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Synovate PAX survey reveals the power of Hong Kong's affluent during the downturn

HONG KONG – Synovate (思緯), a leading global market intelligence company, today released the 2009 PAX survey findings, revealing that affluent consumers in Hong Kong continued to spend despite the recession in the past year. Average monthly billing on credit cards increased from US\$978 (Q2 2008) to US\$1124 (Q2 2009), while 56.7% of affluent consumers had travelled for leisure during the year ending Q2 2009, recording a total of over 1.7 million leisure trips.

In its thirteenth year, Synovate PAX is the region's most comprehensive study of elite adults, tracking media and digital consumption, prosperity, and influence across 11 markets from Hong Kong, Singapore, Korea, Taiwan, Thailand, Malaysia, India, Indonesia, the Philippines, Japan to Australia.

The survey is conducted year-round and Synovate spoke with 1,668 affluent Hong Kong residents to get the 2009 results.

Hong Kong affluent consumers vital for many categories

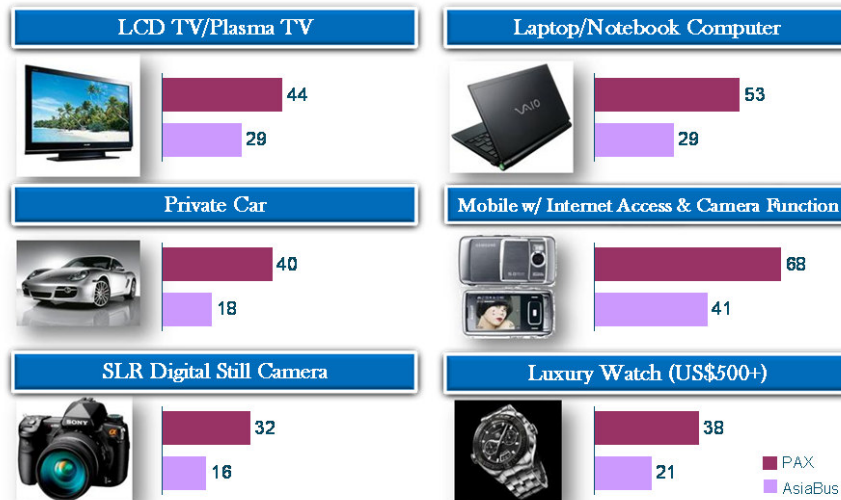
An indication of the power of the rich, 22% of Hong Kong's affluent have gone on more than one business trip, compared to 18% of the general population, in the past 12 months.

Steve Garton, Executive Director of Media at Synovate, comments: "The PAX 2009 results show that this affluent group is more important than ever for many marketers. This is a core audience group with money on hand and is willing to spend despite the condition of the economy."

Forty four percent of affluent consumers in Hong Kong own a LCD/ plasma TV, which is 15% more than the general population. Similarly for laptops (53% of affluent consumers vs. 29% of the general population), private cars (40% vs.18%), mobile phones with Internet access and camera functions (68% vs. 41%), SLR digital still cameras (32% vs. 16%), and luxury watches (38% vs. 21%). Please refer to the following figure for a graphical comparison.



Ownership of several product categories between affluent consumers and the general population in Hong Kong



Source: PAX Q3 2008 to Q2 2009 and AsiaBus July/August 2009, HK only.

Continue to spend in good times and bad

Amongst affluent PAX consumers, Hong Kong is one of the markets surveyed which saw an increase in ownership of designer clothes and leather goods (US\$1000+ per item) over the past year during the downturn. The top three places with the most increase is Singapore (from 4.8% to 11.3%), followed by Taipei (from 8% to 9.6%), then Hong Kong (from 15.8% to 17%).

“It is obvious that affluent consumers do not want to give up their quality of life. For example, private car ownership actually increased during the downturn in Q3 2008 to 44%, compared to the pre-crisis ownership of 38%,” says Clare Lui (呂詠琦), Synovate’s Research Director in Hong Kong.

Affluent consumers in Hong Kong own the most luxury jewellery compared to other Asia Pacific markets surveyed in this study. Twenty eight percent of Hong Kong elites own jewellery that is worth US\$1000 and over.

Furthermore, 33.8% of Hong Kong’s affluent, also the highest group compared to other markets, own a luxury watch worth US\$1000 and more.

Ownership of technology

A new question added in PAX 2009 gauges the popularity of HDTV by asking affluent consumers their intention to purchase one over the next 12 months. Hong Kong leads



other markets wanting to buy an HDTV, at 19.1%. This is 11.9% more than the regional average of 7.2%. Currently 36% of Hong Kong's affluent own an HDTV.

Compared to the PAX 2008 findings, there is an 11.7% increase in the number of Hong Kong elites who now own a laptop or notebook computer, from 41.6% to 53.3%.

Hong Kong holds the second spot behind Taipei in the percentage of affluent consumers owning a digital still camera (Taipei – 90.2%, HK – 88.6%). This is an increase for Hong Kong's wealthy from 83.2% last year to 88.6% this year ending June 2009.

Smartphones on the rise

Hong Kong shows the highest increase in the intention to purchase any mobile phones compared to other markets, from 14% last year to 18.1% this year.

Particularly, findings show that the purchase of mobile phones with Internet access and camera functions is on the rise. An increasing percentage of Hong Kong's affluent now own one, from 63.5% last year to 67.9% this year.

Top of Asia Pacific in financial products ownership

Hong Kong elites are the top group (51.2%) across the region who own stock, securities, and bonds.

“This is not a surprise, with Hong Kong being one of the key financial centres in the world,” adds Ms. Lui. “Affluent consumers in Hong Kong are financially savvy: 23.7% of elites hold foreign currencies as investment, the highest group across the region; 35.5% own a privilege banking account; while 12.5% have offshore accounts for investment purposes, the highest group again across the markets surveyed.”

For more information on PAX 2009 results, please refer to facts sheet attached.

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About Synovate

Synovate, the market research arm of Aegis Group plc, generates consumer insights that drive competitive marketing solutions. The network provides clients with cohesive global support and a comprehensive suite of research solutions. Synovate employs over 6,400 staff across 62 countries. More information on Synovate can be found at www.synovate.com.