

Review of Operations – Business in Hong Kong

Property Related Businesses

Hotel and Retailing Operations

Due to the slowdown in world-wide economies caused by the global financial crisis, as well as the start of cross-strait direct links and the outbreak of pandemic flu, the hotel industry in Hong Kong on the whole has been operating under very difficult conditions.

The Four Seasons Hotel won a coveted Forbes five-star award and was voted one of the world's top ten hotels by readers of Institutional Investor magazine, whilst two of its top restaurants, namely, Lung King Heen and Caprice also emerged as the only ones in Hong Kong to be honoured with three Michelin stars in the new gourmet guide. With such widely-recognized quality and service in an unmatched location at the Central waterfront, The Four Seasons Hotel continued to stay ahead of the market and maintain its usual above market average room rate, albeit at a lower occupancy, amid the financial turmoil. The Group's four Newton hotels also performed profitably, although average room rates and occupancies inevitably came under pressure in such challenging market conditions.

Established in 1989, Citistore currently has five department store outlets offering value-for-money merchandise to local households and two "id:c" specialty stores introducing a collection of trendy brands from Japan and Korea to young and fashion-conscious customers.

Construction

The Group pledges to build the finest properties, offering unparalleled design, quality and comfort to its customers. In order to ensure that such a quality conscious approach is adopted throughout the design and construction process of the Group's developments in both Hong Kong and mainland China, inter-departmental communication and information sharing are always



The pool with a view at Newton Hotel Hong Kong.

encouraged. Similarly, the stringent requirements laid down by the Leadership in Energy and Environmental Design (LEED) and Building Environmental Assessment Method (BEAM) are also complied with by the Group so as to ensure that all the facilities provided are trend-setting and eco-friendly.

With such proactive management and stringent monitoring of the whole construction process, the accident rate for the Group's construction activities was well below the industry average, whilst numerous awards received recently (including the "Quality Building Award" from nine building-related professional bodies, "Considerate Contractors Site Award" from the Development Bureau of the Hong Kong SAR Government and "Proactive Safety Contractor Award" from The Hong Kong Construction Association) served as testimony to the Group's commitment to excellence, an essential differentiating factor in the competitive market-place.

The Group cares not only for its own products, but also the development of the whole industry. The General Manager of the Construction Department of the Company currently is a member of the Construction Industry Council. In recognition of his wide experience and seasoned leadership, he has been appointed as the Chairman for its "Construction Industry Training Board" and "Committee on Manpower Training and Development", which are both assigned to build a strong talent pool for Hong Kong so as to support the forthcoming implementation of the ten mega infrastructures as well as their related construction projects.



The Group received the "Proactive Safety Contractor Award".

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Property Management

The Group's member property management companies, Hang Yick Properties Management Limited ("Hang Yick") and Well Born Real Estate Management Limited ("Well Born") collectively manage over 180 premises in Hong Kong, comprising a total of over 75,000 residential, commercial and industrial units and shops, and more than 16,000 car parking units. During 2009, Hang Yick and Well Born received a total of 271 performance-related accolades including "Innovative Technology of the Year and Best Use of Knowledge Management of the Year in the Customer Relationship Excellence Awards 2009", as well as the "Q-Mark Service Scheme certification". They were also bestowed with the Certificate of Excellence in the "Award for Excellence in Training and Development" by The Hong Kong Management Association, in recognition of their learning culture and unflagging efforts to raise standards in property management in Hong Kong.

Aligning with the Group's corporate culture, these two companies also offer care to the public at large. Being named as "Caring Company" for seven consecutive years, they were widely acclaimed

for their dedication to corporate social responsibility, whilst the sixth consecutive year's "Highest Voluntary Service Hour Award" championship is a testimony to their commitment to charitable activities and community services.

Their heartfelt services also attracted considerable recognition throughout mainland China. Hengbao Garden, a mass residential development in Guangzhou under the Group's management, was honoured as an "Outstanding Community for Promoting Sports Development in Guangdong Province" in 2009, in addition to its accreditations as the "Excellent Property Management Community Showcase in Guangdong Province" and "Excellent Community Showcase in Guangzhou". Meanwhile, Hengli Wanpan Huayuan, a newly-completed residential development in Guangzhou also under the Group's management, was recently honoured as one of the "Best Managed Housing Estates Showcase in Guangzhou" by Guangzhou Property Management Association. To support the Group's business development, both Hang Yick and Well Born will further extend their presence in the Mainland, providing their quality property handover and management services to all of the Group's property developments throughout the country.



Award for Excellence in Training 2009 presentation ceremony