

China Operations 中國業務

Hang Lung is expanding in China, building on its solid foundations in Shanghai.

上海項目已打穩根基，恒隆現正擴展中國業務。



With an eye on the future, Hang Lung is actively looking to apply its disciplined investment approach in rapidly growing cities throughout China.

恒隆採用嚴謹的投資策略，在增長迅速之中國城市開拓未來。

Geographical Analysis of Investment Properties and Properties under Development

按地域性分析之投資物業及發展中物業

At 30 June 2005 於二零零五年六月三十日

		Total Gross Floor Area 總樓面面積 ('000sq.m.) (千平方米)		Rental Revenue 租金收入 (HK\$Million) (港幣百萬元)		Occupancy Rate 租出率 (%) (百分率)	
		2005	2004	2005	2004	2005	2004
China	中國						
Shanghai	上海						
Xuhui District	徐匯區	252.9	309.7	276.2	243.0	99	98
Jing An District	靜安區	211.3	211.3	337.0	276.5	100	100
		464.2	521.0	613.2	519.5	99	99
Tianjin	天津	135.0	–	–	–	–	–
Total	總計	599.2	521.0	613.2	519.5	–	–

135,000 sq.m. in Tianjin

Taking its first strategic step outside of Shanghai, the Group landed a 135,000 sq.m. shopping mall project in Tianjin.

集團在上海以外作出首項策略性投資，於天津發展一個樓面面積達十三萬五千平方米之購物商場。

The Group is actively looking northward to Mainland China to capitalise on the vast opportunities offered by the developing Chinese economy.

Applying its philosophy of disciplined growth and investment, the Group began its strategic approach to the Chinese market in Shanghai with the Plaza 66 office/retail development, as well as The Grand Gateway. Total GFA from the two projects covers 464,200 sq.m., of which 132,900 sq.m. is currently under development. Both projects currently generate a yield on cost of about 12%.

In January this year the Group landed a milestone project in Tianjin, taking its first strategic step outside of Shanghai. Commanding one of the best locations in the city, this future world-class shopping mall is scheduled for completion in 2009/10 and is expected to generate similar yields to the Group's properties in Shanghai.

Total GFA of the Group's property investment portfolio in Mainland China now stands at approximately 599,200 sq.m.

The Group plans to further invest in 10 or more new cities in Mainland China over the next 3 to 4 years to provide long-term rental growth, aiming to repeat the success story in Shanghai with each of these new cities.

北望神州，中國經濟發展蓬勃，提供大量良機。本集團現正積極拓展中國內地市場，以掌握該等機會。

集團採用嚴謹的投資策略，在中國市場穩步增長。集團首先在上海發展恒隆廣場寫字樓/購物商場項目及港匯廣場項目。該兩個項目之總樓面面積合共達四十六萬四千二百平方米，其中十三萬二千九百平方米現正施工。兩者現時提供之成本收益率均約達百分之十二之水平。

今年一月，集團在天津作出策略性投資。此乃集團在上海以外之首個內地物業項目，標誌著集團中國業務之新里程碑。該項目位於天津黃金地段，將發展為一個世界級購物商場，預期可於二零零九/一零年落成，並可望提供與上海物業相若之收益率。

集團現時在中國內地之投資物業組合，合共之總樓面面積約達五十九萬九千二百平方米。

未來三至四年，集團計劃進一步投資在十個或以上之中國內地其他城市，藉此帶來長線的租金收益增長，同時為該等城市再創本集團在上海的成功佳話。

China Operations
中國業務

China Property Leasing and Sales

Plaza 66

Towering above its neighbours, Plaza 66 in Shanghai is currently the tallest building in the historic Puxi district. With its prime location on Nan Jing Xi Lu, the development's Office Tower 1 features 66 storeys of Grade A office space constructed over a 5-storey retail podium. Commercial and retail income increased by 23% during FY2005, with occupancy at 100%. Similarly, office rental income grew by 21% upon an occupancy rate of 99%.

The Grand Gateway

The Grand Gateway, located above Xujiahui Station – Shanghai's largest subway station, is a 101,924 sq.m. shopping mall featuring multiplex theatres, restaurants, fully integrated family leisure facilities and specialty shops. During the year under review, commercial and retail rental income grew by a promising 16% with occupancy standing firm at 100%.

中國物業租賃及銷售

恒隆廣場

恒隆廣場現為上海歷史悠久之浦西區之最高建築物，在區內傲視同儕。該項目位於南京西路，包括樓高六十六層之甲級辦公室大樓第一座，下設五層購物商場。二零零五財政年度內，其購物商場之租金收入上升百分之二十三，租出率達百分之一百；辦公室大樓之租金收入亦上升百分之二十一，租出率達百分之九十九。

港匯廣場

港匯廣場位於上海最大之地鐵站徐家匯地鐵站之上蓋，總樓面面積達十萬一千九百二十四平方米，設施包括多類型影劇院、食肆、完善的家庭消閒配套及各專門店。回顧年度內，其購物商場之租金收入上升百分之十六，租出率穩企於百分之一百之水平。



Plaza 66

Towering over its neighbours on Nan Jing Xi Lu, Plaza 66 is the tallest building in Shanghai's historic Puxi district.

恒隆廣場

位於上海南京西路之恒隆廣場，乃歷史悠久之浦西區之最高建築物，傲視同儕。



Rental income at The Grand Gateway Garden I, the development's residential tower, increased by 3% with occupancy at 96%. In addition, Office Tower 1 was completed in June 2005.

Office Tower 2 was completed in June 2005, and sales at the development are expected to be completed by the end of the calendar year.

China Property Under Development

Progress on Office Tower 2 at Plaza 66 is on schedule, and completion is expected in 2006.

Construction of the second residential tower and serviced apartments at The Grand Gateway is also progressing well.

該項目之住宅大樓港匯花園一期，其租金收入上升百分之三，租出率達百分之九十六之水平。此外，港匯廣場辦公室大樓第一座已於二零零五年六月落成。

港匯廣場辦公室大樓第二座亦於二零零五年六月落成，其出售事宜可望於二零零五年年底完成。

發展中之中國物業

恒隆廣場辦公室大樓第二座現正如期施工，預期可於二零零六年落成。

港匯廣場之第二幢住宅大樓及另一幢服務寓所大樓之施工進度良好。



The Grand Gateway

Centrally located above Shanghai's largest subway station, The Grand Gateway offers world-class shopping and entertainment facilities.

港匯廣場

港匯廣場位於上海最大地鐵站之上蓋，雄據市內中樞要點，提供世界級購物及娛樂設施。



Financial Review 財務回顧

Share Placement

On 29 November 2004, Hang Lung Properties placed 370 million new ordinary shares with professional and institutional investors at \$12.0 per share (market price was \$12.8 per share). The placement raised approximately \$4.4 billion, and a deemed profit of \$478.0 million was recorded in the Group's accounts accordingly. Believing that the capital and property markets operate on different cycles, the Group utilised the placement to take advantage of comparatively inexpensive capital, which will be applied towards future property development projects.

Liquidity and Capital Resources

On 7 June 2005, the Group signed a \$8.0 billion syndicated loan facility with 19 local and international banks. The facility was well received by the financial community, and will assist in reducing costs of funds for the Group.

During the year under review, the Group issued \$1.5 billion floating rate notes due in 2009.

The Group further reduced its gearing ratio in FY2005, which now stands at a very healthy 10%.

As at 30 June 2005, undrawn banking facilities together with bank deposits amounted to \$18,740.8 million, comprising \$3,733.8 million in bank deposits, \$13,657.0 million in committed facilities and \$1,350.0 million in demand facilities.

Dividend

The Board proposes a final dividend of 40 cents per share, which is an increase of 11% above last year's figure. The total dividend for the year is 54.5 cents, up 14% from the previous year. The Group consistently offers one of the highest dividend yields amongst all players in Hong Kong's property sector.

股份配售

二零零四年十一月二十九日，恒隆地產向專業及機構投資者配售三億七千萬股普通股新股份，每股作價十二元（市價為每股十二元八角），集資所得款項約為四十四億元。由於該項配售，本集團之賬目被視為錄得四億七千八百萬元之盈利。本集團相信，資本市場與物業市場之週期並不相同，故集團掌握機會進行配股，以取得較為廉宜之資金供未來物業發展項目所需。

流動資金及資本資源

二零零五年六月七日，本集團與十九家本地及國際銀行簽訂一項八十億元之銀團貸款。該項目獲銀行界熱烈支持，並有助集團減省借貸成本。

回顧年度內，本集團發行本金總額十五億元於二零零九年到期之浮息票據。

二零零五財政年度內，本集團之負債率進一步下降，現時之負債率處於百分之十之穩健水平。

於二零零五年六月三十日，尚未動用之銀行信貸連同銀行存款合共為一百八十七億四千零八十萬元，其中三十七億三千三百八十萬元為銀行存款、一百三十六億五千七百萬元為承諾信貸，而十三億五千萬元為活期信貸。

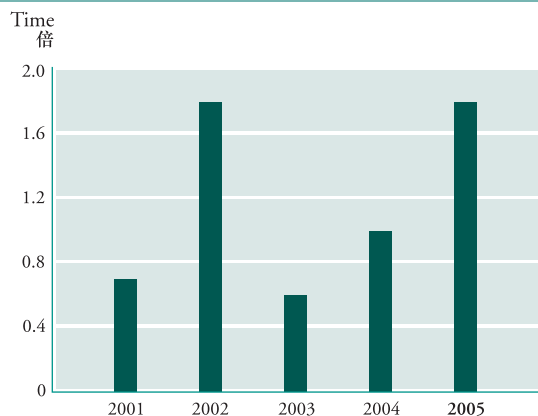
股息

董事局建議派發末期股息每股四角，較去年度增加百分之十一。全年度每股股息總額為五角四點五仙，較去年度增加百分之十四。環顧所有香港上市地產公司，本集團之股息率持續居於榜首之列。

Liquidity Ratio

流動比率

At 30 June 於六月三十日



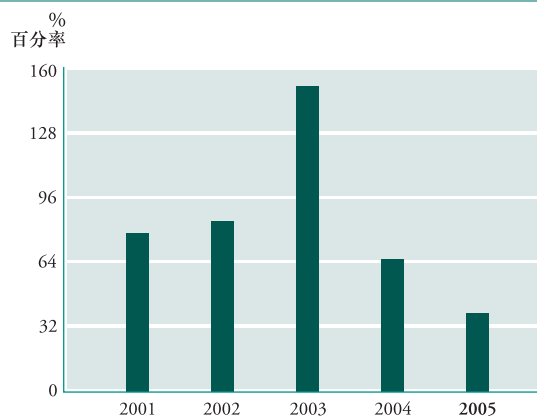
Note: Liquidity ratio represents current assets less inventories over current liabilities.

附註：流動比率乃流動資產減存貨後與流動負債之比較

Underlying Pay-out Ratio

基本派息比率

For the year ended 30 June 截至六月三十日止年度



The Group is continuing its policy of evenly spreading out dividend payments from year to year. This “smoothing out” process avoids pegging of the dividend to annual profits, thereby eliminating fluctuations tied to the timing of property sales. This policy has allowed the Group to consistently offer one of the highest dividend yields amongst all players in Hong Kong’s property sector.

本集團繼續秉持在各個年度大致均勻地派發股息之政策。此「分攤」方式可避免股息與年度溢利掛鉤，後者有可能因銷售物業之時間而出現波動。有關方式令本集團近年來持續成為股息率最高之香港大型地產公司之一。

Accounting Standards

In advance of requirements, the Group has adopted the new HKAS 40 and HKSIC-Int 21, where revaluation changes and related deferred tax are recognised in the income statement. Excluding the effect of property revaluation changes and its related deferred tax, net profit attributable to shareholders increased by 93% to \$1,903.0 million; basic earnings per share would increase by 93%, from 74.4 cents to 143.3 cents; and diluted earnings per share would increase by 92%, from 74.2 cents to 142.4 cents.

會計準則

由於本集團提早採納新頒布的《香港會計準則》第四十號及《香港詮釋常務委員會詮釋》第二十一號，故收益表反映物業重估及相關遞延稅項之會計政策改變。倘不計入物業重估及相關遞延稅項影響，股東應佔純利為十九億零三百萬元，增長百分之九十三；每股基本盈利為一元四角三點三仙，較上年度七角四點四仙增長百分之九十三；及每股攤薄盈利為一元四角二點四仙，較上年度七角四點二仙增長百分之九十二。

Risk Management 風險管理

Land Bank

During the year under review, the Group actively participated in land auctions and tendering, and continued with its proven and prudent approach towards land acquisition by purchasing land only if the price and location are right.

The Group developed an investment plan in Mainland China which included unambiguous criteria for the selection of target cities. This was based on the development status of major cities and the potential of their location, government support for business growth, and reasonable land prices. The Group's senior management teams, which actively participate in and supervise project progress, also lead land acquisition projects in Hong Kong and Mainland China.

Interest Rate and Exchange Rate Risks

The Group has followed a policy of developing long term banking facilities to match its long-term investment plans in Hong Kong and Mainland China. This enables the Group to avoid high borrowing costs from short term financing for long-term investment. The Group's policy on interest rate risk management also involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise. Interest rate swaps to hedge exposure to floating rates are used where appropriate. Borrowings are also designated in local currencies to match the corresponding payment currencies to mitigate exposure on exchange rate fluctuations.

土地儲備

回顧年度內，本集團積極參與土地競投，並繼續採取審慎態度於價錢及地點均合適時才購置土地。

集團已就發展中國內地業務制定投資計劃，其中包括對目標城市設定明確的甄選準則，重點為各主要城市之發展狀況、未來潛力、政府為商業增長提供之支持、以及土地價格是否合理等。集團在香港和中國內地之土地購置計劃均由高級管理層統籌，彼等積極參與有關項目及緊密監察項目進展。

利率及匯率風險

本集團之一貫政策，乃以長期銀行信貸為集團在香港和中國內地之長期投資計劃提供融資，此舉可令集團避免為長期投資計劃承擔短期信貸之較高借貸成本。此外，集團之利率風險管理政策，亦涉及對利率變動作出緊密監察，並於良好之議價機會出現時，為原有貸款再融資或訂立新的銀行信貸。當情況恰當時，集團採用利率掉期合約為其浮息風險作出對沖。此外，集團亦以本土貨幣作為貸款之貨幣單位，藉此配合有關項目須以同樣貨幣所作之開支，從而降低匯率波動帶來的風險。

The Group continued its proven and prudent approach towards land acquisition by purchasing land only if the price and location are right.

本集團繼續採取審慎態度於價錢及地點均合適時才購置土地。

Retail Climate and Rental Collection

The Group has continued to organise various promotional events during holiday seasons to improve customer traffic at its retail centres. The Group has also actively avoided entering the negative spiral of competition through rent reduction. The tenant mix at the Group's retail outlets remains under constant review, along with policies on the collection of rental and outstanding debts. Management reviews cases on a weekly basis, and penalties are imposed for late payment where appropriate. Potential bad debts are maintained at a minimal percentage of total debtors throughout the year.

Insurance and Maintenance

All investment properties are well insured for any loss from casualties. Regular reviews of individual properties are undertaken and precautionary works are carried out when potential problems are anticipated. The Group has an ongoing maintenance programme throughout the year to enhance all buildings. Large-scale cleaning exercises are also carried out at regular intervals at both residential properties and shopping malls.

零售市道及收租管理

本集團於節日和假期均舉辦多項推廣活動，為旗下商場增加顧客人流，並致力避免捲入惡性競爭之減租浪潮。集團經常審閱旗下商場之租戶組合、收租政策及租金拖欠情況。管理層每星期均會就有關個案作出跟進，並於適當情況下向遲繳租金之租戶徵收罰款。年內，潛在租金呆壞賬僅佔集團整體應收賬之極小部分。

保險及保養

集團所有投資物業，均已就各項可能帶來損失之意外事件購買保險。集團定期審閱旗下物業，當發現有問題跡象時，會立即採取預防措施。集團除定期為旗下所有物業實施保養計劃外，亦定期為有關的住宅物業及商場進行大型清潔行動。

Business Outlook 業務展望

Hong Kong's booming economy is driving renewed interest in property investment.

香港經濟重拾活力，令物業租賃市場再現生氣。



Renewed vigour in the leasing market, combined with growing margins in property development, provide a solid foundation for Hang Lung's future growth.

物業租賃市場重現活力，加上物業發展業務之邊際利潤持續上升，為恒隆的未來增長提供穩固基礎。

The Group's business prospects will continue to be driven by its philosophy of disciplined and steady progress towards its goals. Management believes there is a solid foundation for the Group's future in Hong Kong, based on renewed vigour in the leasing market, combined with growing margins in property development. Management's long-term goal is to remain one of the top "pure" property players in Hong Kong.

The Group has remained disciplined in its approach to buying land, and its existing residential land bank stands at about 400,000 sq.m. Given the availability of land at the right price and location, the Group is keen to replenish its land bank.

本集團將繼續採取嚴謹的投資策略，穩步邁向目標，為業務創造美好前景。管理層相信，由於香港物業租賃市場已重現活力，而物業發展業務之邊際利潤亦正增加，故可繼續為集團的香港業務提供穩固基礎。管理層之長線目標，乃確保本集團在香港「純」地產業務公司中繼續享有領導地位。

本集團現持有約四十萬平方米之住宅土地儲備。集團會積極努力補充土地儲備，但會繼續秉持一貫有效的審慎原則，只購入價錢和地點適中的土地。

Management's long-term goal is to remain one of the top "pure" property players in Hong Kong.

管理層之長線目標，乃確保本集團在香港「純」地產業務公司中繼續享有領導地位。

Continuing sales at The HarbourSide will maintain their contributions to the Property Development and Sales business; and upcoming sales of the most desirable units at Blocks 1 & 2 of AquaMarine will provide a further boost to revenue. As it is comfortable about long-term residential prices in Hong Kong, the Group will only sell at decent margins.

Exciting potential lies within the Group's investments in Mainland China. For example, pre-leasing marketing activities at The Grand Gateway's recently completed Office Tower 1 in Shanghai have been met with overwhelming response.

After setting the benchmark for property in Shanghai, the Group has taken another strategic step towards expanding its China operations with the development of a high-end shopping mall in one of the best locations in Tianjin. Management believes that Tianjin is poised to deliver attractive returns on investment as it grows to take its place amongst China's top-tier cities.

In the interest of maximising shareholder return, the Group is actively looking at other rapidly growing cities all around China to determine the most prudent route for growth in the Mainland property market.

The Group is looking to invest in commercial and retail developments at a steady rate to build its portfolio in China, capitalising on its proven experience, management expertise and long-term vision. Having taken advantage of the low cost of funds in recent years, the Group is well positioned to take on new investments and projects throughout China.

君臨天下將陸續推出單位發售，可為集團之物業發展及銷售業務持續提供貢獻，而碧海藍天最受歡迎的第一座和第二座單位行將發售，為集團之收入提供進一步裨益。由於集團對香港樓價之長線走勢感到安心，故會採取善價而沽的銷售策略。

本集團之中國內地投資，享有令人振奮之前景。舉例而言，上海港匯廣場最近落成之第一座辦公室大樓，其招租活動已獲得市場之熱烈反應。

集團在上海取得顯赫成果後，現已再接再厲，在天津黃金地段發展一個高級購物商場。該項目標誌著集團在擴充中國業務方面作出之另一項策略性部署。天津正邁入中國先進城市之列，故管理層相信，天津項目可帶來具吸引力之投資回報。

本集團致力為股東爭取最大回報。集團現正積極在中國各個增長迅速之城市尋找機會，循最穩當的投資途徑在中國內地物業市場達至增長。

憑著卓越經驗、管理專才和長線視野，本集團正穩步在中國建立一個包括商場及商舖之投資物業組合。由於集團過去數年把握機會以低成本取得大量資金，故集團現處於優越地位，可在中國各地進行新投資項目。

Corporate Social Responsibility 企業公益事務

The Hang Lung Mathematics Awards reward and recognise secondary school students with a passion for mathematics.

「恒隆數學獎」透過獎賞和表揚，激發香港中學生對數學之興趣。



Hang Lung recognises its responsibility and commitment to maximise the full potential of Hong Kong's youth – our future community leaders.

恒隆以責無旁貸之精神，傾力發揮所長，為香港的未來主人翁——我們的年青一代，締造人盡其才的發展機會。

As a Hong Kong-based company at the leading edge of social betterment, we recognise our role, our responsibility and our commitment to maximise the full potential of our most pivotal assets – our next generation. Throughout the past years, we have utilised our resources in facilitating social progress that focuses on youth development. These efforts entail financial support and training, in addition to direct encouragement through rewards and recognition.

Since 2003, the Group has sponsored young entrepreneurs with unique business ideas and feasible execution plans by providing them with special rental terms at Discovery Avenue to kick-start their ventures. In addition to providing this financial support, another goal of this ground-breaking project is to instill hope and drive in young entrepreneurs, giving them the strength to overcome social and economic challenges. The success stories that have come out of the programme have been an inspiration to the Group, and widely appreciated by our young entrepreneurs, their families, and local community and government leaders. We will reinforce our efforts to nurture future entrepreneurs by implementing this programme in a continual basis.

Through the Group's Junior Achievement Hong Kong project, it has put together a comprehensive training programme that introduces senior high school students to the various

身為香港一家秉力造福社群之公司，吾等以責無旁貸之精神，傾力發揮所長，為香港最寶貴的資產——我們的下一代，締造人盡其才的發展機會。過去數年，吾等投入各類資源，重點協助年青人成長，冀能有助社會進步。除包括獎賞和表揚等直接鼓勵外，亦包括財務支持及培訓。

自二零零三年起，本集團一直資助年青人自行創業。年青企業家如能提供具創意之意念及可行之業務計劃，可獲集團給予優惠租務條款，租用創業徑之商舖開展鴻圖大計。此項創舉除為年青企業家提供財務支持外，亦冀為彼等注入希望和動力，使其勇敢地克服社會和經濟方面的各項挑戰。該計劃栽培了多項成功創業，令集團深感鼓舞，而年青企業家、其家人、以及社會和政府賢達亦廣予表揚。集團會持續推行有關計劃，秉力為香港培育未來企業家。

集團亦創辦了一項綜合商務培訓計劃——Junior Achievement Hong Kong，讓香港高等院校之高年級學生，可認識大型企業之運作及部門分工。此

departments and functions of a major corporation. This programme has now been adopted by other major local corporations, and the Group is proud to have pioneered this effort in youth development – which will help to develop the future leaders of Hong Kong.

In 2004 and 2005, the Group sponsored the Hang Lung Mathematics Awards, a platform to reward and recognise secondary school students with a passion for mathematics. The competition was administered by the Institute of Mathematical Sciences of The Chinese University of Hong Kong, in partnership with the Hong Kong Education City under the Government's Education and Manpower Bureau, and chaired by Professor Shing-tung Yau. This vigorous competition has successfully stimulated students' enthusiasm and creativity in mathematics research, and has created a nurturing environment for students, teachers and schools to heighten the quality of their educational curricula via mathematics. The Group expects that the 2006 Hang Lung Mathematics Awards will continue to foster the talent needed to support future medical, technology, education and environmental developments.

The Group is diversifying the scope of its youth programmes beyond conventional academic enrichment by sponsoring the Hang Lung Properties 2005 Inter-city Bridge Championships. The logical thinking, strategic planning and analytical skills developed through playing the game are essential qualities behind the personal growth of our young participants.

In addition to its wide-ranging youth enrichment initiatives, the Group believes in supporting the community by offering financial and moral contributions to targeted charitable institutions and other beneficiaries that support the physical, mental and spiritual wellbeing of the community.

項有助年青人成長之計劃，現已為香港其他大型企業採用。能率先推動有關計劃，協助香港培育未來領袖，集團對此引以為傲。

二零零四年及二零零五年，集團贊助「恒隆數學獎」，透過獎賞和表揚來激發香港中學生對數學之興趣。該項比賽由香港中文大學數學科學研究所聯同政府教育統籌局屬下之香港教育城合辦，並由丘成桐教授擔任評審會主席。比賽氣氛熱烈，成功地激發學生對數學研究之熱情及創意思維，啟發了學生、教師和學校以數學來提升教學質素。集團預期，二零零六年「恒隆數學獎」可繼續發掘出人才，為香港未來之醫療、科技、教育及環境發展提供支持。

集團並進一步擴闊範圍，贊助「恒隆地產二零零五年城市橋牌錦標賽」，在傳統學術性範疇以外協助年青人成長。橋牌活動培養出的邏輯思維、策略部署及分析能力，對年青人之個人成長甚具裨益。

除廣泛贊助各項年青人增益活動外，集團亦為多家致力於社群身心安康之慈善機構及團體，提供財務和精神上之支持。集團相信，透過特定目標之支持行動，可更有效地造福社群。

Sponsorship of the Hang Lung Properties 2005 Inter-city Bridge Championships.

集團贊助「恒隆地產二零零五年城市橋牌錦標賽」。



Employee Relations 僱員關係



Photograph taken in Bangkok
攝於曼谷

Hang Lung's success over the years is largely attributable to the efforts and contributions of its dedicated employees.

恒隆多年來之卓越表現，有賴旗下一群專心致志之員工共同努力所取得之成果。

The Group's success has been largely attributable to the efforts and contributions of its committed employees over the past years. As at 30 June 2005, the Group employed 1,628 employees – including 990 in Hong Kong and 638 in Shanghai. The total remuneration of our Hong Kong employees during the year was \$230.6 million. In order to motivate and retain talent, our remuneration policy is to pay for performance. In addition to the contractual 13th month's salary, salary increment and discretionary bonus were awarded to employees in accordance with their performance.

The Group believes that people development is crucial to sustainable business performance. In February 2005, we established a new training centre at one of our prime office buildings in Central, Chekiang First Bank Centre. This modern training facility covers an area of 2,300 sq.ft. with a capacity of up to 100 participants. During the year, we have primarily focused on Security and Property Management training. In addition to the mandatory Quality Assured In-House Training for new security staff, refresher-training courses are held annually for building management employees. We have also invited experienced lawyers and bailiffs to deliver in-house seminars on topics such as Tenancy Disputes and Bailiff's Work to better equip our employees with the necessary knowledge and skills in leasing and property management. Most of the Group's technicians have attended the Forum on the Safety of Electrical Installations in Buildings organised by the Electrical and Mechanical Services Department to reinforce knowledge of electrical safety in buildings. Moreover, we continued to sponsor all grades of employees to pursue academic and professional qualifications to further develop their careers. Experienced employees were nominated and sponsored by the Group to enrol in Train-the-Trainer courses, equipping them to become qualified in-house trainers in conducting security training to their subordinates.

Over the past year, we have committed to upgrade the competencies of our employees and build up the talent pool within the Company. We initiated our Secondment Programme in August 2004, and subsequently managers and officers from the Leasing and Management Division were seconded to our Shanghai Office to widen their scope of business perspectives in the China market. In 2005, the Group launched a two-year Management Trainee Programme to develop potential young talent, and nurture and groom tomorrow's leaders to take up key positions in the future. Trainees are posted to different divisions/departments

集團多年來在地產業之卓越表現，有賴旗下一群專心致志之員工共同努力所取得之成果。於二零零五年六月三十日，集團僱用一千六百二十八名員工，包括香港員工九百九十人及上海員工六百三十八人。年內，香港員工之薪酬總額為二億三千零六十萬元。集團之薪酬政策乃論功行賞，藉此鼓勵士氣及挽留人才。除給予員工合約訂明之十三個月薪金外，亦為有表現之員工給予加薪及酌情發放之花紅。

集團相信，人才培訓可對業務之持續增長帶來重大裨益。二零零五年二月，集團在旗下一項位於中環之優質寫字樓物業 — 浙江第一銀行中心，成立了一個全新的員工培訓中心。該中心之面積達二千三百平方呎，可容納一百人之授課廳。年內，集團以「保安及物業管理」作為培訓員工之基本重點。除為負責保安之新員工提供必修之「內部培訓質素控制計劃課程」外，亦為負責物業管理之員工提供每年一度之進修課程，並邀請富有經驗之律師和執達吏出席集團內部講座，就「租賃事務之糾紛」及「執達吏工作簡介」等課題提供講解，讓員工增添有關租賃及物業管理之知識和技能。此外，集團亦安排旗下大部分技師參加機電工程署主辦的「大廈電力裝置安全座談會」，藉以加強他們對大廈機電安全的知識。另一方面，集團繼續資助各級員工進修及考取專業資格，讓彼等之事業可更上層樓。集團並推選及資助經驗豐富之員工參加「導師培訓班」，讓他們成為合資格之集團內部導師，為屬下員工提供保安方面之培訓。

過去一年，集團投放大量資源以加強員工技能及為集團儲備人才。二零零四年八月，吾等開始實施「員工暫調計劃」，把租務及物業管理科之部分經理及主任暫調上海辦事處，以擴闊他們對中國市場之業務視野。二零零五年，集團實施「管理人員培訓計劃」，藉此培育青年才俊成為集團各項要職之未來接班人。此乃一項兩年期之計劃，期內受訓者被安排到多個部門工作，包括中央採購部、集團傳訊部、集團財務部、財務部、租務及物業管理科、市務科、工程策劃科、住宅

Employee Relations
僱員關係

including Central Purchasing, Corporate Communications, Corporate Finance, Finance, Leasing & Management, Marketing, Project Management, Residential and our Shanghai Office to undergo practical on-the-job training and familiarise themselves with the Group's day-to-day operations.

We continued to promote the "paperless office" concept and encourage all levels of employee to adopt web-based applications in daily operations. During the year, a lot of resources have been engaged in equipping employees with electronic aids and computer skills to increase productivity. We have also enhanced various integral systems and developed new electronic platform providing employee self-service functions to simplify work processes in daily operations. This has resulted in greater operational efficiency and more effective staff management.

To cultivate a sense of belonging and enhance communications, the Group organised a 3-day outing to Shanghai in 2004 for employees and their family members to visit our prestigious

部及上海辦事處，讓他們熟悉該等部門之日常運作及進行實習。

集團繼續推行「減省用紙」概念及鼓勵全體員工於日常工作應用網絡系統。年內，本集團更投入大量資源於電子設備及提高員工之電腦技能，藉以促進生產力。集團亦提升各種資訊系統及發展嶄新電子平台，讓員工之日常運作更自助化，從而簡化工作流程。此項措施為集團帶來更佳之營運效率及員工管理。

為加強員工溝通及歸屬感，集團於二零零四年為員工及其家眷舉辦為期三日之上海旅遊，並安排彼等造訪集團被當地廣視為地標之尊貴物業。本



In February 2005 Hang Lung opened a new training facility with capacity of up to 100 participants.

二零零五年二月，恒隆成立了一個可容納一百人之全新員工培訓中心。

The Staff Social Club organises a wide range of activities to strengthen staff relationships and promote team spirit.

員工康體會為員工舉辦多項康體活動，藉此為員工孕育和諧關係及團隊精神。



properties, which are landmarks in Shanghai. The Company's Staff Social Club organised a wide range of recreational activities including film screenings, dolphin watching, a photography competition, a walk at Ng Tung Chai and a visit to Hoi Ha Wan – all aiming to strengthen staff relationships and promote team spirit within the Company.

As a caring employer, the Group is well aware of the importance of the health of our employees, and is committed to building a healthy workforce within the organisation. Realising the need to balance the mental, spiritual and physical health of our employees, the Group has organised Tai Chi courses for managers, and more stress-management and relaxation courses of this nature will be offered in the coming year.

Share Option Scheme

The shareholders of the Company have approved the adoption of a share option scheme (“the Scheme”) by the Company at the annual general meeting held on 24 November 2000. The purpose of the Scheme is to enable the Company to grant options to employees and executive directors of the Company and its subsidiaries as incentives or rewards for their contributions to the Group. As at the date of this Annual Report, the total number of shares available for issue under the Scheme is 115,332,224 shares, representing 8.68% of total issued share capital of the Company. The aggregate number of shares issued and to be issued upon exercise of share options granted to each grantee shall not exceed in any 12-month period 1% of the shares in issue. The subscription price payable on exercise of an option shall be such price as the Board may in its absolute discretion determine at the time of its grant, provided that it shall not be less than the highest of (i) the closing price of the shares on the date of grant; (ii) the average closing price of the shares for the 5 business days immediately preceding the date of grant; and (iii) the nominal value of the shares. The period open for acceptance of the option and amount payable thereon, the vesting period, the exercisable period and the number of shares subject to each option are determined by the Board at the time of grant. The Scheme will remain in force for a period of 10 years from 24 November 2000, i.e. until 23 November 2010.

公司之員工康體會亦為員工舉辦多項康體活動，包括電影欣賞、觀眺海豚、攝影比賽、梧桐寨遠足及海下灣暢遊等，藉此為集團之員工孕育和諧關係及團隊精神。

集團亦甚為愛惜員工之健康，並致力安排活動讓員工建立強健體魄。集團現已為管理層員工提供太極班，從而讓員工之身心健康平衡發展，未來一年將舉辦更多有益員工健康之活動。

股份期權計劃

本公司於二零零零年十一月二十四日舉行之股東週年大會上，獲股東批准採納一項股份期權計劃（「該計劃」）。該計劃讓本公司可向本公司及其附屬公司之僱員和執行董事授予股份期權，作為獎勵或答謝該等人士為本集團所作出之貢獻。截至本年報日，根據該計劃可發行之股份總數為一億一千五百三十三萬二千二百二十四股，佔本公司已發行股本百分之八點六八。倘獲授股份期權之每位人士均行使其股份期權，本公司已發行及須發行之累計股份數目不可超逾本公司於任何十二個月期內之已發行股份數目之百分之一。董事局擁有絕對酌情權，可於授予股份期權時決定股份期權之行使認購價，但該認購價不可低於下列三者中之最高價(i)於授予股份期權當日之股份收市價；(ii)於授予股份期權當日前五個交易日之股份平均收市價；及(iii)股份之面值。股份期權之接納期限及須支付之代價金額，以及股份期權之有效期、行使期及每個股份期權可認購股份之數目，均由董事局於授予股份期權當日決定。該計劃由二零零零年十一月二十四日起生效，為期十年，於二零一零年十一月二十三日終止。