

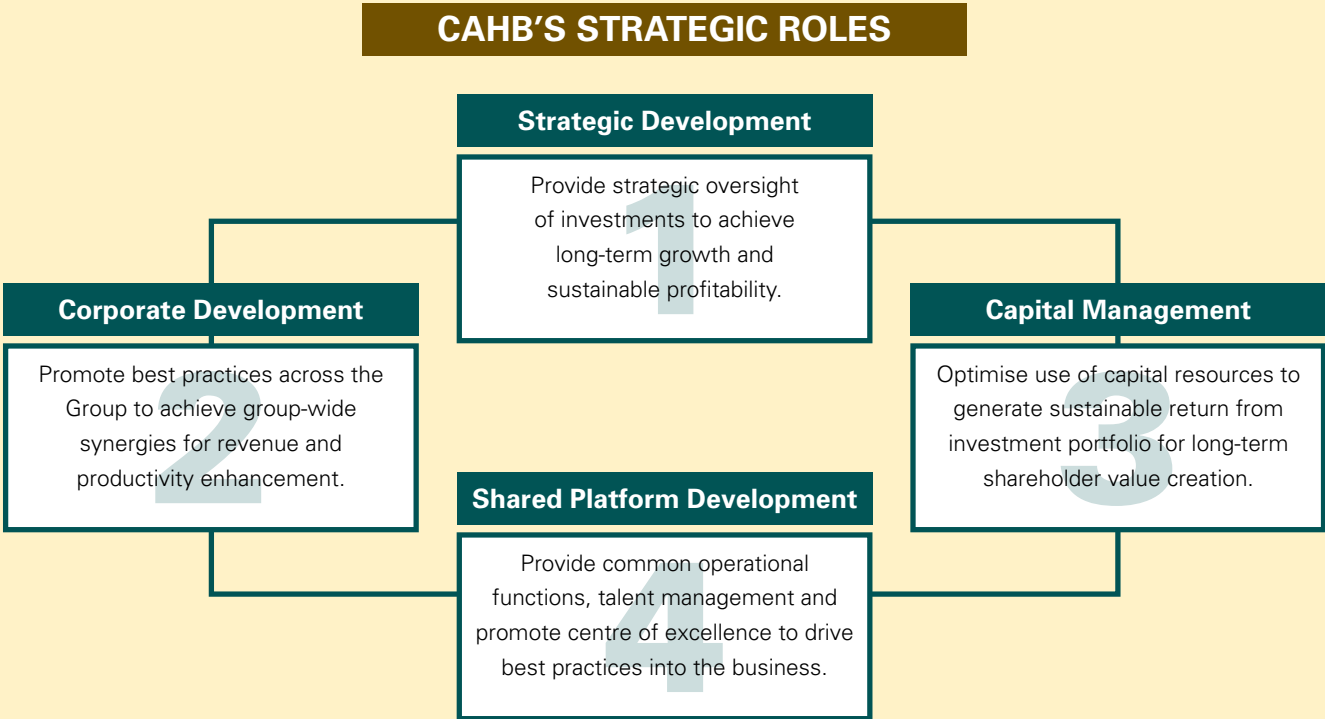
Balanced Scorecard 2004

In recognising the potential benefit of introducing Key Performance Indicators (KPIs) to measure and evaluate performance, and linking it with the organisation's compensation package, the Board initiated a Balanced Scorecard (BSC) project in 2004. The BSC Framework, the BSC and KPIs for senior management of CAHB have been established in December 2004 and currently being implemented at CAHB. Integrated within the BSC Framework is the establishment of the Corporate Scorecard for which the senior management of CAHB are accountable for. CAHB's Corporate Scorecard was approved by the Board in December 2004.

The BSC adopted translates CAHB's vision and mission into strategic objectives and a coherent set of performance measures. Those measures span across four different perspectives as depicted in the diagram below.



CAHB aims to be a leading integrated financial services industry player that maximises its shareholder value. In achieving this, as an active strategic investor CAHB undertakes four key roles.



CAHB’s corporate objectives reflect its strategic vision and role. KPIs are tied to these strategic objectives and balanced across the four BSC perspectives that enable CAHB to track its financial results while simultaneously monitor the progress in building the capabilities and acquiring the intangible assets it needs for future growth.

CAHB'S CORPORATE OBJECTIVES

- A. Optimise use of capital resources to generate sustainable returns from investment portfolio for long term shareholder value creation.**
- B. Create value as an integrated financial services group with emerging regional presence.**
- C. Provide strategic oversight and monitor performance of investments to ensure sustainable growth.**
- D. Integrate diverse capabilities to provide innovate and comprehensive financial solutions.**
- E. Optimise deployment of talents to develop competencies for effective boards and management teams.**

Following from the establishment of Corporate Scorecard and BSC for the senior management of CAHB, we are now in the process of cascading the BSC throughout the organisation. This will assist to integrate and align the overall CAHB’s strategic direction with individual KPIs and thence develop an integrated performance appraisal that links performance to reward system.

The current implementation of BSC project comprises 3 key components; Performance Management Process, Performance Management Infrastructure and Performance Management Culture. The Balanced Scorecard will be fully implemented throughout the organisation in 2005.