怎會有誤解的可能，更別說這個發言有「特首凌駕於法律」的意思。至於一些人曲解、誤釋或誤譯，該有耐性和平心靜氣地，將理據和事實澄清。

至於三權分立的問題，筆者認為這是一個政治哲學及憲法概念，三權分立的原意是權力分立(separation of powers)，是一個大原則，在一些西方民主國家較常以三權分立去體現，亦即行政、立法及司法三權。在香港，特別行政區政府也是設有行政、立法及司法三個獨立機關，互相監察，互相制衡，是行之有效的制度，相信不會有人反對，那麼我們又應該如何去理解張主任說「香港於回歸前及回歸後，也沒有實行過任何三權分立的政治體制」這個說法？

筆者認為，這是由於香港從不是一個獨立的政治實體，回歸前由港英管治，回歸後是中國的特別行政區（高度自治），而香港與中央的關係，也有異於其他國家的中央政府與地方政府的關係，因此，「權力分立」這個概念並不適用於香港。鄧小平在回歸前起草香港《基本法》階段，也早已反對香港特區實行「三權分立」的政治體制。可是，那並不代表香港的行政、立法及司法三權不會獨立運作，不會互相制衡。

香港回歸十八年，至今仍有不少概念在社會中未有廣泛討論，加上「一國兩制」是歷史的創新，首次在香港實行，因而有不同認知，也是可以理解。經歷去年「佔領行動」，相信不同意見的市民都會了解到香港不應再浪費光陰、分化及爭拗，而忽略建設性的發展和規劃。新一個立法年度來臨，距離新一屆區議會選舉也只有一個多月，筆者希望社會各界可以吸收去年經驗，多從不同角度去理解和討論問題，減少無謂的爭持，繼續向前走，才是香港之福。

The way forward for Hong Kong, an SAR of China

Prof. Dr. David Lan, GBS, ISO, JP
President
The International Institute of Management (IIM)



This article was based on the talk and discussion I delivered at the Century 21 Club, a long established (prior to the birth of HKSAR) group of Japanese entrepreneurs and business leaders, stationing & operating in Hong Kong.

There can be no meaningful discussion on the future of Hong Kong without touching upon and getting a pretty good understanding of the past history, current situation and the likely future of China, whose economic and financial health as well as its major policy directions can but have a strong influence and effect towards its close neighbors including its two SARs HK and Macau.

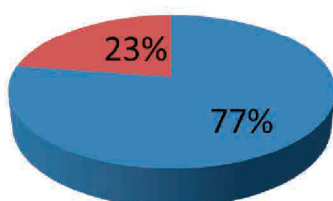
To get an authoritative yet balanced & unbiased view on China's current and likely future development, I referred to the views expressed and deliberations made by Robert McFarlane, former United States National Security Advisor; Co-founder of United States Energy Security Council, at an open forum in HK I attended on 24 Jan 2015, and as subsequently published in his article entitled "Some Notes on Putting China's Rise in Context", from CHINA EYE. Issue 7 2015. Robert McFarlane's major relevant points are recorded below.

Putting China's Rise in Context:

- "And after that opening in 1972, whatever importance these subordinate issues had were swept away in the awakening to the enormous benefit in both countries from the renewing of dialogue between China, where more than a fifth of humankind lives, and the United States. From our country, there was recognition of the benefits that would flow in years to come from the culturally rich, diverse, and enormously cultured society that is China."

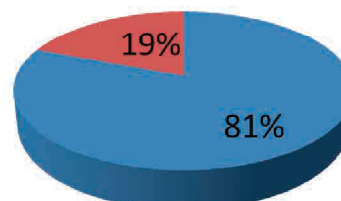
1972 World Population

■ Population of the rest of the world
■ Population of China



2014 World Population

■ Population of the rest of the world
■ China Population



China's population: In 1972, 0.87 billion; now 1.3b / 1.4 billion.

"We are seeing in China today, the most challenging, complex, and dangerous, political, economic, and social transformation ever attempted in human history. It is a transformation involving more than a fifth of all humanity on earth."

On China's Economy

- "... was initiated by Deng Xiao Ping thirty years ago – an economy that was focused on low value added products, manufactured using foreign investment in China for primarily an export market, with concurrent investment by the government into infrastructure, housing, and other improvements."

- "Chinese parents who have for thirty years been working at low value added, relatively low tech positions, for export. They needed to keep working at a time of severe global economic downturn so that their children can become educated and qualified as professionals in a very high-tech industries."

- In agriculture, at the same time, it involves moving away from small plot, essentially family-oriented agricultural production into much larger, highly mechanized agro-business corporations that will be much more productive and ultimately enable the lowering of prices."

On China's anti-corruption effort

- "At the same time, President Xi is seeking to be responsive to public pressures for social concerns, environmental concerns, frustration over delays and bureaucratic paralysis, as well as corruption here and there."
 - "... a determined, courageous effort to root out corruption from the very top to very level in the bureaucratic structure, in every sector of the economy, state owned enterprises, private industry, and journalism."

- McFARLANE's Conclusive remarks:
 - "We must acknowledge the complicity, the challenge, the dangers and the imperative of leadership in China, and its success in this terribly complex enterprise in transforming its economy, its social structure, and its political structure." (McFARLANE 24 Jan 2015)

"I'm confident, and all of us should be confident. The reason is that we have seen what China can do in just thirty years' time: more than quadrupling the per capita GDP, enormous strides in physical infrastructure, in education, in housing – truly historic and unique in all of history. So there is a basis for optimism, solid optimism. Indeed there's a basis for mutual gain here in the United State, in Europe, and in emerging markets from Africa, to Latin America, to Southeast Asia." (McFARLANE on 24 January 2015)



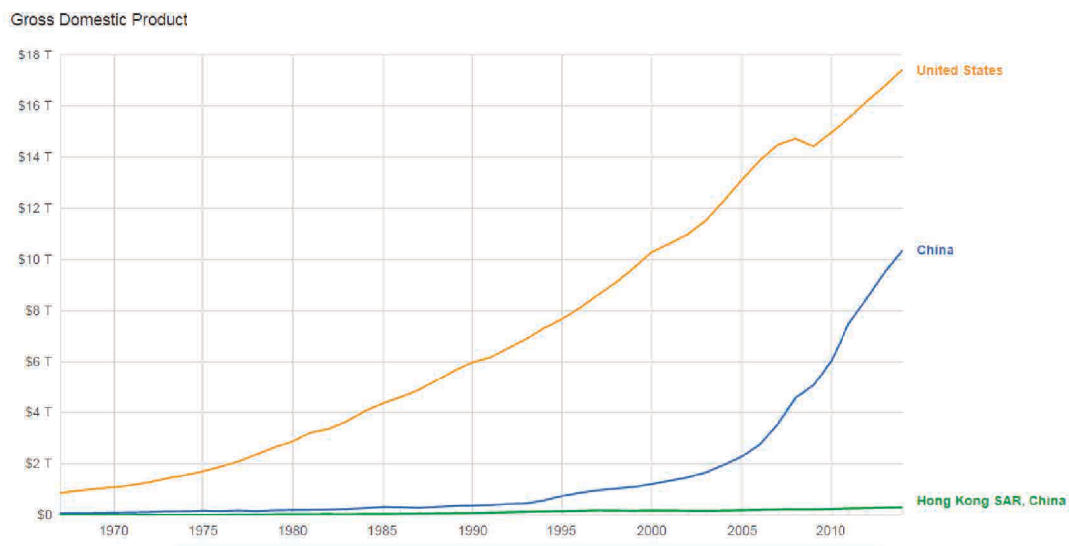
Robert McFarlane, former United States National Security Advisor; Co-founder of United States Energy Security Council, at an open forum in HK on 24 Jan 2015

The way forward for Hong Kong, an SAR of China

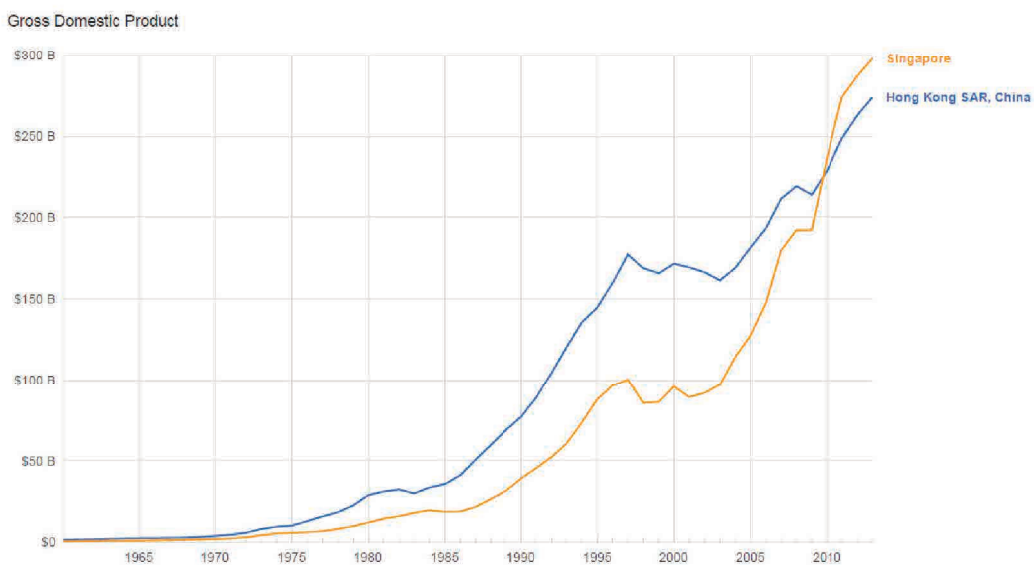
David LAN's views, observations & remarks expressed at the September Seminar

China's open door policy & reform for the past 30 plus years since 1978, has been successful & brought wealth to the country as indicated in the charts, graphs & illustrations below:

Subsequent Growth of China after the Reform & transformation

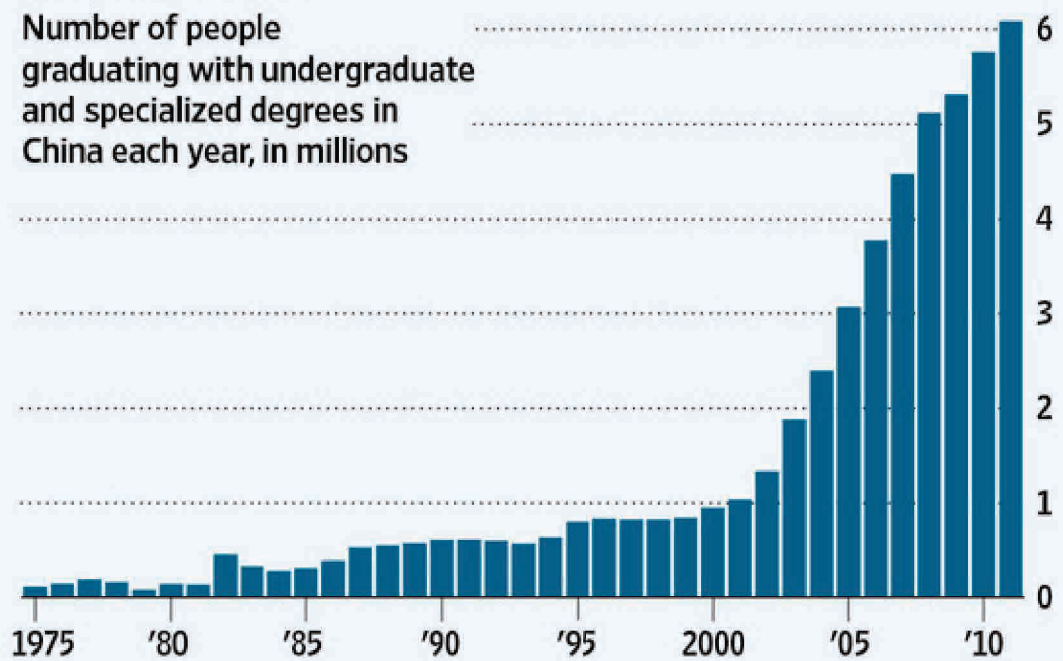


Comparison between Hong Kong and Singapore



School's Out

Number of people graduating with undergraduate and specialized degrees in China each year, in millions



Source: China's Ministry of Education

The Wall Street Journal

However, the country has, since the past 2 or 3 years been facing with a lot of growing & intensifying new challenges of rising costs, severe competition from growing economies, plus other encounters, such as pollutions, fresh demands & anticipations of its own people & neighbours, in addition to political pressures from within & outside the country.

Changes necessary?

To live up to the expectation of its people & to maintain its previous progress rates at the international arena, China, to certain extent like HK, need to bring in changes at various fronts as a matter of principle, indicated below by recognized outstanding world leaders

British Prime Minister Sir Winston Churchill –

“There is nothing wrong in change, if it is in the right direction. To improve is to change, so to be perfect is to have changed often.”

President John F. Kennedy–

“Change is the law of life. And those who look only to the past or present are certain to miss the future.”

The way forward for Hong Kong, an SAR of China

Recent Devaluation of Yuan



Recent development: Reform or Rescue?

*the People's Bank of China devalued the renminbi by about 5% in a week

*Depreciation: as a market reform or a rescue to slowing economy?

*China Central Bank explained that a more flexible renminbi deserves the International Monetary Fund's endorsement as an official reserve currency.

*Commentators saw the decision indicates the weakening economy is rather serious

*Is China Economy in desperation?

Fred Hu, Do Not Fear the Yuan Devaluation (Writer of Wall Street Journal WSJ)

-Reactions are exaggerated

-As China began experiencing softening GDP growth, weakening exports and increasing capital outflows ...the yuan became too strong relative to all other major currencies

-As China embraces a transition to a freer floating exchange rate, it's likely to witness more currency fluctuations. In the short term, the yuan will further depreciate against the dollar and other major currencies. But it's highly unlikely that it will go through a rapid free fall

Real situation today

China still runs sizeable trade- and current-account surpluses, and the yuan continues to be supported by the largest foreign-exchange reserve in the world. It has the will and resources to stabilize the yuan if needed. A persistent and pronounced Yuan depreciation is only an imaginary fear.

While China's economy continues to face significant downward pressures, the country has considerable scope to take monetary, fiscal and, most importantly, structural-reform measures to reflate the economy and achieve sustainable growth

[Fred Hu, Market rout will strengthen China's resolve to implement long awaited reform, SCMP](#)

The short-term challenges are real and the transition will be bumpy

However, China is likely to manage its current financial and economic problems far better than expected

Past reforms have laid a solid foundation and expected new reforms will significantly improve the outlook for growth

China's accelerating urbanization, rapidly expanding middle class, a strong human capital base, tremendous entrepreneurial energy and innovative potential portend an attractive prospect ahead.

It is a loser's game to bet against China's reformist leadership.

One belt, one road 一带一路 " development strategy

The most noticeable initiative / change to the world is the : "One belt, one road 一带一路 " development strategy started by the Chinese government in 2013

One belt, one road

China is pushing to revive its ancient overland and maritime silk routes to Europe. The route connects many land and sea ports over three continents.



The way forward for Hong Kong, an SAR of China

One Belt 一帶 -- the New Silk Road Economic Belt 「絲綢之路經濟帶」簡稱「一帶」, which will link China with Europe through Central Asia, Middle East (the old silk road) plus Western Asia, and the 21st Century Maritime Silk Road

One Road 一路 -- the 21st Century Maritime Silk Road 21世紀海上絲綢之路, which will connect China with Southeast Asia, Oceania, and North Africa, through several adjoining bodies of water – the South China Sea, the South Pacific Ocean, and the wider Indian Ocean area.

One belt, one road 一帶一路 " development strategy

The two are collectively known as the New Silk Road Initiative, enabling China to further integrate itself into the world economy and strengthen its ties in these regions through building infrastructure, increasing cultural exchanges, and broadening trade; also an effective & clever way to exporting China's technologies and production capacity in oversupplied areas such as steel manufacturing. Total required investment estimated at US\$ 20 萬億 or 20,000 billion whereas total US Government bond held by China is US\$ 1.2 萬億 or 1,200 billion?

Two connected & annexed initiatives of the above development strategy:

- The Asian Infrastructure Investment Bank (AIIB) founded by China in 2014 with the participation of 56 other countries is a development bank dedicated to lending for projects that are part of the initiative.
- Silk Road Fund

In November 2014, Xi Jinping announced plans to create a US\$ 40 billion, whose role will be to invest or participate in rather than lend money for projects, with the Karot Hydropower Station in Pakistan as the first investment project of the Silk Road Fund.

New opportunities for HK in the 21st Century?

Through participation in this major initiative, like many other countries/economies, HK cannot possibly miss the big opportunity but to choose whatever available outlets that suit its various activities in investment, financial, IT & services industries, infrastructural development etc, indeed anything that can help opening up new opportunities through changes for our young people. Banking, financial and services sectors should try hard looking towards opportunities brought about by the One belt, one road 一帶一路 " development strategy on trade & investment opportunities from along all relevant economies including & particularly the Islam countries.

China's Middle Kingdom dream offers opportunities for the taking

Prof. Andrew K. P. Leung



Hong Kong will soon be linked to the world's largest high-speed rail network through its rail link to Guangzhou.

China's rent-seeking decades have yielded massive systemic corruption, and recent revelations of cases of power abuse have shaken the Communist Party to the core. The nation's unbalanced, uncoordinated, unstable and unsustainable development is threatening its very survival.

President Xi Jinping has forged a party consensus that it's crunch time for China to sink or swim. What's more, he has raised the bar by launching a global infrastructural blueprint that puts China at the centre of the world through land and sea links.

This is calculated to restore the Middle Kingdom's historical place in the world's pecking order in a new China Dream.

In addition to reforms announced at the party's third and fourth plenums for a more balanced and equitable society, Xi has unveiled a vision of renaissance supported by a 21st-century New Silk Road.

This consists of a maritime Silk Road linking Fuzhou on the east coast, through Kuala Lumpur and Jakarta, to Nairobi in Kenya, then, traversing the Red Sea, on to Athens, ending in Venice.

This route will connect to an overland "Silk Road economic belt" from Venice to Duisburg in Germany, through Moscow, Istanbul, Tehran, to Bishkek in Kyrgyzstan, onwards to Urumqi in Xinjiang and all the way to Xian in the Chinese heartland.

The ambitious blueprint harks back to the ancient Silk Road linking China to as far afield as the Roman Empire. The maritime dimension recalls China's outreach to far-flung corners of the ancient world through Admiral Zheng He's massive trading fleets during the heyday of the Ming dynasty.

Xi's Silk Road plan complements China's proposed Free Trade Area of the Asia-Pacific. It is also supported by a new Asian Infrastructure Investment Bank, to which China has pledged half of the US\$50 billion initial capital. Twenty-one Asian and Middle East countries have signed an accord in support. This effort is further buttressed by China's Silk Road infrastructure fund of US\$40 billion, which is expected to be open to public-private partnership.

Admittedly, Xi's New Silk Road strategy remains short on details. Nevertheless, the vision becomes a little clearer with reference to China's long-mooted proposal to build a Eurasian high-speed rail network known as the "Third Eurasian Land Bridge". This network is slated to cross 20 countries in Asia and Europe, measuring some 15,000km. This will be 20 to 40 per cent shorter than any sea route via the Indian Ocean through the Malacca Strait, a choke point controlled by the United States Seventh Fleet. The plan envisages a branch line to start in Turkey and end in Egypt, thereby facilitating resource imports from Africa.

China's maritime Silk Road initiative is equally strategic. The significance lies in the aim to pass through the Red Sea,

avoiding the Strait of Hormuz in the Persian Gulf, where events could happen beyond China's control.

Finally, the picture would not be complete without considering a gigantic canal project under way in Nicaragua. The country's congress has granted the Cayman Islands-registered HKND Group, headquartered in Hong Kong, a 50-year concession to develop a 278-km canal connecting the Caribbean with the Pacific via Lake Nicaragua, at a cost of US\$40 billion, to be completed in five years.

The canal is three times longer and much wider and deeper than the Panama Canal, even after the latter's current massive upgrading. It is designed to accommodate super-large container vessels.

China's confidence in bankrolling such grand infrastructural designs rests in its position at the centre of the global supply chain.

This is exemplified by the fact that seven of the world's top 10 container ports are located in China. This situation is unlikely to change anytime soon.

This article appeared in the South China Morning Post print edition as "China's Middle Kingdom dream offers opportunities for the taking."

Brief Biography of the Author

Following 37 years of service in the HKSAR government, Andrew founded an international strategic advisory on China in London which is now re-incorporated in Hong Kong. His profile includes - China Futures Fellow, Berkshire Publishing Group, Massachusetts, USA (2011-13); Brain Trust Member, The Evian Group (global think-tank), Lausanne, Switzerland; Gerson Lehrman Group (Global Experts) Council Member

International Expert, Reuters Insight Community of Experts, Thompson Reuters; Senior Analyst, Wikistrat, a cloud-sourced global strategic consultancy; Senior Consultant, MEC International (a UK-based global strategic energy consultancy); Distinguished Contributor, Asymmetric Threats Contingency Alliance (ATCA) (global think-tank); Fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce (FRSA)

Elected Member, Royal Society for Asian Affairs; Advisory Board Member, The e-Centre, European Centre for e-Commerce and Internet Law; Advisory Board Member, The Global Analyst, India; Hong Kong Advisory Board Member, Denmark-based Executive Global Network (EGN); Global Commercial Agent, Changsha City, China;

Visiting Professor, London Metropolitan University Business School; Governing Council Member, King's College London, UK (2004-2010); Advisory Board Member, China Policy Institute, Nottingham University, UK (2005 -2010); Founding Chairman, China Group, Institute of Directors City Branch, London, UK (2006-2010); Vice Chairman, 48 Group Club, UK (2008-2010); Committee Member of RSA, London Region, UK (2006-2010); Visiting Professor, Sun Yat-sen University Business School, China (2005-10). Andrew was included in UK's Who's Who since 2002 and was awarded the Silver Bauhinia Star (SBS) in the July 2005 Hong Kong Honours List.

The New Silk Road plan will further entrench China's centrality.

As a world-class financial centre with global connectivity and special status, Hong Kong will remain an integral part of China's New Silk Road infrastructural blueprint. Delays notwithstanding, the Guangzhou-Shenzhen-Hong Kong express rail link will soon plug into the world's largest high-speed network, linking up with many dynamic Mainland cities.

As the world's centre of gravity moves from West to East, whether China manages to realise its ambitious New Silk Road vision will determine whether the China Dream of a new Asia-Pacific Century takes shape.

Hong Kong, especially its students, should be well positioned to be a dynamic driver of this dream. Our talented youth could perhaps reflect on how much they really understand their rapidly changing motherland and how well equipped they are to compete in a new era when China is likely to play an even more central role.

Creating a Catalyst

Prof. Michael Lindsay
President
Gordon College



At 23, Tom Johnson moved his wife and newborn son to the nation's capital with a newly minted degree from Harvard Business School – and little else. Johnson, from Macon, Georgia, had humble roots and had made it this far through hard work and the goodwill of the editor-in-chief of the Macon Telegraph, Peyton Edison. Edison had taken a young Johnson under his wing, and had such faith in Johnson that he paid for him to attend the University of Georgia. After Johnson graduated, Edison helped him attend Harvard Business School. After living in Boston, Johnson's wife was uneager to return to Macon, so Johnson applied for a brand-new program started in 1964 by President Lyndon B. Johnson called the White House Fellowship.

The fellowship would take a dozen or so young professionals and give them meaningful positions in the White House for one year with hopes to “strengthen the Fellows’ abilities and desires to contribute to their communities, their professions, and their country.” Johnson was accepted into the program, where he worked under Press Secretary Bill Moyers. During this year, Johnson formed a very close relationship with President Johnson and remained in various positions in the

administration until the president left office.

Johnson has since gone on to become the publisher and CEO of the Los Angeles Times, and later as the president of CNN's newsgroup. Looking back, Johnson credited his full life to the White House Fellowship.

My perspective was that of a person who was seeing the world through a prism that was largely focused on Macon, that town right in the middle of Georgia ... The window on the world for me was opened by my undergraduate education at Harvard Business School ... But nothing prepared me for the type of experience I had as a White House Fellow.... I don't think there's any chance [without the fellowship] that I ever would have become the executive assistant to President Johnson, publisher of the Los Angeles Times, or chairman and chief executive of CNN.

Since 1965 the White House Fellowship has shaped the leadership horizons of hundreds of other national leaders including Colin Powell, Wesley Clark, the CEOs of Levi Strauss and JC Penney, along with U.S. senators and college presidents. The list of C-level executives who emerge from the Fellow's program is no coincidence.

Creating a Catalyst

Astonishingly, White House Fellows are 2.5 times more likely to assume positions of societal responsibility (such as leading a Fortune 500 firm) than are their peers. Through my research, I determined that among the program's strengths, four elements were especially important:

- 1) **Significant Work.** During the yearlong fellowship White House Fellows work with a Cabinet secretary or senior government official and are assigned major projects – such as evaluating the federal government's readiness against cyber-terrorism in the wake of the September 11 attacks. The program is built around these short-term, substantive work assignments through which these emerging leaders can demonstrate their talents.
- 2) **Broadening Education.** Twice a week Fellows meet informally with leaders from different fields. These off-the-record conversations are intentionally designed to introduce Fellows to issues in fields ranging from architecture to zoology, from physics to filmmaking. Fellows also travel as a group, building a repertoire of experiences that gives them a generalist orientation to the challenges and opportunities leaders face on a daily basis.
- 3) **Cohort-Based.** Because leadership is as much caught as it is taught, the

White House Fellowship is constituted by cohorts of 12-20 leaders from across the spectrum of human endeavor. Army officers and school administrators are placed in a cohort with investment bankers, lawyers, and artists. The principal benefit of this cohort model is in friendships formed across fields, bearing fruit as the program's alumni ascend professional heights in their respective fields.

- 4) **Public Recognition.** The White House Fellowship succeeds because Fellows are singled out for their leadership promise and records of achievement. The prestige of the program endows Fellows with respect and special opportunities rarely afforded to younger leaders.

The White House Fellowship has hurled many upwards – Tom Johnson is a prime example – but it is not the only catapult available. Thomas Cronin, himself a former White House Fellow, gives this description of leadership training: “My own belief is that students cannot usually be taught to be leaders. But students, and anyone else for that matter, can profitably be exposed to leadership, discussions of leadership skills and styles, and leadership strategies and theories.” Leaders take all kinds of paths to their eventual positions, but a catalyst like the White House Fellowship is the key gateway to the kind of inspired leadership that every organization craves.

Brief Biography of the Author

Award-winning sociologist and educator, D. Michael Lindsay is the eighth president of Gordon College, and an expert on religion, culture and leadership.

View from the Top, Dr. Lindsay's most recent book, was released in May 2014. It reports the findings of his 10-year PLATINUM Study, the largest-ever interview-based study of senior organizational leaders—including former Presidents Carter and Bush, and hundreds of CEOs at the nation's largest corporations and nonprofits.

Lindsay's Pulitzer-nominated *Faith in the Halls of Power* was listed in *Publishers Weekly's* "Best Books of 2007". His work has been profiled in hundreds of media outlets worldwide, and his research has been funded through fellowships awarded by the American Council of Learned Societies, the National Academy of Education and the National Science Foundation.

Since 2011, Lindsay has served as president of Gordon College in Massachusetts. He also serves on the boards of *Christianity Today* and the Veritas Forum. From 2006 until 2011 Lindsay was a member of the faculty at Rice University.

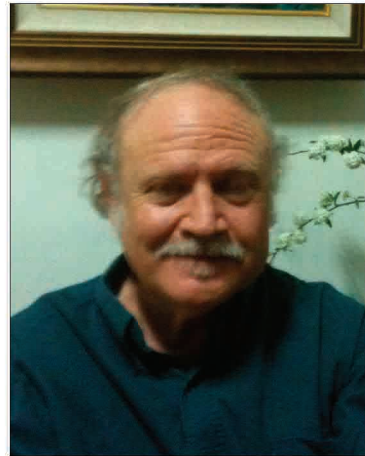
Originally from Jackson, Mississippi, Lindsay graduated *summa cum laude* from Baylor University, and holds graduate degrees in theology from Princeton Theological Seminary and Wycliffe Hall at Oxford. He earned his Ph.D. in sociology from Princeton University.

Gordon College Profile

Gordon College is one of the United States' premier liberal arts colleges and located just north of Boston. Gordon offers students extraordinary access to leading-edge opportunities for intellectual, professional, and leadership development to address the increasingly complex challenges of a global society. Gordon stands apart from other outstanding institutions in New England by combining an exceptional education with an informed Christian faith.

Global Climate and Environmental Issues: point d'entrée for Cross-Strait Cooperation

Prof. Kirill Thompson
National Taiwan University



Anthropocene Age

The age of globalization in human affairs has provoked a growing awareness that this human activities are starting to impact vaster geological affairs. This is the age in which it is mostly human activities that shift, tip, and possibly topple the global climate and ecosystems.

On the eve of the second millennium, the atmospheric chemist Paul Crutzen discerned that humanity was living in such an unprecedented new geologic age, impacted mainly by human activities. He noted deep sea vessels scraping sea beds, dams catching gigatons of sediment, vast jungles and forests being leveled, agricultural lands being over irrigated (desertified), mines getting ever wider or deeper. He registered that human beings around the world were stirring a new age of planetary change. He called this age “the Anthropocene.”

The Anthropocene age commenced slowly with the advent of the Agrarian Age 12,000 years ago, but has accelerated

exponentially since the Industrial Revolution.

Nowadays, under the conditions of rapid global economic development, expansive industrial production, industrialized agriculture, profligate consumption, waste, and pollution, we see rampant environmental destruction and accelerated climate change and mass extinctions, seemingly to the les point de non retour.

These environmentally destructive trends are reported in the media and increasingly obvious to the naked eye, so political, business, religious, academic, and NGO leaders around the world are stepping up to find ways to—in Al Gore’s words-- “reduce humanity’s carbon footprint” and overall environmental impact. However, as production and profit remain the bottom line for government officials and their major donors in big business, the proper concepts to arrange a sustainable and environmentally friendly way of living are always watered down, postponed, and slow in implementation.

Anthropocene Cross Strait Situation

The countries flanking the Taiwan Strait – Taiwan to the east and China to the west – are hotspots of the aforementioned expansive production and consumption, waste, and pollution: industrial zones and factories line Taiwan's west coast, with even more across the Strait and north and south along China's southeast coast. China's waste and pollution are much greater, yet Taiwan is a principal investor in China's industries. As a result, the South China Sea is among the most heavily polluted in the world, with diminishing fish stocks and large dead zones of toxic waste and no O₂. The skies above the Strait are increasingly smoggy. Clear days and fragrant air are ever rarer in the cities of western Taiwan and southeastern China.

Experts and commentators always tend to discuss cross-strait relations strictly in terms of Economy, Politics, Society, and Military. Indeed, economy and trade form deepest bond between Taiwan and China. The two sides see and exploit many win-win cross strait opportunities. Twenty years ago, Taiwan and China had a largely symbiotic relationship: China needed Taiwan's knowhow and investment capital, and Taiwan wanted China's cheap labor and new markets. Today there is more straightforward cooperation in various mixes of cross-strait cooperation. Cross strait Politics remain complicated: neither regime can recognize—or acknowledge—the other, because their overlapping jurisdictions and claims; yet, there is tacit acceptance of their respective spheres of control. The root problem is the contradiction between the autocratic single party governance in China vs. the capitalist democratic governance in Taiwan. Social intercourse among people from across the Strait goes fairly smoothly though occasionally stressed by differences in thought, heart, and aspiration, as well as lingering distrust. Militarily, while insisting on its legitimacy, institutions, and free lifestyle, Taiwan shows its good will and pacifistic approach and China has been low key and cooperative on economy and trade

but often introduces new firepower, stations new missiles, and occasionally rattles its sabers. Cross-strait military relations are calm—but could flare up at a moment's notice.

At a deeper level, all Cross Strait political, military, and especially economic, activities depend on the health of the natural environment—such as on the land, in the sea and the sky, and in multiple ecosystems. Moreover, although Taiwan and China occupy discrete geographic and geopolitical spaces, their natural settings of land, sea, air, and ecosystems overlap and are proximate and continuous. Human activities on either side exert an impact on the other side. Of course, Chinese activities exert a far greater impact on Taiwan than vice versa; however, besides Taiwanese activities on Taiwan, Taiwan invested activities in China have an environmental impact on China and less directly on Taiwan, as well. Hence, people across the strait have reason to cooperate on the natural environment in balanced cooperative ways.

It is a truism—and a common policymaker excuse—that the rapid speed of cross strait economic development since the '80s left little time for environmental thinking and planning, not to mention quality of life considerations. It is this exclusive worship of monetary value that cannot be excused. As Robert F. Kennedy said in 1968,

Yet the gross national product (GNP) does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials.

It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything, in short, except that which makes life worthwhile.

(See Appendix I below for full text.)

Global Climate and Environmental Issues: point d'entrée for Cross-Strait Cooperation

Overview of the Global Situation

Henceforth, not only scholars and academics but political and business leaders and the common people all must think of Cross Strait relations with the awareness that we are living in the Anthropocene age, and human activities are seriously impacting the biosphere on which we depend for life, not to mention quality of life. The old bottom line of monetary wealth, political authority, and military power is simply too narrow when those goals have such dire effects: the present day despoiling of the lands, the seas, and the skies is in fact destroying the conditions for quality human life.

The scientific view: Earth-system science sees the planet not just as a set of places but also as a system of forces, flows and feedbacks that act upon each other. This system can behave in distinctive and counterintuitive ways, including sometimes flipping suddenly from one state to another. That the Earth-system increasingly works very differently now in the Anthropocene is shown in nature's recycling systems on which life depends for various crucial elements. For example, in the past two centuries people have released vast amounts of fossil carbon into the atmosphere that in the past the planet had taken hundreds of millions of years to store away. This has given humanity a leading role in the planet's carbon cycle.

Although the natural fluxes of carbon dioxide into and out of the atmosphere still account for more than 10x the amount that humans put in every year by burning fossil fuels, the human addition matters disproportionately because it unbalances those natural flows. The result of putting more carbon into the atmosphere than can be taken out of it is a warmer climate:-- a melting Arctic, higher sea levels, increased photosynthesis in many plants, intensification of the hydrologic cycle of evaporation and precipitation, and a new unhealthy ocean chemistry (China's burning of coal and Taiwan's burning of oil are major culprits).

All of this impacts not just human life but also planetary processes. More rain means more weathering of mountains. More efficient photosynthesis means less evaporation from croplands. And changes in ocean chemistry can be expected to have a direct effect on the geological record if carbon levels rise far enough.

Human impact on the nitrogen cycle is equally immense. One crucial part of this cycle—the fixing of pure nitrogen from the atmosphere into useful nitrogen-containing chemicals—depends entirely on living things. And the living things doing most of that work are now people. By adding industrial clout to the efforts of the microbes that used to do the job single-handedly, humans have increased the annual amount of nitrogen fixed on land by more than 150%. The majority is done on purpose, mostly to make chemical fertilizers. This has a variety of unwholesome consequences, importantly the increasing number of coastal “dead zones” caused by algal blooms feeding on fertilizer-rich run-off waters (South China Sea, East China Sea).

Industrial nitrogen's greatest environmental impact, though, is to increase the number of people! Although nitrogen fixation is not just a gift of life—100m people were killed by explosives made with industrially fixed nitrogen in the 20th century's wars—its net effect has been to allow a huge growth in population. About 40% of the nitrogen in the protein that humans eat today got into that food via artificial chemical fertilizers. There would not be nearly so many people now doing all sorts of other things to the planet if humans had not sped up the nitrogen cycle (Due to the Postwar population policies in China and Taiwan, respectively, China is the world's most populous country, and Taiwan is the world's second most densely populated country.)

Remarkably, the altering of the nitrogen cycle was deliberate. 19th century scientists viewed the shortage of nitrogen

as a planet-wide problem. Since natural processes would not increase the supply, they invented an artificial process, called the Haber process, that could make up the difference. It was the first human attempt at geo-engineering the planet to bring about a desired goal. The scale of its success outstripped the imaginings of its instigators. So did the scale of its unintended consequences.

Given the evident risks and dangers of the Anthropocene, further geo-engineering may be recommended, this time regarding carbon. Left to themselves, carbon-dioxide levels in the atmosphere are expected to remain high for 1,000 years—more, if emissions continue to go up through the 21st century. Climate scientists argue that human intervention is necessary—the goal of this century should be not be just to stop the amount of carbon in the atmosphere from increasing, but to start actively decreasing it.

Carbon reduction might be achieved in part by growing forests and enriching soils, but it might also require high-technology interventions, such as burning newly grown plant matter in power stations and pumping the resulting carbon dioxide into aquifers below the surface of the earth, or scrubbing the air with special chemical-engineering plants, or intervening in ocean chemistry in ways that would cause the seas to consume the air's carbon.

Such deliberate interference in the Earth system would undoubtedly provoke alarm. But an Anthropocene age without serious deliberation would be disastrous. A way to split the difference has been proposed by Earth-system scientists under the theme of “planetary boundaries.” The planetary-boundaries group urges increased restraint but, where necessary, direct intervention aimed at taking all sorts of factors in the Earth system-- from the alkalinity of the oceans to the rate of phosphate run-off from the land-- back to the conditions that obtained in the pre-human Holocene period. Carbon-dioxide levels, the researchers

recommend, should be brought back from whatever they peak they reach to a level slightly higher than the Holocene's and a little lower than that of today.

The precautionary approach urges not simply that things were good the way they were, but that the further the Earth system gets from the stable conditions of the previous Holocene age, the more likely it is to slip into a whole new state and change itself yet further in unforeseeable ways.

Now, as grave threats of rapid climate change, water depletion and desertification, mass extinctions loom, Taiwanese and Chinese leaders need to make concerted efforts to create synergy in all sectors of government and walks of life to reduce humanity's carbon footprint, plan development carefully to maintain clean water supplies and sustain natural ecosystems as their new agreed common bottom line. Such common efforts of wisdom and conscience would remind people that what is most precious in life is life itself, and that clean waters and wild nature represent the source of life.

But do the leaders possess the necessary wisdom? As long as they stay obsessed with illusory bottom line economic growth, political power, and nationalism, they will not think about what is precious in life and the basic conditions for a satisfying human existence.

The World and the Taiwan Strait are in flux

Current Economic and Environmental Situation and Trends

1. Evolving global-scale production systems – allowing for systematic widespread improvements (Taiwan, China)
2. Rapid ICT-enabled technological change (Information and Communication Technology) – allowing for ongoing communication in making improvements (Taiwan, China)

Global Climate and Environmental Issues: point d'entrée for Cross-Strait Cooperation

3. Rapid population growth in some areas, and aging in high income areas (Taiwan, China, SE Asia)

4. Worldwide decline of middle-level skilled jobs (Taiwan, China)

5. Extreme environmental crises (China, Taiwan): toxic soil, desertification, water pollution, air pollution, earthquakes, some from excessive dams, etc.)

6. Economic and geopolitical multi-polarity (Taiwan, China trade and commerce diversification, also increased regional and private business initiatives.

Economic growth and poverty reduction are blocked by four large hurdles:

1. Growing income inequality and social exclusion

2. Continued population growth

3. Growing environmental crises

4. The limited traditional disciplines, which are individually inadequate to conceptualize the issues of culture, economy, environment, and sustainability.

Tools for Achieving Sustainable Economic/Environmental Development:

Rapid Technological Transformation (introduction of green technology, humanized production)

Equity in Social Service Provision (public health, education, welfare, opportunity)

Community Protection of Natural Resources (cooperation of local stakeholders)

Strengthening of Local Governance (democratically elected, fair, bribe free)

Sharing Work, Learning, and Leisure (open access online resources)

Restraining Arbitrary Corporate Power (authoritarian rule fosters unhealthy guanxi)

Responsible Investment and Financial Markets (green investment)

Re-Democratizing Our Democracies (people democracy vs corporate funded democracy)

Identifying Shared Holistic Global Values (seeking common values in local traditions)

Top "Sustainable Systems" Priorities:

Sustainable energy systems (solar, wind, geothermal, tidal)

Sustainable agriculture and nutrition (organic, range, non-gmo)

Sustainable urbanization ("Smart Cities") (clean energy public transport: change driving cities into walking and biking cities, encourage urban agriculture)

These projects will require technological breakthroughs

New global public-private partnerships (PPPs) for sustainable technologies:

Low-carbon energy systems

Resilient and sustainable agriculture

Smart ICT-enabled urban systems

ICT-enabled public health & education governance

Prioritize Sustainable Development Academic Disciplines

(1) Understanding Global Mechanisms: climate, biodiversity, economic dynamics

(2) Monitoring and mapping Earth system states

(3) Developing integrated physical-human systems for the "green economy"

(4) Assisting directed technological change e.g. "deep decarbonization," ICT-based health and education, sustainable agriculture, smart cities

(5) Leading public and university education, and building a shared global framework for action

Conclusion

In conclusion, the cross strait region is a hot spot in which all the problems of pollution, environmental devastation, climate change, and decline of quality of life come together and are on the rise. In order to face these problems head on, and work toward a resilient green environment and ever improving quality of human life, people in society, business, education, and government all must reflect on and take account of the environmental and climate impacts of their ideas, habits, policies, and practices. They must embrace, share, and live by more holistic and eco-friendly concepts and values. This transformation of human thought and action cannot take place in a vacuum but must be nurtured from all sides, not only from political and business leaders who often have contrary interests, but also the popular media and above all the educators at every level. Even the educators need to be reeducated to cherish the earth and the biosphere and to commit themselves to teaching their students to think holistically and act in eco-friendly ways. Let us start to work together today!

Appendix I Robert F. Kennedy speech at the University of Kansas, March 18, 1968

Even if we act to erase material poverty, there is another greater task, it is to confront the poverty of satisfaction – purpose and dignity – that afflicts us all.

Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product, now, is over \$800 billion dollars a year, but that Gross National Product – if we judge the United States of America by that – that Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage.

It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl.

It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman's rifle and Speck's knife, and the television programs which glorify violence in order to sell toys to our children.

Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials.

It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything, in short, except that which makes life worthwhile.

And it can tell us everything about America (China, Taiwan) except why we are proud that we are American (Chinese, Taiwanese).

If this is true here at home, so it is true elsewhere in the world.

Appendix II Importance of Participation of Local Small Stakeholders in Environmental Decision-making

In areas of rapid industrial development and growth, the weaker and softer stakeholder voices are often drowned out by the wealthier and better connected stakeholders; however the weaker and softer stakeholders often have valid interests to protect and tend to be more caring for local wildlife, ecosystems, and environmental concerns, and related public health concerns. The weaker, softer voices often provide important input about pollution and environmental damage that the big stakeholders wish to conceal. Participation of small as well as large stakeholders in local environmental decision-making thus

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can help the existing social structures and human practices to become more responsive to the challenges of sustainability and more responsible. For example, alternative sustainable development strategies for coastal communities in many parts of the world-- including the Taiwan Strait-- are currently blocked because special interests have the inside track to the decision-makers, so important input from local stakeholder perspectives and knowledge is ignored by policy-makers. Wider input would better inform the environmental experts in how to integrate natural science knowledge and technologies in light of the cultural-economic concerns voiced at the table. The environmental experts should seek to improve the sustainability prospects of decision outcomes by enhancing social awareness and implementation of the natural science environmental knowledge and technologies.

While nation states and governments have had difficulty negotiating meaningful international pollution and environmental agreements, democracies often have more flexibility because of greater public learning capacities and faster learning curves. The people's learning capacities and learning curves are rooted and sustained in their right to participate and free practices, and rely on such institutions as free and open public media, independent scientific community (with commitment and conscience), and the right to form associations and organize. Small stakeholder participation in joint social learning platforms for the environment and ecosystems certainly can provide important inputs for achieving more broad-based, holistic understandings of the interactive systems of nature and humanity. The extent and quality of stakeholder participation in democratic resource management decision-making can improve a community's capacity for joint, cooperative inquiry, and innovative activity. A community's improved joint, inquiry and innovative activity could serve to transform the community's capacity to manage its natural resources fairly and sustainably.

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Appendix III Future Challenges

Current legal systems are largely based on the principle of state sovereignty. This assigns political responsibility for the global commons and for trans-boundary ecosystems to nation states that are effectively free, but often opt out of international environmental agreements. Importantly, however, alternative options do exist: if the subsidiary principle were applied at the planetary level, nested polycentric governance structures might be utilized to deal with specific social-environmental issues at the transnational levels where the problems are often caused and suffered. This approach of subsidiary principle may provide a way for concerned people to develop effective forces against industrial threats to sustainability, such as pollution, erosion, resource overuse than the current easily corruptible political steering mechanisms. New localized ways of managing trans-boundary river, coastal, and coral reef regions point the way. Indeed, if subsidiary local regimes are endowed with inclusive, adaptive institutions and are well networked, then a global, polycentric approach could be brought to bear to harness sustainability supportive forces around the world. For such an approach to be realized, it would be necessary to reframe the place-specific, locally appropriate solutions, which reflect diverse regional, culturally specific initiatives in more general terms and values, under a wide global visionary consensus on the Earth's core sustainability problems.

For more suggestions on cooperative, sustainable development, see the works of Jeffrey Sachs (director, Earth Institute, Columbia University) and the Economist essay by Oliver M. An earlier version of this paper was presented at a conference on "Global Issues and Cross-Strait Relations" held at National Taipei University on April 30, 2015.

Brief Biography of the Author

Kirill Ole Thompson – b. Northfield, Minnesota. Received advanced degrees from the University of Hawaii. Professor & Assoc. Dean for the Humanities, Institute for Advanced Studies in Humanities and Social Sciences (IHS), National Taiwan University. He is broadly interested in the humanities. Specialized in the philosophy of Zhu Xi and Song-Ming Neo-Confucianism, he also investigates early Chinese thought, e.g., Confucianism, Daoism, Mohism, Sophism, Legalism, and such later traditions as Buddhism. He is also interested in Greek thought through Plato, modern philosophy, and 19th and 20th century philosophy, such as American transcendentalism, existentialism, early analytic philosophy, notably Wittgenstein, etc. He has published book chapters, articles, and reviews in Chinese philosophy in *Philosophy East and West*, *Asian Philosophy*, *Journal of Chinese Philosophy*, *China Review International*, etc., and has written and presented on Samuel Beckett, Thorstein Veblen, Thomas Gray, Henry David Thoreau, and other kindred spirits. In recent years, he has gotten involved in Humanities for the Environment, with an interest in agricultural ethics and sustainability in Chinese as well as Western perspectives.

Classical Inspirations

I. Tao Yuanming *Returning to Live in the Country*
Young, I was always free of common feeling.
It was in my nature to love the hills and mountains.
Mindlessly I was caught in the dust-filled trap.
Waking up, thirty years had gone.
The caged bird wants the old trees and air.
Fish in their pool miss the ancient stream.
I plough the earth at the edge of South Moor.
Keeping life simple, return to my plot and garden.
My place is hardly more than a few fields.
My house has eight or nine small rooms.
Elm-trees and Willows shade the back.
Plum-trees and Peach-trees reach the door.
Misted, misted the distant village.
Drifting, the soft swirls of smoke.
Somewhere a dog barks deep in the winding lanes.
A cockerel crows from the top of the mulberry tree.
No heat and dust behind my closed doors.
My bare rooms are filled with space and silence.
Too long a prisoner, captive in a cage,

II. Tao Yuanming *Reading the Classic of Hills and Seas*
In the summer grass and trees have grown.
Over my roof the branches meet.
Birds settle in the leaves.
I enjoy my humble place.
Ploughing's done, the ground is sown,
Time to sit and read my book.
The narrow deeply-rutted lane
Means my friends forget to call.
Content, I pour the new Spring wine,
Go out and gather food I've grown.
A light rain from the East,
Blows in on a pleasant breeze.
I read the story of King Mu,
See pictures of the Hills and Seas.
One glance finds all of heaven and earth.
What pleasures can compare with these?

Family businesses and succession planning

Prof. Walter Vieira



Until a few years ago , I had not realised that there were such different views on succession planning, in family businesses in the East and in the West. We are all products of our environment. In the East, we start a business and grow it - so that it is there for our children and our children's children; and hopefully for a few generations! It may or may not happen. But, at least it is a dream. We hope that future generations will have the same passion as we had, to start the business; and that they will continue to grow it on the foundations which the founder has laid. There is also the hope, that they will improve on what has been done; and the name we have established will be known, admired, and respected for generations to come - like in the case of Cardin and Canali; Ford and Boehringer; Tata and Birla. From this attitude also, is derived the yearning for a male child in every generation - who will carry the NAME forward, with pride and satisfaction.

In essence , in the East we feel compelled to build for our progeny .

In the West , the culture is different . Entrepreneurs build companies for their own satisfaction; for a feeling of self fulfilment ;for a feeling of achievement ; to do what they have a passion for . And having built a company , big or small- and having proved to themselves that they can do it ; they may one day decide to

sell the company they have created, hang up their boots, and retire to the seaside in Florida; or the South of France ; or the Bahamas . The children will get a legacy in money and other assets- but they will not necessarily inherit the company and participate in the operations !!

I was on a trans-atlantic flight from Lisbon to New York , when I began a conversation with my co -passenger . He was a friendly person and disclosed that he was the owner of a large ship repair company in Vancouver. He had gone with a team to deal with a problem with a client ship , now docked in Italy. Having attended to it , he was now heading back - leaving his team to deal with the details of the operations . We then got talking about how he had started the company 35 years ago , and how he had toiled to build it into the sizable company it now was . And now he was 76 and wanted to retire and just take it easy. "Are your children in the business?" I asked him . Yes , he said . One of my two sons , John , has been working in the business for the last six years. He has shaped up well. The other son is a journalist - and does not want to be a part of what I do , which is just as well. So you are lucky to have John take over, I ventured , He was silent for some time . " Let us see . I have asked him to pay me the market valuation of the company less 20% and pay it in four equal annual instalments - since he is my son . If he can , then the company is his . If he cant then I have other

offers , and I will sell !! I cannot make it any easier for my son. I do not want to give it to him free, and on a platter, because he will never know or understand the value- and the sacrifices I have made to bring it to this level. And then, he will ruin it !!

I thought about this rational , logical submission by the owner of a family

business in the West- and juxtaposed it with the emotional, familial attitudes in the East . Each approaching the same dilemma in their own style , in their own way . Andt here can be no judgement , because we are all products of nature and nurture - where we were born and how we have been brought up!!

Brief Biography of the Author

Walter Vieira has been described by Philip Kotler (the world's guru on 'Marketing') as one of 'the best speakers on Marketing in Asia, and perhaps world wide.'

Walter is a Certified Management Consultant; and a Fellow of the Institute of Management Consultants of India. He has been in the practice of management consultancy since 1975 (32 years) when he set up the first marketing consultancy company in India. He was awarded the Life time Achievement Award in 2005.

He earlier worked in senior positions in Glaxo, Warner Lambert & Boots for 14 years, when he left as Marketing head for India – and concurrently General Manager for Boots, Sri Lanka and Bangladesh. He was responsible for some of the most successful launches in the pharmaceutical industry.

Walter has been consultant in marketing and training to many of the largest corporations in India – The A V Birla Group (textiles, cement, aluminum); Tatas (IT, cosmetics, consumer, chemicals; Mafatlal (textiles); Levers; BASF; Bayer; Hoechst; Philips et al and organizations in USA, Middle East; Africa, South East Asia. He has covered a broad canvas from Industrial products to FMCG.

Walter is the only speaker to be invited to address three consecutive World Congress of Management Consultants in Rome, Yokohama and Berlin.

Walter has the distinction of writing the longest running column 'Executive Career path' for Business World (India). He has published over 700 articles in the Business & General press. He has written 11 books – some of them best sellers – translated into Chinese and Indonesian and 3 books in collaboration with Prof. C. Northcote Parkinson of Parkinson's Law fame.

He has been active in social marketing – and has been 'probono' consultant to Cancer Aid Society; World Wildlife Fund for Nature; Consumer Education & Research Centre; The Workshop for Mentally Challenged Women – among others.

He has been the President of the Institute of Management Consultants of India (1986-1991); the Founder/Chairman of Asia Pacific Conference of Management Consultants; and the first Asian to be elected Chairman of the 42-country world apex body of management consultants (ICMCI) International Council of Management Consulting Institutes.

Walter has been Visiting Professor since 1989 at the Kellogg Business School, N W University, USA; and has lectured at Cornell; Drexel; Brady; NYU; URI; Lake Forest – in USA; Boston College, Zaragoza, Spain and many other business schools in Asia.

Walter has straddled the space between business and academia – and shares his vast experience with students and peers, to help make this a better world!



An Introduction to The IIM Corporate Partner Scheme

Purpose & Objectives:

In pursuit of its objectives of promoting the practice of professional management and enhancing the competence of leaders at all levels within organizations of all sorts, The International Institute of Management (IIM), on a highly selective basis, has been extending invitations since 2013 to a limited number of leading organizations in different sectors to become “**Corporate Partners (CPs)**” of the Institute. Through collaborating with the Institute, the achievements and successes of different kinds of these “**CPs**” can be shared with and admired by the business community, setting examples of best practice and serving as role models for managers, administrators and entrepreneurs in Hong Kong, the Mainland, Asia and internationally.

Qualification & Duties:

To qualify for this honorable partnership status, corporations and institutions have to possess:

- 1) proven records of success in various fields of operation; or
- 2) established & time-honored historical record of accomplishment in their specific fields; and
- 3) noticeable achievements as outstanding market leaders; as well as
- 4) an interest plus aspiration in & inclination towards being societal leaders to help promote the development of management values, philosophy, theory & competencies, particularly among students & young managers.

To jointly realize the above goals, “**Corporate Partners (CPs)**” support and contribute resources to the various programmes and functions of the Institute throughout the year, a good example of which is the Institute’s “**Intersarsity Undergraduate Practicum Scheme**”.

CPs joined in 2015
(in alphabetical order)

Bonds Group of Companies.
CT Environmental Group Ltd.
Emperor Group
Galaxy Entertainment Group
**Huashang College Guangdong University
of Finance & Economics**
Koon Wing Motors Ltd.
PuraPharm Group of Companies
Shui On Group
Utahloy Group Limited

CPs joined in 2013
(in alphabetical order)

3D - GOLD Jewellery
**Cheung Kong Infrastructure Holdings
Limited**
Goldlion Holdings Ltd.
**Hong Kong Youth Exchange Promotion
United Association**
**Junefield Department Store Group
Limited**
LEDGE Lighting Limited
Mitsui & Co. (Hong Kong) Ltd.
Nanyang Commercial Bank Ltd.
Royale Furniture Holdings Limited
Tai Kong Group (Holdings) Co. Ltd.

CPs joined in 2014
(in alphabetical order)

Cancare Group (H.K.) Ltd.
China Merchants Holdings (H.K.) Ltd.
Chinese Strategic Holdings Ltd.
FT Corporate Strategy Ltd.
Kowloon Development Co. Ltd.
Maxyee Group Ltd.
Mission Hills Group
Mr. Eddie Wang
Saigon Commercial Bank
Sun Hung Kai Financial Ltd.
The H.K. Building & Loan Agency Ltd.
Van Shung Chong Holdings Ltd.

All CPs have been cordially invited to participate in the illustration in the current issue of "The Management Journal" including those who joined in 2013, all of whom have renewed their continuous support as Change to CP's

環保先鋒再創輝煌

—中滔環保集團有限公司

徐湛滔先生
中滔環保集團有限公司主席



投身環保勇創新天

中滔環保集團有限公司董事局主席及創辦人徐湛滔先生1966年11月，出生於廣東省增城市（現廣州市增城區）新塘鎮，現任中國人民政治協商會議廣州市增城區委員會常委、廣東省見義勇為基金會副會長、廣東省環保產業協會副會長。



徐湛滔白手興家，其創業歷程頗具傳奇色彩。

徐湛滔出身於廣東農村，小學還沒畢業，他便已主動承擔力所能及的工作以幫補家用。14歲開始，徐湛滔用他尚顯稚嫩的臂膀撐著小艇獨自前往廣州市區售賣家鄉的農副產品，隨後開始經營電子錶等日用品小生意。從電子錶、傢俱的零售批發行業，到交通運輸和建築業，再到建設經營煉油廠、酒店和牛仔

服裝城……改革開放東風起時，南粵大地日新月異，在此期間徐湛滔幾乎涉獵了每個發展階段的熱點行業，而且總是快人一步、勝人一籌、不斷進取。儘管每投身一個全新的行業，徐湛滔和他的團隊都要經歷一次艱苦的學習、轉型過程，但他從未因循守舊，而是本著改變現狀、求新圖變的勇氣，順應中國改革發展的滾滾洪流，敏銳地把握全新的、更好的投資機遇，走在時代的最前沿。

借助改革開放的春風，廣東的紡織、印染行業蓬勃發展，增城新塘也因此成為名揚四海的“中國牛仔第一城”。與此同時，受累於粗放型的發展模式，環境也遭到了不同程度的破壞，曾經可游泳甚至直接飲用的江水受到污染，發黑、發臭，

有鑑於此，徐湛滔毅然決定將夢想與事業相結合、進軍環保行業，誓要重現昔日山清水秀的美好家園。為此，他積極主動地回應當地政府的號召，針對星羅棋佈、各自為政的排汙企業給汙水處理和環境保護帶來的嚴峻挑戰，採用先進的環保工業園理念，在當地投資建設了集供水、供熱和汙水處理於一體的新洲環保工業園，通過先進的技術、完善的管網、成熟的配套和周到的服務，一舉扭轉了此前當地紡織、印染行業分散於各處、難以集中統籌治汙的窘境。而正當社會及公眾十分重視對水

體污染控制、而對污泥的危害普遍認識不足之時，徐湛滔統率中滔環保把握機遇、敢為人先，強勢介入包括污泥處理在內的固體廢物處理處置領域，採取減量化、無害化等處理方式大大降低了污泥的數量和毒性，並通過堆肥、製成生物燃料、燒制環保路磚和輕質陶粒等方式實現污泥的再利用。



從2003年開始介入環保產業，經過十年的奮鬥，中滔環保於2013年9月在香港聯合交易所主機板掛牌上市，昂首邁向國際資本市場。從汙水處理、工業供水到污泥處理，從固體廢物處理到危險廢物處理，從一線治汙業務到環境檢測、諮詢乃至技術和設備的研發業務；從市內到市外，從廣東到湖南、四川、海南、廣西等省區，徐湛滔的環保事業實現了業務範疇的全覆蓋和經營地域的大跨越。目前，中滔集團的業務範圍業已涵蓋環保設施的規劃、建設、運營和維護的全過程，構建了完整的環保產業鏈條，形成了具有核心競爭力的發展模式。

中滔環保是廣東省最早進行工業污水集中處理的企業之一，是全國領先、廣東規模最大的污泥處置企業，是廣東省規模較大的危險廢物處置處理企業；具有環境污染治理設施甲級運營資質（生活污水及工業廢水）、固體廢物（含嚴控廢物）處置處理許可、多種危險廢物處置處理許可；是高新技術企業及資源綜合利用認證企業。



熱心公益回饋社會

在發展自身業務的同時，履行企業社會責任、推動文體事業發展，是徐湛滔和中滔集團孜孜不倦的追求。徐湛滔從不吝嗇向教育、體育、城市建設和社會慈善事業慷慨解囊。從上世紀九十年代開始，徐湛滔及中滔環保向教育、體育、及社會慈善事業的贊助及捐贈近5000萬元，同時，在中山大學設立“中滔環保獎學金”，旨在支持環保專業學生更好地完成學業，為行業的未來培養更多人才；在廣東環境保護工程職業學院開設“中滔環保班”等等，為報效祖國、回饋社會作出了應有的貢獻。



在社會公職方面，徐湛滔於1995年，擔任香港童軍會（九龍地域）副會長，2000至2001年、2002至2003年，擔任香港仁濟醫院第33、35屆董事局總理，2003至2005年連續擔任其第36至38屆董事局顧問。2007至2015年擔任中國人民政治協商會議增城

市（區）第六至第九屆委員會委員、常委，政協惠州市第九屆委員會委員、政協龍門縣第六屆委員會委員、常委，積極建言獻策。2006年起擔任廣州市僑商會副會長，第10、11、12屆增城市工商業聯合會（總商會）副會長、第八屆增城市歸國華僑聯合會榮譽主席。基於其對經濟建設和社會繁榮做出的重大貢獻，徐湛滔先後榮獲廣州市、惠州市等多地政府頒授榮譽市民稱號，並於2006年10月榮獲加拿大政府頒發的特別貢獻獎。

創新發展，再創輝煌

展望未來，在徐湛滔帶領下的中滔環保將以不斷創新姿態發展業務，強化核心業務，大力發展創新業務，不斷提升核心競爭力，將中滔環保發展成為一家受尊敬的環保企業。具體而言

1. 強化工業廢水集中處理核心業務，集團未來將持續提高工藝流程的技術和管理水準，並依照地區實際和個性化需求建設新專案。中滔集團將充分把握廣東省開展“騰籠換鳥”、產業轉移等戰略舉措給發展中地區帶來的機遇，依照地區實際和客戶個性化需求建設新的工業廢水處理專案和區域污水綜合處理專案，為推動區域經濟的和諧發展提供更具個性化的綜合服務。



頭，力圖在統籌治汙、以廢治廢的迴圈經濟治汙運營模式方面取得突破。

2. 大力發展固體廢物減量化、資源化及最終處置業務。充分利用中滔環保有污泥處置、危險廢物處置方面的領先優勢，推進固體廢物減量化、資源化產品為導向，最終處置為目標，保持在系統性解決固廢處理問題上獲得市場效益。

3. 積極開拓新業務，挖掘新的業務及利潤增長點。中滔環保集團響應“一帶一路”戰略構想，在國家級新區和自貿試驗區“雙區疊加”的廣州市南沙區建設的海上環保項目，建設年處理能力50萬噸危險廢物（含油廢水處理）、年產能15萬噸生物柴油環保項目，成為廣東省最大的處理船舶污水及港口污水的企業。

4. 注重技術創新及環保宣傳，增強全民環保意識。集團除與中山大學、環保部華南環科所、華南理工大學、廣東工業大學、廣東環境保護工程職業學院等院校加強產學研合作外，還通過增撥投資和優化重組現有資源等方式，成立中滔研究院，為技術創新提供理論支援、實驗平臺和專業人才。

中滔集團將以二次創業的激情，憑藉自身獨特的經營模式、經驗豐富的專業管理團隊、強大的自主研發能力和極具競爭力的成本優勢，在環保產業強勢崛起的大背景下尋求進一步突破，為廣大客戶和投資者提供更優質、更多樣化的服務與投資回報，為中國的生態環境保護事業做出新的、更大的貢獻。

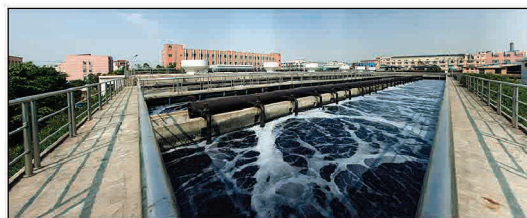


中滔環保

中滔環保集團有限公司（01363.HK）是專業的環保解決方案提供商，為客戶提供一站式、一體化、綜合的、量身訂造的综合環保服務。集團主營業務為工業廢水集中處理、工業供水、固體廢物（含嚴控廢物）和危險廢物集中處置處理、城鄉生活垃圾無害化處理、環境檢測全產業鏈服務。服務內容涵蓋環保設施的規劃、建設、營運及維護全過程。



中滔環保是廣東省最早進行工業廢水集中處理的企業之一，是全國領先、廣東規模最大的污泥處置企業，是廣東省規模較大的危險廢物處置處理企業。具有環境污染治理設施甲級運營資質（生活污水及工業廢水）、固體廢物經營資質（含嚴控廢物）處理許可、數十種危險廢物處置處理許可，是高新技術企業及資源綜合利用認證企業。



集團從2003年進入工業廢水集中處理及工業供水服務行業以來，業務領域不斷拓展、業務經營地域不斷擴大，經營範圍涵蓋水務、固廢、危廢、環保檢測等全產業鏈，形成了集團具有核心競爭力的環保產業發展模式。



集團強大的自主研發和技術能力、獨特的經營模式、經驗豐富的专业管理團隊、极具競爭力的成本優勢，為集團業務的快速發展提供了有力的保證。

集團自覺履行社會責任，資助眾多慈善項目和社會公益項目，在中山大學專門設立中滔環保獎學金以及在廣東省環境保護廳直屬學院——廣東環境保護工程職業學院開設“中滔環保班”，鼓勵、資助及培養學生儘快成為環保專業人才。



集團將充分利用核心競爭優勢，大力推進工業廢水集中處理業務發展、擴展以污泥處置為中心的工業固體廢物處置處理業務、整合危險廢物處理處置業務，打造以工業園區廢水集中處理為核心，工業供水、固體廢物、危險廢物處理處置有機組合的產業鏈完整、核心競爭優勢明顯的高科技環保企業，保持在工業廢水集中處理及固體廢物處理處置上的領先優勢。



銀娛 GEG

Galaxy Entertainment Group



Galaxy Entertainment Group Limited (GEG) is one of the world's leading hospitality and gaming companies. It primarily develops and operates hotels, gaming and integrated resort facilities in Macau. The Group is listed on the Hong Kong Stock Exchange (27.HK) and is one of the constituent securities of the Hang Seng Index.

GEG is one of the six gaming concessionaires in Macau with an exceptional track record of delivering innovative, spectacular and industry leading properties, products and services, underpinned by a "World Class, Asian

Heart" service philosophy, that has enabled it to consistently outperform the wider market.

GEG operates three flagship venues in Macau: on Cotai, Galaxy Macau™, one of the world's largest integrated destination resorts, and the adjoining Broadway Macau™, a new hotel, entertainment and retail landmark destination; and on the Peninsula, StarWorld Macau, an award-winning high-end boutique property.

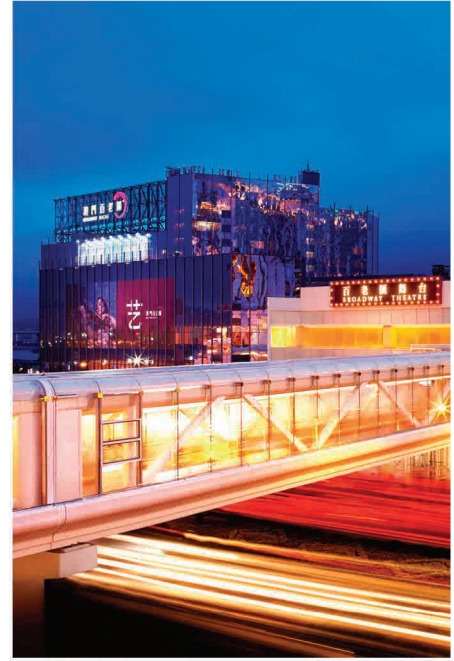
The Group has the largest development pipeline of any concessionaire in Macau. When Phases 3 & 4 of its Cotai and



Starword Hotel



Galaxy Macau™



Broadway Macau™

bank are completed, GEG’s footprint on Cotai will double to more than 2 million square meters. GEG has also entered into a framework agreement to develop a low rise, low density world class destination resort on a 2.7 square kilometer land parcel on Hengqin adjacent to Macau. This resort will complement GEG’s offer in Macau, differentiating it from its peers and support Macau in its vision to become a World Centre of Tourism and Leisure. Additionally, we continue to explore international development opportunities.

GEG is committed to delivering unique ‘World Class, Asian Heart’ holiday experiences to its guests and building a sustainable future for Macau.

GEG also operates a Construction Materials Division.

Mission

We are a leading Asian gaming company providing exceptional experiences to our guests, instilling pride in our employees, and delighting our stakeholders.

Vision

Globally recognized as Asia’s Leading Gaming and Entertainment Corporation

This vision will be achieved through adhering to our proven business philosophy below:

- **LOCAL MARKET INSIGHTS**
Leveraging Chinese heritage and deep understanding of Asian and Chinese customer preferences.
- **PROVEN EXPERTISE**
Focus on ROI (return on investment) with prudent CAPEX (capital expenditure) plan, proven construction and hotel expertise, and controlled development.
- **WELL POSITIONED**
Position Galaxy as a leading operator of integrated gaming, leisure and entertainment facilities.
- **DEMAND-DRIVEN STRATEGY**
Monitor the market’s developments and expand prudently in a timely manner.

Values

- We anticipate customer needs and take pride in delivering exceptional experiences at every Galaxy moment.
- We act with deep personal respect for every individual that connects with Galaxy.
- We do our best, always.
- We are prudent, efficient, and act with integrity and a sense of urgency.
- Teamwork is paramount to our success.



Awards

Galaxy Entertainment Group

- Euromoney Magazine - Best Managed Gaming Companies in Asia
- Institutional Investor Magazine's All Asia Executive Team Survey - Best Gaming and Lodging Company
- International Gaming Awards - Casino Operator of the Year: Australia/Asia
- The Mirror - 4th Outstanding Corporate Social Responsibility Award

StarWorld Hotel

- China Travel & Meetings Industry Awards (jointly organized by Travel Weekly Magazine and Events Magazine)- Best Service Hotel of the Year
- Golden Horse Award of China Hotel - Best Service Hotel of Asia
- China Hotel Starlight Awards - Top 10 Glamorous Hotels of China
- Michelin Guide Hong Kong Macau - Ranked as "Top Class Comfort" 2015

Galaxy Macau

- China Travel & Meetings Industry Awards (jointly organized by Travel Weekly Magazine and Events Magazine)- Best Hotel Group Award
- Golden Horse Award of China Hotel - Best Hotel Group Award
- China Hotel Starlight Awards - Top 10 Resort Hotels of China
- NOW Travel Asia - 2014 Asia's Top Entertainment Complex

Board of Directors

- Executive Directors
 - Dr. Lui Che Woo
 - Mr. Francis LuiYiu Tung
 - Mr. Joseph Chee Ying Keung
 - Ms. Paddy Tang Lui Wai Yui
- Independent Non-executive Directors
 - Mr. James Ross Ancell
 - Dr. William Yip Shue Lam
 - Professor Patrick Wong Lung Tak
- Advisor
 - Dr. Jorge Neto Valente

CORPORATE SOCIAL RESPONSIBILITY

ESTABLISHMENT OF THE GEG FOUNDATION

- To celebrate its 10th year in operation and the 3rd anniversary of its flagship property Galaxy Macau™, GEG announced the establishment of the GEG Foundation on 4 July 2014. Focusing on educating and empowering the young people of Macau and Mainland China, it will be funded initially with HK\$300 million and a further commitment of HK\$1 billion later on.
- The GEG Foundation will invite distinguished people from society to participate in its endeavour to contribute towards the prosperity and social development of Macau and Mainland China.

RESPONSIBLE GAMING

- As an active member of the Responsible Gaming Working Committee, GEG works closely with the Social Welfare Bureau of Macau SAR Government, the Gaming Inspection and Coordination Bureau of Macau



SAR Government (DICJ), the Institute for the Study of Commercial Gaming of the University of Macau (ISCG), and local gaming operators to develop a wide range of initiatives to enhance Macau's responsible gaming culture to team members and patrons, including:

- Collaborated with Sheng Kung Hui Macau Social Services Coordination Office (SKH) to launch the “Employee Assistance Program” and “Responsible Gaming Promotion Program” to provide individual face-to-face, hotline, on-site and online counseling support for team members;
- Co-organised a Responsible Gaming Committee Training Program with the ISCG;
- Organised a Responsible Gaming Seminar with SKH;
- Co-operated with Associação de Juventude Voluntária de Macau to promote responsible gaming;
- Organised responsible gaming roadshows and knowledge quizzes at Galaxy Macau™, StarWorld, Macau and City Clubs; and
- Organised the “2nd GEG Responsible Gaming Awareness Week” in 2014 Responsible Gaming roadshow at StarWorld Macau.

CHARITABLE ACTIVITIES

- GEG strongly believes that as it grows and achieves success it should increase its contribution to the community. To this end, GEG donated to over 30 organisations and people in need, and a selected list is presented below:

- Association of Rehabilitation of Drug Abusers of Macau
- Care Action Macao
- Caritas Macau
- Charity Fund from the Readers of Macao Daily News
- Fuhong Society of Macau
- General Union of Neighbourhood Associations of Macau
- Good Shepherd Center
- Macau Deaf Association
- Macau People with Visually Impaired Right Promotion Association
- Macau Tung Sin Tong Charitable Society
- Richmond Fellowship of Macau
- Sheng Kung Hui Macau Social Service Coordination Office
- Society for the Protection of Animals Macau
- World Vision of Macau Association

SPORTS DEVELOPMENT

- GEG is committed to assisting Macau in its efforts to become a more culturally diverse and attractive international tourism hub. The Group hosts and participates in a number of sporting and community events.

EDUCATION & CULTURE

GEG believes that developing the skills and



expertise of young people is paramount to enhancing Macau's overall competitiveness. GEG collaborated with various educational and professional institutes to develop different programs to help young people build a more solid foundation for their future careers. Highlights in 2014 include:

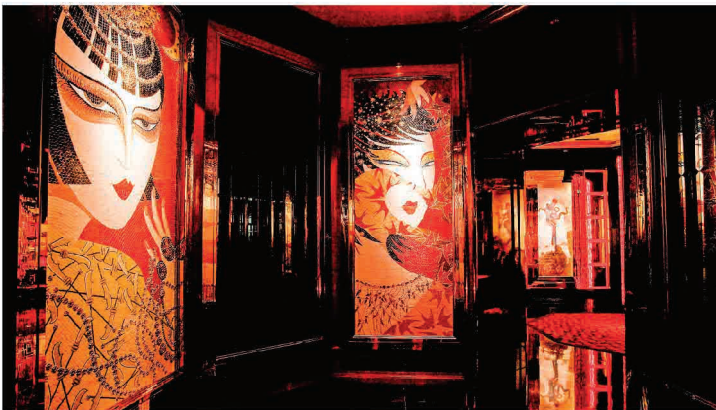
- Invited university students from Macau Polytechnic Institute to the “Chinese Contemporary Art of Excellence” at Galaxy Macau™ to meet eight distinguished Chinese contemporary artists and engage with them in an arts sharing workshop;
- Organised a six-day Sri Lanka Study Tour for six exceptional young winners of the “3rd GEG Youth Achievement Program”;
- Sponsored the “Global Tourism Economy Forum Macau 2014”, hosted by The Secretariat for Social Affairs and Culture of the Government of Macau SAR and coordinated by the Global Tourism Economy Research Center; and
- A total of 55 students, including 11 students from special education institutes successfully completed the GEG Internship Program in 2014. Since its launch in 2008, over 380 interns have graduated from the Program, and among them, over 20 were given opportunities across GEG.

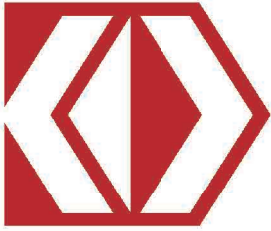
Chairman's Closing Remarks in his letter to Shareholders on the 2015 Interim report:

The first half of 2015 has been challenging for all of Macau's operators. However, we are satisfied with our financial performance and delighted with the success of the launch of Galaxy Macau™ Phase 2 and Broadway Macau™. We believe the expanded Galaxy Macau™ and the newly opened Broadway Macau™ have created a unique blend of Macanese, Chinese and international entertainment and cultural elements that cater for a broad range of tastes and price points. Looking ahead, we are focused on effectively managing our properties through this challenging period of adjustment to a “new normal”. We are well placed to achieve sustainable growth, thanks to our differentiated proposition and clearly defined development pipeline, when conditions improve.

We look forward to the completion of major infrastructure works that will drive visitor growth and are committed to working with Macau to support its social and economic development as it transforms itself into one of Asia's most vibrant and dynamic tourism hubs.

Dr. Lui Che Woo
GBM, MBE, JP, LLD, DSSc, DBA
 Chairman





Kowloon Development Company Limited

Corporate Background

Kowloon Development Company Limited (“KDC”) (stock code: 34), a member of the Polytec Group, was established in 1961 and was listed on the main board of The Stock Exchange of Hong Kong on 4 July 1995. Since its establishment, KDC have primarily engaged in property investment with the operation of its business mainly in Hong Kong in the early years. KDC have substantially broadened the areas of activity since the Polytec Group gained control of it and management reshuffled in 2002.

In 2006, KDC attained strong presence in two other property markets, Macau and Mainland China, through a number of strategic acquisitions. This also set a strong base for the Group’s future development in these three property markets. The Group have been pursuing a three-zone development strategy with exposure in the three major property markets in the Greater China region, Hong Kong, Macau and Mainland China since then. KDC focus on its activities in Hong Kong and Mainland China and as a holding company, through its 73.4% owned listed subsidiary, Polytec Asset Holdings Limited (“PAH”) (stock code: 208), for its interests in Macau. This strategy enables KDC to maintain strategic focus and set a platform for KDC to readily access the

best investment opportunities in three property markets, providing greater investment flexibility. Indeed, it has built a sizeable and quality development landbank across these three markets over the past decade and its major focus to date has been residential development.

In Hong Kong, the Group currently own 100% of five residential/residential & retail/commercial development projects, with total gross floor area of approximately 3 million square feet. In Mainland China, the Group started to acquire development land/projects in 2005 and over past 10 years its development projects, both wholly-owned or joint-venture, cover in Shenyang, Tianjin, Wuxi, Foshan, Huizhou and Zhongshan, with total gross floor area of exceeding 60 million square feet. In Macau, KDC have largely been capitalized on extensive experience and a strong brand of its parent company, Polytec Group, which started its property development in Macau in the early 1980s and have been one of the leading property developers in Macau. KDC currently hold through its subsidiary PAH 80% interest of two mega residential and commercial development projects in Orient Pearl District of Macau with total gross floor area of exceeding 9 million square feet.



Group's latest property development projects

Hong Kong



Cadogan (HK)



MacPherson Place (HK)

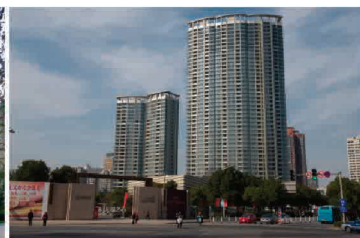
Mainland China



Le Cove City (Shenyang)



The Gardenia (Shenyang)



Le Cove City (Wuxi)

Macau



Villa De Mer (Macau)



Group's major investment properties



Pioneer Centre (HK)



Macau Square (Macau)

Group's Major Businesses

KDC is essentially a property developer. However, its businesses are extended to property investment, property management and some other non-core fields.

Property Development and Sales

The whole process of property development is sophisticated including development feasibility study, land acquisition, land lease/land use planning, building design, plans submission procedures, tendering and construction and it involves extensive inputs from different areas of expertise and professionals including architects, engineers, surveyors and builders. Therefore, when various issues arise from this complicated development process, in-house professionals from lands and business development team, project development team, design team, legal team, cost control team, procurement, engineer and mechanics team and quality assurance team, together

with our appointed professional consultants, use their collective wisdom and respective field knowledge to resolve those issues. Therefore, undoubtedly, people are the greatest asset of the Group.

The Group are committed to producing quality products and services. With this mandate in mind, the project management team are required to genuinely understand every aspect of the project under management, to pay attention to all details and to closely monitor the progress in order to better resolve problems arising from the development process while the on-site team are required to ensure that construction is always on schedule and on budget without scarifying quality. The designers and architects are required to always make their best efforts in design and planning, making our products user-friendly and people-oriented, with the Group's product design always being long lasting, elegant and modern. The marketing and sales team are required to always have good understanding and sense of prevailing conditions of



the local property markets and other macroeconomic elements which enable them to form better marketing and sales strategies and hence to achieve successful sales.

Indeed, as property development is such a complex and high risk business due to various uncertainties in costs, government policies etc, good risk management is especially important. While cost control and risk mitigation measures are always in place, the judgment on the timing of the land purchase and the sale of completed projects also essentially determines the profitability of a development project.

Property Investment

In addition to the residential development portfolio, the Group's landbank contains significant retail developments in Hong Kong, Macau and certain cities in Mainland China, which is intended to retain for long term investment purposes in order to grow and broaden the Group's portfolio of recurrent income producing properties to complement the present principal investment assets in Hong Kong and Macau.

Property Management

The Group also offers a full range of high quality property management services to home buyers of the Group's development properties and residents of other properties.

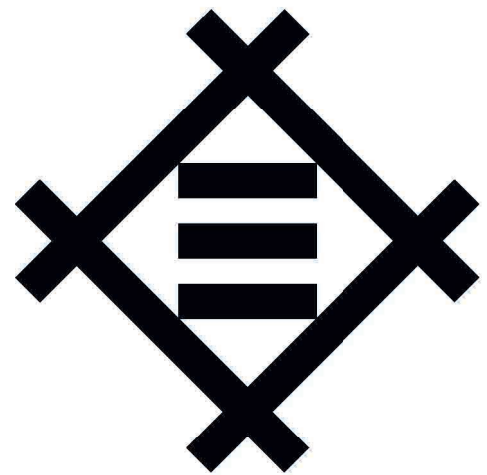
Vision and Mission

In addition to aiming to generate best returns for its shareholders for many years to come, KDC are focusing on building a strong brand as a thoughtful property developer producing quality products and we realize this requires a united team working together with passion and a drive for excellence in the products and services which the Group produces. By realizing the inherent value of the landbank, we believe this will enable a great enterprise to be built and to last.

360° business innovation.



2015



MITSUI & CO.

MITSUI & CO. (HONG KONG) LTD. 三井物産 (香港) 有限公司

Address: 25/F & 26/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Tel: (852) 2823 8777/ 2823 8888

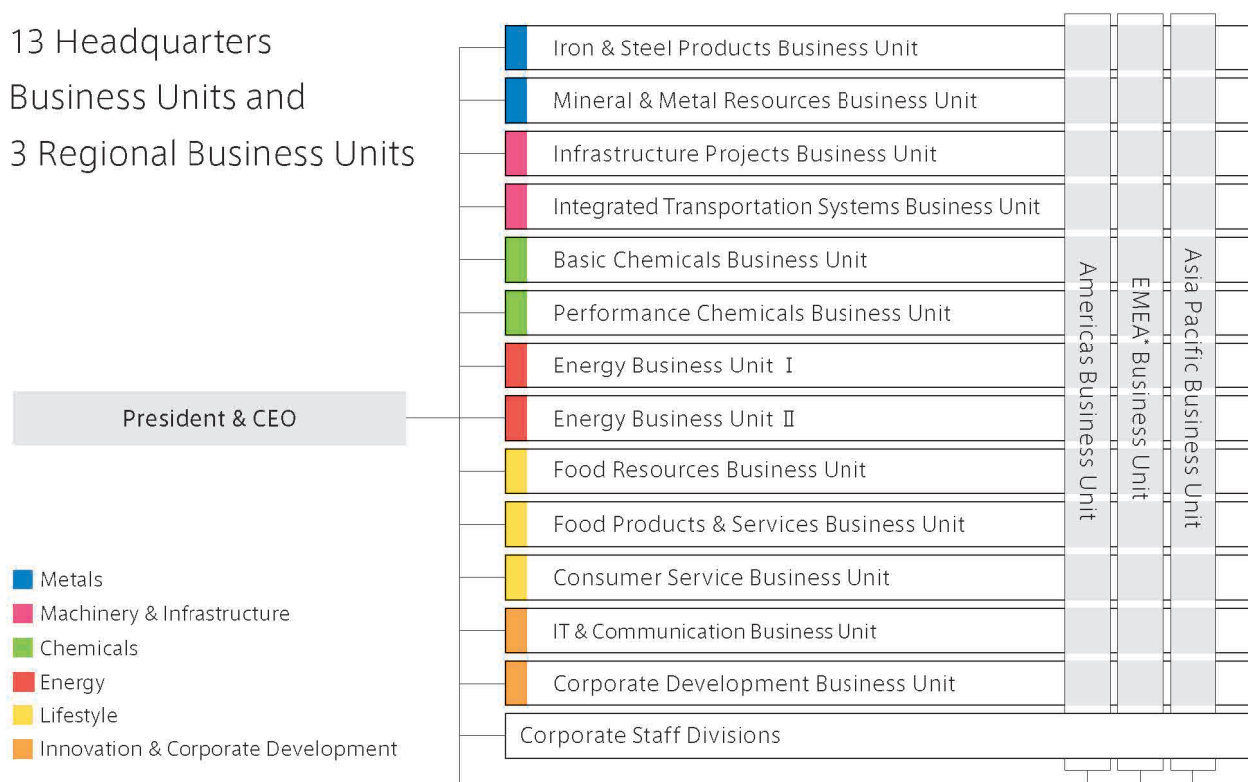
Mother Company: MITSUI & CO., LTD. 三井物産株式会社

Company Name	MITSUI & CO., LTD.		
Date of Establishment	July 25, 1947		
Common Stock	¥341,481,648,946		
Number of Employees	6,006 (47,118 on consolidated basis)		
Number of Offices and Overseas Trading Subsidiaries	141 offices in 66 countries/regions Japan: 12 offices Overseas: 129 offices in 65 countries/regions		
Head Office	1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan Nippon Life Marunouchi Garden Tower (registered head office location) 3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan JA Building TEL: 81(3)3285-1111 FAX: 81(3)3285-9819 URL: http://www.mitsui.com		
Number of Subsidiaries and Equity Accounted Investees	Subsidiaries:	Japan 70	Overseas 209
	Equity Accounted Investees*:	Japan 35	Overseas 131
	Total:	445	
Stock Information	Stock Exchange Listings: Tokyo, Nagoya, Sapporo, Fukuoka Number of Shares Authorized: 2,500,000,000 shares Number of Shares Issued: 1,796,514,127 shares (including 3,745,706 treasury shares) Number of Shareholders: 311,332 shareholders		

(As of March 31, 2015)

*Associated companies and joint ventures

13 Headquarters
Business Units and
3 Regional Business Units



(As of April 1, 2015)

*EMEA: Europe, the Middle East and Africa
Note: China, Taiwan, South Korea, and the CIS region report directly to the Head Office

5 functions

Providing services and solutions that meet the diverse needs of customers around the world.



6 business areas

Providing new value across a broad range of business domains, leveraging our business engineering capabilities and diverse experience.

Metals

Through business development, logistics and trading of mineral and metal resources, metals and steel products, we reinforce a comprehensive value chain to secure a stable supply of the resources, materials and products necessary for both industry and society. We are also active in metal recycling and other initiatives to develop industrial solutions to environmental issues.

Machinery & Infrastructure

We contribute to creating better lives through the long-term, reliable supply of social infrastructure such as electricity, gas, water, railways and other logistics infrastructure. We provide sales, financing, lease, transportation and logistics, and project investment in a wide range of machineries, including large-scale plants, marine resource development facilities, ships, aerospace, motor vehicles, construction/mining machinery and industrial machinery.

Chemicals

Our chemicals business encompasses trade and investment in a range of industries, from upstream chemicals such as basic chemicals and fertilizer resources, through to downstream chemicals such as functional materials, electronics materials, fertilizers, agricultural chemicals and specialty chemicals. We are also pursuing new initiatives such as green chemicals.

Energy

Through upstream development, logistics and trading of energy resources such as oil, natural gas/LNG, coal and uranium, we contribute to the stable supply of energy vital to both industry and society. As part of efforts to achieve a low-carbon society, we are also actively involved in next-generation energy and environmental businesses.

Lifestyle

Adapting to changes in consumption and lifestyles while meeting consumers' diverse needs, we provide value-added products and services, develop businesses and make investments in the fields of food resources, food products, retail support business, medical and healthcare, fashion, forestry plantation resources and real estate-related business.


Innovation & Corporate Development

Through our ICT, Finance and Logistics business, we work on a diverse range of projects aimed at developing innovative business and expanding our business field. At the same time, we aim to strengthen our company-wide earnings base by pursuing strategic projects and new opportunities and providing specialized functions that contribute to the whole Mitsui & Co. group.

▶ 南商簡介

南洋商業銀行有限公司(簡稱"南商")於1949年12月14日在香港開業，為中國銀行(香港)有限公司全資附屬機構。南商本著「以客為先、以禮待人」的服務宗旨，堅守「信譽第一、服務至上」的原則，立足香港、背靠祖國、面向世界，為客戶提供方便、快捷、高效、專業的銀行服務。

南商早於1982年在深圳經濟特區開設分行，成為新中國成立後第一家在內地經營的外資銀行。目前，本行除在香港各區設有42間分行外，在美國三藩市也設有分行。

在中國內地成立的全資附屬公司——“南洋商業銀行(中國)有限公司”(簡稱"南商(中國)"),設有36間分支行，為客戶提供全面銀行服務。客戶除可通過電話銀行、網上銀行等電子渠道及本行各分行享用提、存及轉帳服務外，亦可於中國銀行(香港)和集友銀行各分行享用該等服務。客戶使用本行發出的提款卡和信用卡，可在遍佈全港超過1700多部銀通自動櫃員機辦理業務，更可於內地各省市凡有"中銀通"  標誌的櫃員機辦理提款服務。

南商在財富管理、跨境金融及中小企服務等素有專長。南商財富管理服務由富有經驗的個人理財經理悉心為客戶策劃一站式的個性化理財方案，幫助客戶把握每個晉富良機。隨著跨境業務需求不斷增長，南商提供了全方位及便捷的跨境金融服務，包括多元化人民幣服務、香港資本投資者入境計劃服務、綜合理財服務等。同時，南商利用內地中國銀行及南商(中國)強大的網絡，提供《見證開戶》服務，客戶無需親臨香港即可開立帳戶。客戶更可把在內地中國銀行以及南商(中國)網點開立的個人定期存款(包括人民幣、港幣或美元存款)作押，向南商申請貸款用作在本港投資。此外，「南商財互通」借記卡提供了中港兩地戶口聯動互通功能，新推出的跨境重按融資服務亦便於客戶盤活資產。南商中小企服務致力為中小企提供一站式金融服務，包括多元化的貸款方案、貿易服務、人民幣服務、理財及投資服務等。

2011年至2014年，南商連續5年被「亞洲週刊」評選為亞洲銀行300排行榜10大銀行榮譽獎(香港區)。另外，亦於2014及2015年連續兩年榮獲「新城財經台」評選頒發「卓越跨境銀行服務品牌」大獎。

南商繼續以開拓進取、穩健經營的方針，誠意為個人客戶、工商機構以及中小企業提供優質的銀行服務。

南商服務求全面，與您穩步齊向前。

註(1)：南商(中國)是南商在中國內地成立並全資擁有的一家商業銀行。南商(中國)並非香港《銀行業條例》所指的認可機構，亦沒有在香港經營銀行業務，且南商並非南商(中國)的代理人。
註(2)：上述各類產品及服務，須受條款約束，詳情請向南商職員查詢。



方紅光 先生
副董事長兼行政總裁
(Vice Chairman & Chief Executive)



▶ 企業社會責任

南商在推進業務發展的同時，積極通過捐助公益、組織義工隊參與慈善公益及社區公益等方式持續履行企業社會責任。

南商捐建位於雲南省永勝縣的“羊坪南洋商業銀行一貫制學校南商教學樓”於2010年12月落成。幾年來，南商持續資助羊坪學校的教學事業，關愛內地山區孩子的學習和生活，包括向貧困或成績優異的學生發放年助、獎學金、捐助電腦設備以及資助舉行教師培訓計劃等。

2014年，我們繼續資助雲南羊坪學校的公益項目，贊助學校安裝太陽能熱水器，解決師生浴室只有冷水的問題。



羊坪南洋商業銀行
一貫制學校南商教學樓



羊坪學校老師代向學生
發放年度助、獎學金



贊助羊坪學校興建太陽能熱水器

南商積極參與各類義工活動，為公益獻愛心：贊助了香港弱智人士家長聯會組織策劃的共融活動，派出義工隊與弱智人士同遊海洋公園。南商亦參與了由香港銀行公會和香港社會服務聯會攜手策動的“智有「財」能教育坊”活動，為低收入家庭灌輸正面理財觀念。此外，南商首次聯同香港電腦教育學會舉辦「2014國際IT匯—中學生IT體驗團」活動，接待了39名師生，向他們介紹了本行歷史、資訊科技於銀行的應用、移動金融應用發展及未來電子服務的發展趨勢等，並組織師生到總行營業部進行實地參觀自助設備及電子開戶平台。



為公益獻愛心



2014國際IT匯—中學生IT體驗團



智有「財」能教育坊

Sun Hung Kai Financial Limited

Corporate Profile

Company Name	Sun Hung Kai Financial Limited
Year Established	1969
Chief Executive Officer	William Leung
No. of Employees	About 800 (as of 30 June 2015)
Head Office	28/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong Tel: (852) 3920 2888 Fax: (852) 3920 2789 Website: www.shkf.com
Holding Companies of Sun Hung Kai Financial Group Limited, Our Holding Company	<ul style="list-style-type: none"> ■ 70% owned by Everbright Securities Company Limited via its Hong Kong wholly-owned subsidiary Everbright Securities Financial Holdings Limited ■ 30% owned by Sun Hung Kai & Co. Limited

About Sun Hung Kai Financial Limited

Sun Hung Kai Financial Limited ("SHKFL"), with its foundation dating back to 1969, is a 70%-owned subsidiary of Everbright Securities Company Limited ("Everbright Securities", SSE: 601788).

Operating under the Sun Hung Kai Financial ("SHKF") brand as well as the SHK Direct and SHK Private sub-brands, SHKFL has two core business segments, Wealth Management and Brokerage, and Capital Markets. SHKFL offers customised wealth management and investment solutions to retail, corporate and institutional clients. Backed by Everbright Securities, SHKFL provides greater access for Hong Kong and Mainland investors to a broad range of products and services.

SHKFL has an extensive branch and office network in Hong Kong, Macau and Mainland China, and it offers a diversified financial trading platform to customers. SHKFL, through its subsidiaries, currently has about HK\$100 billion* in assets under management, custody and/or advice. (*As of 30June 2015)

Our Corporate Values and Vision

We intend to stay at the forefront of the financial services industry in the region by maximising customer satisfaction and the strength of our name; aggressively expanding our customer asset base through constant product innovation, service enhancement and broadening our distribution network; ensuring a strong technological base to empower ourselves and our customers; and retaining and attracting the best talent by offering continuous training and career development opportunities in a collegiate and merit-based environment. We will head towards this vision by focusing on our five guiding principles: Excellence, Integrity, Innovation, Prudence and Professionalism, which play crucial roles in our continued success.

Scope of Products and Services

Wealth Management and Brokerage			Capital Markets
Investment	Protection	Other Services	
<p><u>Brokerage Services</u></p> <ul style="list-style-type: none"> ■ HK, US and overseas shares ■ B shares ■ Shanghai Hong Kong Stock Connect ■ IPO subscription ■ Futures ■ Stock options ■ Warrants ■ Bullion <p><u>Wealth Management Products</u></p> <ul style="list-style-type: none"> ■ Mutual funds ■ Structured products ■ Bonds <p><u>Others</u></p> <ul style="list-style-type: none"> ■ Leveraged foreign exchange ■ Margin trading ■ Discretionary portfolio management services 	<ul style="list-style-type: none"> ■ Life insurance and ILAS ■ Medical and accident insurance ■ Financial and professional risks insurance ■ Commercial risk insurance ■ Motor/Marine insurance ■ General liability insurance ■ Employee benefits ■ Individual insurance 	<ul style="list-style-type: none"> ■ Money transfer ■ Mandatory provident fund (MPF) ■ SME solutions 	<ul style="list-style-type: none"> ■ Initial public offering (IPO) ■ Corporate financial advisory ■ Equity fund raising exercise ■ Debit fund raising exercise ■ Pre-IPO/Direct investment ■ Institutional research

Customers' Best Interests Are Our Top Priority

For more than 45 years, SHKF has placed the customer at the heart of everything we do. Our steadfast commitment to our guiding principles has seen us evolve into a household name in Hong Kong. As we embark upon the next chapter in our history, we remain strongly positioned to capitalise on the region's growth opportunities to build on the qualities that have made us a market leader.

Our Community

As one of the leading financial institutions in Hong Kong, we partner with a range of charitable organisations across the areas of education, healthcare, arts and culture, and the environment to contribute back to the community where we operate and grow our business to where we are today. We were one of the first companies to be named a Caring Company by the Hong Kong Council of Social Service, a recognition of our commitment to improving the lives of the underprivileged in Hong Kong. As we look to the future, we will continue to devote our time, resources and capital to fostering a stronger and sustainable Hong Kong.

- SHKFLhas sponsoredits staff members to participate in the annual UNICEF Charity Run since 2012.



- SHKFL supports its staff to form teams to participate in sports to achieve excellence, team spirit and work-life balance. At present, we have corporate dragon boat, basketball and football teams.



- The SHKF Charity Club recruits volunteers and organises charitable events to serve the community. For example, in 2014, it brought the children of TWGHs Chan Han Nursery School to Noah's Ark; and in 2015, staff volunteers celebrated the Mid-Autumn Festival with seniors at TWGHs Fong ShuChuen District Elderly Community Centre.





國際專業管理學會
The International Institute of Management



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