

Management Discussion and Analysis

管理層之討論及分析

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Mr. Wilfred Sai Leung Ho, *Executive Director* (left) (to retire on 1 Sept 2005)

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(右二)、
袁偉良先生，董事總經理
(左二)、
吳士元先生，執行董事
(右)、
何世良先生，執行董事
(左) (將於二零零五年
九月一日退任)



Hang Lung is a family owned, independently run company managed by a team of top executives. It has both the industry knowledge and streamlined structure to act quickly and decisively in building shareholder value.

由一群卓越行政人員管理的恒隆，是家族擁有、營運自主的公司。憑著專業知識和精簡架構作出敏銳果斷的行動，為股東持續創值。

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Business Overview and Strategies 業務概覽及策略

Hang Lung has entered a harvest phase, reaping the benefits of disciplined and focused investment.

恒隆進入收成期，嚴謹專注的投資帶來可觀成果。



The Group entered a harvest phase during the year under review, reaping the benefits of disciplined and focused investment.

Turnover for the year under review increased by 37.1% to \$7,472.2 million. This growth was supported by increased contributions from both Property Development and Sales (up 57.4% to \$4,899.6 million) and Property Leasing (up 10.0% to \$2,555.0 million). Further, a revaluation gain of \$6,290.3 million and its related deferred tax are recorded in the income statement with the early adoption of the new HKAS 40 and HKSIC-Int 21 Financial Reporting Standards. Accordingly, net profit attributable to shareholders grew by 83.9% to \$4,677.5 million. Taking out the effect of revaluation and its related deferred tax, the underlying net profit has increased by 92.9% to \$1,903.0 million.

The Group's steady progress towards its goals comes as a result of its disciplined investment approach, as well as its proven three-pronged strategy for success in the property market: 1) investing in prime locations with high traffic flow; 2) self-management of properties for greater control and efficiency; and 3) constantly listening to – and addressing – customer needs.

回顧年度內，本集團進入收成期，嚴謹專注的投資策略帶來成果。

回顧年度之營業額達七十四億七千二百二十萬元，增加百分之三十七點一。此乃受惠於物業發展及銷售業務以及物業租賃業務之貢獻，兩者之營業額分別上升百分之五十七點四及百分之十，至四十八億九千九百六十萬元及二十五億五千五百萬元。此外，由於本集團提早採納新頒布的財務報告準則《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，故收益表計入物業重估收益達六十二億九千零三十萬元與其有關之遞延稅項。因此，股東應佔純利因而增加百分之八十三點九，達四十六億七千七百五十萬元。倘不計入物業重估及有關之遞延稅項，基本純利為十九億零三百萬元，增長百分之九十二點九。

本集團可穩步邁向目標，除因投資策略嚴謹外，亦有賴集團在地產市場採取三項成功策略，包括：(一) 選擇交通便利之黃金地點作出投資；(二) 自行管理物業以取得更佳調控及效益；及(三) 不斷聆聽及滿足客戶需要。

The Group is expanding its business into Mainland China, building on its success in Hong Kong. After developing a firm foothold in Shanghai, the Group has now made an investment in Tianjin and is actively seeking investment opportunities in other fast-developing cities around China.

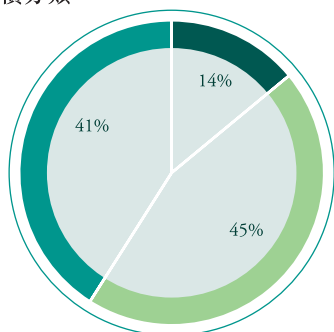
本集團以其在香港之出色表現為基礎，致力擴展中國內地業務。經在上海打穩根基後，集團現已在天津作出投資，並正積極在中國其他發展迅速之城市尋找投資機會。

Investment Property Analysis

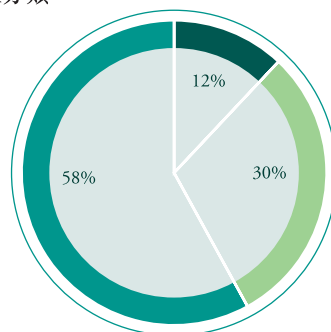
投資物業分析

At 30 June 2005 於二零零五年六月三十日

Breakdown by Gross Floor Area 總樓面面積分類



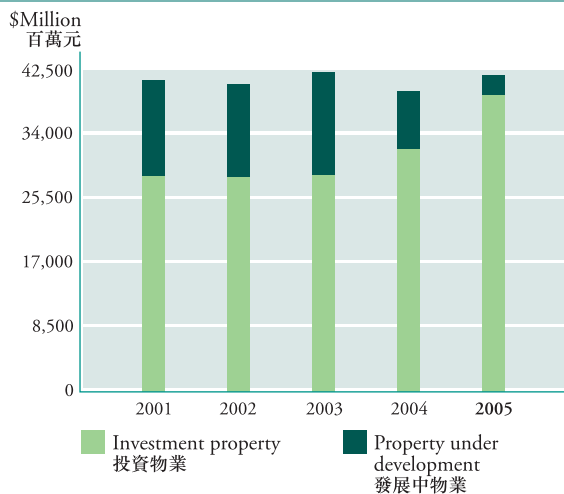
Breakdown by Rental Income 租金收入分類



Property Value

物業總值

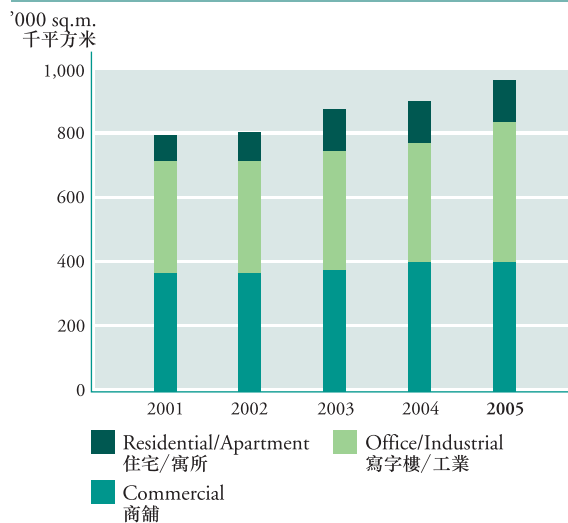
At 30 June 於六月三十日



Investment Property Size

投資物業面積

At 30 June 於六月三十日



Hong Kong Property Leasing 香港物業租賃

The Grand Plaza luxury serviced apartments offer modern and convenient residential options for urban professionals.

康蘭居豪宅式服務寓所，旺中帶靜，乃專業人士現代家居之選。



Fuelled by Hong Kong's rebounding economy, the property leasing business has been one of Hang Lung's major growth areas for the year.

在香港經濟復甦帶動下，物業租賃業務成為恒隆年內主要的增長範疇之一。

Rental revenues from Hong Kong properties grew 7.7% to \$1,941.8 million during the year under review, buoyed by a rebounding economy. The Group's leasing portfolio has received a major boost from the improving economy, making this business one of the major growth areas for the year.

Rental growth in Hong Kong continued to grow, driven by an increase in rental rates generated by an influx of tourists from Mainland China, as well as increased local spending. Occupancy rates for the Group's leasing portfolio have risen across the board in FY2005.

To generate maximum returns for shareholders, the Group carefully considers management, tenant mix and best use of space in all its leasing properties according to its philosophy of maximising each building's potential.

回顧年度內，受惠於經濟復甦，本集團之香港物業租金收入增加百分之七點七，達十九億四千一百八十萬元。經濟復甦為集團之租賃物業組合帶來重大裨益，令該業務成為集團年內主要的增長範疇之一。

大量中國內地旅客來港，加上本土消費增加，除帶動租金上升外，亦為租務帶來持續增長。二零零五財政年度內，本集團旗下各類租賃物業之租出率均上揚。

為替股東帶來最大回報，本集團細心考慮旗下所有租賃物業之管理運作、租戶組合及最佳空間用途，按一貫策略致力發揮旗下每項物業之最大潛能。

Geographical Analysis of Investment Properties

按地域性分析之投資物業

At 30 June 2005 於二零零五年六月三十日

		Gross Floor Area ('000sq.m.) 樓面面積(千平方米)		Rental Revenue (\$Million) 租金收入(百萬元)		Occupancy Rate (%) 租出率(百分率)	
		2005	2004	2005	2004	2005	2004
Hong Kong	香港						
Hong Kong Island	港島						
Central and Admiralty	中環及金鐘	50.6	50.6	241.8	241.5	90	97
Causeway Bay and Wanchai	銅鑼灣及灣仔	98.5	98.5	402.7	377.4	97	95
Kornhill and Quarry Bay	康山及鯗魚涌	126.7	126.7	369.1	346.2	90	89
The Peak and Mid-Levels	山頂及半山區	28.2	28.2	115.8	94.6	86	86
Hong Kong South	港島南區	9.2	9.2	37.5	41.4	86	95
Kowloon	九龍						
Mongkok	旺角	102.0	102.0	311.5	266.4	95	90
Tsimshatsui	尖沙咀	39.7	39.7	81.9	68.6	99	90
Ngau Tau Kok and Kwun Tong	牛頭角及觀塘	69.2	69.2	252.8	239.4	99	95
Cheung Sha Wan, Kwai Chung and Others	長沙灣、葵涌及其他	109.5	109.5	128.7	127.1	89	88
Total	總計	633.6	633.6	1,941.8	1,802.6	94	91

Segmental Analysis

按類分析

		Rental Revenue (\$Million) 租金收入(百萬元)		Occupancy Rate (%) 租出率(百分率)	
		2005	2004	2005	2004
Hong Kong	香港				
Commercial/Retail	商場/商舖	1,080.3	998.6	98	97
Office	寫字樓	449.6	429.2	91	91
Residential/Apartment	住宅/寓所	233.6	192.3	85	78
Industrial/Office	工業/寫字樓	85.8	80.3	96	94
Car Parks	停車場	92.5	102.2	N/A	N/A
Total	總計	1,941.8	1,802.6	94	91

With a portfolio covering some of the hottest districts in Hong Kong – such as Mongkok, Causeway Bay, The Peak and Admiralty – the leasing business has been one of the fastest growing areas for the Group, and still holds much potential for future growth.

本集團之租賃物業組合橫跨香港多個最興旺之地區，包括旺角、銅鑼灣、山頂及金鐘等。物業租賃向為本集團增長最快之業務範疇之一，並仍享有巨大的增長潛力。

Hong Kong Property Leasing
香港物業租賃

Commercial and Retail Sector

The Group's strategic decision to convert the Grand Tower Hotel in Mongkok into a commercial complex was strongly ratified in FY2005. Significant growth in rental income has already been realised in its first full year of contributions as a commercial building.

Causeway Bay

Rental income from Fashion Island/Fashion Walk increased by 8%, growing at a much faster rate than the previous year. Occupancy stood at 99.5%.

Quarry Bay

Kornhill Plaza, a shopping complex located above the bustling Tai Koo MTR Station, increased rental income slightly by 3% with occupancy of 99%.

The Peak

The Peak Galleria, a shopping mall situated on Hong Kong's landmark Victoria Peak, continues to draw tourists and local visitors with its wide variety and spectacular views. Rental income from The Peak Galleria grew by 13% with occupancy at 97.5%.

Kowloon Bay

Having completed its evolutionary phase last year, Amoy Plaza began to blossom during FY2005, providing 6% growth in rental income with occupancy at 99%.

商場及商舖

本集團改建前雅蘭酒店為商用物業之策略性決定，於二零零五財政年度彰顯效益。該項位於旺角的商用物業，於其首個全年營業年度已錄得可觀的租金收益增長。

銅鑼灣

名店廊/名店坊之租金收入上升百分之八，升幅遠勝去年，租出率達百分之九十九點五。

鯉魚涌

康怡廣場位於熙攘的太古地鐵站上蓋，其租金收入微升百分之三，租出率達百分之九十九。

山頂

山頂廣場位於太平山頂，後者乃香港之地標。山頂廣場設施繽紛，景觀璀璨，向為遊客和本土居民之遊覽勝地。其租金收入上升百分之十三，租出率達百分之九十七點五。

九龍灣

淘大商場去年重整旗鼓後，於二零零五財政年度開始收成，其租金收入上升百分之六，租出率達百分之九十九。



Causeway Bay

Fashion Island/Fashion Walk offer trendy shopping and dining choices in the heart of Hong Kong's shopping district.

銅鑼灣

名店廊/名店坊位於香港購物區心臟，時尚商店食館一應俱全。



Mongkok

During the year under review, Grand Tower was renamed as One Grand Tower, while the Ritz Building was renamed as Two Grand Tower. Full year rental income contributions from One Grand Tower increased by an impressive 30% with 100% occupancy.

Office Sector

Rental revenue from the office sector increased by 5% during FY2005.

One Grand Tower in Mongkok was a spectacular performer, increasing rental income by 104% with occupancy at 92%. The Group's decision to re-purpose the former Grand Tower Hotel is paying significant rewards in both the retail and office sectors.

Residential and Apartment Sector

Nestled within the Mid-Levels on Hong Kong Island, The Summit is a luxury residential property featuring a multi-purpose penthouse function room, clubhouse facilities and a sizeable indoor swimming pool. The development continues to attract quality corporate and consular tenants, resulting in a 39% increase in rental income with 84% occupancy during FY2005.

The Grand Plaza Apartments, located above the Tai Koo MTR Station, continued to reap the benefits of its conversion from a hotel into a serviced apartment development. Rental income increased by 39% with occupancy at 87%.

旺角

回顧年度內，雅蘭中心及麗斯大廈分別易名為雅蘭中心一期及雅蘭中心二期。雅蘭中心一期之全年度租金收入大幅上升百分之三十，租出率高達百分之一百。

寫字樓

二零零五財政年度內，來自寫字樓物業之租金收入上升百分之五。

位於旺角之雅蘭中心一期表現卓越，其租金收入上升百分之一百零四，租出率為百分之九十二。本集團改建前雅蘭酒店為商場兼寫字樓物業之決定，帶來可觀成果。

住宅及寓所

座落於港島半山區之御峰豪宅，設有多用途之閣樓宴會廳、豪華會所及巨大之室內泳池。該物業繼續吸引尊貴企業和領事館人員成為租戶，其二零零五財政年度之租金收入上升百分之三十九，租出率為百分之八十四。

位於太古地鐵站上蓋之康蘭居，由酒店改為服務式寓所後繼續獲益，其租金收入上升百分之三十九，租出率為百分之八十七。

Mongkok

Income contributions from One Grand Tower in Mongkok increased by an impressive 30% with 100% occupancy.

旺角

旺角雅蘭中心一期之租金收入躍升百分之三十，租出率高達百分之一百。



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

Market demand for luxury units at The HarbourSide has remained strong.

君臨天下續領風騷，市場對此項豪宅物業需求殷切。



Hong Kong's rebounding economy and rising consumer confidence have spurred growth in property development and sales.

香港經濟復甦及消費者信心回升，為物業發展及銷售業務帶來動力。

Increasing consumer confidence has led to a rebound in Hong Kong's property market, resulting in 57.4% growth in revenue from Property Sales at \$4,899.6 million.

消費者信心回升帶動香港物業市場復甦，故物業銷售業務之收入增長百分之五十七點四，達四十八億九千九百六十萬元。

Property Sales 物業銷售

For the year ended 30 June 2005 截至二零零五年六月三十日止年度

Location	地區	No. of Units Sold 銷售單位數量	Units Sold % 銷售單位百分率	Average Sales Price 平均銷售價 (HK\$/sq.ft.) (港幣/平方呎)
The HarbourSide	君臨天下	76	7%	\$12,900
AquaMarine	碧海藍天	815	50%	\$4,600
Carmel-on-the-Hill	君逸山	171	91%	\$5,100
Total	總計	1,062		

The Group's premium in-town residential development projects are all conveniently located within minutes of Hong Kong's Central business district.

The HarbourSide

The HarbourSide offers a unique luxury proposition and enjoys a prime location above the Airport Railway's Kowloon Station. The development features three 80-storey luxury residential towers constructed over a 5-storey car park podium.

Market response to The HarbourSide has remained strong, and 76 units, or 7%, were sold during the year under review (2004: 169 units or 15%). Average prices increased to \$12,900 per sq.ft., up from an average price of \$9,600 per sq.ft. in the previous year.

AquaMarine

AquaMarine offers five residential towers over a 5-storey car park and retail podium; conveniently located in the West Kowloon Reclamation Area.

本集團專注發展市區優質住宅物業。旗下所有物業發展項目均位於交通方便之地點，距離香港中環商業區僅數分鐘車程。

君臨天下

君臨天下位於機場鐵路九龍站上蓋，乃一項地點優越之獨特豪宅物業。該項目包括三幢樓高八十層之豪宅大廈，下設五層停車場。

回顧年度內，君臨天下繼續取得熱烈之市場反應，共售出七十六個單位，佔其單位總數百分之七(二零零四年：一百六十九個單位，佔其單位總數百分之十五)。其每平方呎平均售價達一萬二千九百元，遠較其去年之每平方呎平均售價九千六百元為高。

碧海藍天

碧海藍天位於交通便捷之西九龍填海區。該物業包括五幢住宅大廈，下設五層停車場。

The HarbourSide

The HarbourSide features three 80-storey luxury residential towers conveniently located above the Airport Railway's Kowloon Station.

君臨天下

君臨天下包括三幢樓高八十層之豪宅大廈，巍峨矗立於機場鐵路九龍站上蓋，交通便捷。



AquaMarine

Sales at AquaMarine have created momentum in the West Kowloon property market.

碧海藍天

碧海藍天銷情強勁，為西九龍樓盤掀起熱潮。



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

Strong sales at AquaMarine have created market momentum in West Kowloon, as 815 units (or 50%) were sold at an average price of \$4,600 per sq.ft. – a premium of 15-20% over normal property prices in the district. The Group's wholly owned Blocks 1 & 2, which offer the best views in the development, will be offered to the market during 2005/06.

Carmel-on-the-Hill

Carmel-on-the-Hill, located in Kowloon's Ho Man Tin district, features a 24-storey residential tower built over a 4-storey car park and retail podium.

FY2005 sales at Carmel-on-the-Hill were a resounding success, with over 90% of flats sold out within the first stage of the public launch. This response is especially impressive as minimal advertising was employed to publicise the launch. 171 units, or 91%, were sold at an average price of \$5,100 per sq.ft.

碧海藍天已售出八百一十五個單位，佔其單位總數百分之五十；其每平方呎之平均售價達四千六百元，較區內住宅物業之一般售價高出百分之十五至百分之二十。碧海藍天之強勁銷情，為西九龍樓盤掀起熱潮。本集團擁有該物業景觀最佳之第一座和第二座之全部權益，並將於二零零五/零六年把其推出市場。

君逸山

君逸山位於九龍何文田區，乃一幢樓高二十四層之住宅大廈，下設四層停車場及商場。

二零零五財政年度內，君逸山享有出類拔萃之銷售成果。在極少廣告宣傳下，其首階段公開發售已售出超過百分之九十之單位，所掀起之熱烈反應令人倍感振奮。君逸山全年度共售出一百七十一個單位，佔其單位總數百分之九十一，其每平方呎平均售價達五千一百元。

The Long Beach

Featuring eight blocks of 43-storey towers, units at The Long Beach will be offered to the market over the next two to three years.

浪澄灣

浪澄灣包括八幢樓高四十三層之住宅大廈，其單位將於未來兩至三年推出市場。



Carmel-on-the-Hill

Carmel-on-the-Hill comprises a 24-storey residential tower built over a 4-storey carpark and retail podium.

君逸山

君逸山乃一幢樓高二十四層之住宅大廈，下設四層停車場及商場。

The Long Beach

The Long Beach, situated near the MTR Olympic Station in the West Kowloon Reclamation Area, offers over 1,800 residential flats ranging in size from approximately 700 sq.ft. to 2,100 sq.ft. Eight blocks of 43-storey towers offer residents sea views, as well as a 43,000 sq.ft. detached clubhouse with recreational facilities.

The development was completed during the year under review, and the occupation permit was issued in September 2004. Units will be gradually released onto the market over the next two to three years.

Land Bank

With significant development potential in its portfolio, combined with reserves in unsold units and properties with promising redevelopment potential, Hang Lung's land bank contains some of the best prime real estate in Hong Kong.

浪澄灣

浪澄灣位於西九龍填海區，鄰近地鐵奧運站。該項目包括八幢樓高四十三層之住宅大廈，共超過一千八百個單位，每個單位之面積約介乎七百平方呎至二千一百平方呎，均享有海景；並設有面積達四萬三千平方呎之獨立會所及康樂設施。

該物業已於回顧年度內落成，並於二零零四年九月獲發入伙紙。本集團將於未來兩至三年內，逐步把該物業之單位推出市場。

土地儲備

恒隆之土地儲備包括多項位於香港最佳地點之發展物業之未售單位，以及具有可觀重建潛力之物業組合。

