

管理層之討論及分析

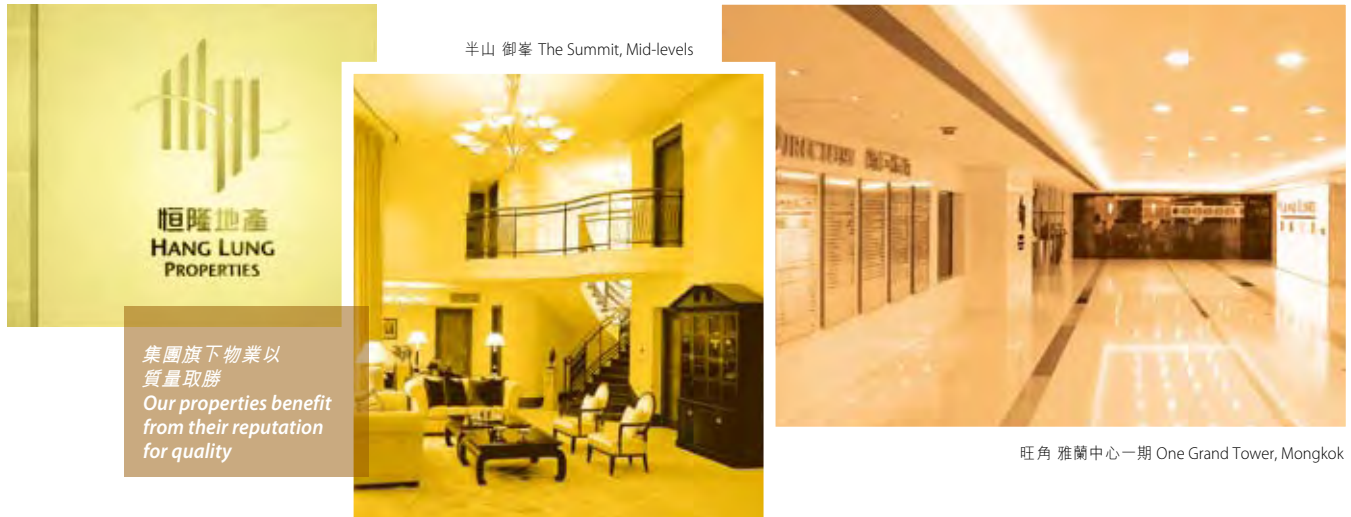
Management Discussion and Analysis

中國內地物業組合及香港辦公室物業的收入均錄得強勁增長
The mainland China property portfolio and Hong Kong office
properties reported especially strong growth in revenues

| | | |
|-----------|----|--|
| 業務概覽及策略 | 14 | Business Overview and Strategies |
| 香港物業租賃 | 18 | Hong Kong Property Leasing |
| 香港物業發展及銷售 | 24 | Hong Kong Property Development and Sales |
| 中國內地業務 | 30 | Mainland China Operations |
| 業務展望 | 34 | Business Outlook |
| 集團主要物業 | 36 | Major Group Properties |
| 財務業績及狀況回顧 | 42 | Review of Financial Results and Position |
| 財務回顧 | 44 | Financial Review |
| 風險管理 | 46 | Risk Management |
| 企業公民 | 48 | Corporate Citizenship |
| 僱員關係 | 50 | Employee Relations |

業務概覽及策略

Business Overview and Strategies



恒隆地產
HANG LUNG
PROPERTIES

集團旗下物業以
質量取勝
Our properties benefit
from their reputation
for quality

半山 御峯 The Summit, Mid-levels

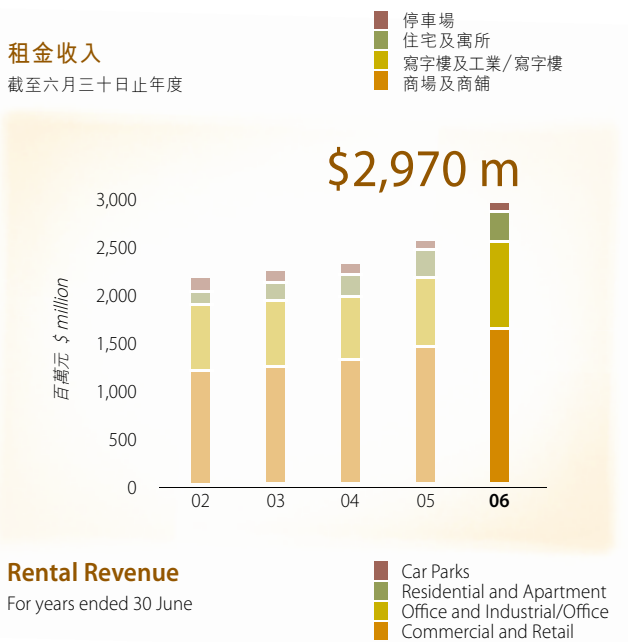
旺角 雅蘭中心一期 One Grand Tower, Mongkok

本集團之主要收入來自其附屬公司恒隆地產有限公司。因此，本財政年度之業績，反映了該公司主要於香港和上海物業市場的營運發展。

The Group's revenues derive largely from its subsidiary, Hang Lung Properties Limited and as such, the results for the financial year reflect developments in the Hong Kong and Shanghai property markets where this operating company is active.

受惠於良好的租約更新情況，加上租金進一步攀升，集團在香港和中國內地之投資物業的收入遞增。然而，由於利率持續上升，故香港住宅市場需求減弱，導致集團

Income from our investment properties in both Hong Kong and mainland China increased, supported by positive rent reversions and further increases in rental rates. However, rising interest rates weakened demand for residential property in



物業發展項目之銷售額下降。因此，集團之營業額為港幣四十二億八千三百七十萬元，較二零零五年財政年度下跌百分之四十三。

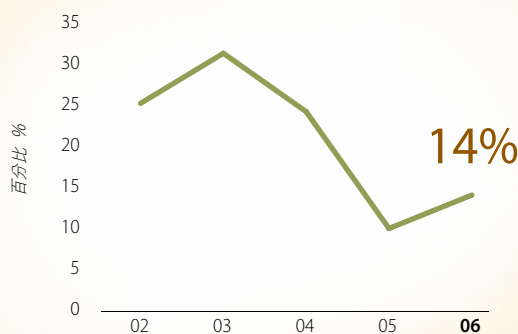
根據《香港會計準則》第四十號及《香港註冊常務委員會詮釋》第二十一號，集團在財政年度內錄得投資物業重估收益港幣三十九億二千五百三十萬元，此金額連同有關的遞延稅項列為收入。按此基準，股東應佔純利為港幣二十八億三千二百六十萬元，減少百分之三十九。倘不計入物業重估的影響，基本純利為港幣九億四千九百八十萬元，減少百分之四十九。

Hong Kong and the resulting decline in development sales led the Group's turnover to fall by 43% over the financial year 2005 to HK\$4,283.7 million.

In accordance with HKAS 40 and HKSIC-Int 21 Financial Reporting Standards, a revaluation surplus of HK\$3,925.3 million was recorded for the financial year on the value of the Group's investment properties and recognised as income, together with related deferred tax. As a result, net profit attributable to shareholders fell by 39% to HK\$2,832.6 million. Underlying profit, which excludes the effects of the revaluation, declined by 49% to HK\$949.8 million.

負債率

於六月三十日

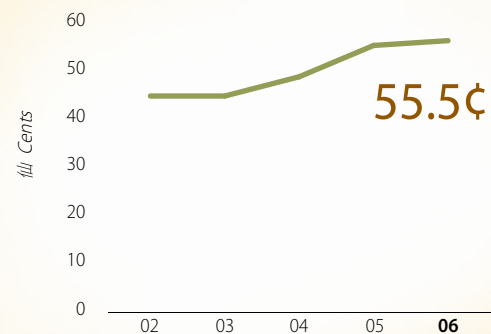


Gearing Ratio

At 30 June

每股總股息

截至六月三十日止年度



Total Dividends Per Share

For years ended 30 June

本集團之中樞策略是建立一個地點優越的投資物業組合，藉此享有穩健增長的收入；並透過銷售住宅物業發展項目，從而取得額外的收益。

此投資物業組合以寫字樓和商場/商舖為主，現時分佈在香港和上海兩地。由於中國經濟日益蓬勃，故集團近期已開始在中國內地其他主要城市開發項目。

集團密切注意旗下物業的用途、品牌、市場推廣和管理，力求為所有業務增加價值。

正如以往報告所述，本集團向汀蘭居的買方提出訴訟，法庭於二零零四年八月二日裁定本集團勝訴，而買方向上訴法庭提出上訴。二零零五年十二月三十日，上訴法庭再次裁定本集團勝訴。買方已進一步向終審法院提出上訴，並排期於二零零七年進行聆訊。

The Group's strategy centres on building a portfolio of investment properties in prime locations that can generate steadily rising income. We also seek to develop residential properties for sale to provide an additional source of growth.

The investment portfolio is focused mainly on office and commercial/retail properties and currently covers properties in both Hong Kong and Shanghai. More recently, we have begun to develop sites at other major cities in mainland China, as levels of prosperity have risen.

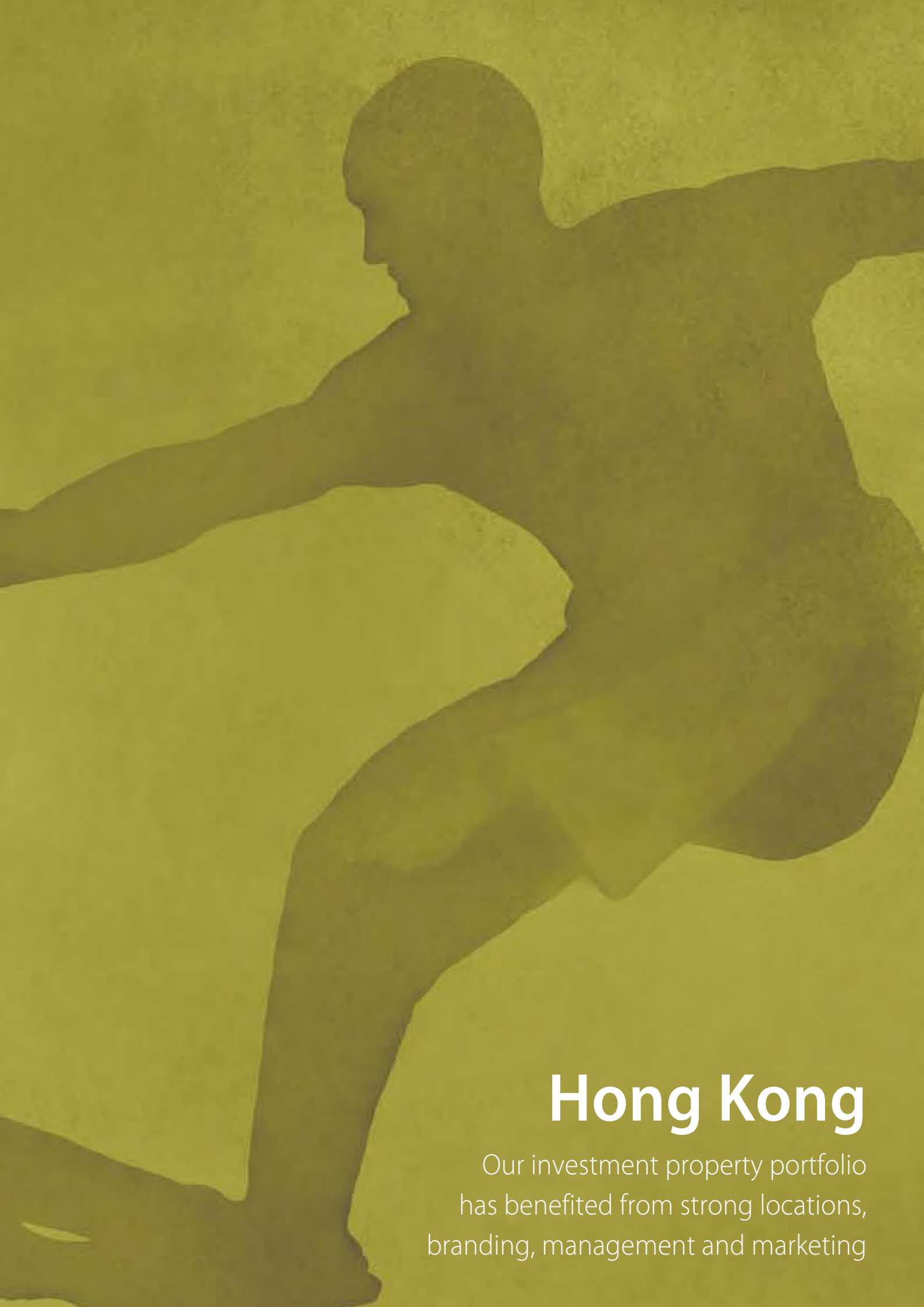
In all of our businesses, we aim to add value through paying close attention to the use, branding, marketing and management of our properties.

In respect of our lawsuit against the purchaser of **The Bay Bridge** which previously reported, on 2 August 2004 the Court ruled in favour of the Group and the purchaser subsequently lodged an appeal to the Court of Appeal. On 30 December 2005, the Court of Appeal ruled in favour of the Group again. The purchaser lodged a further appeal to the Court of Final Appeal, scheduled for hearing in 2007.

香港

卓越的地理、品牌、管理和市場推廣，
令集團的投資物業組合盡顯優勢





Hong Kong

Our investment property portfolio has benefited from strong locations, branding, management and marketing

香港物業租賃 Hong Kong Property Leasing

山頂 山頂廣場 The Peak Galleria, The Peak



特式舖位加上
黃金地點...
Unique sizes and
ideal locations...



旺角 家樂坊 Gala Place, Mongkok

...吸引世界知名
品牌客戶...
...attract leading
global brands...



經濟蓬勃利好集團香港投資物業的表現，財政年度內的收入為港幣二十億七千五百萬元，增長百分之六。租金水平上揚，但升幅較上財政年度溫和，租約更新週期則仍然暢旺。

在強勁需求帶動下，集團物業租出率進一步上升。按平均租出率計算，商場及商舖為百分之九十八、寫字樓及工業/寫字樓為百分之九十一、住宅及寓所為百分之七十三。

Our investment properties in Hong Kong performed well, supported by the strong economy, with revenues rising 6% to HK\$2,075 million for the financial year. Rental levels climbed, although at a slower rate than in the previous financial year. The rent reversion cycle remained positive.

Strong demand boosted occupancy rates, averaging 98% for the commercial and retail, 91% for the office and industrial/office and 73% for the residential and apartment portfolios.



銅鑼灣 名店坊 Fashion Walk, Causeway Bay: 1, 2

...並匯聚龐大的
購物人流
...and draw high
shopper traffic

在旺角和銅鑼灣主要購物區，集團坐擁最大的門市商舖物業組合
We have the largest portfolio of ground floor retail space
in the key shopping locations of Mongkok and Causeway Bay

財政年度內，集團並無發展或購入新的投資物業。旗下物業之樓面面積維持在穩健水平，包括二十四萬三千平方米之商場及商舖、二十九萬一千平方米之寫字樓及工業/寫字樓、以及九萬九千平方米之住宅及寓所。

No new investment properties were developed or acquired during the financial year and gross floor area (gfa) remained stable at 243,000 square metres of commercial and retail, 291,000 square metres of office and industrial/office and 99,000 square metres of residential and apartment space.

香港投資物業之按地域分析

Geographical Analysis of Hong Kong Investment Properties

| | | 樓面面積 (千平方米) Gross Floor Area ('000 sq. m) | | 租金收入 (港幣百萬元) Rental Revenue (HK\$ million) | | 租出率 (百分率) Occupancy Rate (%) | |
|-----------|---------------------------------------|--|-------|---|---------|---------------------------------|------|
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| 港島 | Hong Kong Island | | | | | | |
| 中環及金鐘 | Central and Admiralty | 50.6 | 50.6 | 252.4 | 241.8 | 96 | 90 |
| 銅鑼灣及灣仔 | Causeway Bay and Wanchai | 98.2 | 98.2 | 440.7 | 402.7 | 93 | 97 |
| 康山及鰂魚涌 | Kornhill and Quarry Bay | 126.7 | 126.7 | 389.2 | 369.1 | 87 | 90 |
| 山頂及半山區 | The Peak and Mid-Levels | 28.2 | 28.2 | 120.8 | 115.8 | 87 | 86 |
| 港島南區 | Hong Kong South | 9.2 | 9.2 | 33.2 | 37.5 | 92 | 86 |
| 九龍 | Kowloon | | | | | | |
| 旺角 | Mongkok | 102.0 | 102.0 | 330.6 | 311.5 | 94 | 95 |
| 尖沙咀 | Tsimshatsui | 39.7 | 39.7 | 97.7 | 81.9 | 94 | 99 |
| 牛頭角及觀塘 | Ngau Tau Kok and Kwun Tong | 69.2 | 69.2 | 252.2 | 252.8 | 97 | 99 |
| 長沙灣、葵涌及其他 | Cheung Sha Wan, Kwai Chung and others | 109.5 | 109.5 | 158.2 | 146.3 | 85 | 89 |
| 總計 | Total | 633.3 | 633.3 | 2,075.0 | 1,959.4 | 91 | 94 |

商場及商舖

在本地消費和訪港旅客(尤其中國內地旅客)的增長帶動下，管理完善及地點優越的商場物業享有更殷切的需求。

集團在香港人流最高的購物區擁有商場，與其他物業持有人比較，在銅鑼灣和旺角等主要購物區擁有最多門市商舖物業。此等地舖之租金普遍約為三樓商舖租金之四倍。

年內，集團繼續以地利優勢為基礎，為旗下商場進一步重塑品牌和進行翻新。這些措施令旗下商場增加購物人流，有助提高租金水平。

位於旺角的家樂商場已易名為家樂坊，以追求時尚的年青人和遊客為主要服務對象。這是繼過往同類行動後又一成功之作。該物業的租戶組合亦隨之改變。以往租戶包括家族經營的快餐店及商舖，取而代之的新租戶則為高級國際品牌。

此外，各主要品牌商均日益渴望開設兩層互通樓面的旗艦店，以便為顧客提供更寬敞舒適的購物環境及加強品牌吸引力。集

Commercial and Retail

Higher domestic spending together with inbound tourism, especially from mainland China, increased the demand for our well-managed, well-located retail properties.

The Group has properties in districts with the highest shopping traffic and in the key districts of Causeway Bay and Mongkok we have more ground floor space than any other owner. Ground floor rents are typically in the region of four times those of third floor rental levels.

During the year, we continued to build on our locational advantage through further rebranding and renovation which helped to maximise rentals by increasing shopper traffic.

Following similar previous successes, Gala Shopping Mall in Mongkok was renamed **Gala Place** and positioned to appeal to younger people and tourists. The tenant mix changed accordingly, with the former family oriented fast food and retail outlets increasingly making way for more up market, international brands.

Increasingly, the major retailers are seeking to develop flagship stores that cover two floors, enabling them to create a more spacious and welcoming environments that have a bigger brand impact. Our

銅鑼灣 名店坊 Fashion Walk, Causeway Bay



我們不斷加強
租戶組合...
We continually
refine the tenant
mix...

旺角 雅蘭中心一期·食閣 Food Atrium, One Grand Tower, Mongkok: 1, 2



...為旗下物業
提升價值
...to add value
to our properties



團能提供此類商舖。位於銅鑼灣名店坊的愛迪達(adidas)主題零售店，成為該方面的最新典範。

位於旺角的前麗斯大廈和前雅蘭中心完成最後合併工程。新面世的雅蘭中心一期和雅蘭中心二期，為香港最繁忙的購物大街彌敦道，開創了別樹一幟的商場大樓。

正如往年一樣，集團繼續採用嶄新的市場推廣計劃，為旗下商場和品牌店提供持續的支持。二零零六年四月至六月，集團推出「全港首創無條件免費泊車」優惠。凡私家車車牌符合指定數字的車主，可享免費泊車。該項推廣活動取得熱烈的反應及增加購物人流。

此外，集團位於太平山頂之物業，山頂廣場積極籌辦「樂在山頂」中西音樂匯演。該項活動於二零零六年七月開始，旨在為遊客提供耳目一新的購物經驗。

portfolio is able to offer such locations and the adidas store at Fashion Walk in Causeway Bay became the latest example of such a 'double decker' outlet.

In Mongkok, the final integration of the former Ritz Building with Grand Tower to create **One Grand Tower** and **Two Grand Tower**, has created a unique retail block on Nathan Road, one of the Hong Kong's busiest main shopping streets.

As in previous years, the Group supported its tenants through innovative campaigns that provide support to our properties and brands. Between April and June 2006, we launched a free parking promotion, allowing shoppers to park free depending on the numbers of their licence plates. This attracted a high level of interest and boosted shopper traffic.

We also began preparations for a 'Music at The Peak' campaign which was launched in July 2006. This exciting event combines performances from Chinese and Western musical tradition at **The Peak Galleria**, our property on Victoria Peak, enhancing the shopping experience for visitors.

寫字樓及工業/寫字樓

隨著跨國企業擴充亞洲和中國業務，香港寫字樓物業繼續享有強勁需求。由於集團旗下部份寫字樓物業位於香港中環區，而該區之寫字樓供不應求，故集團之寫字樓物業顯著受惠。

甲級寫字樓物業渣打銀行大廈之租金水平，較上財政年度躍升百分之十。

Office and Industrial/Office

Hong Kong continues to attract strong demand from multinational businesses as they expand their Asian and China operations. This supported the Group's portfolio of offices, some of which are located in Hong Kong's prime Central district, where supply is limited.

Our Grade A property, **Standard Chartered Bank Building**, saw rental levels rise by 10% over the previous financial year.

位於半山區的
御峯豪宅...
The Summit, our
luxury property in
Mid-levels...



住宅及寓所

位於半山區之御峯豪宅，繼續吸引尊貴企業和領事館人員成為租戶。與上財政年度比較，租金收入上升百分之三。

位於鰂魚涌之康蘭居，其租金收入上升百分之六，租出率為百分之六十八。

Residential and Apartment

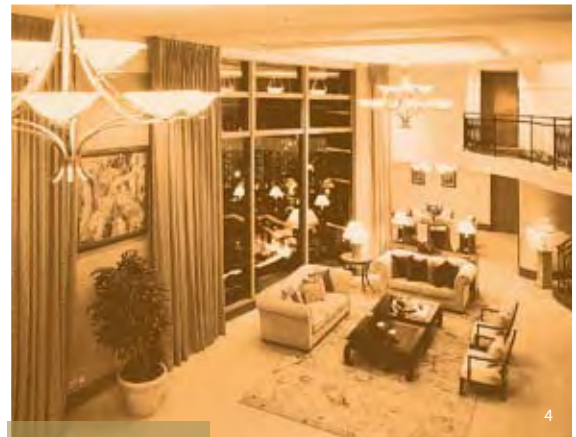
The **Summit**, a luxury residential property in Mid-levels, continued to maintain its attraction to high quality corporate and consular tenants. Rental income rose 3% over the previous financial year.

The **Grand Plaza Apartments** in Quarry Bay saw rental income rise by 6% and occupancy reached 68%.

香港投資物業之按類分析

Segmental Analysis of Hong Kong Investment Properties

| | | 租金收入(港幣百萬元) Rental Revenue (HK\$ million) | | 租出率(百分率) Occupancy Rate (%) | |
|------------|------------------------------|--|---------|--------------------------------|------|
| | | 2006 | 2005 | 2006 | 2005 |
| 商場及商舖 | Commercial and Retail | 1,138.6 | 1,080.3 | 98 | 98 |
| 寫字樓及工業/寫字樓 | Office and Industrial/Office | 585.6 | 535.4 | 91 | 93 |
| 住宅及寓所 | Residential and Apartment | 262.6 | 251.2 | 73 | 85 |
| 停車場 | Car Parks | 88.2 | 92.5 | N/A | N/A |
| 總計 | Total | 2,075.0 | 1,959.4 | 91 | 94 |



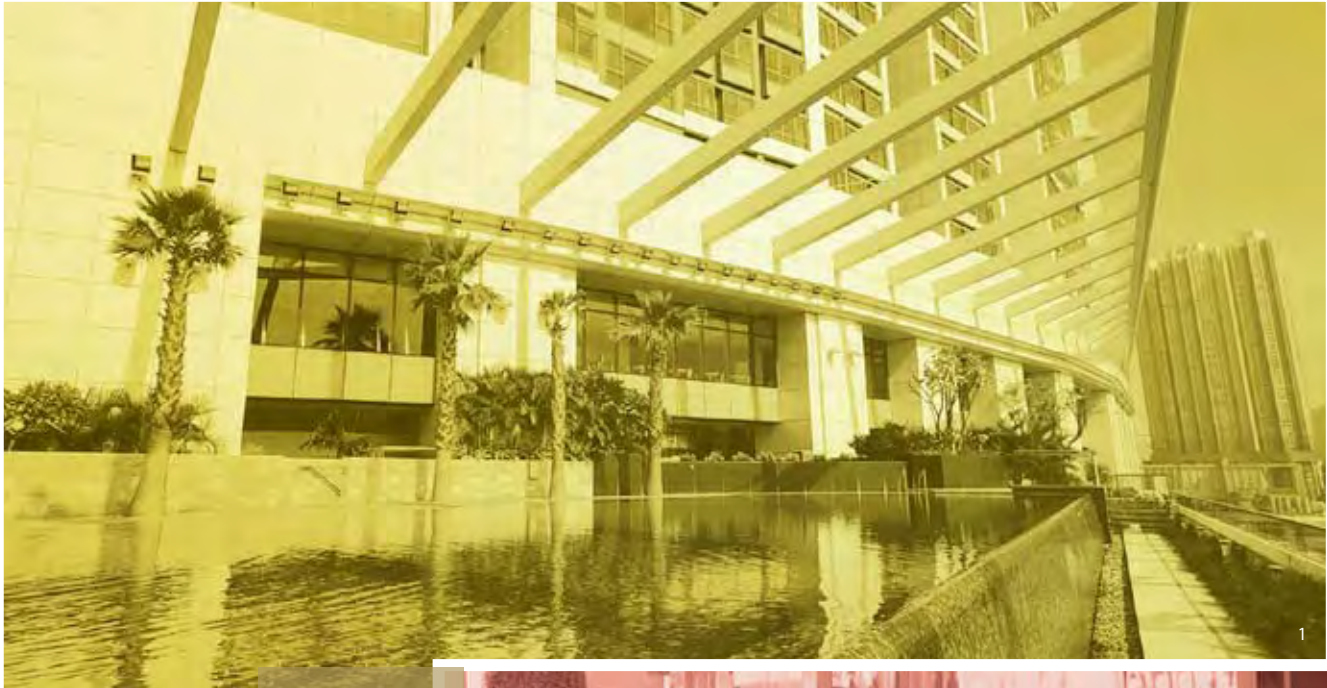
...質量登峰造極...
...built to very high standards...

...繼續吸引企業和領事租戶
...continued to attract corporate and consular tenants

半山 御峯 The Summit, Mid-levels: 1, 2, 3, 4

香港物業發展及銷售 Hong Kong Property Development and Sales

西九龍 君臨天下 The HarbourSide, West Kowloon: 1, 2, 3, 4, 5



君臨天下之泳池
睥睨維港...
The HarbourSide's
swimming pool
oversees Victoria
Harbour...



經過兩年強勁增長後，香港住宅市場於二零零六年財政年度內開始放緩。儘管按揭負擔仍處於合理水平，但加息陰霾已對置業意欲構成壓力。

這情況在豪宅市場特別明顯，而事實上豪宅價格亦已錄得甚為可觀的反彈。由於集團旗下物業的留置成本較低，故集團決定等候市道好轉才銷售更多物業。與上財政年度售出約七萬三千平方米的

Following two years of strong gains, the Hong Kong residential market began to weaken in the financial year 2006. Although the affordability level remained reasonable, the possibility of a further rise in mortgage rates affected sentiment.

This was especially true in the luxury segment, where prices had rebounded much more sharply. Given the low cost to holding properties, the Group decided to await an upturn before launching more sales and for the financial year 2006 only 21,000 square metres gfa were sold, with the focus on less expensive mass residential



...其會所設施
卓越不凡...
...and with the
spectacular
clubhouse ...



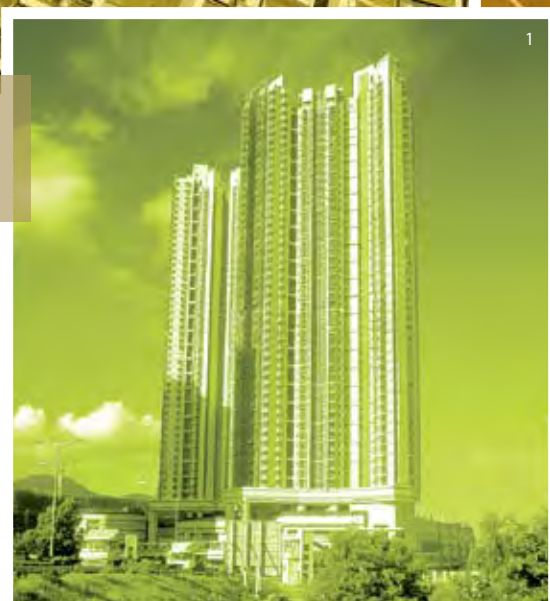
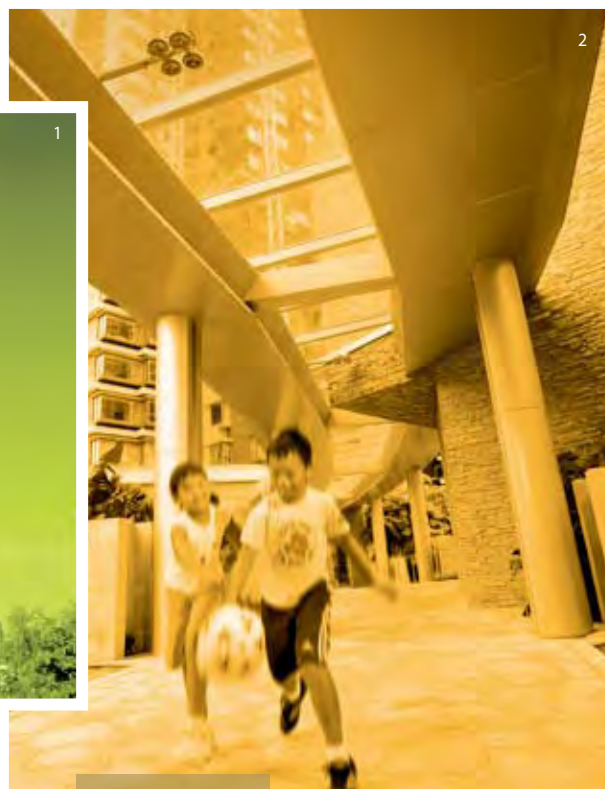
...令美好生活
更添色彩
...adds to the
refined living



樓面面積比較，集團於二零零六年財政年度僅售出兩萬一千平方米的樓面面積，而該等單位多為非高價的普羅住宅物業。故此，物業銷售業務之收入下跌百分之七十三，至港幣十三億一千三百九十萬元。

properties. This contrasts with the previous financial year, when the Group sold some 73,000 square metres gfa. As a result, revenue from property sales fell by 73% to HK\$1,313.9 million.

西九龍 君臨天下 The HarbourSide, West Kowloon



君臨天下和
浪澄灣...
The HarbourSide and
The Long Beach...

西九龍 浪澄灣 The Long Beach, West Kowloon: 1, 2

...為九龍區帶來
嶄新的生活體驗
...are bringing new
lifestyle choice to
Kowloon

港幣 HK\$
4,800

以每平方呎平均售價港幣四千八百元售出逾三百個單位，不僅高於區內其他物業，亦較上財政年度之平均售價為高

Over 300 units were sold at an average price of HK\$4,800 per square foot, not only a premium over other properties in the district but higher than the previous financial year

集團售出之住宅物業，主要為西九龍填海區**碧海藍天**合共超過三百個單位，其每平方呎平均售價為港幣四千八百元。此售價不僅高於區內其他物業，亦較上財政年度之平均售價為高。

二零零五年九月至今，香港並無舉行大型的土地拍賣。故在二零零六年財政年度內，本集團之土地儲備並無改變，於二零零六年六月三十日仍包括已落成的住宅物業合共三千二百個單位，而樓面面積為二十八萬二千平方米。

The majority of sales were from **AquaMarine** in the West Kowloon reclamation area. Over 300 units were sold at an average price of HK\$4,800 per square foot, representing not only a premium over similar properties in the district but higher than the previous financial year.

Hong Kong has seen no significant tender activity since September 2005. The financial year 2006 therefore saw no change in the Group's land bank, comprising the remaining 3,200 units of 282,000 square metres gfa in its already completed developments as at 30 June 2006.