

## **K. Wah Group Spring Cocktail Reception 2019**

Date: Tuesday, 5 March 2019

Times: 6:00 p.m.

Venue: JW Marriott Hotel, Admiralty

Commissioner Xie Feng, Deputy Director He Jing, Director General Sun Xiangyi, Director General Guo Hengbin, Director General Li Jiyi, Secretary Joshua Law, Secretary Sophia Chan, Secretary Kevin Yeung, Director General Wang Qi, Permanent Secretary Sai-hung Lam, Vice-minister Song Wei, Dear guests, friends and colleagues,

Good afternoon. Thank you for joining us at K. Wah Group Spring Cocktail Reception. On behalf of our board of directors and staff, I would like to wish all of you a very auspicious and successful Year of the Pig.

This year marks the 70<sup>th</sup> anniversary of the founding of the People's Republic of China, while Hong Kong is anticipating unprecedented new opportunities after its inclusion in the grand scheme of national development. In addition to full participation in projects under the "Belt and Road" initiative, Hong Kong is also set to play a major role in the development of the Greater Bay Area as one of its four core cities. We are prepared to bring our inherent strengths into full play to drive concerted development in the Greater Bay Area. Last year the commencement of the Guangzhou-Shenzhen-Hong Kong High Speed Rail (Hong Kong Section) and the Hong Kong-Zhuhai-Macao Bridge have provided a new engine to drive Hong Kong's economic growth.

To mark this most meaningful historic moment, K. Wah is also reporting encouraging results for the past year in the properties, hospitality, construction materials and entertainment and leisure divisions. I must thank our stakeholders and partners for their support, and credit must also go to our 30,000 strong staff for their hard work and contributions to the Group over the past year.

In connection with the property business, K. Wah has continued to uphold its principle of delivering excellence and quality and completed another year of strong property sales in Hong Kong and the Mainland. In the meantime, the Group has successfully expanded its land bank through acquisitions of sites in the Yangtze River Delta region and the Pearl River Delta region, in a further extension of K. Wah's business footprint. For the current year, we are in an advanced stage of preparations for the further launch of new projects, with a view to solidifying our strength in Hong Kong, the Yangtze River Delta region and the Greater Bay Area.

For construction materials business, we supplied premium concrete, asphalt and concrete pipes for the south runway resurfacing project at the Hong Kong International Airport and for the Hong Kong-Zhuhai-Macao Bridge, while winning

the bid to become a concrete supplier for the third runway construction project, continuing to contribute to development of the city.

For hospitality business, the Group has continued to offer excellence and perfection in services and accommodation experience to customers. InterContinental Grand Stanford Hong Kong received the top honour of the “World's Leading Luxury Business Hotel” in “World Travel Awards” for three consecutive years, while Stanford Residences Victoria Harbour was named among “Asia’s Leading Hotel Residences”. The awards we garnered speak volumes about market recognition for the quality and service of the Group’s hotel brands.

In the United States, our hospitality business is expanding with about fifteen 4 and 5-star hotels, as well as properties projects. The Group’s LUMA Hotel, the 4-star hotel in Time Square, New York has been well received by market since its official opening; our hotel project in Mission Bay, a prime location in San Francisco is scheduled to be completed for next summer; another hotel in central area of Washington D.C. will open in April; also, a 5-star hotel project is under development in Seattle, bringing upon fresh inspirations to its U.S. hotel operations.

Last year has also been a year of harvest for our business in Macau, capped by substantial growth in revenue for the year. Since its establishment, Galaxy Entertainment Group (“GEG”) has always taken pride in the “World Class, Asian Heart” service philosophy and supports Macau to become a World Centre of Tourism and Leisure through engaging in vigorous development of its diversified entertainment and holiday resort business and attracting tourists from around the world with innovative features. The expansion of China’s high-speed railway network and the opening of the Hong Kong - Zhuhai - Macau Bridge have had an extremely positive impact on Macau’s tourism and entertainment industries. GEG has reported sound progress in Cotai Phases 3 & 4 development, while plans for developing Hengqin are also underway, with the hope that more refreshing experience in entertainment and holiday resort will be introduced to the market. In addition, GEG has also been keenly exploring potential opportunities in the overseas markets, with high hopes for the development of a world-class integrated resort in Japan in cooperation with Monte-Carlo Société des Bains de Mer in Monaco and Japanese partners.

K. Wah Group has been actively supporting and participating in various charity causes in fulfilment of its corporate social responsibility. In 2017, I donated RMB120 million to School of Life Sciences, Peking University for the establishment of the Lui Che Woo School of Life Sciences Fund and construction of a new Life Sciences research building. Last year, RMB200 million was donated to Tsinghua University to fund the construction of two new blocks at the Tsinghua University Biomedical Sciences Building to support the development of medical, pharmaceutical science and other related disciplines. The “LUI Che Woo Prize” founded four years ago has awarded nine deserving laureates in the past three years in recognition of their contributions in promoting sustainable development of the world, welfare betterment and enhancement

of positive energy, which had encouraged more people to join in initiatives to solve problems faced by the world and create a better and harmonious world.

In 2020, K. Wah Group will celebrate its 65th anniversary as it welcomes another important new milestone. I have no doubt that the Group will continue to work through a prudent and pragmatic approach and in the spirit of innovation and progress, and together we will venture from strength to strength. Last but not least, I must thank you again for your support of K. Wah Group. Let us wish for another prosperous year for Hong Kong, and may I wish you and your family prosperity, health and happiness in the New Year. Thank you.