
GLOSSARY

Note: There is no global standard of star-rating scheme and star-rating schemes can vary significantly from country to country. The below definitions are a generalisation based on the Chinese and Malaysian system.

“One-star hotel”	the lowest star rating of a total of 5 star ratings and usually only provides breakfast
“Two-star hotel”	the fourth highest star rating of a total of 5 star ratings and provides slightly more amenities and charges a slightly higher room rate than a one-star hotel and usually only provides breakfast
“Three-star hotel”	the third highest star rating of a total of 5 star ratings and provides comparatively more amenities, more rooms and higher room rate than a two-star hotel; usually a full-service or select-service hotel with at least one three-meal restaurant and beverage outlet and room service
“Four-star hotel”	the second highest star rating of a total of 5 star ratings and provides comparatively more amenities, more rooms and higher room rate than a three-star hotel; generally with swimming pool, more comprehensive meeting facilities and a greater variety of food offered
“Five-star hotel”	the highest star rating of a total of 5 star ratings and provides the widest range of services and amenities and charges a comparatively higher room rate than a four-star hotel
“average room rate” or “ARR”	the room revenue of a hotel or hotels (including related service charges) during a period divided by the Total Occupied Room Nights of such hotel or hotels during the corresponding period
“EBITDA”	profit before taxation, interest income, finance costs, depreciation and amortisation
“EBITDA margin”	EBITDA divided by revenue
“F&B”	food and beverage
“GFA”	gross floor area
“GOP” or “gross operating profit”	Total Revenue less the Hotel Operating Expenses
“GOP margin”	GOP divided by revenue

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“High Tariff A”	hotels with a composite score between 3.00 and 3.99 according to the Hong Kong Tourism Board classification system, where the score is based on facilities, location, staff-to-room ratio, achieved room rate and business mix. This is the highest standard of hotel classification by the Hong Kong Tourism Board for hotels in Hong Kong of a total of four ratings
“High Tariff B”	hotels with a composite score between 2.00 and 2.99 according to the Hong Kong Tourism Board classification system, where the score is based on facilities, location, staff-to-room ratio, achieved room rate and business mix. This is the second highest standard of hotel classification by the Hong Kong Tourism Board for hotels in Hong Kong of a total of four ratings
“Hotel Operating Expenses”	the expenses which constitute an operating expense in nature, including but not limited to (i) cost of sales; (ii) payroll and related expenses by hotel rooms, food and beverage, administrative and general, sales and marketing, and repair and maintenance departments, and (iii) other departmental expenses
“Individual Visitation Scheme” or “IVS”	the scheme introduced by the PRC government on 28 July 2003 to allow travellers from China to visit Hong Kong and Macau on an individual basis. Prior to 28 July 2003, PRC residents usually could only travel to Hong Kong on business visas or in group tours. Under the initial stage of the scheme, citizens of Beijing, Shanghai and eight Guangdong provincial cities could apply for visas to visit Hong Kong individually. The scheme was extended to 21 cities of Guangdong in July 2004, and to nine other cities in Jiangsu, Zhejiang and Fujian provinces in July 2004. It has since been extended to residents of numerous additional cities in China
“Medium Tariff”	hotels with a composite score between 1.00 and 1.99 according to the Hong Kong Tourism Board classification system, where the score is based on facilities, location, staff-to-room ratio, achieved room rate and business mix. This is the third highest standard of hotel classification by the Hong Kong Tourism Board for hotels in Hong Kong of a total of four ratings
“MICE”	meetings, incentives, conventions and exhibitions

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“occupancy rate”	Total Occupied Room Nights of a hotel or hotels during a period divided by the Total Available Room Nights
“Revenue per Available Room” or “RevPAR”	room revenue of a hotel or hotels (including related service charges) during a period divided by the Total Available Room Nights of such hotel or hotels during the same period
“Total Available Room Nights”	all room nights available for sale excluding those under renovation
“Total Occupied Room Nights”	all room nights sold and including room nights provided to guests on a complimentary basis
“Total Rental Revenue”	rent and other charges paid by tenants under their lease agreements
“Total Revenue”	revenue including (i) room revenue; (ii) food and beverage revenue; (iii) Total Rental Revenue; and (iv) other revenue including income from laundry service, telephone service, etc.
“Total Staff-to-Room Ratio”	the ratio of a hotel company’s number of full-time employees over the total number of available hotel rooms at the hotels that are owned or leased by a company, the hotel rooms owned by a company’s franchisees and hotel rooms owned by third parties and managed by a company under a hotel management contract are not included in the count of total number of available rooms
“Tourist Guesthouse”*	hotels with a composite score of 0.99 or below according to the Hong Kong Tourism Board classification system, where the score is based on facilities, location, staff-to-room ratio, achieved room rate and business mix. This is the lowest standard of hotel classification by the Hong Kong Tourism Board for hotels in Hong Kong of a total of four ratings. Tourist Guesthouses are classified by HKTB using the list provided by Home Affairs Department

* We do not operate any Tourist Guesthouses. This is for your information only.