

新地會 10 週年



Customer Service

The Group leads the way with excellent customer service, and it is dedicated to offering residents convenience and green environments, efforts that have earned widespread recognition.



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1. Planting greenery in estates
2. Serving residents with care
3. Malls' Care Ambassadors at your service

SHKP Club members celebrate its tenth anniversary

Customer Service



SHKP Club celebrates its tenth anniversary by staging a series of Loving Home Campaign.

Customer satisfaction is the Group's top priority. It constantly endeavours to improve standards and expand the scope of services in every part of its operations. The Group pays close attention to customers' feedback, and as a result, the products and services it provides maximize customer satisfaction.

It has created channels to identify customers' needs and gauge market trends, in order to form a competitive market strategy. The Group evaluates customers' feedback to enhance its property value and service quality, which has been highly appreciated by the market.

Properties developed by the Group are acknowledged as the symbol of premier quality, and have established a strong brand name in the industry. The Group's inter-departmental handover team wins praise from the customers by providing the best services. The handover of Noble Hill in Sheung Shui, during the review period, was ranked first for its superb services, in a research conducted by an electronic media organization.

Hong Yip and Kai Shing, the Group's two property management companies, consistently won distinguished awards for after-sales service during the year. Hong Yip was

named Outstanding Property Management Company for two consecutive years in the Outstanding Enterprise Awards, presented by a local financial magazine and it was also awarded the grand prize for Customer Relationship Excellence Award – Customer Satisfaction Quality System by the Asia Pacific Customer Service Consortium. Kai Shing was certified for ISO10002 by Hong Kong Quality Assurance Agency. Kai Shing was among the first property management companies awarded for this worldwide recognition. Meanwhile, the Group continues to enhance its property management service by introducing the hotel concierge service style to its office buildings, setting a new standard in customer care services.



Conducting surveys is one of the effective ways to gauge market trends and evaluate customer feedback.

SHKP Club, established for the purpose of improving two-way communication with the customers, celebrated its tenth anniversary in 2006. The SHKP Club and its members have established a long and intimate relationship over the years, and the membership has exceeded 240,000. A Loving Home Campaign was also organized to celebrate its tenth anniversary. The campaign included several competitions, seminars and activities which evoked enthusiastic response. To appreciate members' lasting support, two exclusive celebration parties were organized for decade-old members and star members at The Arch's clubhouse, as the Club and its members hand in hand, created a new milestone.

Taking full advantage of the information technology, the Group has provided the platforms of internet and e-mail to its customers for giving their feedback or making queries about its products and services. The Group through its website offers an enhanced communication and provides the most up-to-date information to its customers.



Customer Care Ambassadors provide all-round assistance to the shoppers, with a touch of warmth.



The Group enhances its property management by introducing the hotel concierge service to its office buildings.



Property management staff not only serves with care but also builds a friendly relationship with the residents.



Group's excellent handover quality wins continuous praise from the owners.

Maintaining high standards of business ethics and corporate governance has always been one of the Group's prime tasks. It believes that conducting its business in an open and responsible manner and following good corporate governance practices serves its long-term interests and those of its shareholders by maximizing returns. Details of the Group's investor relations initiatives and the recognition it has received for good management can be found under Investor Relations on page 74.

Corporate Governance Practices

Rigorous standards of corporate governance enhance the Group's accountability and transparency, earning the confidence of shareholders and the public. The Group complied with the provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules (the "Code") throughout the period under review, except there is no separation of the roles of chairman and chief executive. The board of directors continued to monitor and review the Group's progress in respect of corporate governance practices to ensure compliance.

Board of Directors

Composition

The board has 18 directors – eight executive directors, six non-executive directors and four independent non-executive directors. Further details of the composition of the board can be found on page 4. All directors give sufficient time and attention to the Group's affairs. The board believes that the balance between executive and non-executive directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of shareholders and the Group.

Non-executive directors provide the Group with diversified expertise and experience. Their views and participation in board and committee meetings brings independent judgment on issues relating to the Group's strategy, performance, conflicts of interest and management process, to ensure that the interests of all shareholders are taken into account.

In compliance with rule 3.10 of the Listing Rules, the Group has four independent non-executive directors, at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. The Group has received from each independent non-executive director an annual confirmation of his independence, and the Group considers such directors to be independent in accordance with each and every guideline set out in rule 3.13 of the Listing Rules. No independent non-executive director has served the Group for more than nine years.

Independent non-executive directors are identified as such in all corporate communications containing the names of the directors.

Walter Kwok Ping-sheung (Chairman), Thomas Kwok Ping-kwong and Raymond Kwok Ping-luen (Vice Chairmen and Managing Directors) are brothers. Besides this, there are no family or other material relationships among members of the board.

Board Meetings

The full board met in person on four regular occasions during the year under review. At the meetings the directors discussed and formulated overall strategies for the Group, monitored financial performance and discussed the annual and interim results, as well as other significant matters. Daily operational matters are delegated to management.

At least 14 days notice of all board meetings was given to all directors, and all directors were given the opportunity to include matters for discussion in the agenda. An agenda and accompanying board papers are sent in full to all directors at least three days in advance of every board meeting.

The company secretary assists the Chairman in preparing the agenda for the meeting and ensures that all applicable rules and regulations regarding the meetings are followed. He also keeps detailed minutes of each meeting, which are available to all directors.

Each director's meeting attendance record is set out below:

Director	Meetings attended/Total
Executive directors	
Kwok Ping-sheung Walter	4/4
Kwok Ping-kwong Thomas	4/4
Kwok Ping-luen Raymond	4/4
Chan Kai-ming	4/4
Chan Kui-yuen Thomas	4/4
Kwong Chun	3/4
Wong Yick-kam Michael	3/4
Wong Chik-wing Mike	4/4
Non-executive directors	
Lee Shau-kee	2/4
Woo Po-shing	2/4
Kwan Cheuk-yin William	4/4
Lo Chiu-chun Clement	2/4
Law King-wan	3/4
Li Ka Cheung Eric	1/4
Independent non-executive directors	
Chung Sze-yuen	4/4
Fung Kwok-king Victor	0/4
Yip Dicky Peter	4/4
Wong Yue Chim Richard	2/4

All directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisors if necessary. They also have unrestricted access to the advice and services of the company secretary, who is responsible for providing directors with board papers and related materials and ensuring that board procedures are followed.

Should a potential conflict of interest involving a substantial shareholder or a director arise, the matter will be discussed in an actual meeting, as opposed to being dealt with by written resolution. Independent non-executive directors with no conflict of interest will be present at meetings dealing with such conflict issues. Board committees, including the Audit, Remuneration and Nomination committees, all follow the applicable practices and procedures used in board meetings for committee meetings.

Group Chairman

Walter Kwok Ping-sheung is the Group's Chairman and Chief Executive. This is at variance with paragraph A.2.1 of the Code, which suggests that the roles of Chairman and Chief Executive Officer should be separate and not performed by the same individual. Although the Group's Chairman and Chief Executive is the same individual, power and authority are not concentrated as responsibilities are also shared with the two vice-chairmen and all major decisions are made in consultation with members of the board and appropriate board committees, as well as top management. There are four independent non-executive directors on the board offering independent and different perspectives. The board is therefore of the view that there are adequate balance of power and safeguards in place.

The Chairman is primarily responsible for leading the board and ensuring that it functions effectively and smoothly. Directors are encouraged to participate actively in all board and committee meetings.

Training and Support for Directors

All directors must keep abreast of their collective responsibilities. The Group provides briefings and other training to develop and refresh the directors' knowledge and skills. The Group continuously updates all directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

Compliance with Model Code

The Group follows the Model Code for Securities Transactions by Directors of Listed Issuers in appendix 10 to the Listing Rules (the "Model Code") as the code of conduct for directors in their dealings in Group securities. Each director had fully complied with the Model Code during the year ended 30 June 2006.

Remuneration Committee

The Remuneration Committee was established in June 2005. The chairman is Sir Chung Sze-yuen, an independent non-executive director of the company, and the other members are Richard Wong Yue-chim and Clement Lo Chiu-chun. All members are non-executive directors of the company, with the majority of members being independent non-executive directors.

The Remuneration Committee is responsible for formulating and recommending remuneration policy to the board, determining the remuneration of executive directors and members of senior management and reviewing and making recommendations on compensation-related issues. The Committee consults with the chairman on its proposals and recommendations, and also has access to professional advice if deemed necessary. The Committee is also provided with other resources enabling it to discharge its duties. The Remuneration Committee's specific terms of reference are posted on the Group's web site.

The Remuneration Committee held one meeting during the year ended 30 June 2006. The attendance record of each member appears below:

Committee member	Meetings attended/Total
Chung Sze-yuen	1/1
Wong Yue-chim Richard	1/1
Lo Chiu-chun Clement	0/1

The Remuneration Committee reviewed matters relating to remuneration for directors and senior management, as well as discussed the Group's remuneration policy.

Corporate Governance

Nomination Committee and Appointment of Directors

The Nomination Committee was established in June 2005 and is chaired by Richard Wong Yue-chim, an independent non-executive director of the company. Other members of the Committee are Dicky Peter Yip and William Kwan Cheuk-yin. All members are non-executive directors of the company with the majority being independent non-executive directors.

The Nomination Committee is responsible for formulating policy and making recommendations to the board on nominations, appointment of directors and board succession. The Committee develops selection procedures for candidates, and will consider different criteria including appropriate professional knowledge and industry experience, as well as consult external recruitment professionals when required. The Committee also reviews the size, structure and composition of the board and assesses the independence of independent non-executive directors. The Committee is provided with sufficient resources enabling it to discharge its duties. The Nomination Committee's specific terms of reference are posted on the Group's web site.

The Nomination Committee held one meeting during the year ended 30 June 2006. The attendance record of each member appears below:

Committee member	Meetings attended/Total
Wong Yue-chim Richard	1/1
Yip Dicky Peter	1/1
Kwan Cheuk-yin William	1/1

The Nomination Committee discussed and reviewed the board composition of the Company as well as other related matters. There was no vacancy and no nomination of directors for the year ended 30 June 2006.

Non-executive directors are appointed for a specific term of two or three years. All directors retire from office by rotation and are subject to re-election at an annual general meeting at least once every three years.

Audit Committee and Accountability

The Board is responsible for presenting a balanced and clear assessment of the Group's performance and prospects. It is also responsible for preparing the accounts that give a true and fair view of the Group's financial position on a going-concern basis and other price-sensitive announcements and other financial disclosures. Management provides all relevant information and records to the board, giving it the relevant information it needs to discharge these responsibilities.

In compliance with rule 3.21 of the Listing Rules, an Audit Committee was established in 1999. Its chairman is Sir Chung Sze-yuen, an independent non-executive director, and the other members are Peter Dicky Yip and Eric Li Ka-cheung. The majority of the Committee members are independent non-executive directors.

No former partner of the company's existing auditing firm acted as a member of the Audit Committee within one year from ceasing to be a partner or having any financial interest in the auditing firm.

The duties of the Audit Committee include:

- reviewing the Group's financial control, internal control and risk management systems;
- ensuring that management has fulfilled its duty to establish and maintain an effective internal control system;
- considering findings of major investigations of internal control matters;
- reviewing the internal audit programme and ensuring the internal audit function is adequately resourced and effective;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter and questions raised by the auditor to management, and management's response to such questions;
- reporting to the board on matters relating to the Code;
- meeting with the external auditor to discuss issues regarding audit if considered necessary (and in the absence of management if appropriate).

The Audit Committee is provided with sufficient resources enabling it to discharge its duties. The Audit Committee's specific terms of reference are posted on the Group's web site.

The Audit Committee held two meetings during the year ended 30 June 2006. The attendance record of each member appears below:

Committee member	Meetings attended/Total
Chung Sze-yuen	2/2
Yip Dicky Peter	1/2
Li Ka-cheung Eric	2/2

There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

The Audit Committee reviewed the interim and final results of the Group as well as discussed and approved financial and other reports for the year under review. The Committee also reviewed the Group's internal audit activities and discussed audit plans for the upcoming year.

The Audit Committee monitors the audit and non-audit service rendered to the Group by its external auditors and ensures their engagement in other non-audit services will not impair their audit independence or objectivity. An independence confirmation has been obtained from Deloitte Touche Tohmatsu which confirms for the year ended 30 June 2006 and thereafter to the date of this Annual Report, the Group's external auditors are independent of the Group in accordance with the independence requirements of the Hong Kong Institute of Certified Public Accountants.

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by external auditors for the year ended 30 June 2006 amounted to HK\$11 million and HK\$5 million respectively. The non-audit services mainly consist of taxation, review and other reporting services.

Internal Control

The board has overall responsibility for maintaining sound and effective internal control systems to safeguard the Group's assets and shareholders' interests, as well as for reviewing the effectiveness of these systems. The board conducts regular reviews of the Group's internal control system. The system is designed to provide reasonable, but not absolute, assurance against misstatement or loss, and to manage risks of failure in the Group's operational systems.

The system includes a well-established organizational structure with clearly defined lines of responsibility and authority, which is designed to safeguard assets from inappropriate use, maintain proper accounts and ensure compliance with regulations.

The board conducted a review of the Group's internal control system for the year ended 30 June 2006, including financial, operational and compliance control, and risk management functions. The board assesses the effectiveness of internal control by considering reviews performed by the Audit Committee, executive management and both internal and external auditors.

The Internal Audit Department follows a risk-and-control-based approach. Different audit areas are assigned risk ratings and an audit plan is formulated in a risk-weighted manner so that priorities and appropriate audit frequency is given to areas with higher risks. The department performs regular financial and operational reviews on the Group. Summaries of major audit findings and control weaknesses, if any, are reviewed by the Audit Committee. The Internal Audit Department monitors the follow-up actions agreed upon in response to its recommendations.

The board monitored the Group's progress on corporate governance practices throughout the year under review. Periodic meetings were held, and circulars or guidance notes were issued to directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

Delegation by the Board

The board formulates overall Group strategy. Given the diversity and volume of the Group's business, responsibility for execution and daily operations is delegated to management. The board gave clear directions as to the powers of management, and periodically reviews all delegations to management to ensure that they are appropriate and continue to be beneficial to the Group as a whole.

All committees have specific terms of reference clearly defining their powers and responsibilities. All committees are required by their terms of reference to report to the board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the board's approval before taking any action.

Shareholder Relations

The Group follows a policy of disclosing relevant information to shareholders in a timely manner. The Group's annual general meeting (the "AGM") allows the directors to meet and communicate with shareholders. The Chairman is actively involved in organizing the AGM and personally chairs it, to ensure that shareholders' views are communicated to the board. The Chairman proposes separate resolutions for each issue to be considered. In addition to the Chairman, members of the Audit, Remuneration and Nomination committee also attend the AGM to answer questions from shareholders.

AGM proceedings are reviewed from time to time to ensure that the company follows best corporate governance practices. An AGM circular is distributed to all shareholders at least 21 days prior to the AGM, setting out details of each proposed resolution, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. The procedures for demanding and conducting a poll are explained at the beginning of the meeting, and (except where a poll is required) the number of proxies for and against filed in respect of each resolution is revealed where appropriate. Vote results are posted on the company's web site on the day of the AGM.

Investor Relations



Vice Chairman & Managing Director Raymond Kwok (left) accepts the Best Developer in Asia and Hong Kong awards from Chairman and Editor-in-Chief of *Euromoney* Padraic Fallon.



Executive Director Michael Wong (left) receiving the Platinum in Reader's Digest Trusted Brands Award.

While disclosure has always been the touchstone of securities laws, the Group believes it to be a key ingredient in corporate governance and enhancing corporate performance. Effective investor relations can contribute towards lowering cost of capital, improving market liquidity for our stock, building a more stable shareholder base and gathering larger and better following by the investment community. Therefore, the Group is committed to maintaining high degree of transparency to ensure investors from around the globe are being provided accurate, clear, comprehensive, candid and timely information, accessible to both the novice and sophisticate alike.

In line with this endeavor, all published information is promptly uploaded onto the Group's web site at www.shkp.com. The Group dispatches press releases, holds press conferences, analyst briefings and investors meetings in response to significant events such as result announcements, important business development or financial activities. Directors and senior management will present themselves to answer investors' questions and concern. The post-results analyst briefings are also webcasted for more timely dissemination of information and broader reach of investors.

Senior management meets analysts regularly to keep the financial community informed and up-to-date with the Group's business strategy and development. The Group took part in several investor conferences during the year, including the CLSA Investors' Forum and Credit Suisse Asia Investment Conference, both in Hong Kong and Morgan Stanley's Asia Pacific Summit in Singapore. Senior management teams also went on overseas road shows to meet investors from different countries.

The Group has received several awards from leading financial magazines in recognition of its high quality management and corporate governance over the years, reflecting its seasoned management team, effective investor relations and high standard of corporate governance.

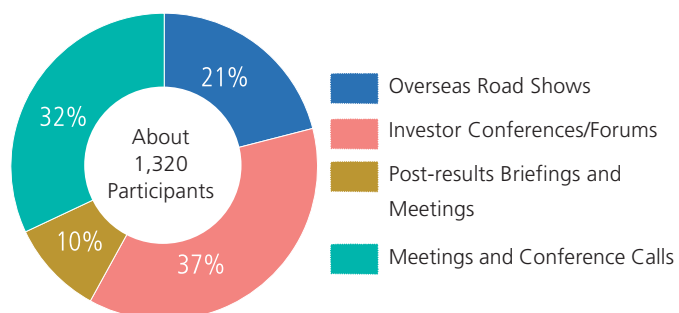
Awards

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- 2006
 - Named number one among Best Property Developers in both Asia and Hong Kong by *Euromoney* magazine for the second year
 - Named Asia's Best Property Company by *FinanceAsia* magazine for the fourth consecutive year
 - Platinum winner in the 2006 *Reader's Digest* Trusted Brand Awards
 - 2005
 - Named number one among Best Companies in Hong Kong by *Euromoney* magazine
 - Named number one in Asia's property sector for investor relations in a poll conducted by *Institutional Investor Inc.*, a leading research and publishing organization
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Major Investor Relations Events in Financial Year 2005/06

Date	Event
2005	
September	<ul style="list-style-type: none"> • 2004/05 Final Results Announcement <ul style="list-style-type: none"> – Press conference – Analysts briefing – Post-results meetings with fund managers • Investors' forum in Hong Kong
October	<ul style="list-style-type: none"> • Europe & US Roadshow
November	<ul style="list-style-type: none"> • Investment Conference in Singapore
December	<ul style="list-style-type: none"> • CEO Forum in Japan
2006	
March	<ul style="list-style-type: none"> • 2005/06 Interim Results Announcement <ul style="list-style-type: none"> – Press conference – Analysts briefing – Post-results meetings with fund managers • Investment Conference in Hong Kong
June	<ul style="list-style-type: none"> • Europe, Singapore, US & Hong Kong Roadshow • Visit to The Arch for analysts

Communications with the Investment Community in Financial Year 2005/06



Attending seminars to explain the Group's business development is one of the effective ways to enhance corporate transparency.



Senior management attends the analyst briefings after result announcement to further explain the Group's business strategy.



The Group stages the Nobel laureates lectures in collaboration with The Chinese University of Hong Kong, arousing great interest from the public.

While providing continuous support for various community and charitable causes, the Group has also taken initiatives to promote reading and raise public awareness of mental health, considering the state of social conditions prevalent in the society. These initiatives are part of the Group's commitment to corporate citizenship. During the period under review, the Group donated HK\$65.5 million to support different charitable activities.

The Group shares a concern about the mental health issues, taking into account stress levels in Hong Kong. It launched the Mental Health Alliance in association with The Chinese University of Hong Kong, during the year under review. The Alliance will focus on four areas including public education, prevention and treatment, research and experimental study and professional training, in order to enhance public awareness and understanding of mental health and improve the prevention of mental disorders.

During the year, the Group joined The Chinese University of Hong Kong again to invite Nobel Laureates to stage lectures to enable Hong Kong people to broaden their horizons. Twelve Laureates from different fields have been invited since 2004 to share their insights with the Hong Kong people. Some of the lectures were broadcasted live at Peking University which helped promote academic interaction between Hong Kong and the mainland. Meanwhile, various activities launched by the SHKP Book Club since its inception in 2005 evoked overwhelming response from the public. Its activities to promote reading also elicited good response from the general public and students. The Group also staged a Young Writers' Debut Competition to help the budding young writers with a passion for writing to realize their writer's dreams, and give a boost to its efforts in promoting reading habits.

The Group further consolidated its efforts to promote education in both Hong Kong and the mainland. Continuous initiatives included scholarship awards to the MBA students of The Chinese University of Hong Kong and the distinguished professors of Tsinghua University. Over a hundred talented scholars have been awarded under Sun Hung Kai Properties Award Scheme in Tsinghua University during the last nine years. SHKP-Kwoks' Foundation also offers scholarships to a large number of needy mainland students for pursuing studies on the mainland and The Chinese University of Hong Kong. The Foundation organized a series of cultural seminars, and some of the seminars were compiled in a book form to promote Chinese culture.

Besides providing dedicated support to educational initiatives, the Group also encouraged its staff to participate in social work and help the under-privileged. Community services undertaken by the SHKP Volunteer Team of over 1,000 members' during the year included relocation of the Shek Kip Mei Estate's elderly members and participation in fund raising campaign of ORBIS and the Hong Kong Society for the Blind. Thanks to the Group's assistance, the Sensory Garden at Haven of Hope Sunnyside School in Tseung Kwan O was also completed. The Garden is designed to stimulate the senses of mentally-challenged students by combining outdoor sensory learning and playing facilities.

The SHKP Fund for the Elderly continued to provide direct financial support to needy senior citizens, such as one-time grant to the elderly for improving their living quality. Several charitable organizations benefited substantially from the Group's generous offer of its premises at an annual rent of \$1. The Group actively promotes a harmonious society and it exclusively sponsored a variety show, the "Bravo China – the 9th Anniversary of Hong Kong Reunification", to celebrate this significant event among the Hong Kong people.

During the year, the Group won the Highest Fund Raising Company Award at the Chest's Corporate Marathon 2006, and a number of its subsidiaries earned the distinction of "Caring Company" as recognition of their commitment to the society.



Vice Chairman & Managing Director Thomas Kwok (middle), Executive Director Mike Wong (third left) and staff are enthusiastic to join the Community Chest Corporate Challenge Marathon.



The Group built Hong Kong's first Sensory Garden to provide therapeutic care to the mentally-challenged students of Hope of Sunnyside School in Tseung Kwan O.



Chairman & Chief Executive Walter Kwok (right) and Tongji University President Wan Gang at the launch of SHKP Kwoks' Foundation scholarships for the mainland's Tongji University.



SHKP Volunteer Team committed to assisting the Shek Kip Mei Estate's elderly in their relocation.

Corporate Citizenship



Hong Yip's Executive Director Edmund Kwok (right) receives the Gold Award for Green Property Management (Private Housing) from the Environmental Campaign Committee Chairman Joseph Lee.



Kai Shing's Deputy Managing Director KF Chan (right) accepts the Grand Award for Green Property Management (Private Housing), from the Secretary for the Environment, Transport and Works Sarah Liao.

The Group supports conservation in project planning and construction, using every resource at its disposal, as enthusiasm in promoting environmental protection remains an indispensable part of its community care. It carries out green management along with its member property management companies Hong Yip and Kai Shing, to create lush green residential areas by making environmental protection a part of daily life.

The Group employs a series of effective measures to reduce the effect of environmental pollution during building construction, and its waste management strategy and site environmental protection management continue to win recognition from the public. Many of Group's sites won the Considerate Contractors Site Awards and the Outstanding Waste Management Performance Grand Awards, while Kowloon Station Development Package 6 won a certificate of merit as the Green Construction Contractor Award, in the 2005 Hong Kong Eco-Business Awards.

With a remarkable green management, Hong Yip and Kai Shing attained great honour in the 2005 Hong Kong Eco-Business Awards, during which Kai Shing also got the Grand Award for Green Property Management (Private Housing). In the

Housing Authority's 2004/05 Green Property Management competition, Kai Shing came first for its superb property management.

The management companies carry out energy-saving measures efficiently in the estates, which include using energy-saving fluorescent tubes and installing automatic time switches in the air-conditioning system to reduce power consumption. Emphasis is also given to promote environmental protection awareness through education while instilling a sense of responsibility towards energy-saving measures among the staff and the residents. Consequently, 14 properties managed by the Group have won awards in the Hong Kong Energy Efficiency Awards competition, organized by the Electrical and Mechanical Services Department.

Besides employing effective environmental protection measures, the management companies also conduct various activities to encourage residents' participation in promoting environment protection. Some of the properties managed by the Group have nurseries and planting areas, which encourage residents to take an active interest in improving their surroundings by planting green ambience. Estate management companies also conduct regular activities like waste

classification, and recycling scrap paper, aluminum pots and old clothing, to instill a sense of environmental protection in everyday life. Such joint efforts of the management companies and the residents result in winning numerous awards in the regional waste recycling competitions.

Landscaping too remains an important feature in promoting environmental protection. Using professional landscape designs and gardening maintenance, the Group is devoted to establish the best landscapes in its property developments, and create leisurely and comfortable living spaces for the residents. The Group's several properties while being praised for their green ambience and effective environmental protection facilities also won numerous awards in the competitions organized by the Leisure and Cultural Services Department and Professional Green Building Council.

The Group constantly encourages its staff to have an exemplary involvement in conservation and also provides funds to support its staff members in joining various environmental protection activities. For the financial year, it supported many such projects including "Walk for the Environment 2005", "Green Power Hike" and "Eco Race 2006".



Residents in most of the Group's estates show keen support for recycling.



Some of the Group's estates have plant nurseries to encourage residents in promoting environmental protection.



Most of the Group's residential estates are replete with the best landscape designs to offer the residents a comfortable living environment.



Corporate Citizenship



Staff participating in charitable events exhibits team spirit.



Well-trained and highly-motivated staff is one of the Group's most important assets, so it is committed to providing a wide range of structured training and development programmes to enable employees at all levels to grow. The Group organized courses for over 10,000 participants during the year, in areas such as leadership skills, business strategies, China-related matters, customer service, languages, personal development and technical skills. The Group employs close to 25,000 people, not counting associated companies.

Managerial staff benefit from seminars delivered by leading experts and academics from overseas on best people-management practices, leadership skills and business strategies. New managerial staff receive training in supervisory skills to effectively lead their teams, while senior managers can attend international programmes to develop a wider perspective.

The Group makes great efforts to familiarize staff with management and operational skills specifically suited to the mainland, to accommodate its increasing involvement there. A series of seminars on mainland socio-economic development was staged to help staff better understand China's working environment and business culture. Staff based in China is rotated to Hong Kong for short periods and Hong Kong staff at the managerial level are seconded to mainland offices, to facilitate mutual cooperation and understanding.

Staff receive ongoing training in professional service and product knowledge to ensure that customers get the best care. Regular seminars and workshops also help cultivate a strong service mindset among the staff. The Service Excellence Program for property management staff continues to enhance the responsiveness of frontline personnel, while the Service Enhancement Program in office buildings continues to enable staff to build close relationships with tenants. The Group's shopping malls are made more competitive by on-the-job training provided to Customer Care Ambassadors. Leasing and property management teams receive support to develop all-round knowledge and skills in handling both leasing and building management issues. Customized training was given to the Group's SignatureHomes residential leasing team, to enhance the one-stop personalized service for tenants.

The Group sees itself as an integral part of Hong Kong and strives to contribute to the community. Regular seminars on public affairs are organized to update staff on various issues in society to encourage participation in community service. Staff also have the benefit of seminars and workshops on stress management, health, and classes in tai chi and qi gong, to help relieve work stress.

Staff with recognized potential have various opportunities to develop and assume greater responsibilities, to meet the Group's business development needs. Significant resources are committed to identifying talented people and fostering their learning and growth. The Group's Management Trainee and Engineering/Surveying Trainee programmes continue to recruit high-calibre graduates from leading universities in Hong Kong and on the mainland.

The Group believes in life-long learning. Staff at all levels can get company sponsorships for job-related external courses ranging from short seminars to degree programmes. A wide range of self-learning programmes are readily available to all staff, including materials in the Group's Training Library, e-learning programmes on the Internet and reference materials on the Group's intranet.



Regular workshops are held for the staff to enhance their knowledge and skills.



The Group sets up a training library for the staff to encourage life-long learning.



Wide-ranging interest classes are organized after work for the staff to balance work and leisure in life.

