

銅鑼灣是香港最繁盛的購物區之一。恒隆中心以煥然一新的面貌、國際性租戶之陣容，成為該區商場及寫字樓物業之地標。

Hang Lung Centre, with its new look international tenant mix has become a retail and office landmark in Causeway Bay, one of the Hong Kong's busiest retail areas.





管理層之

討論及分析

Management Discussion and Analysis

概覽	18	OVERVIEW
物業發展及銷售	20	PROPERTY DEVELOPMENT AND SALES
物業租賃	23	PROPERTY LEASING
財務及資金管理	30	FINANCE AND TREASURY OPERATIONS
僱員	31	EMPLOYEES
社會責任	32	SOCIAL RESPONSIBILITY

概覽

受香港經濟不景氣所制肘，二零零二至二零零三財政年度乃恒隆集團面對困難及某程度上無法預測之一年，而環球及本地事況，例如嚴重急性呼吸系統綜合症(沙士)之爆發，更令情況倍加嚴峻。然而，恒隆集團秉持審慎之營商政策，年度結算之營業額仍有輕微增長。整體營業額為港幣三十四億二千一百四十萬元，主要由於年內名逸居項目售出二百四十二個單位，銷量增加百分之二十八。花園臺僅售出六個單位，銷量較上財政年度之二十七個單位減少。至於本集團推出發

OVERVIEW

Hong Kong's recessionary climate dictated that the 2002-2003 financial year was a difficult one and, to some degree, an unpredictable year for the Hang Lung Group. Global events and local situations like the outbreak of Severe Acute Respiratory Syndrome (SARS) accentuated the situation. Nevertheless, Hang Lung Group continued to operate to prudent commercial policies and ended the year with a slight increase in turnover. Overall turnover stood at HK \$3,421.4 million primarily due to a 28% increase in property sales at the New Haven development where 242 units were sold during the year. Sales were down at Garden Terrace where just six units were sold,

集團表現 Group Performance

		2003 百萬元 \$Million	2002 百萬元 \$Million	變動 百萬元 \$Million	Change 百分率 %
營業額	Turnover				
物業銷售	Property Sales	1,064.3	830.3	+234.0	+28
物業租賃	Property Leasing	2,239.1	2,167.8	+71.3	+3
酒店業務*	Hotel Operations*	103.6	223.5	-119.9	-54
其他業務	Other Operations	14.4	32.4	-18.0	-56
		3,421.4	3,254.0	+167.4	+5
營業溢利	Operating Profit				
物業銷售	Property Sales	(33.1)	134.9	-168.0	-125
物業租賃	Property Leasing	1,602.4	1,649.6	-47.2	-3
酒店業務*	Hotel Operations*	12.9	33.6	-20.7	-62
其他業務	Other Operations	42.6	88.9	-46.3	-52
		1,624.8	1,907.0	-282.2	-15
利息收入	Interest Income	45.0	105.7	-60.7	-57
行政費用	Administrative Expenses	(127.9)	(164.5)	36.6	-22
財務費用	Finance Costs	(343.6)	(372.5)	28.9	-8
		1,198.3	1,475.7	-277.4	-19
股東應佔純利	Net Profit Attributable to Shareholders	488.0	691.8	-203.8	-29

* 酒店業務於二零零二年十二月三十一日終止。

Hotel operations have ceased with effect from 31 December 2002.

售之單幢物業名賢居，單位數目共九十八個，迄今已售出七十八個，但此對總收入僅有輕微影響。

本集團來自香港之租金收入輕微上升，但由於沙士之爆發，直接導致非預計之開支產生。這些開支包括本集團為減低沙士病毒之傳播風險而在旗下各個商場及住宅物業加強清潔工作、為受到沙士影響而面對嚴峻困境之其中一個商場之租戶提供免租，以及為本集團之商舖物業組合進行全線推廣以恢復市場信心。可幸者乃本集團來自上海兩個項目之收入錄得頗佳之升幅。

股東應佔純利下跌百分之二十九點五至港幣四億八千八百萬元。本集團建議派發末期股息每股三角二仙，與上年度相同；全年度股息為四角四仙，亦與上年度相同。

於二零零二年十月，本集團把格蘭酒店集團有限公司之百分之七十三點七股權，透過私有化計劃售予本集團之上市附屬公司恒隆地產有限公司。格蘭酒店集團擁有康蘭酒店和雅蘭酒店兩項物業，於強制性收購後，彼已成為恒隆地產之全資附屬公司，並已於二零零三年二月二十五日撤銷其A股和B股股份在香港聯合交易所有限公司上市。恒隆集團透過恒隆地產仍持有格蘭酒店集團百分之六十二股權。此項重組之主要目的乃把上述兩項物業分別改作服務式寓所及寫字樓物業，從而獲取更佳之收益。

compared to 27 units sold in the previous financial year. Our new single-block development, Napa Valley, was marketed and 78 of the 98 available units were sold to date. These however, had only a minor impact on total income.

Our rental revenue in Hong Kong increased slightly. However, unexpected expenditure arose as a direct result of the SARS outbreak. This expenditure included cleaning operations at various commercial and residential properties to limit the risk of the SARS virus spreading, the waiving of rents for tenants in one shopping mall who were facing severe difficulties because of the SARS, and corporate promotions for our commercial portfolio aimed at reviving market confidence. Fortunately, income from our two projects in Shanghai recorded a considerable growth.

Net profit attributable to shareholders decreased 29.5% to HK\$488.0 million and we have proposed a final dividend of 32 cents per share, which is the same as last year. Total dividend for the year is 44 cents per share, same as last year.

In October 2002, we sold our shareholding of 73.7% in Grand Hotel Holdings Limited, which owned two hotel buildings, Grand Plaza Hotel and Grand Tower Hotel, to our listed subsidiary, Hang Lung Properties Limited through the exercise of privatization. Now, Grand Hotel Holdings is a wholly owned subsidiary of Hang Lung Properties after compulsory acquisition. The listing of their A and B shares on The Stock Exchange of Hong Kong Limited has been withdrawn, with effect from 25 February 2003. Hang Lung Group still holds 62% of the shareholding of Grand Hotel through Hang Lung Properties. The main objective of this reorganization is to convert the two properties into serviced apartments and an office building respectively, thus maximizing the income generated by both properties.

物業發展及銷售

香港

名逸居和名賢居兩項物業均已落成及推出發售。本集團其他四項物業正如期進行施工，其中部份發展項目將於二零零三年最後一季展開市場推廣及銷售計劃。每個發展項目現均備有額外設施以減低傳染性細菌在大廈之傳播風險，包括裝置新一代之管道和排水系統及紫外線空氣殺菌器，以消除潛在之問題。

位於何文田迦密村街之**君逸山**正進行上蓋建築工程。該項目包括發展一幢樓高二十四層之住宅大廈，下設四層停車場及商場，將提供一百八十八個單位，每個單位之面積介乎五十五平方米至一百一十平方米。預期該項目可於二零零三年十月落成。現正設立示範單位，將於二零零三年第四季展開市場銷售。

君臨天下位於機場鐵路九龍站上蓋，包括三幢樓高八十層之住宅大廈，下設五層停車場。該項目可提供一千一百二十二個住宅單位，包括一千零六十二個標準單位、二十四個合併單位及三十六個複式單位，每個單位之面積介乎九十六平方米至二百七十二平方米，部份單位設有露台。該項目已

PROPERTY DEVELOPMENT AND SALES

HONG KONG

Two projects - New Haven and Napa Valley have been completed and released for sale. Construction work on our other four properties is progressing on schedule, and the marketing and sales programmes for some of these developments will commence in the last quarter of 2003. Each of these developments now contains additional provisions to lessen the risk of contagious bacteria spreading through buildings. New generation pipe and drainage systems and UVC in-duct air purifiers have been installed to overcome the potential problems.

Superstructure work at **Carmel-on-the-Hill** at Carmel Village Street, Ho Man Tin, is underway. This 24-storey residential tower, which is built over a 4-storey car park and retail podium, will provide 188 units ranging in size from 55 sq m to 110 sq m. The work is expected to be completed by October 2003. Show flats are being constructed and units will be marketed for sale in the fourth quarter of 2003.

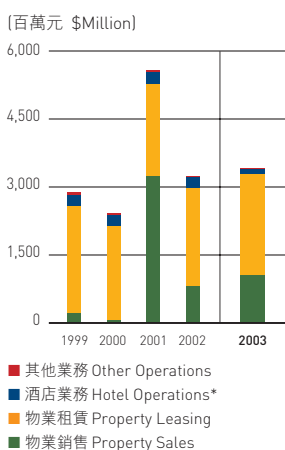
The HarbourSide at the Airport Railway Kowloon Station consists of three blocks of 80-storey residential towers over a 5-storey car park podium. This development will offer 1,122 residential units comprising 1,062 standard units, 24 combined units and 36 duplex units. Some units have balconies, and

物業銷售 Property Sales

		2003 百萬元 \$Million	2002 百萬元 \$Million	變動 Change 百萬元 \$Million	百分率 %
營業額	Turnover	1,064.3	830.3	+234.0	+28
營業溢利	Operating Profit	(33.1)	134.9	-168.0	-125

營業額分析 Analysis of Turnover

截至六月三十日止年度
for the year ended 30 June



* 酒店業務於二零零二年十二月三十一日終止。
Hotel operations have ceased with effect from 31 December 2002.

於二零零三年七月獲發入伙紙，而本集團將於二零零三年最後一季展開該項目之市場推廣及銷售計劃。

位於西九龍填海區深盛路之 **Aqua Marine** 將於二零零三年第四季如期落成。其所有混凝土工程現已完工，並正順利進行內部裝修工程。本集團持有該項目百分之八十五權益。該項目包括發展五幢住宅大廈，下設三層停車場／商場及一層地庫，並包括會所及康樂設施。住宅大廈包括一千六百一十六個單位，每個單位之面積介乎四十六平方米至一百一十九平方米。該項目乃政府混合式房屋計劃首兩項之一，其約百分之三十之住宅面積將交回政府作為資助房屋出售。

The Long Beach 位於西九龍填海區海輝道，乃一項優質之海景物業。該項目現正發展為八幢樓高四十六層之住宅大廈，將提供一千八百二十三個單位，每個單位之面積介乎六十二平方米至一百三十二平方米。該項目並包括發展三層停車場、寫字樓及商場，以及面積達四千平方米之獨立會所和康樂設施。預期該項目將於二零零四年第二季落成。

位於荃灣沙咀道之 **名逸居**，包括三幢樓高三十六層之住宅大廈，下設兩層停車場，並包括會所及康樂設施。該項目包括六百五十八個住宅單位，每個單位之面積介乎五十平方米至六十八平方米。迄今已售出五百五十六個單位，而本集團於交樓時均獲買家對單位予好評。

the apartments generally ranging in size from 96 sq m to 272 sq m. The occupation permit has been issued in July 2003, and our marketing and sales programme will commence in the last quarter of 2003.

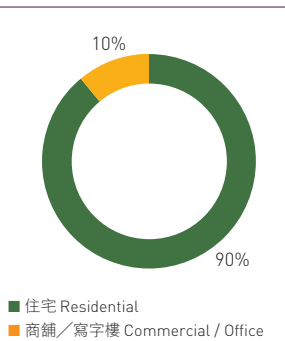
Aqua Marine, situated at Sham Shing Road on the West Kowloon Reclamation, is on schedule for completion in the fourth quarter of 2003. All concreting work has been completed and the interior-finishing work is progressing smoothly. We have an 85% shareholding in the development which consists of five residential towers built over a 3-storey car parking/retail podium and one level basement, and includes clubhouse and recreational facilities. The residential towers contain 1,616 units ranging in size from 46 sq m to 119 sq m. This development is one of the Government's two pilot mixed-housing schemes, and about 30% of the residential area will be returned to the Government for sale as subsidized housing.

The Long Beach, which also rests on West Kowloon Reclamation at Hoi Fai Road, is being built on a prime sea view site. The eight-tower, 46-storey residential development comprises a total of 1,823 units ranging in size from 62 sq m to 132 sq m. It also contains a three-storey car park, office and retail podium and a 4,000 sq m detached clubhouse with recreational facilities. The project is expected to be completed in the second quarter of 2004.

New Haven in Sha Tsui Road, Tsuen Wan, consists of three 36-storey residential towers over a 2-storey car-parking podium with clubhouse and recreational facilities. The development contains 658 residential units ranging in size from 50 sq m to 68 sq m. A total of 556 units had been sold to date. We are receiving favourable comments from buyers as we hand over the units.

可供發展之土地儲備 (於香港以供銷售) Development Land Bank (for sale in Hong Kong)

於二零零三年六月三十日
at 30 June 2003





名賢居位於屯門虎地，包括發展一幢樓高十四層之住宅大廈，下設三層停車場，並包括會所及康樂設施。住宅單位為九十八個，每個單位之面積介乎五十六平方米至六十平方米。該項目經已落成，並已於二零零三年六月推出市場發售，迄今已售出七十八個單位，令本集團感到欣喜。

地鐵東涌站第一期物業發展計劃包括三個地盤——首個地盤東堤灣畔、第二個地盤東薈城，以及第三個地盤海堤灣畔。**東堤灣畔**共有二千一百五十八個單位，截至二零零三年六月底已售出二千零八十四個單位。**海堤灣畔**已於本財政年度推出市場發售，其一千五百三十六個單位之中，已售出達一千零四十五個單位。**東薈城**包括一幢樓高九層之寫字樓，下設五層商場，該物業現已可供租賃，現正研究發展一幢酒店。本集團持有整項發展計劃百分之二十權益。

正如本集團以往之報告所述，位於荃灣油柑頭之物業**汀蘭居**未有依照買賣協議之規定於一九九八年六月三十日完成交易。本集團現正透過律師就買方無理毀約一事進行訴訟，而有關之訴訟涉及本集團與買方之互相索償指控。

上海

位於南京西路之**恒隆廣場**第二幢辦公室大樓，現正進行地基工程。該大樓之樓面面積達八萬一千四百平方米，乃恒隆廣場最後一期之發展項目，而恒隆廣場共包括一個大型商場及兩幢辦公室大樓。樓高六十六層之首幢辦公室大樓經已落成及全部租出，而樓高五十一層之第二幢辦公室大樓將以特別設計之橋樑與首幢辦公室大樓連接。預期第二幢辦公室大樓將於二零零六年落成。

Napa Valley at Fu Tei in Tuen Mun comprises a 14-storey residential tower over a 3-storey car-parking podium with clubhouse and recreational facilities. The 98 residential units ranging in size from 56 sq m to 60 sq m were completed and placed on the market in June 2003. We were pleased to note that 78 units had already been sold.

Package One of the MTRC Tung Chung Station Development comprises three sites – Site One, Tung Chung Crescent; Site Two, Citygate; and Site Three, Seaview Crescent. 2,084 units of the 2,158 units in **Tung Chung Crescent** have been sold up to end of June 2003. **Seaview Crescent** units have been launched on market during this financial year, and out of 1,536 units, 1,045 units have been sold. **Citygate** consists of a 9-storey office tower and a 5-storey retail podium, which are now ready for lease. The development of a hotel is currently being studied. The Group holds a 20% share in this whole development.

As previously reported, the completion of the sale of **The Bay Bridge** in Yau Kom Tau at Tsuen Wan did not take place on 30 June 1998 as stipulated. The litigation relating to the wrongful repudiation of the agreement by the purchaser involves mutual claims and is now being dealt with by our solicitors.

SHANGHAI

The foundation for Office Tower 2 at **Plaza 66** in Nan Jing Xi Lu was being laid. This tower, with a gross floor area of 81,400 sq m, is the latest phase in the development, which includes a major shopping mall, and twin office towers. The 66-storey Office Tower 1 has been completed, and is now fully leased. The new 51-storey Office Tower 2 is linked to the Office Tower 1 by a specially designed bridge and is anticipated to be completed in 2006.

恒隆廣場

位於上海南京西路，該物業之地面商舖雲集卡地亞、香奈兒及路易威登等國際名牌。

Plaza 66

sited at Nan Jing Xi Lu, Shanghai. Shopping facility of Plaza 66 features leading international brand names such as Cartier, Chanel and Louis Vuitton.



港匯廣場

座落於上海最大之地鐵站
徐家匯地鐵站之上蓋。

The Grand Gateway

located above Shanghai's
largest subway station,
Xujiahui Station.

位於徐家匯之港匯廣場發展項目包括一個購物商場、兩幢住宅大廈、兩幢辦公室大樓及一幢服務式寓所。該商場及其中一幢住宅大廈(港匯花園第一期)經已落成，現正興建樓面面積達三萬二千三百平方米之第二幢住宅大廈(港匯花園第二期)、樓面面積合共達十二萬四千平方米之兩幢辦公室大樓，以及樓面面積達一萬九千二百平方米之服務式寓所。彼等之施工進度順利，可望於二零零五年六月落成。本集團持有該項目之權益，已由約百分之四十七增加至百分之六十六，故本集團將可分享較大比重之租金收入及銷售進賬。再者，將退出該項目之股東恒集國際有限公司已同意購入現正興建之其中一幢辦公室大樓，並將向持有港匯廣場之合營公司支付一億二千四百萬美元之購入價。預期該幢辦公室大樓將於二零零六年三月落成，而該項買賣交易將於二零零六年九月完成。

物業租賃

本集團之租金收入來自商舖、寫字樓、住宅／寓所、工業／寫字樓及停車場物業。儘管香港各類租賃物業之市道均於過去數年顯著下調，本集團於剛過去之財政年度內，來自香港之租金收入仍上升百分之一至港幣十八億零六百九十萬元。原為本集團直接持有之格蘭酒店集團，已於二零零二年最後一季改為由本集團透過上市附屬公司恒隆地產間接持有，其兩項酒店物業現正分別改為服務式寓所及寫字樓。因此，本集團原有之物業組合增加約六萬五千二百七十五平方米之投資物業。本集團位於上海之兩個項

The Grand Gateway development in Xujiahui comprises a shopping mall, two residential buildings, two office towers and a block of serviced apartments. The shopping mall and a residential building (The Grand Gateway Garden I) have been completed. Construction work on the second residential building – The Grand Gateway Garden II with a gross floor area of 32,300 sq m; two office towers with a gross floor area totaling 124,000 sq m; and serviced apartments with a gross floor area of 19,200 sq m is progressing smoothly, and is anticipated to be finished in June 2005. The Group's interest in this development has increased from approximately 47% to 66%. The Group will hence enjoy a greater share of rental income and sales proceeds. Also, Hentra International Limited, the outgoing shareholder of this project, has agreed to purchase one office tower which is now under construction, and will pay a purchase price of US\$124 million to the joint venture company holding The Grand Gateway. It is expected that the construction will be completed by March 2006 and the purchase will be completed by September 2006.

PROPERTY LEASING

Our rental revenue is generated from commercial, office, residential/apartment, industrial/office and car park sectors. Although Hong Kong's rental market in all sectors has experienced downward adjustments in the past few years, our revenue over the last financial year in Hong Kong increased slightly by 1% to HK\$1,806.9 million. In the last quarter of 2002, the status of the Grand Hotel Holdings changed from being directly owned by us to indirectly owned by us through our listed subsidiary, Hang Lung Properties. The two hotel properties are being converted into serviced apartments and office floors. As a result, approximately 65,275 sq m of investment property is

目恒隆廣場及港匯廣場，合共為本集團提供港幣四億三千五百二十萬元之良好租金收入，較往年度增加百分之十八。故總租金收入遂較往年度增加百分之三。本集團之香港租賃物業組

added to our existing property portfolio. Our two Shanghai projects, Plaza 66 and The Grand Gateway generated sound levels of income at a total of HK\$435.2 million, which increased 18% compared with previous year. Total rental income therefore

按地區分析之投資物業 Geographical Analysis of Investment Properties

於二零零三年六月三十日 at 30 June 2003

		樓面面積 (千平方米) Gross Floor Area ('000 sq.m.)				車位數目 No. of Carparking Spaces	二零零二/零三年度租金收入 (百萬元) 2002/03 Rental Revenue (\$Million)				
		C	O/I	R/A	總計 Total	CP	C	O/I	R/A	CP	總計 Total
香港	Hong Kong										
港島：		Hong Kong Island:									
中環及金鐘	Central and Admiralty	10.1	40.5	-	50.6	16	116.8	140.7	-	-	257.5
銅鑼灣及灣仔	Causeway Bay and Wanchai	40.8	38.8	18.9	98.5	418	216.9	118.9	42.9	9.8	388.5
康山及鯉魚涌	Kornhill and Quarry Bay	54.1	37.3	35.3	126.7	1,159	209.2	66.8	20.0	24.8	320.8
山頂及半山區	The Peak and Mid-Levels	12.5	-	16.6	29.1	579	40.4	-	14.1	10.0	64.5
港島南區	Hong Kong South	-	-	9.2	9.2	89	-	-	42.8	-	42.8
九龍：		Kowloon:									
旺角#	Mongkok#	30.3	69.6	-	99.9	1,473	140.1	72.4	-	41.5	254.0
尖沙咀	Tsimshatsui	6.1	11.1	0.1	17.3	-	24.8	47.4	0.5	-	72.7
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	60.6	8.6	-	69.2	785	242.7	1.4	-	16.5	260.6
長沙灣、葵涌及荃灣	Cheung Sha Wan, Kwai Chung and Tsuen Wan	3.1	86.3	20.1	109.5	546	5.1	100.1	30.0	10.3	145.5
上海	Shanghai										
徐匯區	Xuhui District	101.9	-	32.3	134.2	1,100	152.8	-	43.2	-	196.0
靜安區	Jing An District	51.7	78.2	-	129.9	486	84.2	155.0	-	-	239.2
總計	Total	371.2	370.4	132.5	874.1	6,651	1,233.0	702.7	193.5	112.9	2,242.1

包括恒隆地產集團之應佔物業權益
Including Hang Lung Properties Group's attributable property interest

C: 商舖
Commercial

O/I: 寫字樓 / 工業
Office / Industrial

R/A: 住宅 / 寓所
Residential / Apartment

CP: 停車場
Car Parks

合之租出率處於百分之八十九之理想水平，惟租金水平則下降百分之四點七。本集團之上海項目保持近百分之一百之租出率，平均租金水平錄得上升。

香港 商場及商舖

商場及商舖物業原已因零售市道萎縮而受創，再加上沙士爆發而受到進一步之打擊。由於海外旅客減少來港，加上本地消費下降，本集團部份租戶遂要求減租，少數大型連鎖店租戶則關閉其非核心店舖。儘管如此，於回顧年度內，本集團來自商場及商舖之租金收入仍上升百分之零點五至港幣九億九千六百萬元。

銅鑼灣仍為香港之主要購物區，尤其吸引較年青之港人和遊客光臨。於名店廊／名店坊，租金收入錄得百分之一跌幅，租出率為百分之九十八。恒隆中心已改變其租戶組合，其二樓物業已由一間著名日本家庭用品零售商租用。於財政年度結算日，恒隆中心之租出率達百分之九十七。

位於**鯽魚涌**之商場以鄰近大型住宅區之住客為銷售對象。康怡廣場座落於太古地鐵站上蓋，交通方便，能成功維持百分之一百之租出率，租金收入上升百分之八點三。

經重整租戶組合後，位於**山頂**之山頂廣場表現理想，租出率達百分之九十三。

increased by 3% over the last year. Occupancy rates in our Hong Kong portfolio stood at a satisfactory level of 89% whereas rental rates dropped by 4.7%. The occupancy rates for our Shanghai developments were maintained at nearly 100% with a rise in average rents.

HONG KONG Commercial and Retail Sector

In our commercial and retail sector, an already shrinking retail market suffered further difficulties with the outbreak of SARS. Some tenants requested assistance through rental concessions, and a few large chain stores closed non-core shops as a result of fewer visitor arrivals and reduced local consumer spending. Despite these, revenue from our commercial and retail sector increased 0.5% to HK\$996 million during the year under review.

Causeway Bay still commands its position as the dominant shopping area, especially for younger local people and tourists. At Fashion Island/Fashion Walk, rental income recorded a decrease of 1% and the occupancy level stood at 98%. Hang Lung Centre has undergone a change in tenant mix, and a famous Japanese household store has moved into its second floor. By the end of the financial year, it was 97% let.

Shopping malls in **Quarry Bay** target residents from nearby residential towers. Kornhill Plaza situated conveniently above the Taikoo Mass Transit Railway Station successfully maintained at 100% occupancy rate and an 8.3% increase in rental income.

The Peak Galleria at **The Peak** performed satisfactorily by attaining 93% occupancy rate after we adjusted the tenant mix.

位於**牛頭角**之淘大商場，於今年第二季沙士爆發期間經歷嚴重艱困。該商場已安排多項綜合表演活動以帶動顧客流量，本集團喜見商場之人流已回復至正常水平。其時，本集團亦藉此機會，改善淘大商場之租戶組合。淘大商場之租出率維持在百分之九十一之水平，而主要由於免收租金二十日，故租金收入下降百分之九點八。

位於**旺角**之雅蘭酒店商場連同其上蓋之前酒店物業，已易名為雅蘭中心。其酒店物業已改建為寫字樓，而該大廈之新面貌包括十四層寫字樓、七層商場，另設有一層停車場。改建工程於二零零三年一月動工，現已大部份完成。潛在租戶於預租期所表達之興趣令人鼓舞，現時已租出之商場面積達百分之七十。此外，麗斯大廈、栢裕商業中心及荷李活商業中心均座落於該著名購物區，並鄰近地鐵站。於剛過去之財政年度，上述旺角物業之租出率下跌至百分之八十八。

寫字樓

受到企業縮減規模及進行重組帶來之影響，寫字樓租賃市場之需求持續放緩。由於新寫字樓項目供應量增加，寫字樓租金水平進一步下跌，較二零零一／二零零二年年末下降百分之二點五。儘管如此，本集團對旗下寫字樓物業於剛過去之財政年度內維持之租出率感到欣喜。鑑於寫字樓供應量過裕（尤其就中環區而言），本集團並不預期寫字樓租賃市場於來年有所改善。

Amoy Plaza at **Ngau Tau Kok** experienced serious hardship in the second quarter of this year during the SARS outbreak. Variety shows have been organized to generate customer traffic, and we are pleased to see that the flow of people through the Plaza has returned to normal. Meanwhile, we have taken this chance to improve the tenant mix. The occupancy rate has been maintained at 91%, but rental revenue dropped 9.8%, a direct result of our decision to waive 20 days rent for commercial premises.

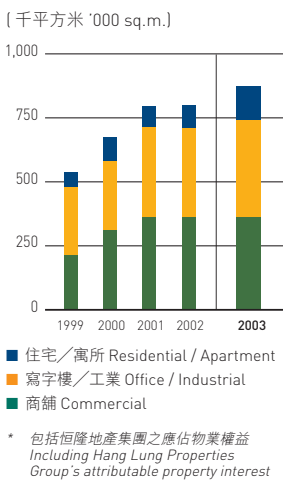
Grand Tower Arcade, the shopping mall in **Mongkok** together with the former hotel floors above which have since been converted into office floors, has been renamed Grand Tower. The entire complex now comprises 14 floors of office space, seven floors of retail space and one floor of car parks. Conversion work began in January 2003 and was substantially completed. Interest from potential tenants was encouraging during the pre-marketing stage. At present, 70% of retail space has been rented out. Ritz Building, Park-In Commercial Centre and Hollywood Plaza are also situated in this popular shopping district and offer easy access to the Mass Transit Railway Station. Occupancy rates dropped to 88% in last financial year.

Office Sector

The demand for rental office space has continued to slacken as corporate downsizing and restructuring impact the marketplace. Rents dropped a further 2.5% compared with 2001/2002 as a result of new office developments coming on to the market. Despite this, we are pleased with the occupancy rates we have been able to sustain. However, because of the oversupply of office space, particularly in Central, we do not expect the office market to improve in the coming years.

投資物業面積 Investment Property Size*

於六月三十日 at 30 June



本集團位於中環之四幢寫字樓大廈，其錄得之租金收入較去年下跌百分之八點八，而租出率仍達百分之九十二之理想水平。位於灣仔之瑞安中心物業，其寫字樓租金水平進一步下降，租戶獲提供各項優惠，包括免租期及辦公室裝修等。位於銅鑼灣之恒隆中心，由於地點優越，故租出率處於百分之九十五之愜意水平，而租金收入亦保持穩定。本集團位於鯉魚涌及康山之寫字樓物業，年內之租出率一直維持在百分之九十之水平。

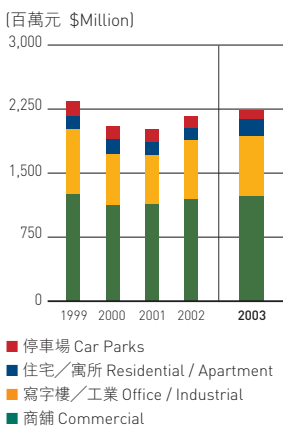
本集團位於旺角及尖沙咀之寫字樓物業，其租賃情況仍然安穩，錄得之整體租出率為百分之九十一，惟租金收入則減少百分之三點五。位於長沙灣之百佳大廈之租出率為百分之九十四。

Rental income for our four office buildings in **Central** recorded an 8.8% decrease over the previous year's figures while occupancy rates remained at a satisfactory 92%. Office rent at Shui On Centre in **Wanchai** has softened further and we have offered tenants incentive packages such as rent-free periods and new office fit-outs. Hang Lung Centre in **Causeway Bay** held onto a comfortable occupancy level of 95% due to its prime location while rental income remained steady. Our offices in **Quarry Bay** and **Kornhill** maintained a 90% occupancy level throughout the year.

Leasing activity remained strong for our office buildings in **Mongkok** and **Tsimshatsui**. Overall occupancy rates were recorded at 91% while income decreased by 3.5%. The occupancy rate for Park Building in **Cheung Sha Wan** stood at 94%.

租金收入 Rental Revenue

截至六月三十日止年度
for the year ended 30 June



住宅／寓所

由於競爭物業供應量持續增加，加上企業繼續削減員工房屋津貼，故本集團之住宅／寓所物業之租金收入受到影響。然而，租出御峰單位以及新改建而成之寓所物業所提供之收益，令本集團來自住宅／寓所物業之總租金收入，增加百分之四十點二至港幣一億五千零三十萬元。

本集團位於港島司徒拔道之豪宅物業御峰，配置先進電器、自動家居及電訊系統，其市場推廣對象為跨國公司之高級行政人員。該項目之複式豪宅及雙複式豪宅之租賃活動，均維持於合理之高水平。自去年六月推出市場後，五十四個複式豪宅已租出超過半數。

Residential/Apartment Sector

Rental revenue from our residential/apartment property sector was adversely affected by the increasing supply of competitive properties and the diminishing corporate housing budgets. However, the leasing of units in The Summit, together with income generating from the newly converted apartment property, resulted in the total revenue from the rental of residential/apartment properties increasing 40.2% to HK\$150.3 million.

Our luxury property, **The Summit** on Stubbs Road, Hong Kong Island is equipped with state of the art appliances, home automation and telecommunication systems and has been marketed to top executives of multinational corporations. Leasing activities of the development's duplex and double duplex apartments has been maintained at a reasonably high rate, and more than half of the 54 duplex units were let since its launch last June.



位於港島南區之濱景園，平均租出率維持百分之九十一之水平，但租金收入則較上年度下降百分之三點四。

本集團繼續銷售位於半山區之花園臺單位。於財政年度結算日，本集團已售出花園臺七十四個四睡房豪宅其中六十九個，包括年內售出之六個單位在內。

樓高五層之康蘭酒店，已於二零零三年改為以服務式寓所之模式進行經營，並與樓高七層之康蘭豪華寓所合併為單一項目，統稱為康蘭居。儘管香港之服務式寓所眾多，但該物業因地點方便，故能吸引本地小家庭以及公司租戶，租出率達百分之七十五。惟鑑於市場競爭，故租金水平下跌百分之十三點一。

工業／寫字樓

本集團之工業／寫字樓物業主要位於長沙灣及葵涌，該等物業於財政年度內之整體租出率為百分之八十二，總租金收入則下降百分之十至港幣八千三百九十萬元。

停車場

本集團被譽為香港最佳停車場經營者之一。由於在自行開發之軟件系統作出投資以及貫徹採納ISO 9002國際質量標準，因此本集團之停車場管理業務於年內繼續順暢運作，但亦如各類物業，仍不免受到經濟進一步放緩所影響，總收入下降百分之十五點四至港幣一億一千二百九十萬元。

Burnside Estate in Hong Kong South maintained its average occupancy at 91% although rental revenue dropped by 3.4% from the previous year.

We have continued our programme of selling units at **Garden Terrace** in Mid-Levels. By the end of the fiscal year, we had sold 6 of the 74 four-bedroom units in the development. A total of 69 units have now been sold.

The 5-storey Grand Plaza Hotel, which has changed its operations to serviced apartments in 2003, and the 7-storey Grand Plaza Apartments are now together called **Grand Plaza Apartments**. Despite plenty of serviced apartments on offer, this conveniently-located property is sought after by local small families and corporate tenants. Occupancy levels were 75%, and room rates dropped 13.1% as a result of competition.

Industrial/Office Sector

The overall occupancy level at our industrial/office properties, primarily in **Cheung Sha Wan** and **Kwai Chung**, during the financial year stood at 82%. Total rental revenue however dropped 10% to HK\$83.9 million.

Car Park Sector

Our car park operations are regarded as among the best in Hong Kong. We have had a smooth year of operation as a result of our investment in effective in-house software and our adherence to the internationally recognised ISO 9002 quality system. However, our car park business, like the property sector, has inevitably been affected by the further downturn of the economy. Total parking revenue dropped 15.4% to HK\$112.9 million.

恒隆廣場

位於交通要點，吸引大量顧客人流，包括從鄰近省市來的。

Plaza 66

located in a prime district, attracting high traffic flows of customers even from nearby provinces.



港匯廣場

乃上海最大之購物商場。

The Grand Gateway
is Shanghai's largest
shopping complex.

上海

本集團近數年來在上海取得可觀成果，旗下兩項物業恒隆廣場和港匯廣場均能滿足上海高檔市場之需要。恒隆廣場持續吸引跨國企業租用辦公室及商舖，而港匯廣場之購物商場連同港匯花園，乃集購物和娛樂以及舒適生活環境於一身之繽紛之地。本集團欣然報告，該兩項物業繼續有理想之表現。於剛過去之財政年度內，彼等之租出率近乎百分之一百，租金收入較二零零一／二零零二年度顯著增長。預期未來一年磋商續訂租約時，租金水平可望上升。來自上海物業之總租金收入，增加百分之十八至港幣四億三千五百二十萬元。

恒隆廣場位於上海歷史悠久之浦西區之南京西路，後者乃高級之購物區。恒隆廣場之租戶包括卡地亞、香奈兒、愛馬仕及路易威登等國際知名品牌店，吸引上海本土及鄰近省市之大量顧客人流。至於恒隆廣場樓高六十六層之辦公室大樓，現為浦西之最高大廈，其頂層巍峨之玻璃燈籠式結構，為上海之現代生活面貌添上姿采；其甲級辦公室大樓配備了最先進之管理及自動化系統，提供最大之效益和便利。恒隆廣場現已全部租出，租戶主要為跨國公司。恒隆持有恒隆廣場百分之八十九權益。

位於徐家匯之**港匯廣場**發展項目包括一個購物商場、兩幢住宅大廈即港匯花園第一期及第二期、兩幢辦公室大樓及一幢服務式寓所；購物商場及其中一幢住宅大廈經已落成，其餘之發展項目仍在興建中。該購物商場座落於上海最大之地鐵站徐家匯地鐵站之上蓋，現已全部租出。其總樓面面積

SHANGHAI

We have achieved great success in Shanghai over the years. Our two developments - Plaza 66 and The Grand Gateway - meet the demands of the top end of the Shanghai market. Plaza 66 attracts multinational corporations as office and shop tenants and The Grand Gateway shopping mall with its associated The Grand Gateway Garden residential complex is both a vibrant centre for shopping and entertainment and a comfortable living environment. We are pleased to report that leasing of these two projects continued to perform very well, and occupancy rates reached nearly 100% over the past financial year with a significant growth in rental income compared with 2001/02. Rental rates are expected to rise in the coming year when leases are renewed. Total revenue from the rental of our Shanghai properties increased 18% to HK\$435.2 million.

Plaza 66 is located on Nan Jing Xi Lu, in the historic Puxi district of Shanghai, a prestigious shopping district. Tenants of the Plaza 66 shopping centre include world renowned brands such as Cartier, Chanel, Hermès and Louis Vuitton. The Centre is attracting high traffic flows of customers, not only from Shanghai but also from nearby provinces. The 66-storey office tower, topped by a magnificent glass lantern structure, is the tallest building in Puxi and a major contributor to the modern style of Shanghai. Plaza 66's Grade A office tower is equipped with the latest management and automation systems for maximum efficiency and convenience, and is occupied primarily by multinational companies. Hang Lung holds an 89% interest in Plaza 66, which is fully leased.

The Grand Gateway development in Xujiahui comprises a shopping mall, two residential buildings, The Grand Gateway Garden I and II, two office towers

達十萬一千九百二十四百平方米，設施包括一家百貨公司、多類型影劇院、完善之家庭消閒配套、食肆、多姿多采之美食區，以及許多專門店等。港匯花園第一期佔地三萬二千三百平方米，為一幢樓高三十四層之住宅大廈，提供二百六十八個設施齊全之兩睡房及三睡房豪華寓所，截至年結日之租出率為百分之九十四。

財務及資金管理

於二零零三年六月三十日，本集團之綜合銀行借貸淨額(扣除現金及銀行存款)總數為港幣八十一億五千三百三十萬元，去年同期則為港幣五十七億九千九百八十萬元。銀行借貸上升乃由於本集團為多項物業發展項目—包括君臨天下、西九龍兩個項目以及何文田項目，作出資本開支所致。

於二零零三年六月，恒隆地產在銀團貸款市場與十八間國際及本地銀行安排一項港幣五十五億元銀團貸款，其中港幣三十六億六千六百萬元為五年期之循環貸款，港幣十八億三千四百萬元為七年期之定期借款。該項貸款獲成功訂立，顯示恒隆地產擁有昭著之信貸聲譽及銀行界對本集團之審慎財務管理深具信心。

本集團繼續維持穩健之流動資金水平。於二零零三年六月三十日，本集團尚未動用之銀行信貸額連同銀行存款合共為港幣八十九億零三百萬元，其中港幣十六億八千四百萬元為銀行存款、港幣五十七億六千八百萬元為承諾信貸額，而港幣十四億五千一百萬元為活期信貸。本集團擁有充裕資

and a block of serviced apartments. The shopping mall and one residential building have been completed, and the remainder of the development is now under construction. The shopping complex, located above Shanghai's largest subway, Xujiahui Station, is fully leased. It provides a total gross floor area of 101,924 sq m and comprises a department store, multiplex theatres, fully integrated family leisure facilities, restaurants, exotic food court and many specialty shops. The Grand Gateway Garden I, a 32,300 sq m 34-storey residential tower with 268 two and three-bedroom luxuriously furnished apartments, was 94% leased by the end of the financial year.

FINANCE AND TREASURY OPERATIONS

As at 30 June 2003, the Group's consolidated net bank borrowings (after deducting cash and bank deposits) totalled HK\$8,153.3 million compared to HK\$5,799.8 million last year. The increase was mainly attributable to the capital expenditures on the Group's property development projects, namely The HarbourSide, the two West Kowloon projects and the Ho Man Tin project.

In June 2003, Hang Lung Properties completed a HK\$5.5 billion syndication loan facility with a group of eighteen international and local banks. The facility comprised a 5-year revolver of HK\$3,666 million and a 7-year term loan of HK\$1,834 million. The success of this transaction reflected the strong credit rating of Hang Lung Properties and the confidence of the banking community in the Group's prudent financial management.

The Group's liquidity position remains strong with available undrawn bank facilities together with bank deposits as at 30 June 2003 amounting to HK\$8,903 million, which comprised HK\$1,684 million bank



週年晚會

各董事向來賓祝酒。

At annual dinner

directors proposed a
toasting to all the guests.

金，除足以提供本集團之營運資金所需外，亦令本集團處於有利位置，可於適當機會出現時進行物業收購。

本集團之銀行貸款為無抵押，而本集團之政策乃把到期之債項以中至長期之承諾信貸進行再融資。於二零零三年六月三十日，本集團之銀行貸款總額百分之六須於一年內償還、百分之二十一須於一至四年內償還，而百分之七十三則須於四至七年內償還。

本集團使用之貸款方式包括銀團貸款、定期借款、浮息票據及短期至中期之循環信貸，主要以港幣為單位。所有該等貸款均採用浮息計算利息，並參照香港銀行同業拆息而釐定利息。當情況恰當時，本集團採用利率掉期為其浮息風險作出對沖。為了從香港市場持續的低息環境中受惠，本集團與知名財務機構訂立利率掉期協議，藉此為本集團的浮息風險作出對沖。於二零零三年六月三十日，本集團百分之十七之借貸乃以定息對沖。

僱員

恒隆集團之持續成功，有賴所有部門之員工具備之技能、幹勁及專心致志。於回顧年度結算日，本集團之僱員人數為一千四百九十四人，包括在上海僱用之四百七十三人，以及餘數駐職在香港之一千零二十一人。

如過去數年之做法，本集團繼續投放大量資源以加強員工之才能，並特別重視客戶服務水平之改進。年內舉辦之培訓計劃涵蓋客戶服務技巧和禮貌訓練、以及溝通技巧和普通話課程等。其他員工培訓課程集中於維護僱

deposits, HK\$5,768 million committed facilities and HK\$1,451 million demand facilities. The ample financial resources available to the Group will provide adequate funding for the Group's operational requirements and also put us in a favourable position to take advantage of potential acquisitions.

Bank borrowings are unsecured, and it is the Group's policy to lengthen its debt maturity profile by refinancing its debts with medium to long-term committed facilities. Of the total bank borrowings as at 30 June 2003, 6% was repayable within one year, 21% was repayable between 1 to 4 years and 73% was repayable between 4 to 7 years.

Borrowing methods used by the Group included syndicated loans, term loans, floating rate notes and revolving facilities with short to medium term maturities, denominated mainly in Hong Kong dollars. The interest rates for all borrowings were floating rate, fixed periodically by reference to the Hong Kong Interbank Offered Rate. When appropriate, the Group used financial instruments to manage its exposure to changing interest rates. In order to benefit from the low interest rates prevailing in the Hong Kong market, the Group concluded interest rate swap agreements with reputable financial institutions to hedge its floating rate interest exposure. As at 30 June 2003, 17% of the Group's borrowings was hedged to fixed interest rates.

EMPLOYEES

The continued success of the Hang Lung Group relies on the skills, motivation and commitment of our staff in all departments. At the year-end, Group employees numbered 1,494. Of these 473 were employed in Shanghai, and the remaining 1,021 located in Hong Kong.



員及物業使用者之健康和安事項，此外並為員工講解「使用顯示屏幕設備的健康指引」以符合新規例的規定。

本集團甚為重視員工之貢獻，因此，除原有之二十年長期服務獎外，更新設十年及十五年長期服務獎，以表揚員工之寶貴價值。於工作環境以外，本集團亦深明為員工孕育社群精神之重要性，故為員工及其家眷舉辦週末海上暢遊活動，藉此加強社群關係。此外，本集團之康體會亦繼續舉辦多項活動，包括海洋公園家庭日、電影觀賞及中國書法課程等，而本集團很多員工及其家眷均有參加公益金舉辦之「百萬行」籌款活動。

本集團抱有信心，眾位員工將繼續為本集團之成功提供穩固之基石，並會秉守本集團為人稱道之高質服務標準。

社會責任

恒隆集團整體均甚為重視對業務地區之社群所肩承之社會責任。於過去一年，本集團致力推動財務及實務之支持計劃，支持範疇遍及文化、小型企業發展，以及教育等，受惠者包括社區團體及個人。

As in past years, substantial resources have been devoted to enhancing competency levels among staff, and in particular to improving levels of customer service. In this regard, training programmes arranged during the year covered customer service skills and courtesy training, as well as communication skills and Putonghua. Other training programmes focused on skills relevant to safeguarding the health and safety of our employees and the users of our properties. A Health Guide on Working with Display Screen Equipment was developed to comply with new regulatory requirements.

In recognition of the high value we place on our employees' contribution, Long Service Awards were introduced for those who have served 10 and 15 years, supplementing the existing 20-year award. Outside the work environment, we continue to recognise the importance of nurturing a community spirit among staff members, through activities such as a weekend cruise for staff members and their families. Our Staff Social Club organised events which have included an Ocean Park Family Day, a movie session and a course in Chinese Calligraphy. A large number of staff and their families also took part in the "Walk-A-Million" to raise funds for the Community Chest.

We remain confident that our employees will continue to provide a firm foundation for the success of the Group and will maintain the high standards of service for which we are known.

百萬行

是公司上下員工及其家眷積極參與的活動之一。

Walk-A-Million

was participated by a large number of Hang Lung staff and their families.

SOCIAL RESPONSIBILITY

The Hang Lung Group as a whole is committed to the communities within which we operate. Over the past year, we have refined a programme of financial and practical support over a wide range of fields – cultural, small business development and education. The beneficiaries have been community groups and individuals.



慈善活動

除獲得公司提供實質支持外，管理層亦身體力行，出席活動。

Charity event

received not only practical support, but also supported by management team.

本集團支持之主要重點範疇為教育。香港方面，本集團設計了一項具創意之計劃，藉此鼓勵本地之年青企業家自行創業，方式為在淘大商場預留四十個店舖，並把該處命名為創業徑，申請人倘能提供具創意之意念及可行之業務計劃，並能顯示其有能力把計劃付諸實行者，可獲優惠租務條款使用其中一個店舖進行經營。本集團相信，此項獨特之方式，有助確保過去推動香港商業之「事在人為」理念能延續至未來。

本集團於過去一年作出之其他商務教育活動尚包括Junior Achievement Hong Kong，此乃一項專為高等院校之高年級學生而設之表揚計劃。負責本集團各項業務之同事出席了多個研討會，為學生提供有關公司運作之多方面知識。

在更廣闊之社區層面方面，本集團繼續為公益金以及新成立之工商界關懷非典受難者基金，提供財務和精神上之支持。本集團亦幫助各個研究機構，例如一國兩制研究中心以及中國基金，進行有關商業及社會事務之研究。

本集團以企業身份及透過特定之員工參與計劃，為香港和中國市場其他不勝枚舉之機構提供支持，此特質將繼續為本集團就社會責任所秉持之重要理念。

Our primary focus has been on education. In Hong Kong, we have designed an innovative programme aimed at encouraging the city's young entrepreneurs to establish their own businesses. Forty shop units have been set aside at our Amoy Plaza Complex. The area is known as Discovery Avenue and applicants who produce creative ideas, feasible business plans and show that they have the ability to execute those plans, will each be offered a unit on very favourable rental terms. This, we believe, is a unique way of ensuring that the "can do" philosophy that has driven Hong Kong business in the past, continues into the future.

Other business education commitments we have made over the past year include the Junior Achievement Hong Kong, a tailor-made programme for senior high school students. Hang Lung staff from across the spectrum of the Group's activities participate in seminars that give students an insight into the multi-discipline work of the company.

Within the broader community, we continue to financially and morally support the Community Chest and the newly formed Business Community Relief Fund for Victims of SARS. We have also helped fund business and community related research projects that have been undertaken by research institutes such as the One Country Two Systems Research Institute and the China Foundation.

There are a myriad of other organisations in both our Hong Kong and China marketplaces that we support, both as a corporate entity and through specific staff initiatives. This ethos will remain integral to our philosophy of social responsibility.