

Maintaining a low gearing, high liquidity, long debt maturities, abundant committed standby banking facilities, a diverse funding base and minimum refinancing risk have always been elements of the Group's prudent financial policy. The Group will also continue its conservative management of foreign exchange and interest rate risks, avoiding speculative derivatives. Nearly all of its borrowings are in Hong Kong dollars and exposure to foreign currency risk is negligible.

In March 2001, the Group procured a seven-year HK\$7.8 billion syndicated loan facility at competitive pricing, and after the overwhelming response from banks, it arranged another seven-year syndicated loan at more favourable terms with 17 leading financial institutions, subscribing for a total of HK\$7.5 billion. From July 2000 to September 2001, the Group issued fixed and floating rate notes amounting to HK\$2,150 million, with terms of up to eight years under its Euro Medium Term Note Programme. Part of the loan and note proceeds were used to retire the Group's HK\$8 billion syndicated term loan due in January 2002. The remaining funds were used to refinance other short-term debts and provide general working capital.

The Group's strong financial position is reflected by the up-grade of its rating outlook from stable to positive by Moody's, on a par with the Hong Kong Government's sovereign ceiling for foreign debt.

Credit Ratings

	Foreign Currency	Local Currency
Moody's	A3	A2
Standard & Poor's	A	A

Believing that it is important to maintain interactive communications with investors about its corporate strategy and developments, the Group will continue its transparent and open approach to investor relations.

The Group strives to disseminate market-sensitive information on a timely basis through various channels. It holds press conferences and analysts' meetings immediately after results are announced, with directors and senior management available to answer questions, and it distributes regular press releases and publications such as the SHKP Quarterly in addition to annual and interim reports. All this information is also available on the Group's Internet site www.shkp.com.hk. In January 2001, the Group introduced an Investor Relations Contact section in its web site to encourage more effective communications with investors via e-mail.

During the year, the Group organized property visits for analysts and investors to various developments, including exclusive previews of The Leighton Hill show flats and the Two International Finance Centre multi-media showcase. The Group received highly-positive comments from the investment community on its commitments to developing premium-quality projects and providing customer-oriented service. As part of its corporate culture, the Group emphasizes two-way communication, and during the year it took part in a number of conferences and presentations, both in Hong Kong and overseas. Senior management gave numerous investor interviews, and also went on road shows to the US, Europe and Singapore to update investors about the Hong Kong property market and the Group's latest developments.

The Group has consistently been placed highly in *Asiamoney* magazine's Best Managed Company rankings over the years, and its Internet site has been praised by independent surveys. The Group will continue to enrich and update the contents of its web site frequently with the latest financial and corporate information, employing all available channels to reach out to the investment community.



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During the year under review, its property management companies Hong Yip and Kai Shing won over 30 awards from a variety of organizations for superb management service.

CUSTOMER SERVICE



Customer care is a top priority for the Group, and it is constantly looking for new ways to improve the quality of products and services for all its customers.

All the Group's front-line staff undergo extensive training in customer service, including attitude, manners and dress. The training is on-going and supported by systematic evaluation.

The Group and its property management subsidiaries Hong Yip and Kai Shing do everything possible to offer residents a comfortable and convenient lifestyle, as well as a harmonious community. As a result, the management companies consistently receive accolades for their service. In the year under review, the two companies won over 30 prizes from a variety of organizations, including trade associations, Government departments and the news media.

During the year under review, Kai Shing extended the use of information technology in property management, monitoring facilities via the Internet and allowing residents to check services or the progress of repairs on-line in some of the Group's estates with Super e-Management. As part of the quest to continually improve service quality, the system will be extended to cover more than 100 estates.

For buyers of new residential properties, a special inter-departmental team was formed in 1996 to assess the quality of each newly-completed unit and assist owners with handover procedures. This service has further improved during the year under review. Owners now receive one-stop service, with one staff member assigned to look after the handover and any repair work for each owner.

To serve consumers in the Group's shopping centres better, Customer Service Centres were established in more malls over the year. The centres are staffed by courteous, well-dressed Customer Service Ambassadors to assist visitors.

In an effort to improve communications with the general public, the Group founded the SHKP Club. Membership in the Club continues to grow, now standing at over 140,000. Building on the success of initiatives such as the Show Flat Preview Loyalty Scheme, the Club introduced various new benefits and services for members during the year under review, such as its Member-Property Buyers Reward Programme. With a wide range of leisure and property-related activities, the Club offers members total service.

The Citibank SHKP Club VISA Card launched in 1999 is the world's first four-in-one smart card. With the card, residents enjoy exclusive shopping, residential and banking services, as well as all the privileges of Club membership and special offers in eight of the Group's major shopping centres.

The Club will continue to attract new members and promote two-way communication with the public through various means, including property previews and related activities, leisure events and the Internet.

In recognition of the Group's efforts at customer service and two-way communication, its Internet site was named Best Property Developer's web site in all of Asia in a survey.



Top: Show flat previews are well received by the SHKP Club's 140,000 members.

Bottom: New owners get one-stop service when they take possession, with help in completing documentation and follow-up on repairs.