

Property Related Businesses

Growing business opportunities on the mainland will likely boost the number of travellers coming to Hong Kong, which will be beneficial to the territory's hospitality industry. The Group is set to capitalize on this boom with new hotels in prime locations under development and renovations to its existing premium hotels.



Four Seasons Hotel, Central



Property Related Businesses



The **Four Seasons** was named the best hotel in Hong Kong in 2007 by a noted international magazine. Luxurious guest rooms (left) and fine restaurants appeal to locals and overseas visitors.

Hotels

Hong Kong's hospitality industry continues to thrive with higher numbers of both business and leisure travellers entering the territory as a result of a healthy global economy and booming growth on the mainland, as well as a wide array of local tourist attractions. The Group's hotels made the most of this favourable operating environment during the year under review, seeing high average occupancy of 89 per cent and increased revenues.

The **Four Seasons Hotel** is in its second year of operation and has become a favourite with both local and overseas guests as the preferred venue for major meetings, weddings and other events. Its amenities have received high praise, with the Chinese restaurant being included in a US travel magazine's 2007 Best New Restaurants list and the spa being named Best Spa in Hong Kong in an Asian magazine's readers' choice awards. *Institutional Investor* magazine named it the Best Hotel in Hong Kong in 2007.

All of the **Royal Garden Hotel's** food and beverage outlets made solid contributions despite strong competition, with the Dong Lai Shun restaurant once again winning a gold 'Best of the Best' culinary award from the Hong Kong Tourism Board. Increased visitor arrivals and good results from the food and beverage outlets point to a very positive year ahead.

Renovations to the **Royal Plaza Hotel's** Executive Club floors and lounge are finished and have helped bring in more high-end business, while the other guestrooms have also been upgraded. Major refurbishments to the Grand Ballroom and some restaurants have given the hotel a fresh new look. The results have been well received. Efforts to cultivate the meeting and convention business are ongoing within a competitive environment.

The **Royal Park Hotel** attracts the largest proportion of guests from the corporate sector. It is also popular with tour groups. Renovations to the guest floors were finished in August 2007, providing a bright new look and more comfortable hospitality to guests. The hotel is staging various overseas promotions and roadshows to open up new markets.

The **Royal View Hotel** opened in June 2007 and business has been growing steadily. The hotel is on the scenic Ting Kau waterfront and has 691 rooms and suites, along with a comprehensive range of facilities. It offers easy access to the Hong Kong International Airport, Asia World Expo and Disneyland, so patronage from both tourists and business travellers is expected to rise.

The Group has several new premium hotels including the premium 400-room W-Hotel and a grand Ritz-Carlton Hotel in International Commerce Centre at Kowloon Station. There are two other projects as part of the Shanghai IFC development, which will also be operated by Ritz-Carlton and the W-Hotels Group. Another hotel development is being planned in Tseung Kwan O.



The Royal Garden Hotel recorded high occupancy and good returns from its food and beverage outlets.



Guest rooms in Royal Park Hotel were upgraded with better facilities for guests' added comfort.



The Royal View Hotel has some guest rooms overlooking the sweeping Tsing Ma and Ting Kau bridges and Ma Wan Island.



A refurbishment has made Royal Plaza Hotel's grand ballroom more attractive.

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Kai Shing Director Patrick Lam (left) and Hong Yip Executive Director Edmund Kwok (right) receiving Q-Mark certificates.



Hong Yip Vice Chairman & Chief Executive Alkin Kwong (right) receives a Platinum Employers' Gold Star Award from Employees' Retraining Board Chairman Michael Tien.

Property Management

The Group is committed to offering its customers the finest products and service, and it delivers on this promise through its two principal property management subsidiaries, the **Hong Yip Service Company Limited** and **Kai Shing Management Services Limited**. The companies manage nearly 215 million square feet of residential, commercial and industrial premises containing over a quarter of a million households. Both Hong Yip and Kai Shing are industry leaders and have won numerous awards for environmental management and service.

The companies practice green property management, running recycling programmes in the estates they oversee and following stringent conservation measures to save energy, water and utility expenses. The year under review saw Kai Shing win over 50 awards for environmental management and security. The company also won other awards for landscaping and its staff are praised for their voluntary service to the community.

Hong Yip and Kai Shing were among the first companies in Hong Kong to receive Green Mark certification for environmental management in its own operations and many of the estates it oversees. Hong Yip has also been given Q-Mark Service Scheme certification for four successive years, and won other accolades including the platinum of the Employers Gold Star Award from the Employees' Retraining Board, and a Sing Tao Excellent Services Brand award.

The companies take advantage of the latest high technology to provide residents and commercial tenants with state-of-the-art security, and to enhance operational efficiency.

Premises Managed by the Group

million square feet



In addition to projects developed by the Group, Hong Yip secured outside management contracts covering a total of 28 new properties containing nearly 15,000 units. Kai Shing is extending its presence on the mainland already fulfilling 25 management contracts. It is set to manage the Group's Shanghai IFC and Shanghai Huai Hai Zhong Road projects and continue to manage Nanhai Plaza in Foshan, promoting the Group's brand reputation with the finest international standard of service.



An advanced surveillance system in the control room ensures high building security.



Frontline staff get regular training in property management.



Hong Yip Vice Chairman & Chief Executive Alkin Kwong (right, left photo) and Kai Shing Managing Director Jimmy Wong (second left, right photo) visiting residents to hear their views.

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Construction Department staff accepts Considerate Contractor awards.

Construction

The construction division completed projects totaling 8.5 million square feet of floor area during the year, including Harbour Green, Manhattan Hill, The Vineyard, Kowloon Station Packages 5 & 6, Millennium City Phase 6, and Royal View Hotel. The division achieved turnover of HK\$8,730 million (on a progressive completion basis), and another HK\$120 million was recorded by joint venture companies.

Major projects in progress include YOHO Town Phase 2, Park Island Phase 6, villa developments at Ngau Tam Mei and Kwo Tung, Rhine Harbour, residential apartments at New Kowloon Island Lot 6350, a premium office development on Kwai Chung Town Lot 215 and International Commerce Centre, which will be Hong Kong's tallest building upon completion.

The construction division has several wholly-owned subsidiaries in related fields. Everlight Engineering Company Limited, Everfield Engineering Company Limited, Eversun Engineering Company Limited, Aegis Engineering Company Limited and Sanfield Landscape Company Limited provide various construction-related services to the Group and third-party clients. Their services include electrical and fire prevention systems, construction plant and machinery and landscaping. The division also supplies concrete to the Group and external contractors through its associate Glorious Concrete (HK) Limited.



Vice Chairman & Managing Director Thomas Kwok is speaking at inauguration of the Safety Partnership Scheme.

Financial Services

The financial services division made up of the Hung Kai Finance Company Limited and Honour Finance Company Limited offers mortgage servicing, home mortgages, deposit taking and other services to support the Group's property development business. The division remained profitable despite fierce competition in the industry.

Insurance

Sun Hung Kai Properties Insurance Limited saw an increase in both turnover and profit before taxation during the year under review, despite a continuing competitive market. The company has been providing its clients with comprehensive and efficient insurance services. It also offers and promotes a wide variety of insurance products through its web site www.shkpinsurance.com.hk, which has helped expand its client base and build stronger links with existing customers. The company aims to achieve healthy growth in turnover by continually upgrading its products and services as clients become more informed and discerning.