

Corporate Governance & Investor Relations

The Group is committed to maintaining the highest standard of transparency and corporate governance, and considers Company open and frequent communication with its shareholders a priority. An Audit Committee has been set up to conduct regular and independent reviews of the Group's internal control procedures and its financial reporting processes. This committee, based on a model suggested by the Hong Kong Institute of Certified Public Accountants, is made up of two independent non-executive directors and one other non-executive director of the Company. It regularly meets with management and external auditors to review their operations and findings. The Group also maintains good communication with shareholders and the public, presenting updated corporate information at regular press meetings and road shows to investors throughout the year, as well as through its frequently updated website.

Social Responsibility

For several years now, the Group has been active in supporting charitable events and activities. Employees of the Group are also encouraged to get personally involved in such activities. The Melco Volunteer Team has been set up last year to make it easier for members to participate in activities like charity visits, raffle sales, fundraising campaigns and similar good works, both in Macau and Hong Kong.

Over the past year, Melco employees from all levels took part in a number of worthy charitable events. These included two events organised by the Community Chest: the 'Run Up Two IFC' Charity Race held in Hong Kong on 7 November 2004, and the 'Walk for a Million' fundraiser in Macau on 12 December 2004. The Group sponsored the AIDS Concern Fundraising Dinner held in November, bringing in important funding for AIDS research and support. On 7 January 2005, a HK\$1 million donation was made for the tsunami victims at the 'Cross Borders Fundraising Show'. This donation represented the sum total of personal gifts from ordinary employees to senior directors, together with a corporate contribution. It well illustrated the spirit of unity and responsibility at Melco, a spirit which will continue to be fostered in the years to come.

