

董事局報告

Report of the Directors

董事局欣然提呈截至二零零六年六月三十日止年度其報告及已審核財務報表以供省覽。

主要業務

本公司之主要業務為控股投資，並透過其附屬公司投資物業以供收租、發展物業以供出售及租賃，以及停車場管理與物業管理。

財政年度內按業務及地域性分析之本公司及其附屬公司(統稱「本集團」)之營業額及業績載於財務報表附註第三項內。

主要附屬公司及合營公司

主要附屬公司及合營公司，其營業及註冊地點、已發行股本/註冊資本等資料載於財務報表附註第三十六及三十七項內。

業績

本集團截至二零零六年六月三十日止年度之溢利及本公司與本集團於該日之財務狀況載於財務報表第一百二十四至一百七十四頁內。

十年財務概覽

本集團過去十個財政年度之業績、資產及負債概要載於本年報第一百七十五頁內。

股息

董事現建議派發末期股息每股三角八仙，連同於二零零六年四月二十一日已派發之中期股息每股一角三仙，截至二零零六年六月三十日止年度之全年派息將合共為每股五角一仙。擬派發之末期股息倘於二零零六年十一月九日舉行之股東週年大會中獲股東通過，將於二零零六年十一月二十四日派發予二零零六年十一月八日名列股東名冊之股東。

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 30 June 2006.

Principal Activities

The principal activities of the Company are investment holding, and through its subsidiaries, property investment for rental income, property development for sales and leasing, car park management and property management.

An analysis of the turnover and trading results of the Company and its subsidiaries (collectively referred to as 'the Group') by business and geographical segments during the financial year is set out in Note 3 on the Financial Statements.

Principal Subsidiaries and Jointly Controlled Entities

A list of principal subsidiaries and jointly controlled entities, together with their places of operations and incorporation and particulars of their issued share capital/registered capital, is set out in Notes 36 and 37 on the Financial Statements.

Financial Results

The profit of the Group for the year ended 30 June 2006, and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 124 to 174.

Ten-year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last ten financial years is set out on page 175 of the annual report.

Dividends

The directors now recommend a final dividend of 38 cents per share which, together with the interim dividend of 13 cents per share paid on 21 April 2006, makes a total of 51 cents per share in respect of the year ended 30 June 2006. The proposed final dividend, if approved by the shareholders at the Annual General Meeting on 9 November 2006, will be paid on 24 November 2006 to shareholders whose names appear on the Register of Members on 8 November 2006.

主要供應商及客戶

年內本集團五大供應商合共所佔之購貨額百分比及本集團五大客戶合共所佔之營業額或銷售額百分比各不超過本集團總購貨額及營業額或銷售額百分之三十。

儲備

年內本公司及本集團之儲備變動情況載於財務報表附註第二十四項內。

捐款

年內本集團之捐款為港幣六百萬元(二零零五年：港幣九百六十萬元)。

固定資產

年內固定資產之變動詳情載於財務報表附註第十項內。

銀行貸款

本集團於二零零六年六月三十日之銀行貸款情況載於財務報表附註第十八項內。

資本化之借貸支出

年內本集團資本化之借貸支出款項為港幣六千零六十萬元(二零零五年：港幣二千零二十萬元)。

集團主要物業

於二零零六年六月三十日本集團主要物業之詳情載於本年報第五十四至五十九頁內。

Major Suppliers and Customers

During the year, both the percentage of purchases attributable to the Group's 5 largest suppliers combined and the percentage of turnover or sales attributable to the Group's 5 largest customers combined were less than 30% of the total purchases and turnover or sales of the Group respectively.

Reserves

Movements in the reserves of the Company and of the Group during the year are set out in Note 24 on the Financial Statements.

Donations

Donations made by the Group during the year amounted to HK\$6.0 million (2005: HK\$9.6 million).

Fixed Assets

Details of movements in fixed assets during the year are set out in Note 10 on the Financial Statements.

Bank Loans

Particulars of bank loans of the Group as at 30 June 2006 are set out in Note 18 on the Financial Statements.

Borrowing Costs Capitalisation

Borrowing costs capitalised by the Group during the year amounted to HK\$60.6 million (2005: HK\$20.2 million).

Major Group Properties

Details of major properties of the Group as at 30 June 2006 are set out on pages 54 to 59 of the annual report.

股本

於本年度內，五萬七千九百一十五股（二零零五年：一萬七千二百三十五股）可換股累積優先股被轉換，因而發行四千四百三十六萬二千八百九十股（二零零五年：一千三百二十萬二千零一十股）普通股。於二零零六年六月三十日所有可換股累積優先股已被轉換。

年內由於行使本公司股份期權計劃之股份期權，已發行及繳足股本因而再增加發行四百一十九萬二千股（二零零五年：五萬股）普通股。

年內本公司股本之變動詳情載於財務報表附註第二十三項內。

董事

於本報告日之本公司董事如下，而彼等之簡歷載於本年報第九十五至九十九頁內。彼等之薪酬詳情載於財務報表附註第五項內。

Share Capital

During the year, 57,915 (2005: 17,235) convertible cumulative preference shares of the Company were converted which resulted in the issue of 44,362,890 (2005: 13,202,010) ordinary shares of the Company. All convertible cumulative preference shares have been converted as at 30 June 2006.

The issued and fully paid ordinary share capital was further increased during the year by an issue of 4,192,000 (2005: 50,000) ordinary shares as a result of the exercise of share options under the Company's share option scheme.

Details of movements in share capital of the Company during the year are set out in Note 23 on the Financial Statements.

Directors

The directors of the Company as at the date of this report are as follows and their brief biographical details are set out on pages 95 to 99 of the annual report. Details of their remuneration are set out in Note 5 on the Financial Statements.

名稱	職銜	Name	Position Held	年齡	擔任本公司董事之時間 (年計) Length of Directorship (in years)
陳啟宗	主席	Ronnie C. Chan	Chairman	56	20
殷尚賢	副主席(獨立非執行董事)	S.S. Yin	Vice Chairman (Independent Non-Executive Director)	75	26
袁偉良	董事總經理	Nelson W.L. Yuen	Managing Director	55	20
夏佳理	獨立非執行董事	Ronald J. Arculli	Independent Non-Executive Director	67	26
鄭漢鈞	獨立非執行董事	H.K. Cheng	Independent Non-Executive Director	79	13
陳樂怡	獨立非執行董事	Laura L.Y. Chen	Independent Non-Executive Director	58	9
廖柏偉	獨立非執行董事	P.W. Liu	Independent Non-Executive Director	58	8
吳士元	執行董事	Terry S. Ng	Executive Director	46	5
高伯道	執行董事	William P.Y. Ko	Executive Director	47	1
伍綺琴	執行董事	Estella Y.K. Ng	Executive Director	49	1

高伯適先生及伍綺琴女士於二零零五年九月一日獲委任為本公司董事。因其委任期乃於二零零四年十一月二十三日舉行之股東週年大會之後，故兩位董事已遵照本公司組織章程細則第九十四條規定告退，並於二零零五年十一月八日舉行之股東週年大會中重選為本公司董事。本公司董事何世良先生已於二零零五年九月一日榮休。

遵照本公司組織章程細則第一百零三、一百零四及一百一十八條規定，夏佳理先生、陳樂怡女士、廖柏偉先生及袁偉良先生於應屆股東週年大會輪值告退，惟願膺選連任。

董事之服務合約

獨立非執行董事之任職屆滿日期(不超過三年)與彼等遵照本公司組織章程細則之條文之預期輪值告退日期一致。執行董事概無與本公司訂立一年內倘終止則須作出賠償(法定賠償除外)之服務合約。

擬於將舉行之股東週年大會上膺選連任之董事概無與本公司、其控股公司或其任何附屬公司訂立於一年內倘終止須作出賠償(法定賠償除外)之服務合約。

董事之合約權益

於年內任何時間或年結日，概無任何董事在本公司、其控股公司或其任何附屬公司之任何重要合約中直接或間接擁有重大權益。

董事之競爭業務權益

年內，概無任何董事在與本公司業務直接或間接出現競爭或可能出現競爭之業務(本公司業務除外)中擁有任何根據上市規則須予披露的權益。

Mr William P.Y. Ko and Ms Estella Y.K. Ng have been appointed as directors of the Company with effect from 1 September 2005. As the date of their appointment was subsequent to the Annual General Meeting held on 23 November 2004, both of them have retired from the Board in accordance with Article 94 of the Company's Articles of Association and have been re-elected as directors of the Company at the Annual General Meeting held on 8 November 2005. Mr Wilfred S.L. Ho has retired as a director of the Company with effect from 1 September 2005.

In accordance with Articles 103, 104 and 118 of the Company's Articles of Association, Mr Ronald J. Arculli, Ms Laura L.Y. Chen, Mr P.W. Liu and Mr Nelson W.L. Yuen retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

Directors' Service Contracts

The appointments of independent non-executive directors are for specific terms (not exceeding 3 years) which coincide with their expected dates of retirement by rotation in accordance with the provisions of the Company's Articles of Association. The executive directors do not have any service contract with the Company which is not determinable within one year without payment of compensation (other than statutory compensation).

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company, its holding company or any of their subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts

No contract of significance to which the Company, its holding company or any of their subsidiaries was a party, and in which a director of the Company was materially interested, whether directly or indirectly, subsisted at any time during the year or at the end of the year.

Directors' Interests in Competing Business

During the year, no director has been interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business which is required to be disclosed pursuant to the Listing Rules.

董事於股份、相關股份及債權證之權益及淡倉

根據證券及期貨條例(「證券條例」)第XV部或根據上市公司董事進行證券交易的標準守規須知會本公司及香港聯合交易所有限公司，或根據證券條例第三百五十二條規定須予備存之登記冊所記錄，董事及其聯繫人於二零零六年六月三十日持有本公司及其相聯法團之股份及相關股份之權益如下：

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2006, the directors and their associates had the following interests in the shares and underlying shares of the Company and its associated corporations which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Part XV of the Securities and Futures Ordinance ("SFO") or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein:

董事姓名	身份	Name of Directors	Capacity	本公司 The Company			恒隆集團有限公司 Hang Lung Group Limited		
				每股面值港幣一元 之股份		未行使之 股份期權 (附註1)	每股面值港幣一元 之股份		未行使之 股份期權 (附註2)
				Shares of HK\$1.00 each	已發行股本之 百分率 % of Issued Capital	Share Options Outstanding (Note 1)	Shares of HK\$1.00 each	Share Options Outstanding (Note 2)	No. of Shares
董事姓名	身份	Name of Directors	Capacity	股份權益 Interests in Shares	已發行股本之 百分率 % of Issued Capital	股份數目 No. of Shares	股份權益 Interests in Shares	已發行股本之 百分率 % of Issued Capital	股份數目 No. of Shares
陳啟宗	個人	Ronnie C. Chan	Personal	-	-	5,090,000	-	-	5,090,000
殷尚賢	-	S.S. Yin	-	-	-	-	-	-	-
袁偉良	個人	Nelson W.L. Yuen	Personal	-	-	7,126,000	-	-	5,500,000
夏佳理	實益擁有人及受控法團權益	Ronald J. Arculli	Beneficial owner & interest of controlled corporation	724,346	0.02	-	1,089,975	0.08	-
鄭漢鈞	-	H.K. Cheng	-	-	-	-	-	-	-
陳樂怡	-	Laura L.Y. Chen	-	-	-	-	-	-	-
廖柏偉	-	P.W. Liu	-	-	-	-	-	-	-
吳士元	個人	Terry S. Ng	Personal	-	-	3,239,000	-	-	2,638,000
高伯道	個人	William P.Y. Ko	Personal	-	-	1,830,000	-	-	724,000
伍綺琴	個人	Estella Y.K. Ng	Personal	-	-	1,592,000	-	-	824,000

附註 1

Note 1

姓名	Name	未行使之 股份期權股數 No. of Option Shares Outstanding	授出日期 Date Granted	每股行使價 (港幣) Exercise Price per Share (HK\$)	股份期權行使期 Period during which options exercisable
陳啟宗	Ronnie C. Chan	5,090,000	20/05/2004	\$9.20	20/05/2005 – 19/05/2014*
袁偉良	Nelson W.L. Yuen	7,126,000	20/05/2004	\$9.20	20/05/2005 – 19/05/2014*
吳士元	Terry S. Ng	3,239,000	20/05/2004	\$9.20	20/05/2005 – 19/05/2014*
高伯道	William P.Y. Ko	1,330,000 500,000	20/05/2004 01/09/2005	\$9.20 \$12.35	20/05/2005 – 19/05/2014* 01/09/2006 – 31/08/2015†
伍綺琴	Estella Y.K. Ng	1,092,000 500,000	20/05/2004 01/09/2005	\$9.20 \$12.35	20/05/2005 – 19/05/2014* 01/09/2006 – 31/08/2015†

* 該等股份期權乃根據本公司之股份期權計劃授予上述董事。有關期權可分四期行使，即於二零零五年五月二十日起可行使第一個百分之二十五，二零零六年五月二十日起可行使第二個百分之二十五，二零零七年五月二十日起可行使第三個百分之二十五，以及二零零八年五月二十日起可行使餘下之百分之二十五，而全部股份期權之行使期將於二零一四年五月十九日屆滿

† 該等股份期權乃根據本公司之股份期權計劃授予上述董事。有關期權可分四期行使，即於二零零六年九月一日起可行使第一個百分之二十五，二零零七年九月一日起可行使第二個百分之二十五，二零零八年九月一日起可行使第三個百分之二十五，以及二零零九年九月一日起可行使餘下之百分之二十五，而全部股份期權之行使期將於二零一五年八月三十一日屆滿

* These share options were granted to the named directors under the Share Option Scheme of the Company, exercisable in 4 tranches, i.e. the first 25% from 20 May 2005, the second 25% from 20 May 2006, the third 25% from 20 May 2007 and the balance 25% from 20 May 2008, all expiring on 19 May 2014

† These share options were granted to the named directors under the Share Option Scheme of the Company, exercisable in 4 tranches, i.e. the first 25% from 1 September 2006, the second 25% from 1 September 2007, the third 25% from 1 September 2008 and the balance 25% from 1 September 2009, all expiring on 31 August 2015

附註 2

Note 2

姓名	Name	未行使之 股份期權股數 No. of Option Shares Outstanding	授出日期 Date Granted	每股行使價 (港幣) Exercise Price per Share (HK\$)	股份期權行使期 Period during which options exercisable
陳啟宗	Ronnie C. Chan	5,090,000	20/05/2004	\$9.45	20/05/2005 – 19/05/2014*
袁偉良	Nelson W.L. Yuen	2,500,000 3,000,000	24/02/2000 20/05/2004	\$6.12 \$9.45	24/02/2001 – 23/02/2010† 20/05/2005 – 19/05/2014*
吳士元	Terry S. Ng	1,250,000 1,388,000	01/11/2001 20/05/2004	\$5.87 \$9.45	01/11/2002 – 31/10/2011† 20/05/2005 – 19/05/2014*
高伯道	William P.Y. Ko	400,000 324,000	24/02/2000 20/05/2004	\$6.12 \$9.45	24/02/2001 – 23/02/2010† 20/05/2005 – 19/05/2014*
伍綺琴	Estella Y.K. Ng	500,000 324,000	12/05/2004 20/05/2004	\$10.17 \$9.45	12/05/2005 – 11/05/2014‡ 20/05/2005 – 19/05/2014*

* 該等股份期權乃根據恒隆集團有限公司之股份期權計劃授予上述董事。有關期權可分四期行使：即於二零零五年五月二十日起可行使第一個百分之二十五，二零零六年五月二十日起可行使第二個百分之二十五，二零零七年五月二十日起可行使第三個百分之二十五，以及二零零八年五月二十日起可行使餘下之百分之二十五，而全部股份期權之行使期將於二零一四年五月十九日屆滿。

† 該等股份期權乃根據恒隆集團有限公司之股份期權計劃授予上述董事。有關期權可由現時起至各自之行使期屆滿前行使。

‡ 該等股份期權乃根據恒隆集團有限公司之股份期權計劃授予上述董事。有關期權可分三期行使：即於二零零五年五月十二日起可行使第一個百分之二十，二零零六年五月十二日起可行使第二個百分之三十，以及二零零七年五月十二日起可行使餘下之百分之五十，而全部股份期權之行使期將於二零一四年五月十一日屆滿。

除以上所披露外，並無本公司董事或彼等之任何聯繫人持有本公司或任何相聯法團之股份、相關股份或債權證中之權益或淡倉。

除以上所述外，於年內任何時間，本公司、其控股公司或其任何附屬公司概無作出任何安排使本公司董事（包括彼等之配偶及未滿十八歲之子女）可藉購入本公司或任何其他機構之股份或債權證而獲益。

* These share options were granted to the named directors under the Share Option Scheme of Hang Lung Group Limited, exercisable in 4 tranches, i.e. the first 25% from 20 May 2005, the second 25% from 20 May 2006, the third 25% from 20 May 2007 and the balance 25% from 20 May 2008, all expiring on 19 May 2014.

† These share options were granted to the named directors under the Share Option Scheme of Hang Lung Group Limited, all of which are now exercisable until their respective expiry dates.

‡ This share option was granted to the named director under the Share Option Scheme of Hang Lung Group Limited, exercisable in 3 tranches, i.e. the first 20% from 12 May 2005, the second 30% from 12 May 2006 and the balance 50% from 12 May 2007, all expiring on 11 May 2014.

Save as disclosed above, none of the directors of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation.

Other than as stated above, at no time during the year was the Company, its holding company or any of their subsidiaries a party to any arrangement to enable the directors of the Company (including their spouses and children under 18 years of age) to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東及其他人士於股份及相關股份之權益及淡倉

根據證券條例第三百三十六條規定須予備存之登記冊所記錄，主要股東及依據證券條例第XV部須披露其權益之其他人士於二零零六年六月三十日持有本公司之股份及相關股份之權益以及淡倉之詳情如下：

(a) 股份權益

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2006, details of substantial shareholders' and other persons' (who are required to disclose their interests pursuant to Part XV of the SFO) interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO are as follows:

(a) Interests in Shares

名稱	Name	附註 Note	持有股份數目 No. of Shares Held	已發行股本之百分率 % of Issued Capital
陳譚慶芬	Chan Tan Ching Fen	1	2,113,952,670	56.65
Cole Limited	Cole Limited	1	2,113,952,670	56.65
Cole Enterprises Holdings Limited	Cole Enterprises Holdings Limited	1	2,113,952,670	56.65
Rosenior Limited	Rosenior Limited	1	2,113,952,670	56.65
Merssion Limited	Merssion Limited	1	2,113,952,670	56.65
恒隆集團有限公司	Hang Lung Group Limited	2	2,085,619,570	55.89
恒旺有限公司	Prosperland Housing Limited	3	1,267,608,690	33.97
Purotat Limited	Purotat Limited	3	354,227,500	9.49
Capital Research and Management Company	Capital Research and Management Company	-	291,328,100	7.86

附註：

1. 此等股份與一信託基金所持有之股份為同一批股份。陳譚慶芬女士為該信託基金之成立人。Cole Limited、Cole Enterprises Holdings Limited、Rosenior Limited及Merssion Limited被視為於恒隆集團有限公司及其附屬公司所持有之股份中擁有權益，而該等股份已包括在上述二十一億一千三百九十五萬二千六百七十股股份之數目內。

2. 恒隆集團有限公司被視為於其附屬公司恒旺有限公司所持有之十二億六千七百六十萬八千六百九十股股份、Purotat Limited所持有之三億五千四百二十二萬七千五百股股份以及其他附屬公司所持有之四億六千三百七十八萬三千三百八十股股份中擁有權益。

3. 恒旺有限公司所持有之十二億六千七百六十萬八千六百九十股股份及Purotat Limited所持有之三億五千四百二十二萬七千五百股股份已包括在上述由恒隆集團有限公司所持有之二十億八千五百六十一萬九千五百七十股股份之數目內。

Notes:

1. These shares were the same parcel of shares held by a trust of which Ms Chan Tan Ching Fen was the founder. Cole Limited, Cole Enterprises Holdings Limited, Rosenior Limited and Merssion Limited were deemed to be interested in the shares held by Hang Lung Group Limited and its subsidiaries, which number of shares were included in the above-mentioned number of 2,113,952,670.

2. Hang Lung Group Limited was deemed to be interested in the shareholdings of its subsidiaries, viz. 1,267,608,690 shares held by Prosperland Housing Limited, 354,227,500 shares held by Purotat Limited, and 463,783,380 shares held by other subsidiaries.

3. The 1,267,608,690 shares held by Prosperland Housing Limited and the 354,227,500 shares held by Purotat Limited were included in the above-mentioned number of 2,085,619,570 shares held by Hang Lung Group Limited.

(b) 股份及相關股份之淡倉

除以上(a)段所披露者外，根據證券條例第三百三十六條規定須予備存之登記冊所記錄，並無已知會本公司之其他權益。

關連人士交易

在日常業務中進行的重大關連人士交易詳情載於財務報表附註第三十項內。該等關連人士交易並不構成上市規則界定的須予披露關連交易。

管理合約

年內本公司並無就本公司全部或任何主要業務訂立或現存任何管理及行政合約。

購回、出售或贖回上市證券

年內本公司或其任何附屬公司並無購回、出售或贖回本公司之任何上市證券。

足夠公眾持股量

截至本年報日期，根據本公司可以得悉而本公司董事亦知悉之公開資料，本公司已維持上市規則訂明之公眾持股量。

公司管治

本公司之公司管治原則及常規載於本年報第七十二至九十四頁之公司管治報告內。

核數師

本公司將於即將舉行之股東週年大會上提出決議案，建議再度委任畢馬威會計師事務所為本公司核數師，直至下屆股東週年大會結束為止。

承董事局命

秘書
程式榮謹啟

香港，二零零六年八月二十一日

(b) Short Positions in Shares and Underlying Shares

Save as disclosed in paragraph (a) above, no other interest required to be recorded in the register kept under Section 336 of the SFO has been notified to the Company.

Related Party Transactions

Details of the significant related party transactions undertaken in the usual course of business are set out in Note 30 on the Financial Statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

Management Contracts

No contract for the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Purchase, Sale or Redemption of Listed Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance report on Pages 72 to 94 of the annual report.

Auditors

A resolution for the re-appointment of KPMG as auditors of the Company until the conclusion of the next Annual General Meeting is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Robin S.W. Ching
Secretary

Hong Kong, 21 August 2006