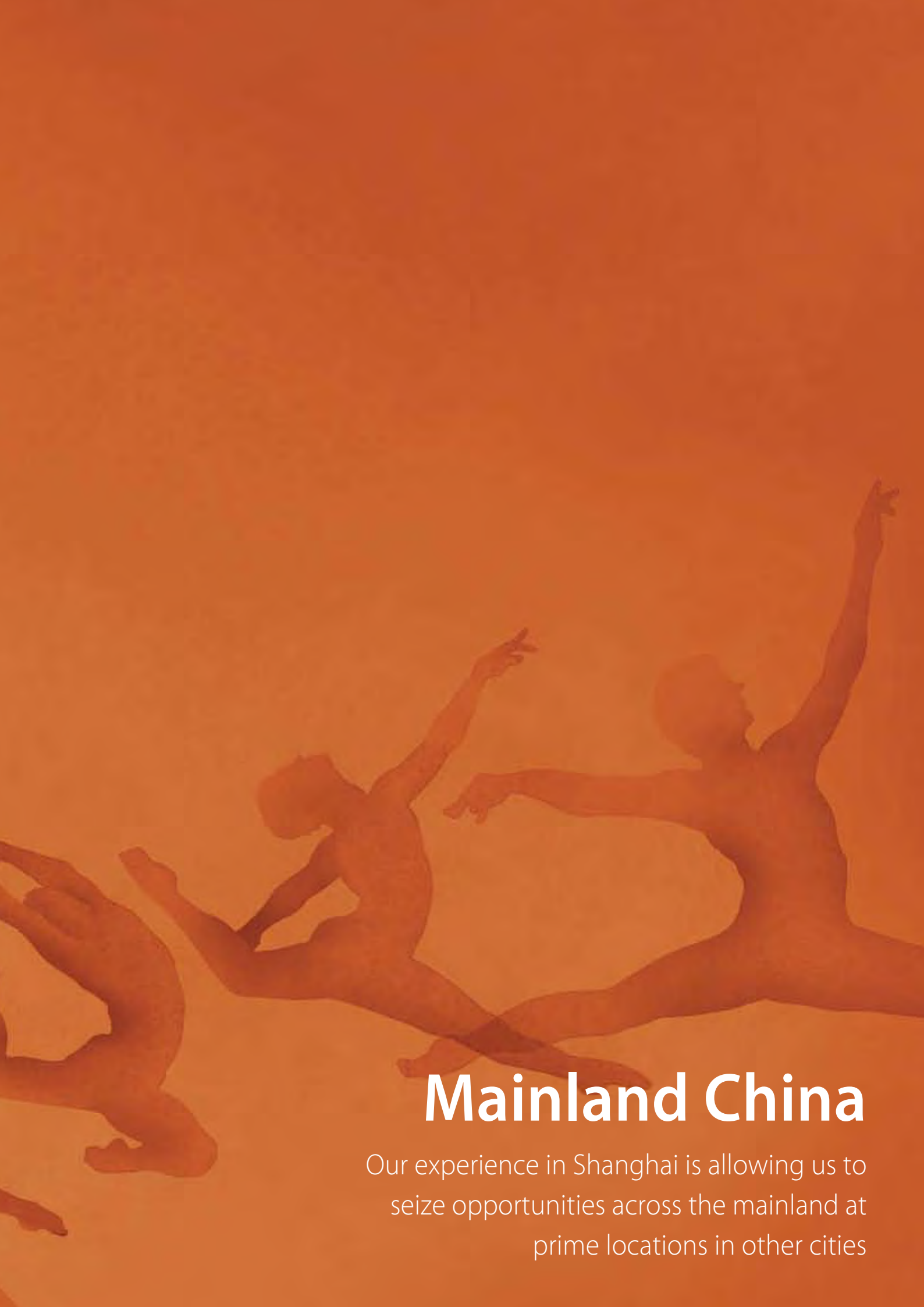


中國內地

借助上海經驗，集團在內地其他城市的黃金地區，成功掌握多項良機





Mainland China

Our experience in Shanghai is allowing us to
seize opportunities across the mainland at
prime locations in other cities

中國內地業務 Mainland China Operations

本集團借助其香港經驗，成功拓展上海市場。中國業務持續壯大，現已成為集團旗下一支勁旅。

財政年度內，集團上海物業之租金保持堅穩及近乎全部租出。因此，收入增加百分之四十六，達港幣八億九千四百八十萬元，佔集團總收入百分之二十一以及集團投資物業收入百分之三十。

集團借鑑其多年來在香港之成功經驗，制定其在中國內地之發展策略。此乃專注於中國內地主要城市的黃金地點，建立一個以商場為主的優質投資物業組合。隨著中國內地消費遞增，該物業組合應可為集團提供穩步增長的收益。

The Group has successfully transferred its experience in Hong Kong to Shanghai, and mainland China is now an important and dynamic part of our operations.

Rentals at our Shanghai properties continued to remain firm during the financial year and were almost fully let. As a result, revenues increased by 46% to HK\$894.8 million, representing 21% of total Group revenues and 30% of the Group's revenues from investment properties.

The strategy in mainland China follows that we have pursued so successfully in Hong Kong over the years. Our aim is to build a portfolio of high quality investment properties in prime locations, largely focused on retail. This should ensure a rising income stream as China's consumer economy grows.

集團上海物業
深受歡迎...
*Our properties
in Shanghai are
increasingly
sought after...*





...本土和國際品牌
均趨之若鶩
...by local and
international brands

上海 恒隆廣場 Plaza 66, Shanghai: 1, 2, 3, 4

12

發展項目
projects

未來兩至三年，集團計劃投資十二個或以上的發展項目，令中國內地業務佔集團總租金收入的比例，增至逾百分之五十的水平
Over the next two to three years we plan to invest twelve or more projects and raise the proportion of mainland China revenues to total Group rental revenues to over 50%

由於中國內地市場仍處於發展初期，集團在落實該項策略時，務須審慎挑選並以合理價錢購入可續享黃金地利的土地。我們相信，集團過去十四年在上海的成果，提供了穩固根基，讓我們可掌握其他中國內地城市的機會。未來兩至三年，集團計劃投資十二個或以上的發展項目，令中國內地業務佔集團總租金收入的比例，增至逾百分之五十的水平。

In executing this strategy, in what is still an immature market, we intend to exercise prudence in selecting sites, choosing those we believe will remain premium locations and which can be acquired at reasonable valuations. Our success in Shanghai during the last 14 years has given us a solid basis on which to pursue opportunities in other cities. Over the coming two or three years we plan to invest twelve or more projects and raise the proportion of mainland China revenues to total Group rental revenues to over 50%.



港匯廣場坐擁上海
最龐大的購物人流
*The Grand Gateway
attracts the highest
traffic of shoppers in
Shanghai*

上海 港匯廣場 The Grand Gateway, Shanghai: 1, 2, 3

上海物業

集團在上海擁有兩個項目，包括位於上海最大地鐵站徐家匯地鐵站上蓋的港匯廣場，以及位於上海主要大街南京西路的恒隆廣場。

恒隆廣場是浦西區之最高建築物。其擁有首幢甲級辦公室大樓，下設大型購物商場。財政年度內，該購物商場之租出率保持百分之一百，收入增加百分之二十五；辦公室大樓之租出率為百分之一百，租金收入增加百分之十四。

恒隆廣場第二幢辦公室大樓正如期施工，可望於二零零六年年底落成。該座八萬一千四百平方米的甲級辦公室大樓現已展開預租活動，市場反應甚為踴躍。

二零零五年八月，港匯廣場第一幢辦公室大樓落成，為該項目原有的十萬零二千平方米樓面面積商場用地，增添六萬七千二百平方米寫字樓樓面面積。二零零六年二月，港匯廣場樓面面積達一萬八千六百平方米的服務式寓所亦告落成。

上述兩項新物業啟用後近乎全部租出，並獲多家跨國公司獨自租用數層，足證上海對此等優質項目需求殷切。

集團持續改善上海商場的租戶組合及增加購物人流，從而爭取最大回報。年內，Hugo Boss、Paul & Shark、范思哲(Versace)及DKNY等國際品牌成為新租戶，為上海日益興盛的中產階級提供更多購物姿采，亦令商場的租金水平得以上揚。

Shanghai Properties

The Shanghai portfolio currently comprises **The Grand Gateway** above Xujiahui metro station, Shanghai's largest, and **Plaza 66** on Nanjing Xilu, one of the city's main thoroughfares.

Plaza 66 is the tallest structure in Puxi District. The Grade A office space of the first office tower is built over a large retail podium. Occupancy for the retail portion remained at 100% and income increased by 25% during the financial year. The office portion was 100% let and rental income rose 14%.

A second office tower, which will offer 81,400 square metres of Grade A space is currently under construction and is scheduled for completion by the end of 2006. Pre-leasing has begun and again the response has been extremely strong.

In August 2005, **The Grand Gateway** Office Tower 1 was completed. This added 67,200 square metres gfa of office space to the existing 102,000 square metres gfa of retail space. In February 2006, the serviced apartments at **The Grand Gateway**, totalling 18,600 square metres gfa, were also completed.

Both were nearly fully let upon opening, largely to multinational tenants, many of whom have taken several floors. This demonstrates how strong demand is in Shanghai for such high quality developments.

We have worked to maximise returns from the retail portions of these properties through boosting shopper traffic by refining the tenant mix. New international brands attracted during the year included Hugo Boss, Paul & Shark, Versace and DKNY. These brands target the aspirations of Shanghai's burgeoning middle class and supported the rise in rental levels.

新項目

財政年度內，集團繼續拓展中國內地市場。

正如以往所述，集團已購入一幅位於天津市黃金地段面積達四點四公頃之土地，計劃發展一個樓面面積達十五萬平方米的購物商場。有關制定項目開發圖的工作已經展開。

二零零五年九月，集團購入一幅位於遼寧省省會瀋陽市黃金商業地段面積達三點五公頃之土地。該幅黃金地塊毗鄰「瀋陽故宮」，集團計劃在該址興建一幢樓高五層、樓面面積達十二萬平方米的購物商場。

二零零六年一月，集團與市政府簽訂一份意向書，擬購入一幅位於濟南市面積達六點四公頃之土地。濟南市人口為六百萬人，按國內生產總值計算，山東省居全國省份之第二位。集團計劃在該址興建一幢樓高六層、樓面面積達十五萬平方米的購物商場。

二零零六年七月，本集團與長沙市芙蓉區人民政府簽署意向書，發展一個高檔次購物中心、辦公室大樓、服務式寓所等，總樓面面積達五十萬平方米。

集團於今年八月亦即財政年度後，購入第二幅位於瀋陽市面積達九點二公頃的黃金地塊。集團計劃在該址興建一座巨型綜合發展項目，總樓面面積約為九十二萬平方米。

中國內地投資物業及發展中物業之按地域分析

New Projects

During the financial year, the Group continued its expansion in mainland China.

As reported previously, the Group has acquired a 4.4 hectare site in Tianjin, which is at a prime location in the city. Plans for a 150,000 square metres gfa retail development are being drawn up.

In September 2005, we acquired a 3.5 hectare site in Shenyang, the capital of Liaoning province. The site is also in a prime commercial location, near the imperial palace. Our plan is to build a 120,000 square metres gfa five-storey shopping centre.

In January 2006, a memorandum of understanding (MOU) was signed with the municipal government regarding a 6.4 hectare plot in Jinan, the 6 million people strong capital city of Shandong province, which has the second highest GDP in China. Our intention is to construct a six-storey shopping centre of 150,000 square metres gfa.

In July 2006, the Group signed a MOU with the city government of Furong District, Changsha on developing an upscale shopping mall, office towers and serviced apartments with a total gross floor area of 500,000 square metres.

Subsequent to the financial year end in August, we acquired a second site of 9.2 hectares in Shenyang. The site will be developed into a large scale multi-complex with a total of 920,000 square metres gfa.

Geographical Analysis of Mainland China Investment Properties and Properties Under Development

		總樓面面積(千平方米) Total 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
上海	Shanghai						
徐匯區	Xuhui District	252.3	252.9	495.8	276.2	96	99
靜安區	Jing An District	211.3	211.3	399.0	337.0	100	100
		463.6	464.2	894.8	613.2	97	99
天津	Tianjin	150.0	150.0	-	-	-	-
瀋陽	Shenyang	120.0	-	-	-	-	-
總計	Total	733.6	614.2	894.8	613.2	-	-

業務展望 Business Outlook



我們銳意發展
最優質的綜合物業
*We aim to build
state-of-the-art
complexes*

天津 發展項目 Tianjin Project

二零零七年財政年度內，集團擬繼續為其在香港和上海的現有物業組合提升價值，並同時積極開拓中國內地市場。

香港方面，在經濟持續增長的支持下，集團旗下投資物業之租金水平可望持續上揚。集團會從品牌投資及改善租戶組合等入手，繼續提升旗下投資物業的價值。

至於香港物業發展業務，在二零零六年上半年內，香港僅錄得約五千宗住宅物業成交，故市場明顯地有積壓需求。大部份分析員認為，一旦利率週期清楚見頂，樓市便可望反彈。

During the financial year 2007, we intend to continue to enhance our existing portfolio in Hong Kong and Shanghai, while expanding rapidly in mainland China.

Supported by continued economic growth, rental rates for our Hong Kong investment properties should continue to rise. We will continue to add value through investing in the brands and refining the tenant mix.

For our development properties in Hong Kong, with only some 5,000 transactions recorded in the first half of calendar year 2006, there is clearly pent up demand and the consensus among analysts is that the market will rebound once it is clear that interest rates have peaked.

中國內地經濟料可維持強勁增長，加上集團不斷改善旗下物業的租戶組合和管理配套，故該等物業的租金水平可望保持堅穩。此外，恒隆廣場第二幢辦公室大樓及港匯廣場第二幢住宅大樓可望於二零零六年後期落成，為集團增添十一萬四千方米優質樓面面積。該等物業的招租情況甚為理想，料可在本財政年度下半年為集團帶來可觀的盈利貢獻。

我們將繼續發展天津和瀋陽項目，它們最早於二零一零年便可投入運作。我們認為，中國內地商場享有可觀的業務增長空間，故此我們會積極在中國內地其他城市尋找有關機會。

為配合集團上述業務擴展所需，二零零六年六月，集團簽訂一項港幣六十億元銀團貸款。該項五年期循環貸款之年息率為香港銀行同業拆息加二十三個基點，創下了集團長期信貸利率的新低。有關貸款於包銷和銀團籌組階段均獲超額認購，故由原定的港幣五十億元增至港幣六十億元。

In mainland China, economic growth is expected to remain strong. This, combined with our efforts to maximise our properties through improved tenant mix and management support is expected to keep rentals firm. Our business in this market will benefit from the addition of a second office tower at **Plaza 66** and a second residential tower at **The Grand Gateway** later in 2006, with its 114,000 square metres gfa of high quality space. The properties already have a long tenant waiting list and their earnings will make a significant contribution to the Group in the second half of the financial year.

Our new projects in Tianjin and Shenyang will be progressed and we expect the earliest to be operational by 2010. We will also pursue other opportunities in mainland China, where we see ample room for sustained growth in retail property.

To help fund this expansion, in June 2006, the Group syndicated a 5-year HK\$6 billion revolving credit facility. The interest rate of HIBOR plus 23 basis points set a new benchmark for our long term funding and the facility was oversubscribed at both the underwriting and general syndication stages, allowing us to increase the size of the facility from an original HK\$5 billion to HK\$6 billion.



瀋陽 發展項目 Shenyang Project: 1, 2

集團主要物業

Major Group Properties

A 主要發展中物業

A Major Properties Under Development

於二零零六年六月三十日 At 30 June 2006

地點	Location	地盤面積 (平方米) Site Area (sq. m)	主要用途 Main Usage	總樓面面積 (平方米) Total Gross Floor Area (sq. m)	集團應佔權益 (百分率) Group's Attributable Interest (%)	施工階段 Stage of Completion	預計落成日期 Expected Completion Date
香港 藍塘道， 內地段5747號	Hong Kong Blue Pool Road, IL 5747	7,850	R	審批中 Pending Approval	55.9	計劃中 Planning	不適用 N/A
上海 港匯廣場， 徐匯區徐家匯， 華山路2228號	Shanghai The Grand Gateway, 2228 Hua Shan Lu, Xujiahui, Xuhui District	50,788	R	32,300	66.3	RT2 建築上蓋 Superstructure	2006
恒隆廣場， 靜安區南京西路， 1266號	Plaza 66, 1266 Nan Jing Xi Lu, Jing An District	31,100	O	81,400	54.4	OT2 建築上蓋 Superstructure	2006
天津 和平區	Tianjin Heping District	44,277	C	150,000	55.9	計劃中 Planning	2010
瀋陽 瀋河區	Shenyang Shenhe District	34,845	C	120,000	55.9	計劃中 Planning	2010

C： 商舖
O： 寫字樓
OT2： 寫字樓第二座
R： 住宅
RT2： 住宅大樓第二座

C： Commercial
O： Office
OT2： Office Tower 2
R： Residential
RT2： Residential Tower 2

B 已建成待售物業

B Properties Completed for Sale

於二零零六年六月三十日 At 30 June 2006

地點	Location	主要用途 Main Usage	總樓面面積 (平方米) Total Gross Floor Area (sq. m)	集團應佔權益 (百分率) Group's Attributable Interest (%)	住宅單位數目 No. of Residential Units	車位數目 No. of Carparking Spaces
香港	Hong Kong					
君臨天下· 柯士甸道西1號· 九龍內地段11080號	The HarbourSide, 1 Austin Road West, KIL 11080	R	106,805	55.9	877	614
碧海藍天· 深盛路8號· 新九龍內地段6338號	AquaMarine, 8 Sham Shing Road, NKIL 6338	R C	32,259* 22,350	50.3	488	404 112
君逸山· 迦密村街9號· 九龍內地段11122號	Carmel-on-the-Hill, 9 Carmel Village Street, KIL 11122	R C	1,082 2,131	55.9	15	40
浪澄灣· 海輝道8號· 九龍內地段11152號	The Long Beach, 8 Hoi Fai Road, KIL 11152	R C/O	142,150 20,200	55.9	1,829	305 85

* 與房屋協會就項目銷售後之淨收益分賬達成協議

* Subject to an agreement with the Housing Society on the sharing of the net proceeds on property sales

C : 商舖
R : 住宅
O : 寫字樓

C : Commercial
R : Residential
O : Office

集團主要物業
Major Group Properties

C 主要投資物業
C Major Investment Properties

於二零零六年六月三十日 At 30 June 2006

地點	Location	地契屆滿年期 Lease Expiry	商場及商舖 Commercial and Retail	樓面面積(平方米) Gross Floor Area (sq. m)		住宅及寓所 Residential and Apartment	車位數目 No. of Carparking Spaces
				寫字樓及 工業 / 寫字樓 Office and Industrial/Office			
香港	Hong Kong						
中環及金鐘	Central and Admiralty						
印刷行，都爹利街6號， 內地段339號	Printing House, 6 Duddell Street, IL 339	2848	1,709	5,980	-	-	-
都爹利街1號， 內地段7310號	1 Duddell Street, IL 7310	2848	-	9,007	-	-	-
樂成行，雪廠街22號， 內地段644號	Baskerville House, 22 Ice House Street, IL 644	2880	1,473	3,379	-	-	-
渣打銀行大廈， 德輔道中4-4A號， 海傍地段103號， A段及B段	Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Sections A&B of ML 103	2854	4,814 ⁺	23,730 ⁺	-	-	16
金鐘廊， 金鐘道93號	Queensway Plaza, 93 Queensway	2012	6,923	-	-	-	-
銅鑼灣及灣仔	Causeway Bay and Wanchai						
恒隆中心， 百德新街2-20號， 內地段524號及749號	Hang Lung Centre, 2-20 Paterson Street, IL 524 & IL 749	2864	8,613	22,161	-	-	126
銅鑼灣物業， 百德新街、厚誠街、 記利佐治街、加寧街、 京士頓街、告士打道， 海傍地段231號及52號， 內地段469號及470號	Causeway Bay Properties, Paterson Street, Houston Street, Great George Street, Cleveland Street, Kingston Street, Gloucester Road, ML 231, ML 52, IL 469 & IL 470	2842, 2864 & 2868	31,072	-	7,935	-	-
栢景臺，英皇道1號， 內地段8560號	Park Towers, 1 King's Road, IL 8560	2060*	1,101	-	-	-	250
瑞安中心，15至28樓， 港灣道6-8號， 內地段8633號	Shui On Centre, 15/F-28/F, 6-8 Harbour Road, IL 8633	2060*	-	16,313	-	-	42

C 主要投資物業(續)

C Major Investment Properties (Continued)

地點	Location	地契屆滿年期 Lease Expiry	樓面面積(平方米) Gross Floor Area (sq. m)			車位數目 No. of Carparking Spaces
			商場及商舖 Commercial and Retail	寫字樓及 工業 / 寫字樓 Office and Industrial/Office	住宅及寓所 Residential and Apartment	
康山及鯽魚涌	Kornhill and Quarry Bay					
康怡廣場，康山道1-2號， 內地段8566號	Kornhill Plaza, 1-2 Kornhill Road, IL 8566	2059*	53,080	10,577	-	1,069
康蘭居，康山道2號， 內地段8566號	Grand Plaza Apartments, 2 Kornhill Road, IL 8566	2059*	-	-	35,275	-
樂基中心，英皇道734號， 內地段3507號	Stanhope House, 734 King's Road, IL 3507	2007*	1,051	26,720	-	70
山頂及半山區	The Peak and Mid-Levels					
山頂廣場，山頂道118號， 市郊地段3號	The Peak Galleria, 118 Peak Road, RBL 3	2047	12,500	-	-	493
花園臺，2-3號第二座， 舊山頂道8A號， 內地段896號及2850號	Nos. 2&3, Garden Terrace, Block 2, 8A Old Peak Road, IL 896 & IL 2850	2078 & 2886	-	-	558	26
御峯，司徒拔道41C號， 內地段8870號	The Summit, 41C Stubbs Road, IL 8870	2047	-	-	15,225	54
港島南區	Hong Kong South					
濱景園，南灣道9號， 市郊地段994號	Burnside Estate, 9 South Bay Road, RBL 994	2072	-	-	9,212	89
旺角	Mongkok					
旺角中心第一期， 彌敦道688號， 九龍內地段1262號	Argyle Centre, Phase I, 688 Nathan Road, KIL 1262	2060	101	2,300	-	-
雅蘭中心一期， 彌敦道627-641A號， 九龍內地段10246號	One Grand Tower, 627-641A Nathan Road, KIL 10246	2060	19,276	22,637	-	40
雅蘭中心二期， 彌敦道625號， 九龍內地段10234號	Two Grand Tower, 625 Nathan Road, KIL 10234	2060	1,629	8,614	-	-
恒通大廈， 廣東道1112-1120號， 九龍內地段9708號	Hang Tung Building, 1112-1120 Canton Road, KIL 9708	2045*	-	-	-	955

集團主要物業
Major Group Properties

C 主要投資物業 (續)
C Major Investment Properties (Continued)

地點	Location	地契屆滿年期 Lease Expiry	樓面面積 (平方米) Gross Floor Area (sq. m)			車位數目 No. of Carparking Spaces
			商場及商舖 Commercial and Retail	寫字樓及 工業 / 寫字樓 Office and Industrial/Office	住宅及寓所 Residential and Apartment	
旺角 (續) 栢裕商業中心/家樂坊, 登打士街56號, 九龍內地段9590號	Mongkok (Continued) Park-In Commercial Centre/Gala Place, 56 Dundas Street, KIL 9590	2044*	6,297	29,966	–	478
尖沙咀 格蘭中心, 堪富利士道8號, 九龍內地段7725號及8026號	Tsimshatsui Grand Centre, 8 Humphreys Avenue, KIL 7725 & KIL 8026	2038	3,688	7,198	–	–
恒福時裝雅集, 彌敦道221B-E號, 九龍內地段10619號及8132號	Hanford Fashion, 221B-E Nathan Road, KIL 10619 & KIL 8132	2037	2,443	3,892	–	–
牛頭角及觀塘 淘大商場, 牛頭角道77號, 新九龍內地段53號、1482號、 2660號及3947號	Ngau Tau Kok and Kwun Tong Amoy Plaza, 77 Ngau Tau Kok Road, NKIL 53, NKIL 1482, NKIL 2660 & NKIL 3947	2047	44,951	–	–	620
淘大工業中心, 牛頭角道7號, 新九龍內地段1744號	Amoycan Industrial Centre, 7 Ngau Tau Kok Road, NKIL 1744	2047	–	8,589	–	–
麗港城商場, 茶果嶺道, 新九龍內地段6055號	Laguna Plaza, Cha Kwo Ling Road, NKIL 6055	2047	15,619	–	–	165
長沙灣、葵涌 及荃灣 百佳大廈, 青山道476號, 新九龍內地段1761號	Cheung Sha Wan, Kwai Chung and Tsuen Wan Park Building, 476 Castle Peak Road, NKIL 1761	2047	397	13,109	–	–
荔枝角道822號, 新九龍內地段5568號	822 Lai Chi Kok Road, NKIL 5568	2047	–	9,004	–	73

C 主要投資物業 (續)

C Major Investment Properties (Continued)

地點	Location	地契屆滿年期 Lease Expiry	樓面面積 (平方米) Gross Floor Area (sq. m)			車位數目 No. of Carparking Spaces
			商場及商舖 Commercial and Retail	寫字樓及 工業 / 寫字樓 Office and Industrial/Office	住宅及寓所 Residential and Apartment	
長沙灣·葵涌 及荃灣 (續) 永康街9號· 新九龍內地段6229號	Cheung Sha Wan, Kwai Chung and Tsuen Wan (Continued) 9 Wing Hong Street, NKIL 6229	2047	–	35,223	–	95
荔灣花園· 荔景山道1A1·1A2· 5A·6A及6B號商舖· 測量約分4號地段3336號	Laichikok Bay Garden, Shops 1A1, 1A2, 5A, 6A & 6B, Lai King Hill Road, Lot 3336 of SD4	2047	3,109	–	–	172
紅A中心·青山道443–451號· 丈量約分445號地段· 690號A段	Star Centre, 443–451 Castle Peak Road, Section A of Lot 690 in DD 445	2047	–	28,512	–	27
汀蘭居· 油柑頭青山公路123號· 荃灣市地段356號	The Bay Bridge, 123 Castle Peak Road, Yau Kom Tau, TWTL 356	2047	–	–	20,096	179
上海 港匯花園第一期及第二期· 徐家匯華山路2118號· 徐匯區	Shanghai The Grand Gateway Gardens I & 2, 2118 Hua Shan Lu, Xujiahui, Xuhui District	2063	–	–	50,900	–
港匯廣場· 徐家匯虹橋路1號· 徐匯區	The Grand Gateway, 1 Hong Qiao Lu, Xujiahui, Xuhui District	2043	101,924	67,200	–	1,267
恒隆廣場· 南京西路1266號· 靜安區	Plaza 66, 1266 Nan Jing Xi Lu, Jing An District	2044	51,700	78,200	–	392

* 可續期七十五年

* With an option to renew for a further term of 75 years

† 集團現擁有面積二萬二千一百零一平方米寫字樓之租金收入·其餘樓面之收租權益將於二零一二年交回本集團

† The Group is now entitled to rental on 22,101 square metres of office area. The rights to rental entitlement in the remaining area will revert to the Group in 2012

財務業績及狀況回顧 Review of Financial Results and Position

營業額 Turnover

由於市場需求龐大(特別是辦公室分部)，香港之租金收入顯著增長。有鑑於中國內地經濟持續迅速增長，上海物業持續表現突出。物業銷售方面，本集團售出逾三百個碧海藍天住宅單位，其每平方米呎售價約為四千八百元。
Hong Kong rental income increased considerably due to strong market demand especially in the office segment. The Shanghai properties continued their outstanding performance as mainland China's economy continued to grow rapidly.
In property sales, we sold over 300 units of AquaMarine at approximately \$4,800 p.s.f.

其他收入 Other income

其他收入主要包括二億六千四百萬元之銀行利息收入，而該等銀行利息收入因所持有現金增加以及利率較高而有所增長。
Other income comprised mainly bank interest income of HK\$264 million which increased owing to higher cash holdings and higher interest rates.

行政費用 Administrative expenses

行政費用主要包括行政人員成本及其他公司開支。
Administrative expenses comprised mainly administrative staff costs and other corporate expenses.

投資物業之公平值增加 Increase in fair value of investment properties

上個財政年度採納香港會計準則第40號後，估值變動已於收益表確認。
Following the adoption of HKAS 40 last financial year, valuation changes are recognised in the income statement.

財務費用 Finance costs

年內，財務費用與市場利率同步上升。
Finance costs rose in line with the increase in market interest rates during the year.

二零零五/零六年度之財務業績 Financial results for 2005/06

以港幣百萬元計算 in HK\$ million		2006	2005	變動 (百分率)
營業額	Turnover			
租金收入	Rental income			
香港	Hong Kong	2,075	1,959	6%
中國內地	Mainland China	895	613	46%
		2,970	2,572	15%
物業銷售	Property sales	1,314	4,900	-73%
		4,284	7,472	-43%
其他收入	Other income	285	601	-53%
直接成本及 營業費用	Direct costs and operating expenses	(1,660)	(3,843)	-57%
行政費用	Administrative expenses	(252)	(224)	12%
投資物業之 公平值增加	Increase in fair value of investment properties	3,925	6,290	-38%
財務費用	Finance costs	(541)	(304)	78%
應佔合營 公司溢利	Share of profits of jointly controlled entities	112	118	-5%
稅項	Taxation	(1,151)	(1,904)	-40%
本年度溢利	Profit for the year	5,002	8,206	-39%
應佔純利	Attributable to			
股東	Shareholders	2,833	4,644	-39%
少數股東權益	Minority interests	2,169	3,562	-39%

於二零零六年六月三十日之財政狀況 Financial position at 30 June 2006

以港幣百萬元計算 in HK\$ million		2006	2005	變動 (百分率) change (%)
投資物業	Investment properties	43,753	39,370	11%
其他非流動資產	Other non-current assets	4,804	3,848	25%
存貨	Inventories	10,215	10,757	-5%
現金及銀行存款	Cash and bank	6,189	3,734	66%
其他流動資產	Other current assets	1,548	996	55%
流動負債	Current liabilities	2,365	2,661	-11%
銀行貸款	Bank loans	11,787	6,397	84%
浮息票據	Floating rate notes	1,500	1,500	0%
遞延稅項負債	Deferred tax liabilities	3,960	3,065	29%
其他長期負債	Other long term liabilities	571	1,116	-49%
資產淨值	Net assets	46,326	43,966	5%

投資物業 Investment properties

隨本集團之租賃業務(特別是辦公室分部)之收益大幅增加後,年內確認三十九億二千五百萬元之估值收益。
A valuation gain of \$3,925 million was recorded this year following sharp growth of revenues at our leasing operations, especially in the office segment.

其他非流動資產 Other non-current assets

其他非流動資產增加反映本集團擴展其於中國內地之投資策略。
The increase in other non-current assets reflected the Group's strategy of expanding its investment in mainland China.

現金及銀行存款 Cash and bank

強勁現金狀況有助本集團把握未來湧現之投資商機。
The strong cash position will enable the Group to seize future investment opportunities.

銀行貸款 Bank loans

於二零零六年六月簽訂之銀團貸款達六十億元,利率極為優惠,為香港銀行同業拆息加年息率23個基點。
A syndicated loan of \$6 billion was signed in June 2006 at a very favourable rate of HIBOR plus 23 basis points per annum.

遞延稅項負債 Deferred tax liabilities

遞延稅項負債增加與投資物業價值之升幅相應。
The increase in deferred tax liabilities corresponds to the increase in the value of investment properties.

財務回顧 Financial Review

流動資金及資本資源

二零零六年六月，本集團與十六家本地及國際銀行簽訂一項港幣六十億元之銀團貸款。該項目獲銀行界熱烈支持，並有助集團減省借貸成本。

於二零零六年六月三十日，本集團之負債率處於百分之十四之穩健水平。

於二零零六年六月三十日，尚未動用之銀行信貸連同銀行存款合共為港幣一百五十八億四千九百四十萬元，其中港幣六十一億八千九百四十萬元為銀行存款、港幣八十三億一千萬元為承諾信貸，而港幣十三億五千萬為活期信貸。

於二零零六年六月三十日，本集團有港幣十五億元之浮息票據，該等票據須於二零零九年十二月全數償還及沒有權利轉換成本公司或其他公司之股份。集團並無其他未償還的定息或浮息票據或可換股債券。

股息

董事局建議派發末期股息每股四角一仙，較去年度增加百分之三。全年度每股股息總額為五角五仙半，較去年度增加百分之二。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 and Capital Resources

In June 2006, the Group signed a HK\$6.0 billion syndicated loan facility with 16 local and international banks. The facility was well received by the financial community, and will assist in reducing the Group's cost of funds.

The Group's gearing ratio as at 30 June 2006 stood at a very healthy 14%.

As at 30 June 2006, undrawn banking facilities together with bank deposits amounted to HK\$15,849.4 million, comprising HK\$6,189.4 million in bank deposits, HK\$8,310.0 million in committed facilities and HK\$1,350.0 million in demand facilities.

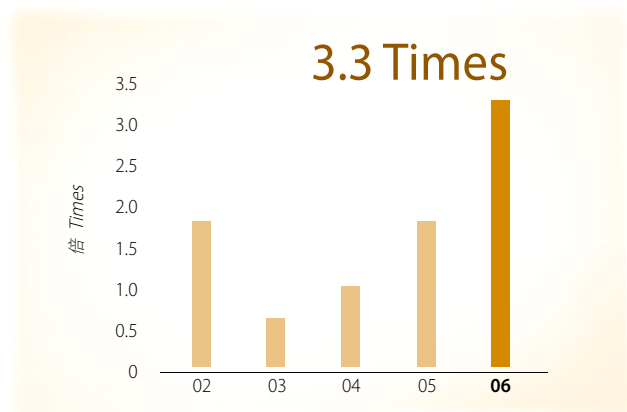
At 30 June 2006, the Group has floating rate notes amounted to HK\$1.5 billion which are repayable in full in December 2009 and have no rights of conversion into shares of the Company or any other body corporate. The Group has no other outstanding fixed or floating rate notes or convertible bonds.

Dividend

The Board has proposed a final dividend of 41 cents per share, which is an increase of 3% over the previous year. The total dividend for the year is 55.5 cents, up 2% from the previous year. The Group consistently offers one of the highest dividend yields amongst all stocks in Hong Kong's property sector.

流動比率

於六月三十日



Liquidity Ratio

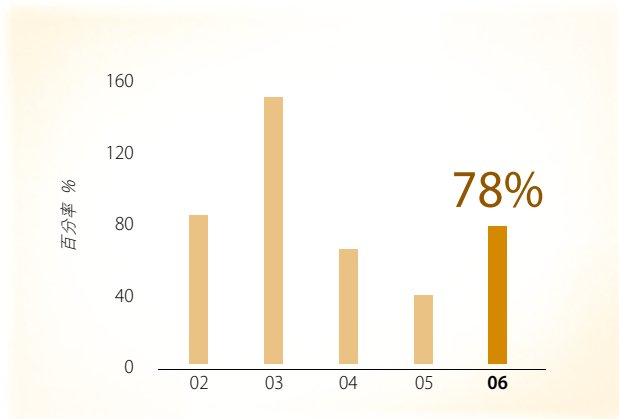
At 30 June

附註：流動比率乃流動資產減存貨後與流動負債之比較

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

基本派息比率

截至六月三十日止年度



Underlying Pay-out Ratio

For years ended 30 June

本集團繼續秉持在各個年度穩定地派發股息之政策。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。

The Group is continuing its policy of maintaining steady 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 in the Hong Kong property sector.

會計準則

香港會計師公會已頒佈多項新訂及經修訂《香港財務報告準則》、《香港會計準則》及詮釋（統稱「HKFRSs」），並於本集團二零零五年七月一日或之後開始之會計期間生效。

本集團已於截至二零零五年六月三十日年度提早採納HKAS 40及HKSIC-Int 21，於收益表內確認重估變動及相關遞延稅項。

本集團於本年度額外採納其他新訂會計準則，如HKFRS 2「股權支付」、HKFRS 3「業務合併」、HKAS 32「金融工具：披露及報列」及HKAS 39「金融工具：確認及計量」。有關會計準則令本年度股東應佔純利減少港幣九百一十萬元。

Accounting Standards

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, 'HKFRSs') which are effective for the Group's accounting periods beginning on or after 1 July 2005.

The Group has adopted in advance HKAS 40 and HKSIC-Int 21 for the year ended 30 June 2005 where revaluation changes and related deferred tax are recognized in the income statement.

For current year, the Group further adopted other new accounting standards like HKFRS 2 'Share-based payment', HKFRS 3 'Business Combinations', HKAS 32 'Financial instruments: Disclosure and Presentation', HKAS 39 'Financial instruments: Recognition and Measurement'. As a result, the net profit attributable to shareholders for the year decreased by HK\$9.1 million.

風險管理

Risk Management

土地儲備

本集團已就中國內地業務制定投資計劃，其中包括對地點和項目的策略性篩選準則，重點為有關城市的整體發展和基建情況、當地政府的支持程度、項目涉及的土地成本及收益潛力等。在落實任何項目前，集團定必進行周詳評估。每個項目發展計劃均由經驗豐富的專業隊伍負責執行，而在項目選址、購置土地、可行性研究、項目設計及施工等重要階段，集團管理層均會積極監管，並於有需要時迅速作出決定，藉此提升項目的回報。

香港方面，集團繼續審慎物色機會，冀能透過各項購置方式適時地增加土地儲備。

現金管理及融資

所有附屬公司之現金流均由中央管理，藉此提高資金的成本效益。集團安排適量的銀行貸款額度來支持旗下所有公司的資金需要，這些貸款各有不同的還款期。集團亦不時以優惠價格和條件來訂立新的銀行信貸，以配合業務增長所需或為原有貸款再融資。集團會把盈餘現金匯集供償還貸款之用，或存放於金融機構以取得較佳回報。

流動性風險

集團保持穩健的流動資金水平，確保隨時備有足夠流動資金以符合業務要求，並密切監察各類債項的償還期，預先妥善部署還款安排。

利率及匯率風險

集團密切監察其利率風險及市場利率走勢，務求把其整體借貸成本減至最低。集團大部分現有貸款均為浮息，但用以為集團部分中國內地業務提供融資之人民幣貸款除外。集團的貨幣資產和負債的到期日亦妥善分佈以減少風險。當情況恰當時，集團以本土貨幣貸款來對應有關業務及有關的營運貨幣，從而降低匯率波動所帶來的風險。

Land Bank

The Group has developed an investment plan for mainland China which includes strategic criteria for the selection of locations and projects. This is based on the overall development and infrastructure of the cities where the projects are situated, the level of support from the local government and the land cost involved, having regard to the income potential of the projects concerned. Comprehensive evaluations are made before the Group commits to any project. In addition to having a professional and experienced team to execute the development plan for each project, the Group's management plays an active role in supervising the various stages of all projects including the site identification and acquisition, feasibility study, project design and implementation. Prompt management decisions are made as needed to enhance the project return.

In Hong Kong, the Group continues to identify opportunities prudently to expand its land bank at appropriate times by acquiring sites through various means.

Cash Management and Funding

The cash flow of all subsidiaries is managed on a centralised basis in order to enhance the cost-efficiency of funding. Adequate but not excessive banking facilities, with different maturity profiles, are arranged at the Group level to support the funding requirements of all Group entities. New banking facilities with favourable pricing and terms are entered into from time to time to match business growth or to refinance existing facilities. Surplus cash is pooled for repayment of borrowings or placed with financial institutions to achieve economies of scale and better rates of return.

Liquidity Risk

The Group maintains a strong liquidity position to ensure sufficient funds are available to meet liquidity requirements at all times. The repayment profile of liabilities is closely monitored and sources of payment are well planned in advance.

Interest Rate and Exchange Rate Risks

The Group monitors closely its interest risk exposure and interest rate movements with an aim to minimise the overall cost of borrowings. Most of the Group's current borrowings are subject to floating interest rates, with the exception of RMB borrowings which are used to finance certain of the Group's mainland China operations. The maturities of monetary assets and liabilities are distributed in a way to minimise the repricing risk. Exchange rate risks arising from fluctuation of exchange rates are mitigated by using local currency funding, where appropriate, to match the operating currencies.

採用衍生工具

集團之政策絕不容許訂立任何投機性的衍生工具交易。集團只可採用衍生工具來管理財務風險或作出對沖，並只可在經濟情況確實有需要下方能採用。

交易對手/信貸風險

集團只可在信貸風險可接受的情況下與其他方進行交易。當集團調配盈餘資金時，對方必須為有聲譽的交易對手（例如財政穩健的金融機構）。集團亦定期就本身與每名交易對手的信貸關係作出管理，以避免過量集中所帶來的風險。

零售市道及收租管理

集團於適當時節舉辦各項推廣活動，為旗下商場增加人流，並經常審閱旗下商場之租戶組合、收租政策及租金拖欠情況。此外，集團向租戶收取按金以減低欠租風險，並在適當情況下向遲繳租金之租戶徵收罰款。當出現拖欠租金情況時，集團會迅速採取行動，令潛在損失減至最小。

保險及保養

集團定期審閱旗下所有投資物業，並及早採取預防措施以確保該等物業均處於良好狀況。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的清潔和翻新行動及改善設施。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。

營運風險

集團設有完善的內部監控機制，防止欺詐行為、越權行為、人為錯誤及系統失誤帶來損失。內部審計部定期就內部監控機制進行獨立審閱。此外，集團定期為電腦資訊備份並設有後備營運中心，把緊急事件對集團業務運作的影響減至最小。

Use of Derivatives

It is the policy of the Group that no speculative derivative transactions be entered into. The Group may use derivative instruments solely for financial risk management/hedging purposes if justified by the economic situation.

Counterparty/Credit Risk

The Group only undertakes transactions with counterparties that represent acceptable credit risks. When deploying surplus funds, the Group only deals with reputable counterparties such as financial institutions having sound finances. The Group also manages exposure to individual counterparties regularly to avoid undue concentration risk.

Retail Climate and Rental Collection

The Group organises promotional events at appropriate occasions to improve customer traffic at its retail centres. The tenant mix at the Group's retail outlets remains under constant review, along with the policies on the collection of rental and outstanding debts. Rental deposits are received in advance from tenants to mitigate the potential default risks and penalties are imposed for late payment where appropriate. The Group takes prompt action when rentals are in arrears to minimise potential losses.

Insurance and Maintenance

All investment properties are regularly reviewed and precautionary measures are taken promptly to maintain and improve their condition. In addition to the Group's ongoing maintenance programme to enhance all buildings, large-scale cleaning, renovation and facility-upgrading exercises are regularly conducted at both residential properties and shopping malls. All investment properties are well insured for any loss from casualties.

Operational Risk

The Group has well established internal control system to protect against loss arising through fraud, unauthorised activities, error and system malfunctions. Independent reviews of the internal control systems are regularly performed by the Internal Audit Department. Information backup is performed on a regular basis and a back up site is in place to ensure disruption to business is minimised in the case of a contingency.

企業公民 Corporate Citizenship

身為香港一家歷史悠久的公司，恒隆集團積極參與社會事務，透過多項目標明確的行動，致力為香港及其他業務地區的社群作出貢獻。在本財政年度內，集團為支持各類公益和環保計劃，合共作出超過港幣六百萬元的襄助。

As a company with a long history in Hong Kong, the Hang Lung Group strives to make a positive contribution to the Hong Kong community and to the others in which it operates through a variety of targeted initiatives. In all, the Group provided over HK\$6 million of support to various community and environmental programmes during the financial year.

6 百萬 million

在本財政年度內，集團為支持各類公益和環保計劃，合共作出超過港幣六百萬元的襄助

In all, the Group provided over HK\$6 million of support to various community and environmental programmes during the financial year

培育身心豐盛的下一代，向來是集團公益事務的重點之一。二零零六年財政年度內，集團透過各類計劃為年青人進一步提供支持和鼓勵。

The health and prosperity of the next generation remained a major focus and during the financial year 2006 various programmes provided younger people with valuable assistance and motivation.

集團贊助每兩年一度舉行的「恒隆數學獎」。該項比賽是亞洲首個同類型的比賽，由香港中文大學數學科學研究所主辦，並由丘成桐教授擔任評審會主席。

Every two years the Group sponsors the Hang Lung Mathematics Awards, which is administered by the Institute of Mathematical Sciences of The Chinese University of Hong Kong, and chaired by Professor Shing-tung Yau. This biennial competition is the first of its kind in Asia.

比賽成功地激發學生對數學研究之熱情，並為學生、教師和學校創造了一個提升數學之教學質素的環境。各中學的學生均可組隊參賽，每隊最多五人，由一位老師帶領。每間學校可有超過一隊參賽隊伍。每隊自訂數學課題和計劃，進行研究及提交研究方法和報告。

This competition has successfully stimulated interest in mathematics research, and has created an environment for students, teachers and schools to raise the quality of the mathematics taught in their curricula. Schools are invited to form one or more teams of up to five students each, together with a supervising teacher. Each team designs and carries out a mathematics research project, then submits a project report which summarises the methodology, research and results.

截至二零零六年六月，已有超過九十隊隊伍參加二零零六年「恒隆數學獎」比賽。賽果將於二零零六年十二月公布。

By June 2006, over 90 teams had participated in 2006 Hang Lung Mathematics Awards, the results of which will be announced at a presentation in December.

為協助工商界加深了解，在集團主席協助下，香港工會聯合會舉辦「勞資關係及人力資源管理研究證書課程」，就各國勞資

To help foster greater understanding among different industrial constituencies, the Group Chairman helped establish a Postgraduate Certificate in Industrial Relations & Human Resource Management

香港大學「一比一建造計劃」'HKU One-to-one Construction' Project



綠的歡欣有限公司之「名樹護養計劃」 Green Fun Limited's 'Adopt a Vintage Tree' Campaign

關係進行研究和比較。集團亦贊助香港大學「一比一建造計劃」，讓港大建築系學生從建築工程實踐中吸收寶貴經驗。

公眾人士、商界和政府均日益重視環保。財政年度內，集團贊助非牟利組織綠的歡欣有限公司之「名樹護養計劃」，協助喚起各界重視樹木對香港環境的重要。

身為物業發展商兼業主，集團不斷改善業務運作，作出最佳的環保管理。當發展新物業時，集團把環保列為整體設計的重要元素，有效地減少廢棄物及提高節能，港匯廣場便是一個好例子。集團亦響應政府對空調溫度的規定，在集團旗下商舖及寫字樓物業的公用地方作出適當的調溫。

集團繼續推行無紙辦公室概念，鼓勵全體員工於日常工作應用網絡系統，並提供所需的設備及加強員工的有關技能。集團亦提升資訊系統及發展電子平台，從而簡化日常的工作流程。此等措施為集團帶來最佳的營運效率及員工管理。

in conjunction with The Hong Kong Federation of Trade Unions. Its aim is to provide research and comparative studies of industrial relations in a global context. The Group also sponsored The University of Hong Kong's 'HKU One-to-one Construction Project' which provides experience of actual construction work for students in the Department of Architecture.

Environmental protection is of increasing concern to the general public, business and the Government. During the financial year, we sponsored Green Fun Limited's 'Adopt a Vintage Tree' campaign, helping to raise awareness of the importance of trees to Hong Kong's environment.

As an owner and developer of properties, the Group has also been examining its operations to see where it can best improve its environmental management. For new properties, such as The Grand Gateway, environmental considerations have been made more integral to the design process. This has resulted in improved waste management and more energy efficient designs. We have also taken note of the Government's initiative to regulate air conditioning and have made appropriate adjustments in the common areas of our retail and office properties.

Our promotion of the 'paperless office' continued, as we encouraged employees to adopt web-based applications. We have also continued to enhance our systems and develop service platforms that help simplify work processes in daily operations. This has resulted in greater productivity and more effective management.

僱員關係 Employee Relations



超過三百名員工及其家眷
於完成修復的北京故宮
建福宮花園內參觀

Over 300 employees and family members
visited the restored Jianfu Palace Garden
in the Forbidden City in Beijing

恒隆集團矢志建立一支熱誠工作的能幹團隊，以實現其長期增長目標。集團所有僱員均以誠信、忠貞、權操及昭明等四大核心價值為基準，致力為集團的抱負作出貢獻。

Hang Lung Group is committed to building a highly dedicated and competent team to work towards its goal of long term growth. All of the Group's employees have contributed during the financial year towards the Group's mission, on the basis of our four core values of integrity, loyalty, authority and simplicity.

於二零零六年六月三十日，集團僱用一千七百二十六名員工，包括香港員工一千零二十人及中國內地員工七百零六人。年內，員工之薪酬總額為港幣二億八千二百六十萬元。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。

As at 30 June 2006, the Group employed 1,726 employees – including 1,020 in Hong Kong and 706 in mainland China. The total remuneration of our employees during the year was HK\$282.6 million. The Group's remuneration policy is firmly based on the principle of paying for performance. In addition to the contractual 13 months salary, discretionary bonuses and salary increments are awarded to outstanding performers.

培訓人才供擴展業務

要實現擴展大計，集團需要吸引、鼓勵及挽留人才，推動業務邁進。

為此，集團於二零零五年八月實施嶄新的「見習管理人員培訓計劃」，藉此培養一批經驗豐富的忠誠才俊，作為集團未來的經理級接班人。集團每年選聘本地和海外大學畢業生參加該項為期兩年的計劃。期內，受訓者被安排到多個部門工作以取得實務經驗，其中包括為期六個月暫調上海工作。每名受訓者均有一名導師，如能完成計劃及符合要求，可獲受聘及享有良好的升職機會。二零零六年度內，第二批畢業生參加該計劃，而集團之上海辦事處亦招聘一批管理培訓生，安排他們在恒隆廣場和港匯廣場各個部門接受為期十八個月之在職訓練。

集團位於中環面積達二百三十平方米的員工培訓中心，亦為集團員工提供廣泛的技能和專才訓練。集團經常邀請法律界及保險業等專業人士擔任研討會講者，並邀請廉署代表為集團員工舉辦專業道德及防止貪污講座。

由於集團中國內地業務急速增長，加上訪港之中國內地旅客日眾，故集團亦顯著加強員工的普通話培訓。該類課程已成為集團培訓工作的重要一部分。

我們亦鼓勵員工進修及持續學習和發展，並已調高每名員工的每年進修資助費，資助他們參加外部培訓計劃、學術課程及專業考試。

建立積極的企業文化

集團的目標使命和核心價值，在恒隆集團發揮重要的活力，故我們致力建立一個積極求進的企業文化，以支持集團實現業務目標。

公司年度旅行等活動，亦有助集團鞏固企業文化。財政年度內，超過三百名員工及其家眷參加了集團主辦的北京遊，參觀了完成修復的故宮建福宮花園，該項修復工程由集團主席擔任會長的中國文化保護基金會捐款進行。年內，集團之員工康體會為員工舉辦多項活動，包括瑜珈班、遠足活動、保齡球比賽、荔枝莊旅行團、螢火蟲觀賞夜及系內公司足球比賽等，藉此促進員工的身心健康和團隊精神。

Training for Expansion

The Group's expansion plans require us to attract, motivate and retain talented people to drive the business forward.

With this in mind, in August 2005 we launched a major new Management Trainee Programme designed to create a cadre of talented, well trained and loyal future managers. Each year, graduates from both local and overseas universities are selected to join the two-year programme, which gives hands on experience across various departments, including a six-month secondment to our Shanghai operations. Participants each have an individual mentor and upon successful completion are assigned fast-track positions. In 2006, a further batch of graduates was recruited to the programme. Moreover, our Shanghai office recruited management trainees to undergo 18 months' on-the-job training in **Plaza 66** and **The Grand Gateway**.

Training in Hong Kong is conducted largely at our dedicated 230 square metre training centre in Central. General courses cover a wide range of technical and soft skills training. The Group regularly invites professionals such as those from legal and insurance firms to conduct seminars, and the ICAC to deliver talks on professional ethics and corruption prevention.

Our growing business in mainland China and the need to cater for mainland visitors to Hong Kong has increased the emphasis on the development of Putonghua language skills, which has become an increasingly important part of Group training.

We encourage employees to pursue further education and continuous learning and development, and have increased the amount of training sponsorship per year to each employee for external training programmes, academic courses and professional examinations.

Building a Strong Corporate Culture

The Group's vision, mission and core values are an important feature of life at Hang Lung Group, and we have devoted considerable effort to building a strong corporate culture that supports our business goals.

Events such as the annual company outing help foster this spirit and this financial year, we took over 300 employees and family members to Beijing to visit the restored Jianfu Palace Garden in the Forbidden City, a project funded by the China Heritage Fund of which the Group's Chairman is currently the Director. To promote team spirit and build a healthy workforce, the Group's Staff Social Club supported numerous activities during the financial year, including yoga classes, hiking, a bowling competition, lychee valley tour and fireflies watching night, as well as inter-company soccer tournaments.