



# 主席報告

## Chairman's Statement

### 致各股東

#### 業績及股息

截至二零零三年六月三十日止財政年度之營業額為三十四億二千一百四十萬元，增加百分之五點一；股東應佔純利為四億八千八百萬元，較上年度下降百分之二十九點五。每股盈利為三角六點九仙，較上年度減少百分之二十九點四。

董事局建議派發末期股息每股三角二仙，而全年度每股股息總額將為四角四仙，兩者均與上年度之股息金額相同。

#### 業務回顧

在去年度之報告中，本人強烈主張政府應採取果斷行動，以堵截樓價進一步滑落之急潮。樓價持續下挫所帶來之壓力，已逼使政府及有關機構採取行動。舉例而言，房屋委員會將永久停止銷售居者有其屋(居屋)單位，而香港之鐵路公司九鐵將不再倚賴物業收入來資助其業務發展。上述行

### TO OUR SHAREHOLDERS

#### Results and Dividends

For the fiscal year ended 30 June 2003, turnover increased 5.1% to \$3,421.4 million. Net profit attributable to shareholders was \$488 million, 29.5% lower than last year. Earnings per share was 36.9 cents, representing a decrease of 29.4% over last year.

Your Board recommends a final dividend of 32 cents per share and total dividends for the year will be 44 cents per share. Both are the same as last year.

#### Business Review

In last year's statement, I strongly advocated determined actions by the government to stamp the tide of further property price deterioration. Continued downward pressure has forced the government and related parties to act. For example, sales of Home Ownership Scheme (HOS) flats by the Housing Authority will be permanently halted. KCRC, our railway company, will no longer rely on real estate to subsidize its operation. These, together with other measures, will pave the way for a recovery

前排：集團主席陳啟宗先生  
後排右至左：執行董事－袁偉良先生，何世良先生及吳士元先生

Chairman – front row: Mr. Ronnie Chichung Chan  
Executive Directors – back row from right: Mr. Nelson Wai Leung Yuen,  
Mr. Wilfred Sai Leung Ho and Mr. Terry Sze Yuen Ng

動連同其他措施，將為樓市之復蘇鋪路，而本人相信此復蘇正在途中。本人所指之復蘇乃物業成交宗數將回升，但樓價仍甚有可能繼續低企。前者乃反映信心之改善，後者乃單位供應量充裕之結果。

儘管去年度之環境極為艱困，本集團仍能售出位於荃灣之名逸居發展項目其六百五十八個單位中之八成二單位。東堤灣畔共有二千一百五十八個單位，截至六月底已售出九成六單位，整項銷售計劃已歷時約四載；而海堤灣畔於去年度售出一千零四十五個單位，佔其單位總數約七成。本集團持有後兩個項目百分之二十權益，彼等均位於東涌，鄰近香港國際機場。

本集團之附屬公司恒隆地產之管理層作出審慎之決定，把所有由其佔大比重權益之項目押後銷售，冀於較後時間取得較高之售價。現時來看，此項決定乃屬正確，因市場意慾已見好轉。恒隆地產於去年度來自香港之租金收入及利潤均保持穩定，而其上海方面錄得之增幅令人鼓舞。

本集團於去年度一項重要之發展，乃把持有之格蘭酒店集團所有股份售予恒隆地產。本集團之獨立股東(即與大股東家族無關連之股東)於十月份以絕大比數通過該項出售，箇中原因為三方面。

首先，由格蘭酒店集團所擁有之兩幢大廈均為價值不菲之物業，用作酒店並非最高及最佳效益之用途。把雅蘭酒店改建為寫字樓以及把康蘭酒店之所有房間改為服務式寓所(過往其一半房間已為服務式寓所)，應可提供更高及更

which I believe is on its way. By that, I mean that transaction volume will pick up, but prices may well remain low. The former is a reflection of better confidence, and the latter, a result of plentiful supply of flats.

Despite last year's extremely tough environment, we parted with about 82% of the 658-unit development, the New Haven, in Tsuen Wan. By the end of June, about 96% of the 2,158-unit Tung Chung Crescent was sold. The sales campaign has been on going for about four years. At Seaview Crescent, we sold in the past fiscal year 1,045 units which account for almost 70% of the total. We own 20% each of these last two projects which are both at Tung Chung next to the Hong Kong International Airport.

Management of our subsidiary Hang Lung Properties (HLP) had made a conscious decision to postpone sales of all majority controlled developments with the hope to sell later at higher prices. It now seems that the determination is a correct one as we see market sentiments improving. HLP's rental income and profit in Hong Kong held steady in the past year, while growth rates in Shanghai were encouraging.

A significant development of the past year is the sale of all of our shares in Grand Hotel Holdings (GHH) to HLP. Our independent shareholders, i.e. those unrelated to the major shareholder's family, voted overwhelmingly in October to sell. The reasons are three-fold.

First, hotel was not the highest and best use for valuable real estate like the two buildings owned by GHH. Converting Grand Tower Hotel to offices and all rooms in Grand Plaza Hotel to service apartments (previously half of the rooms were already service apartments) should yield higher and steadier returns.

穩定之回報，而部份原因乃該兩項物業均處於優越地點。其他地點較遜之物業，未必能如該兩項物業所享有之改建條件。

第二項原因與首項有關。本集團相信吾等所參與之酒店業環節(即三至四星級酒店)出現了結構性問題，於未來數年亦不能解決。此問題乃酒店房間所賺取之租金，與香港高昂之土地及勞工成本並不相稱。預期中國內地旅客將是該等酒店之主要客源，而彼等絕大部份均不喜歡支付昂貴之房租，同樣屬實者乃包括東南亞在內之第三世界之旅客均普遍抱此看法。此非必然因為彼等貧窮，當中許多人均為奢侈品例如珠寶及名牌時裝精品而慷慨解囊。

彼等大部份乃參加旅行團來港，該等旅行團把房租壓價至透骨入肉之水平。以現有水平或即使顯著較高之房租計算，計入直接成本、空置日數及折舊後，酒店乃虧本經營；而鑑於許多新酒店現正動工或其他用途之物業正改建為酒店，故房租之升幅將受局限。即使房間之供求處於利好水平，酒店經營者能否大幅調高房租仍屬疑問，因內地旅客可選擇較便宜之旅遊地點例如東南亞等國家。

就此原因作總結，本集團當然理解為何部份港人仍在發展酒店。在地產業之所有環節當中，工業及工業／寫字樓物業乃最受創傷之一環。許多此等物業現正空置，倘置諸不理，其價值非為正數而為負數，皆因須為此等物業納稅(包括繳納作為市政服務費之差餉)及支付維修費和保險費等費用。既然新建築物條例容許其改建為酒店，則透過此舉最低限度可令其土地及結構建築物變成具有生產力，並有希望其可

This is due partly to the excellent locations which the two facilities command. Less well located properties may not have the luxury as we do.

The second reason is related to the first. We believe that there is a structural problem with our segment of the industry, i.e. three to four star hotels, which cannot be resolved in the coming few years. Namely, room rates that can be generated do not justify the high land and labor costs prevailing in Hong Kong. Most mainland Chinese tourists who are projected to dominate our kind of facilities do not like to pay for expensive accommodations. The same is in general true of Third World visitors including those from Southeast Asia. It is not necessarily because they are poor, for many of them spend generously on durables such as jewelry and branded fashion goods.

The majority of them come on group tours which bargain room rates to their bare bones. At prevailing or even considerably higher prices, hotels will run at a loss after taking into consideration direct costs, vacancy and depreciation. The many new facilities being built or being converted from other usage will keep a cap on rates. And even if supply/demand of rooms is favorable, it is still doubtful whether hoteliers can raise prices too much. Mainland tourists have alternative inexpensive destinations such as those in Southeast Asia.

Having said that, we of course understand why some Hong Kong people are still constructing hotels. The hardest hit of all real estate sectors is industrial and industrial/office buildings. Their value, if left empty as so many are, is not positive but negative because there are expenses such as taxes (including rates which are fees for urban services), maintenance and insurance. By converting them into hotels which new building regulations allow, at least land and structures become productive—there is hope

帶來足夠之現金流量以支付開支；至於其業主較長期而言能否有利可圖則是另一回事。本集團懷疑，即使彼等有利可圖，回報亦僅微薄。此項分析並不適用於那些有機會改為共用寓所及把單位逐個出售之物業，而事實上部份人士正玩此把戲。然而，此等人士應該當心，因政府有可能即將堵塞有關漏洞。

最後一個原因乃本集團出售格蘭酒店集團股份可收取現金。雖然本集團財政安穩，但無人會把現金拒諸門外，更何況處身於此等不明朗之時期。再者，由於本集團控制恒隆地產約百分之六十二之股權，而後者現擁有該等物業，故本集團仍可受惠於該等物業未來之盈利能力。

於去年度之另一項重要發展，與本集團之上海項目港匯廣場有關。該項目由一家合營公司持有，而本集團連同恒隆地產乃該合營公司之最大股東。該合營公司已實質上把現正興建之兩幢辦公室大樓其中一幢售出，買家為該發展項目之一名前夥伴，彼將(其中包括)支付一億二千四百萬美元現金，該筆款項應足以支付港匯廣場完成其項目所需之費用；而該買家並會放棄其在合營控股公司之所有股份，該等股份已按比例分配予餘下之股東(即賣家)，故本集團之股權由百分之四十七點二五增加至百分之六十六點二八。管理層對此項結果甚表歡迎。

董事局已採取步驟進一步加強公司管治，吾等已成立一個僅由非執行董事組成之提名及薪酬委員會，而董事局開會次數已較過往頻密。有趣之現象乃：於七十年代及八十年代，董事局每年僅召開兩次會議，其時間為中期及末期業

of enough cash flow to cover outgoings. Whether over a longer period the owners can make a profit is a different matter. We suspect that even if they do, the return will be meager. This analysis does not apply to those premises which have the possibility of being turned into condominiums and sold off unit by unit. Some are indeed playing that game. They should be careful, however, for the government may soon close the loophole.

Finally, by selling GHH shares, we receive cash. Although we are financially comfortable, no one should turn down cash especially in uncertain times like these. Moreover, because we control about 62% of HLP which now owns these properties, we will still benefit from their future earning capacity.

Another important development in the past year relates to our Shanghai project The Grand Gateway. The joint venture company which owns it and which we together with HLP are the biggest shareholder, has essentially sold one of the two office blocks being built. The purchaser which is a former partner in the development will among other things pay US\$124 million cash which should be sufficient to complete the project. The buyer would also relinquish all its shares in the joint venture holding company. Those shares have already been distributed to the remaining shareholders (i.e. the sellers) on a pro rata basis, resulting in our shareholding rising from 47.25% to 66.28%. This outcome is very much welcomed by your management.

Your board has taken steps to further strengthen corporate governance. We have established a Nomination and Remuneration Committee comprising only non-executive directors. Board meetings are held more frequently than ever. It is interesting to observe that in the 1970's and 1980's, the board

績公布之時；於九十年代，董事局每年召開約四次會議；但現時則增加至每年約六次。董事局亦擬增加一名非執行董事，現正物色人選。

最後，本公司已於剛過去之財政年度內增持恒隆地產股權，由該年度之初期之百分之六十增加至年終之百分之六十二。本公司認為樓市遲早將復蘇，而恒隆地產因押後物業銷售計劃，其最終之利潤金額實際上可能增加，故本公司相信購入該等股份乃穩當之舉。除對有關行動抱合理之獲利期望外，本公司亦正就恒隆地產尚未被行使之可換股債券倘被行使，將攤薄本公司在其所持之股權一事，作出未雨綢繆之安排。重要者乃管理層須保持靈活性，以便能充份掌握地產市場或資本市場之良機。正如歷史顯示，此等良機可隨時湧現。

## 展望

如今輿論幾乎一致認為，特區政府每年興建八萬五千個居所之政策，乃造成地產業困境之主因；然而，真正之情況並非如此簡單。事實上，於一九九七年以前之日子，當時之政府已設定每年興建八萬一千個居所之目標。況且，現時指責特區政府之人士不應忘記，當該項政策於一九九七年七月一日首次公布時，社會上幾乎所有階層（包括縱非所有亦是絕大部份現時之指斥者在內）均為此決定而喝采。也許僅有包括筆者在內之少數發展商隱隱覺得，情況將永不再一樣。像許多人士一樣，本人當時亦支持該項政策，並相信香港異常高昂之樓價正嚴重削弱香港之競爭力。

only met twice a year to coincide with interim and final result announcements. In the 1990's, it convened about four times per annum, but has now increased to about six. The board is also in the process of identifying an additional non-executive director.

Lastly, the Company has lifted its shareholding in Hang Lung Properties from 60% at the beginning of the past fiscal year to 62% towards the end. Recognizing that the property market will sooner or later recover, and the delay of HLP's sales campaigns for projects may in fact increase the eventual amount of profits, we believe that buying the stocks is prudent. Beside reasonable expectation of making money therefrom, we are also preparing for the eventuality that the conversion of outstanding HLP convertible bonds will dilute our shareholding. It is important that management should maintain flexibility so as to be able to take full advantage of opportunities—be it in the real estate or in the capital markets. As history shows, such opportunities can come anytime.

## Prospect

It is now almost a consensus that the SAR government's policy of building 85,000 homes per annum, is the main cause of our market blight. The real story however was not so simple. It was a fact that in the pre-1997 days, the then government already had a target of building 81,000 flats per year. Moreover, those who condemn the SAR government now should not forget that when the policy was first announced on July 1, 1997, almost all segments of society including most if not all the accusers—applauded the decision. Perhaps only a few developers including the present writer had the inkling that things would never be the same again. Like many at the time, I supported the policy believing that the city's exceptionally high real estate prices were seriously eroding our competitiveness.

其後樓價為何恣意滑落？基本原因乃亞洲金融風暴把預期之軟着陸變成痛苦之硬着陸，而這確非政府之錯失。倘政府有詬病之處，乃其處理該項政策之手法。與過往每年興建八萬一千個居所之目標之處理手法不同，該項政策是趁香港回歸中國之首日作出章明普告。新政府班子躍躍欲展示其領導才能，此乃可以理解。倘非完全意外之金融風暴突襲，政府現時甚有可能因此項果敢及謹慎之措施而獲稱賞。

部份人士今天指政府太慢才認知問題所在，這同樣是缺乏理據。即使住宅價格下跌超過五成後，社會（包括縱非所有亦是絕大部份之立法會議員在內）仍向政府施壓，促其防止地產市場之投機重臨，而發展商要求控制土地供應及放寬打擊樓宇炒賣措施，被斥為圖取私利。在此等情況下，政府焉能逆普羅之訴求而採取支持樓價之措施？實情是，許多今天之指斥者，正是當日叫囂要求增加土地供應之人士。亦正因為政府內某些陣營之人士（本人相信這包括董建華先生在內）開始明白樓價滑落之嚴重性，政府之態度才會顯得動搖；彼須在其直覺所知與社會上非知情及非理智之聲音兩者之間求取平衡。

幸而在過去約一年來，社會上最終已孕育出共識，這給予政府作為採取果斷行動之理據。物業市道因而開始改善，成交宗數現已回升，而本集團正等候者乃價格縱使不回升亦可望靠穩。這對本集團應屬好消息，本集團之附屬公司恒隆地產將於下季開始發售近五千個單位。

Why then the freefall in prices? The primary reason was the Asian Crisis which turned the anticipated soft landing into a painfully hard one. This was certainly not the fault of the government. If the government were to be faulted, it was in the fact that the policy, unlike the previous annual target of 81,000 units, was boldly pronounced on the first day of our return to Chinese rule. With a new team eager to demonstrate leadership, that is understandable. If not for the totally unexpected financial onslaught, the government may well be now credited for a bold and prudent initiative.

Some people say today that the government was too slow to recognize the problem. That too is unjustifiable. Even after residential prices fell by over 50%, society, including most if not all of our Legislators, was still pressuring the government to prevent the return of real estate speculation. Demands by developers to control land supply and to relax anti-speculation measures were chided as self-serving. Under those circumstances, could the government have contradicted popular demand and taken measures to support prices? The fact was that many of today's accusers were exactly the ones clamoring then for more land supply. It was precisely because certain quarters within government—and that I believe included Mr. Tung Chee Hwa—were beginning to realize the seriousness of the price drops that the government appeared to be wavering. It had to balance what they intuitively knew against uninformed and irrational voices of society.

Fortunately, in the past year or so, societal consensus had finally been forged. That gave the government the ground to take determined actions. As a result, the market began to improve. Transaction volume has picked up as we await price stabilization if not appreciation. That should be good news for us, for our subsidiary HLP has almost 5,000 units to sell starting next quarter.

較長期而言，地產業必須出現許多基本性之改變。特別是多個主要參與者例如房屋委員會、房屋協會、市區重建局、以及擁有大量土地兼為發展商之兩間鐵路公司地鐵和九鐵，彼等之角色必須重新予以界定。由於制定新法例將無可避免，吾人希望在過去數年抱錯誤見解之立法會議員，今後能有較佳之表現。政客斥責政府卻又方便地為本身之錯失卸責，向來是輕而易舉之事。

就現時而言，本集團將集中精力銷售物業單位。本集團旗下項目之土地成本低兼且全部位於優越地點，故應可帶來良好之利潤。至於本集團位於香港之租賃物業組合，本人預期有穩定至稍佳之成績，而上海應可再次有星光熠熠之表現，其對本集團之相對重要性將與日俱增。

主席

**陳啟宗**

香港，二零零三年八月二十八日

In the longer run, many fundamental changes must take place in the property sector. In particular, the roles of critical players such as Housing Authority, Housing Society, the Urban Renewal Authority, and the two railway companies MTRC and KCRC which are big land owners and developers, must be redefined. Since new legislations will inevitably have to be enacted, let us hope that our Legislators who have been so wrong in recent years will do better in the future. It is always easy for politicians to condemn the government while conveniently exonerating themselves of blunders.

For now, we will concentrate our efforts on selling flats. The land costs of our projects are relatively low, and their locations, without exception, excellent. Consequently, they should bring good profit. As to our Hong Kong rental portfolio, I expect steady to slightly better results for the coming year. Shanghai should once again be the star performer and its relative importance to the group will grow further.

**Ronnie C. Chan**

*Chairman*

Hong Kong, 28 August 2003