



13 Hotels
OWNED AND MANAGED
in Asia Pacific

Hotels Development

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Business Review

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MARCO POLO HOTELS

The Group currently operates 13 hotels in the Asia Pacific region. Four of them are owned by the Group. The three in Hong Kong are prominently located in Harbour City while that in Wuhan is on the Bund and overlooks the Yangtze River.

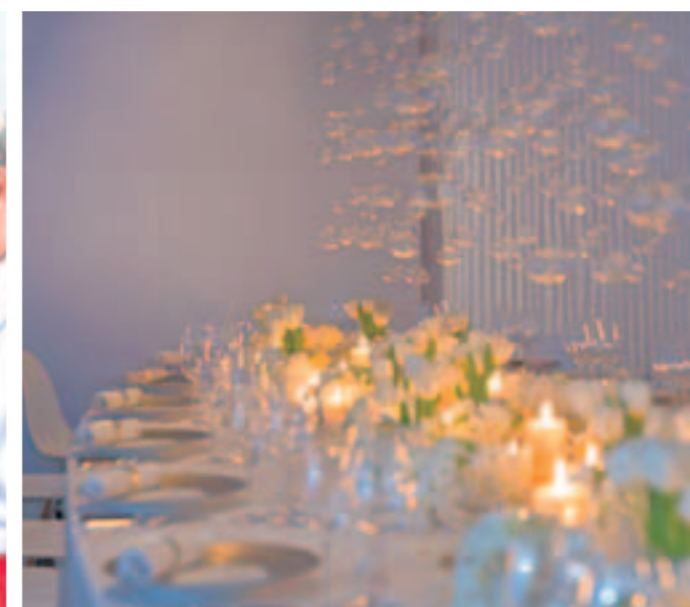
A solid portfolio of 10 owned hotels (including six new hotels at an investment of more than HK\$10 billion) will serve as a core platform of an expanding hotel network in five years' time. Among the six new owned hotels, five are premium hotels in the cities of Chengdu, Changsha, Chongqing, Suzhou and Wuxi; all but one is sky hotel.

The sky hotel in Suzhou is a luxury boutique-sized hotel with 129 rooms, whereas the others are premium business hotels with more than 200 rooms each. Out of these six new hotels, three are part of the Group's multi-use retail-office complexes (in Changsha, Chengdu and Chongqing).

The hotel in Changzhou, surrounded by a vast private garden for major events and weddings, is set to be opened by the end of 2014. It is poised to become another showpiece for the Group's future development.

These hotels, destined to offer superior levels of design and impeccable quality of service, will take the hotel group to the next level of service and hospitality.

In 2013, the hotel segment was impacted by the room renovation underway at the Gateway Hotel in Hong Kong, contracting business travellers' spending and the pre-opening expenses for the hotel in Changzhou. While total revenue increased by 8% to HK\$1,498 million, operating profit decreased by 4% to HK\$377 million. Consolidated occupancy of the three Marco Polo hotels in Hong Kong reached 85% with a 5% increase in average room rate. The Marco Polo Wuhan, well-positioned on the Bund, continued to achieve excellent market position in the local market.



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Current Marco Polo Hotels' Network

Hong Kong

Marco Polo Hongkong Hotel
Gateway, Hong Kong
Prince, Hong Kong

The Philippines

Marco Polo Davao
Marco Polo Plaza, Cebu
Marco Polo Ortigas, Manila

China

Marco Polo Parkside, Beijing
Marco Polo Lingnan Tiandi, Foshan
Marco Polo Jinjiang
Marco Polo Shenzhen
Marco Polo Suzhou
Marco Polo Xiamen
Marco Polo Wuhan



MURRAY BUILDING

A conservation project for a unique lifestyle hotel

In November, the Group, through listed subsidiary Harbour Centre Development Limited, acquired the 27-storey Murray Building in Central for HK\$4.4 billion. It is a majestic building with towering arches and quite possibly the last remaining prime site in Central for a major hotel.

With nearly 50 years of history, this prominent landmark building guards the intersection of traffic arteries in Central that run east-west and north-south, commands open green views over Hong Kong Park and is well connected to other buildings in the neighbourhood, as well as to the Mass Transit Railway.

The Group will convert this iconic building into a unique, fashionable lifestyle hotel for a total investment of over HK\$7 billion. Target opening is scheduled for 2017. Design planning is underway by Foster and Partners.

