

# CORE VALUES

At Hsin Chong Construction Group Ltd. (“Hsin Chong”), we believe that a company’s **mission**, together with its **core values**, are its heart and soul. Since its founding in 1939, Hsin Chong has fostered a culture of integrity, quality and service. Over its long history, Hsin Chong’s management and employees have helped create a company known for its high standards of integrity and fairness in the construction industry.

After a tumultuous 1999 in the construction industry, we started the new millennium by re-examining ourselves and re-affirming our beliefs. We can only achieve our mission — **Building Trust and Value** — by basing everything we do on core values — **Integrity, Quality, Service, Innovation** and **Social Responsibility**. Each employee is responsible for upholding these core values and conducting themselves accordingly. We would like to share our interpretation of these core values with our shareholders.

**Integrity** is our first core value not by coincidence but by design. An organization without integrity is an organization without a conscience. The construction industry is one dependent on the trust and teamwork of a large number of stakeholders. As we have witnessed in the past two years, any breach of trust has a significant impact not only on the construction industry itself but also on the Hong Kong community at large.

Our belief in **Integrity** means:

- we deal honestly and fairly with all of our stakeholders — our customers, our business partners, our employees and our shareholders;
- we only promise what we can deliver and we keep our promises;
- we comply with applicable laws and regulations; and
- we use our conscience as our guide.

**Quality** and **Service** has been Hsin Chong’s guiding principles since 1939. Our involvement in over 600 projects, many of them landmarks in Hong Kong, is a testament to the commitment of our employees and the strength of these core values. Too often, those in the construction industry focus not on the expectations and needs of our customers but on producing a building merely meeting the minimal regulatory and contractual specifications.

At Hsin Chong, delivering on **Quality** means we strive to deliver a product which satisfies not only our direct customers but also the ultimate end user. In the process, we aim to raise the bar on the industry and take a leadership role in transforming the industry into one of which all stakeholders are proud.

There are those who may argue that the construction industry is in the production business. At Hsin Chong, we believe that we are also in the service industry — providing construction services and management expertise in building Hong Kong. A focus on **Service** means we must learn to put our customers first, including the ultimate end-users of our “products”. It means we must anticipate the needs and desires of our customers and develop solutions and services to address them. It means we must be professional not only in our building processes but also in the way we interact with our customers.

All companies can “buy” innovation by hiring the best and the brightest or purchasing technologies, but at Hsin Chong, we believe that no company can grow and prosper without a **culture of continuous improvement through Innovation**. Our commitment to innovation begins not just with our Research and Development division but throughout our organization, especially our frontline employees. We believe that the best and most innovative ideas come from those whose daily performance and workload are most affected by such ideas. We believe that innovation will come from controlled experimentation and failure equates an opportunity for improvement.

## CORE VALUES *(continued)*

Last, but certainly not the least, **Social Responsibility** is an integral part of Hsin Chong's corporate culture because an organization which is solely focused on profits is one which is without a heart. Our people are acutely aware that being socially responsible means that it precludes them from taking unnecessary risks or engaging in conduct which is detrimental to the surrounding community. Being socially responsible also has the ancillary advantage of being less burdened by litigation exposure.

Social responsibility means that:

- we must minimize adverse environmental impacts of our business — whether on site, in our headquarter or to our surrounding communities;
- we must provide a safe working environment for our employees, our subcontractors and our neighbors;
- our senior management must ensure that all of Hsin Chong's employees receive the necessary training and tools to act responsibly;
- managers and supervisors must take on training and human resources development as a primary responsibility;
- our frontline employees are taught to see the impact of their actions through the eyes of their counterparts; and
- we must be a responsible corporate citizen in Hong Kong by lending a helping hand to those less fortunate members of society.

For over 60 years, Hsin Chong has been providing quality housing, workplaces and infrastructure to the people of Hong Kong. We firmly believe that Hsin Chong's growth into Hong Kong's leading construction group that it is today is a

testament to hard work, dedication and integrity of all of the employees who have built their careers at Hsin Chong over the years. Our mission is "**Building Trust and Value**" and we can only do so by adhering to our core values — **Integrity, Quality, Service, Innovation** and **Social Responsibility**. These core values serve as the foundation and guiding principles on how strategic decisions are made, what management directives are being implemented and what actions are being taken by our staff. It is on the strength and our commitment to these core values that Hsin Chong is confident that we can deliver the best value to our shareholders and sustain a culture of ethical conduct which is recognized, valued and upheld by all of our employees.