



Former Head of Corporate Communications May Lau accepts a 2007 Eco-Business Prime award in recognition of the Group's dedicated efforts in environmental protection.

The Group cares about the community and the environment, and it promotes the conservation of energy and natural resources in all aspects of its operations from project planning, design and material sourcing to construction, landscaping and property management. Its clear environmental policies and concerted efforts in the area have won wide recognition from various organizations.

Reducing the environmental impact of construction is a priority. The Group employs a series of measures to ensure effective waste management, sewerage discharge and site safety. During the year, Millennium City 6 won a 2006 Considerate Contractors Site award from the then Environment, Transport and Works Bureau, and the Group was awarded a 2007 Eco-Business Prime award. The indoor air quality in Sun Hung Kai Centre has been certified as 'excellent', and was awarded an "Excellent" Indoor Air Quality certificate from the Environmental Protection Department.



The Group's Ma Wan Park is an ideal place to commune with nature.

Property management companies Hong Yip and Kai Shing have won numerous awards for their efforts to conserve energy and recycle waste in housing estates, malls and offices under their management. Some housing estates have reward schemes to encourage residents to donate used furniture, clothes and toys to charity groups for recycling. The Group offers residents of its developments comfortable environments with extensive green space planted with trees and shrubbery grown on its own farms. Specialized property management staff receive extensive training in horticulture and landscaping, to keep estates lush and green all year round.



Staff are encouraged to participate in environmental activities.

The Group is also working to keep Hong Kong green. Ma Wan Park Nature Garden, operated and funded by the Group, opened in July 2007. This is a new tourist attraction and an interactive outdoor educational centre that combines conservation, education and art in a natural setting. The garden teaches visitors about the environment and conservation, for example using solar, wind and hydro to generate power for the lights, heating and cooling systems and other park facilities. The Group has preserved historic artifacts discovered in the island and has them on display, to teach people about the history of Ma Wan.

The Group also organized various educational activities in its shopping malls to promote green living, such as the organic farming exhibition held in East Point City. The Group also worked closely with green groups to enhance public awareness of environmental protection. It was a sponsor of the 2007 Ngong Ping Charity Walk organized by the Hong Kong Youth Hostels Association, and the SHKP Volunteer Team took part in a tree planting day in the Tai Lam Country Park. The Group encouraged staff to take part in the Green Power Hike to raise funds for green education, and it sponsored an international conference to show Hong Kong's support for global environmental protection.



Property management companies organize family conservation events to bring young children closer to nature.



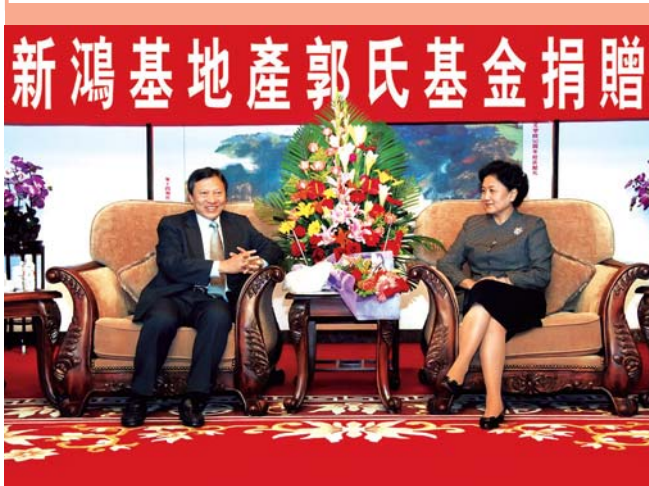
Group events to promote environmental awareness are well received by the general public.



The Group's special landscaping team works to ensure lush green environments for residents.



## Corporate Social Responsibility – The Group and the Community



The SHKP-Kwoks' Foundation helps train talented people in China. CPC Central Committee Member Liu Yandong thanks Chairman & Chief Executive Walter Kwok for the Group's generosity.

A long-standing belief in community involvement lies at the core of the Group's business philosophy. As part of its commitment to good corporate citizenship, the Group sponsors a wide range of charitable initiatives to assist the less fortunate in society and promote education in Hong Kong and the mainland, and it mounted a variety of long-term community initiatives to promote domestic harmony, encourage reading, advance mental wellness and encourage staff to serve the community.

With Hong Kong marking the tenth anniversary of reunification with the mainland this year, the Group underwrote the production of a souvenir DVD explaining the history of Hong Kong and China's development. A total of 80,000 copies were distributed free to schools, libraries and the general public. The Group was title sponsor of an equestrian eventing competition held this year in preparation for the 2008 Beijing Olympics, when Hong Kong will host the equestrian events. This support helps promote equestrian sport in the territory and boosts Hong Kong's reputation as an international metropolis.



The SHKP Book Club encourages reading and participated in the Hong Kong Book Fair for the first time to promote seven newly-published young authors.

One aspect of the Group's 'Building Homes with Heart' message is promoting a caring society through the SHKP Club, whose various activities to encourage domestic harmony has drawn encouraging response from the public. During this year, the SHKP Club organized an 'I do it for my family' competition that invited people to promise to do something nice for a family member. The competition was very popular with Club members and the general public, and a review of the entries provided an insight into the depth of family ties in Hong Kong.

The SHKP Book Club was established in 2005 to promote reading in Hong Kong. The Book Club publishes a free literary magazine on reading and has organized book review competitions, put on seminars and participated in book fairs, with considerable success. A writing competition for young authors was held during the year, and in July the seven winners had their first books published with the Group's assistance for debut at the Hong Kong book fair in July. It was the first time for the Group to join the book fair and its commitment in promoting art and reading was highly praised by the public. Again, the Group and The Chinese University of Hong Kong invited a number of Nobel Prize winners to lecture in Hong Kong on a variety of topics, sharing their globally-savvy insights with the public.

The Group wants the public to embrace the right perspective about mental health. During the year, the Group has organized seminars and large-scale exhibitions, as well as published a free magazine dealing with mental health issues. These efforts, which have proven to be effective, continue to promote a positive attitude towards mental health through ongoing publicity and education.

The Group supports programmes to help train talented people in China. Its SHKP-Kwoks' Foundation sponsors the Cambridge China Development Trust, which brought 50 top executives from major mainland corporations to Cambridge University where they had a chance to learn from business and political leaders from around the world. The Foundation also provided ten million renminbi sponsorships so that 40 top mainland academics could undertake doctoral studies and other courses at prestigious universities throughout the world. Since its establishment in 2002, the Foundation has also sponsored top mainland scholars to study in Hong Kong and administers scholarships in over ten mainland universities that have helped over 1,000 students. The Group also ran an academic excellence reward programme at Beijing's Tsinghua University that has benefited numerous outstanding scholars over the past ten years. In Hong Kong, the Group is supporting numerous educational initiatives and training projects for young people, such as the New Territories West Elite Student and Modern Apprenticeship programmes, which help young people's personal growth and development.



Students in the Group's ongoing New Territories West Elite Students programme have achieved outstanding results in local examinations, earning the praise of Vice Chairman & Managing Director Thomas Kwok (back, fifth left).



The Group promotes mental wellness to the general public through various channels.



The SHKP Club believes in Building Homes with Heart and promoting loving homes. It staged an 'I do it for my family' that drew several thousand entries.



## Corporate Social Responsibility – The Group and the Community

The Group is active in supporting charitable and voluntary organizations that help the less fortunate, and it encourages its staff to become involved in community work. The 1,200-member SHKP Volunteer Team is in its fourth year of helping the under-privileged in the community by collaborating with charitable organizations. The SHKP Fund for the Elderly continued providing grants to improve the quality of living for elderly people.

The year under review saw the Group honoured for Outstanding Service to the Community in the Excellent Services Brand Award on corporate branding among major companies in Hong Kong. The Group was the only company to earn this distinction. It also received Top Donor Award and President's Award from Community Chest, in recognition of its contributions to charity.



*The SHKP Volunteer Team put in substantially more hours of community service this year than last.*



*The equestrian eventing competition sponsored by the Group helped boost Hong Kong's international reputation.*



*Staff are enthusiastic about helping the community.*



*The Group hosted a shopping mall exhibition of works by disabled artists to raise public awareness of the handicapped.*



*The Group stages frequent seminars for staff training and personal growth.*

The Group recognizes that its valued staff is one of the keys to its success, and it provides a wide range of structured training programmes to realize the full potential of people at all levels within the organization. Courses during the year under review covered many different aspects of professional development, and there were also a variety of talks and activities to help staff balance their personal and professional lives. The Group employs over 27,000 people, who filled 10,000 places at the various courses on offer.

Managerial staff attend seminars and workshops on people management, leadership, business strategy and communication presented by leading experts and overseas academics, to strengthen effectiveness and teamwork. Selected managers are eligible for top-level training programmes at overseas universities to broaden their horizons. The Group developed a service enhancement programme for its property-management staff, and this has been expanded to include mall Customer Care Ambassadors, taking customer service to new levels.

The Group's management trainee and engineering/surveying/architectural trainee programmes continue to recruit high-caliber graduates from leading local, mainland and overseas universities. Staff with recognized potential have many opportunities to advance, with support such as professional coaching sessions and special work assignments, which help to hone their professional skills and strengthen the Group's workforce.



*Special activities help employees lead balanced lives.*

As the Group expands its mainland operations, it is putting on seminars for Hong Kong staff to explain mainland socio-economic development, law and business practices. Local employees are rotated to mainland offices and vice versa with their counterparts to the north, to facilitate mutual cooperation and understanding. There are also corporate orientation programmes to enable mainland staff to better understand the Group's culture.

The Group encourages life-long learning and offers sponsorship for job-related external courses and seminars. It provides various platforms for independent learning, including materials in the training library, e-learning programmes on the Internet and archives of past seminars that can be reviewed on the Group's intranet. It also puts on regular seminars on current affairs and encourages staff to serve on the SHKP Volunteer Team for the benefit of the community.

In addition to paying attention to employment-related matters, the Group is also concerned about the general well-being of its staff. It has a Staff Caring section looking after their needs and it funds a special hotline manned by professional counsellors for staff and members of their families. The Group also presents talks on interpersonal relationships and mental health issues, and it organizes special interest classes, sports events and recreational activities to help staff balance work and leisure.