

GUANGDONG ENTERPRISES (HOLDINGS) LTD

REPORT SUMMARY

Mission Statement

To contribute to the economic development of Guangdong Province as well as the prosperity and stability of Hong Kong.

Corporate Spirit

Diligent, upright, aggressive and honest.

Aim

To serve the society with products and services of the first-class.

“Three Creation Activities”

Since 1995, the Board of Guangdong Enterprises deliberately set plans to introduce the so-called “Three Creation Activities” within the whole corporation. This includes creating famous brands, creating qualified services and creating efficient organizations.

- **Creating famous brands:** to put emphasis on products with high technical requirements and market share, which are well-accepted by customers and can bring about good profit.
- **Creating qualified services:** to establish a comprehensive network of service and well-developed measures; to create a good reputation and image for the company by making customers satisfied.
- **Creating efficient organizations:** to be equipped with a complete manufacturing, inspection and technical support system; to have a good management system with qualified staff; to ensure high return to shareholders.

Emphasis on Process Management

- Basing on the revised corporate policy set up in 1991 and the management systems established by individual divisions, Guangdong Enterprises has exerted controls over the whole corporation

Relationship with Customers and Partners

- By collecting customers opinions through various ways, the company makes continuous improvement on its products and services.
- By ensuring quality and supply of products, cutting costs, upgrading services and increasing economic return, the company tries to make sure that the cooperative partners can gain expected profits.

Information Management

Besides a computerized intranet system, there is also an Information Department which collects and distributes various information at home and abroad every day. The processed information is used by both the top management and subcompanies for reference.

Staff Management

Employees are provided with preferable working environment and condition so as to give full play to their talents. Training is another way to improve the skill of the staff. Within the past two years, 2350 trainings have been provided to 2320 people. The “Three Creation Activity” enables employees to gain self-realization through full involvement.

Environmental Protection & Security Control

A Security and Environmental Protection Management Team has been formed to set policies and supervise the performance of subsidiaries. There were no security accidents in recent years. At the same time, the sewage disposal of our hotels, restaurants and plants has reached or even surpassed the standard of the local legislation.

Achievements

Within 16 years, Guangdong Enterprises has developed from a small company with only US\$ 2 million to diversified enterprises with more than HK\$30 billion total asset, over HK\$17 billion sales revenue per year (excluding the listed Guangdong Investment Co. Ltd) and 7000 employees. It is involved in over 10 major businesses, which bring about remarkable profits. The supply of fresh foods, such as vegetable and fishes, accounts for 85% of the total market share. The plants producing leather, tin-plated steel, malt, corn starch, soy milk and smoked eel are the largest scale in China, Hong Kong or even South East Asia. Ten brand names of our products have been well recognized and become popular among customers. Eleven subcompanies have received ISO 9000 certificates. The company has also arranged “Hong Kong Tour” for 1.2 million visitors.

Social Activities

Guangdong Enterprises believes that once benefited from society, it should contribute more. Since the 1990's, the corporation has donated more than HK\$100 million to public welfare, including “Hong Kong Welfare”, educational institutions, hospitals and the areas encountering natural disasters. This Spring Festival, the corporation has sponsored the New Year Fireworks Show with HK\$ 8 million.

Future Improvement

There is no end in improving the internal management. Guangdong Enterprises aims to work with continuous efforts to reach its long-term target.