

with Commitment & Precision

精益求精

年報 | ANNUAL REPORT 2007/08





刺繡是中國一項源遠流長的藝術。許多精緻的刺繡品是那麼美麗、細緻、工巧，往往經年累月才能完成。要掌握這種精巧的藝術，需要胸中有物、敢於創新、精心設計、巧手穿引。同樣，這些素質令本公司卓爾不羣。我們的目標是繼往開來，以高瞻遠矚精益求精之睿智，在香港和內地構建更大的成功。

Embroidery is a long established art form in China. Many of the more intricate items were so beautifully, carefully and finely worked, that they often took several years to complete. Mastering this delicate art requires vision and creativity, careful design as well as meticulous execution. Similarly, these qualities distinguish our company. Our aim is to forge ahead into the future – with vision and foresight, precise planning and total commitment – to ever greater success, both in Hong Kong and on the mainland.

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公司簡介

CORPORATE PROFILE

恒隆地產有限公司

(股份代號：101)是恒隆集團有限公司
(股份代號：10)的地產業務機構。

本公司是一家重視質量的頂級地產發展商，在香港和中國內地備受尊崇。

我們是一家真正多元化的物業發展公司，這反映於旗下物業組合之不同範疇，包括商場、商舖、寫字樓、住宅、服務式寓所、工業／寫字樓、以及停車場物業等。我們的基本重點是在營運的城市購入最佳的土地，並僱用頂級建築師行作出最高品質的設計和打造出最高質量的物業。

本公司在香港和中國內地之政策，乃不斷地檢討及在有需要時更新租戶組合，並且定期翻新現有項目，藉此爭取最大的投資回報。我們亦重視各項增值服務和促銷策略，從而加強旗下物業的吸引力和市場優勢。

我們的長遠目光是擴展中國內地業務，並同時在香港本土繼續投資，目標是成為兩地市場內最優質的地產發展商。

Hang Lung Properties Limited

(stock code: 101) is the property arm of
Hang Lung Group Limited (stock code: 10).

We are a top tier property developer in Hong Kong and mainland China with a recognised commitment to quality.

We are a truly diversified property development company as reflected in our varied portfolio of commercial, retail, office, residential, serviced apartments, industrial/office and car park properties. Our primary focus is to acquire the best sites in the cities where we operate and employ only the top architectural firms to achieve the highest design quality and develop the best properties.

In both Hong Kong and mainland China, our corporate policy is to constantly review and, where necessary, upgrade our tenant mix while regularly refurbishing our existing developments so as to achieve a maximum return on our investments. We also emphasize value-added services and incentives, which add to the appeal and marketability of our properties.

Our long-term vision is to expand in mainland China while continuing to invest in our home market of Hong Kong, with the aim of becoming a property developer of the highest quality in both markets.

財務摘要

FINANCIAL HIGHLIGHTS

業績			
Results			
以港幣百萬元計算	in HK\$ million	2008	2007
營業額	Turnover		
物業租賃	Property leasing	3,745	3,004
物業銷售	Property sales	6,335	1,385
營業額總計	Total turnover	10,080	4,389
股東應佔純利	Net profit attributable to shareholders	13,159	6,371
股息	Dividends	2,736	2,320
每股資料	Per share data		
盈利	Earnings	\$3.18	\$1.60
股息	Dividends		
中期	Interim	15¢	13¢
末期	Final	51¢	43¢
總計	Total	66¢	56¢
資產淨值	Net assets	\$16.6	\$13.5
股東權益	Shareholders' equity	66,377	54,277
負債率(附註 1)	Gearing ratio (Note 1)	0%	0%
派息比率	Pay-out ratio	21%	35%

基本業績 (附註 2)			
Underlying Results (Note 2)			
以港幣百萬元計算	in HK\$ million	2008	2007
營業額	Turnover		
物業租賃	Property leasing	3,745	3,004
物業銷售	Property sales	6,335	1,385
營業額總計	Total turnover	10,080	4,389
股東應佔純利	Net profit attributable to shareholders	5,123	2,048
股息	Dividends	2,736	2,320
每股資料	Per share data		
盈利	Earnings	\$1.24	\$0.51
股息	Dividends		
中期	Interim	15¢	13¢
末期	Final	51¢	43¢
總計	Total	66¢	56¢
資產淨值	Net assets	\$17.5	\$14.2
股東權益	Shareholders' equity	70,248	57,104
負債率(附註 1)	Gearing ratio (Note 1)	0%	0%
派息比率	Pay-out ratio	53%	109%

附註 Notes:

- 負債率為淨債項與股權加淨債項之比較。淨債項指銀行貸款、浮息票據及融資租約承擔，減現金及銀行存款。股權則包括股東權益及少數股東權益。Gearing ratio represents net debt over equity plus net debt. Net debt represents bank loans, floating rate notes and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and minority interests.
- 為加強對本集團營運業績的理解，呈報基本業績時已撇除因採納香港會計準則第40號《投資物業》之影響，該準則規定投資物業公平值之變動及相關之遞延稅項於收益表中入賬。To facilitate better understanding of the Group's operational results, the underlying results are presented by excluding the effect of adopting Hong Kong Accounting Standard 40, Investment property which requires changes in fair value of investment properties and their related deferred tax be accounted for in the income statement.

每股盈利 Earnings per Share

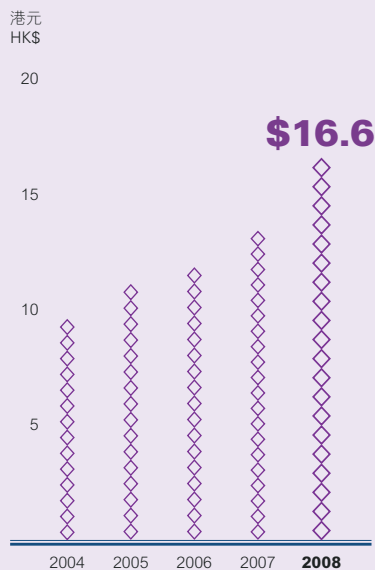
截至六月三十日止年度 For years ended 30 June



+99%

每股資產淨值 Net Assets per Share

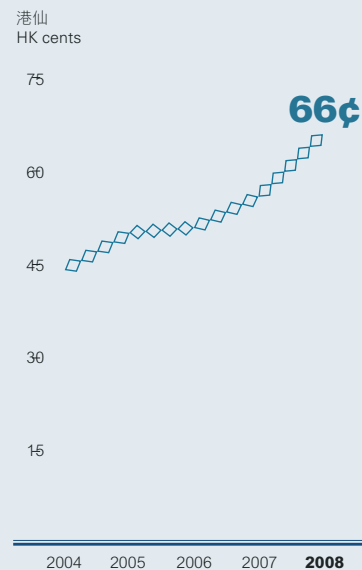
於六月三十日 At 30 June



+23%

每股總股息 Total Dividends per Share

截至六月三十日止年度 For years ended 30 June



+18%

- 每股盈利飆升百分之九十九至港幣三元一角八仙
Earnings per share surged by 99% to HK\$3.18
- 每股資產淨值為港幣十六元六角，較去年上升百分之二十三
Net assets per share stood at HK\$16.6, a 23% increase over last year
- 年度總股息達港幣六角六仙，升幅百分之十八
Total dividends for the year reached HK66 cents per share, up by 18%

拓展中國市場

EXTENDING OUR REACH IN CHINA

用心，
COMMITTED 才能編出繁華美景
TO THE BIG PICTURE

上海、天津
瀋陽、無錫、濟南...

都是我們用心建造優質商業項目之地

We are committed to developing
prime commercial projects in the
mainland's most vibrant cities -

SHANGHAI, TIANJIN,
SHENYANG, WUXI,
JINAN...



瀋陽
SHENYANG

天津
TIANJIN

濟南
JINAN

上海
SHANGHAI

無錫
WUXI

香港
HONG KONG



主席報告

CHAIRMAN'S STATEMENT

陳啟宗 主席
Ronnie C. Chan *Chairman*

業績及股息

本集團享有熠熠生輝之一年。基本純利衝破港幣五十億元大關、純利總額超越港幣一百三十億元，乃本公司有史以來之首次。營業額亦創出歷來新高，穿越港幣一百億元。旗下租賃業務尤其上海業務表現出色，但有關數字之主力來自香港住宅單位銷售。

董事局建議派發末期股息每股五角一仙，較去年增加百分之十九。如獲股東批准，全年度每股股息總額將為六角六仙，較去年增加百分之十八。

業務回顧

財政年度開始時，本集團在香港約有二千八百個可供發售之落成住宅單位。吾等售出八百個單位，取得收入逾港幣六十三億元。邊際利潤甚為可觀，極有可能是香港所有同類產品中之最佳者，所得價格遠高於前期之售價。此等成績乃因吾等把握二零零七年最後一季市道急升之時機，其後尤其過去數月價格已經下跌。正因本集團再次看準市場，故能取得愜意成果。

本集團之租賃物業組合亦表現出色。租金收入較去年上升百分之二十五；香港方面上升百分之十一，上海方面飆升百分之五十四。恒隆廣場第二幢辦公大樓之全年度租金為上海租金收

Results and Dividend

We have had a stellar year. For the first time in the Company's history, underlying net profit broke through the HK\$5 billion mark and total net profit surpassed HK\$13 billion. Turnover was also at an all time high exceeding HK\$10 billion. Our rental business especially in Shanghai has performed superbly but it is the sales of residential units in Hong Kong which boosted these numbers.

The Board recommends a final dividend of 51 cents per share which is 19% higher than last year. If approved by shareholders, total dividends for the full year will be 66 cents per share, an increase of 18% compared to that of the year before.

Business Review

At the beginning of the fiscal year, we had approximately 2,800 completed residential units in Hong Kong available for sale. We parted with 800 and collected revenues of over HK\$6.3 billion. Profit margins were excellent, most likely the best for similar products in all of Hong Kong. Prices achieved were much higher than those sold in previous periods. All these were accomplished because the last quarter of 2007 saw a surge in the market and we took advantage of it. Since then prices have fallen especially in the past few months. Again we accurately read the market and thus attained the pleasing results.

Our rental portfolio also performed magnificently. We collected 25% more rents than last year with Hong Kong rising by 11% and Shanghai by a whopping 54%. Full year rental for the second office tower at Plaza 66 contributed to the last number, but even without it, office rents

入作出貢獻，但即使其付之闕如，上海方面之辦公室租金仍然增加百分之十九、商場租金增加百分之三十八。來自上海之總租金收入定將超過香港，此乃時間問題而已。

然而，本公司之長遠前景，取決於吾等能否在中國內地經濟蓬勃之城市，購入黃金地點之大幅土地。此進程始於二零零三年，到二零零五年年初時，本集團完成首項在上海以外位於天津之購置。本集團就一個項目之定義為一項介乎港幣二十億元至港幣二十五億元之投資，以此計算，本集團已在天津、瀋陽、濟南和無錫取得九個項目，預計其投資總額將略逾港幣二百億元，即吾等計劃中之十八個項目涉及之投資總額港幣四百億元之半。本集團一直積極努力爭取更多項目，但每個項目由物色土地至成功轉讓業權一般需時九個月至三年，因此難以預測何時有另一項購置公布。在許多情況下，例如市場過度熾熱而吾等寧願待市況降溫才完成洽談，則吾等可放慢進程，但要單方面加快進度，卻是近乎不可能之事。磋商細節乃繁瑣及花時間之工作。

這解釋了本集團在二零零七年之土地購置與否之原因。吾等最後一次簽署土地購置協議乃於該年二月在濟南之時，該幅土地實際上乃前一年「購入」，但本集團必須等待原有居戶清遷後才可正式完成轉讓。緊接其前者乃二零零六年十二月在無錫市之購置。

除此之外，從二零零七年年初至今，並無交易達至成果。縱使有，而假若當地政府因市場熾熱而要求較以往商議為高之價格，則本集團亦定會刻意放慢進程。吾等知道市場正變得非理性，因此無需急於購買。價格升得愈急，只會跌得愈快。

歷史再次證明本集團正確。踏入去年夏末，市場變得真正瘋狂，箇中原因吾等只能猜測。首先，過去一或兩年內，中央政府明顯試圖冷卻樓價。然而，土地和樓房價格持續上升，促使北京採取更強硬之措施，許多本地住宅發展商決定轉攻商場物業。本人懷疑，彼等大部分人對該方面需要更多截然不同之技巧乃壓根兒一無所知。

still increased by 19% and retail by 38%. It is just a matter of time before total rental income from Shanghai exceeds that of Hong Kong.

Our Company's long-term future, however, rests with our ability to buy large pieces of top located land in economically vibrant cities in mainland China. That process was started in 2003 and we completed our first purchase outside of Shanghai in early 2005 in Tianjin. Using our definition of a project, i.e. an investment of HK\$2 to HK\$2.5 billion, we have acquired nine in Tianjin, Shenyang, Jinan and Wuxi. Total investments are expected to be slightly over HK\$20 billion which is half of our planned HK\$40 billion in eighteen projects. We have been actively working on many more but it usually takes nine months to three years from the identification of a plot to the successful transfer of title. Consequently it is difficult to predict when there will be another announcement of an acquisition. Whereas we can always somewhat slow down the process say if the market is too hot and we prefer a cooler market before concluding negotiations, it is almost impossible to unilaterally hasten the course. Detailed negotiations are tedious and time-consuming.

This explains what has happened to our land purchase or lack thereof in 2007. The last time we signed a purchase agreement was in Jinan in February of that year. The land was actually "purchased" the previous year but we had to wait for the clearing of existing tenants before officially completing the transfer. The acquisition immediately beforehand was in Wuxi in December 2006.

Beyond those, simply no transactions came to fruition since the beginning of 2007. If there could have been and if the local government had demanded higher prices than previously discussed due to the overheated market, we would have deliberately slowed down the process. We knew the market was becoming irrational and there was no reason to hurry and buy. The sharper the rise in prices, the faster the fall.

History has once again proven us correct. By late summer last year, the market had become truly crazy, reasons for which we could only surmise. First, in the past year or two, the central government was obviously trying to cool residential prices. However, land and housing prices kept rising which prompted Beijing to take increasingly tougher measures. Many local residential developers decided to migrate to commercial properties. Most of them I suspect have no idea that the skill sets required are considerably more and in any event, different.

這還可能有第二個原因。無需太多想像力也可猜到，香港和內地部分發展商可能認為，恒隆在香港享有最高市盈率，乃因本集團幾乎專注於內地商場物業所致。

此外，各類商家均加入戰團，誤以為此乃一門容易之生意。彼等忘記事實上在大多數內地城市，失敗之商場項目遠較成功者為多。

整樁事在八月份達至沸騰。與恒隆廣場位於同一條街及距其不遠處之一幅土地，以恒隆廣場十倍以上之樓面地價(即可建樓面之單位土地價格)售出。一個月後，另一幅位於成都之土地以本集團一年前購入瀋陽一幅類似土地之約二十倍樓面地價拍賣售出。此等數字確實驚人。

雖然一些朋友祝賀本集團過去兩年購得「便宜貨」，但坦白說吾等並不高興。幸好此等荒謬高價並無影響吾等正磋商之任何項目，這說明了跟吾等交手之市領導人成熟，彼等明白該等價格乃失常及不可持續。觀乎彼等之理智與內地和香港發展商之瘋狂對比，可謂相映成趣。此外，在短短數月內，商場土地之市況迅速轉涼，摸頂購入之人士懊悔嗟嘆。

隨著二零零八年遞至，市道由涼轉冷，斯時本集團感到高興。吾等不僅免於被昂貴之土地困身，並有望未來之購置行動會較為容易。競爭應會減少，幸運的話，吾等甚至可用廉價作出購置，然而吾等並不寄望於此；吾等與數個城市領導人正磋商之價格大多合理，故吾等樂意在這些價位購入有關土地。吾等期望此等磋商能更快達成協議，對此本人是樂觀的。

倘此成事，吾等將有良好機會在未來十六個月左右完成計劃中十八個項目餘下之九項土地購置。畢竟，吾等似乎慣於默默部署一擊即中，此乃吾等購置房地產所屬意之唯一方法。一九九二至一九九三年度，吾等伺機購入多項香港投資物業，包括本集團現時總辦事處座落之渣打銀行大廈；一九九九至二零零零年度，在缺乏有實力之競爭對手下，本集團購入香港多幅住宅土地，其後發展為獲利甚豐之君臨天

There may be a second reason. It does not take too much imagination to conjecture that some developers in Hong Kong and on the mainland may attribute Hang Lung's having the highest price-earnings ratio in Hong Kong to our concentrating almost exclusively on mainland commercial properties.

Additionally, there were businessmen of different ilks joining the fray, thinking mistakenly that this business is easy. They forgot the fact that in most mainland cities, there are far more failed commercial developments of size than successful ones.

The whole episode came to a head in August. A piece of land on the same street and not far from Plaza 66 was sold at an accommodation value (or AV, i.e. land price per unit of buildable space) of ten times more than that of Plaza 66. A month later, another plot in Chengdu was auctioned at an AV that was about twenty times that of a similar piece we bought in Shenyang a year ago. Those numbers were truly staggering.

While some friends congratulated us for the "steals" that we had achieved in the previous two years, we were frankly unhappy. Fortunately none of those ridiculously high prices have affected any of our projects under negotiation. It speaks of the maturity of municipal leaders we deal with -- they knew that those prices were aberrations and unsustainable. Contrasting their sanity with the insanity of developers from both the mainland and Hong Kong makes for an interesting observation. Moreover, within a few short months the commercial land market cooled rapidly, and those who purchased at the peak were wallowing in regret.

As 2008 rolled in, market conditions went from cool to cold. Now we are happy. Not only did we avoid getting stuck with expensive land, we are hopeful that future acquisitions will be somewhat easier. There will be less competition. With luck, we may even buy on the cheap although we are not counting on that. The prices we have been discussing with municipal leaders in several cities are for the most part reasonable and we are happy to buy at those levels. What we would really like to see is a more expeditious conclusion of negotiations. That I am hopeful.

If it happens, then we will have a fair chance of completing in the next sixteen or so months the nine remaining land acquisitions out of the planned eighteen projects. After all, we seem to have the habit of swooping in quietly for the kill; this is the only way we like to buy real estate. In 1992-1993 we snapped up many Hong Kong investment properties including our present head office, the Standard Chartered Bank Building; in 1999-2000 in the absence of any credible competitor we bought Hong Kong residential plots which later became The HarbourSide, The Long Beach and AquaMarine to

下、浪澄灣及碧海藍天等項目；二零零五至二零零六年度，本集團早著先機，在內地多個發展蓬勃之城市購入多幅地點最佳之商業土地。在上述所有情況中，本集團支付之價格均遠低於競爭對手之購入價。如今市場再次轉冷，甚少發展商有心情和財力進行購置，本集團則會入市並以合理價格搜購最合意之土地。

上述作風部分解釋了為何本集團之股份乃過去數年表現最佳或其中之一的地產股。頗多分析員相信，本集團之真正資產淨值遠超大部分人所想。即使把一年前高漲之土地價格大幅折讓，本集團就近數年購置所支付之價格仍必為該等土地現時市值之很小部分。本集團所有尚未完成因而尚未提供收入之項目，均按慣例在資產負債表內以成本列賬。

至於本集團已落成及正提供收入之物業，部分投資者亦認為其價值被低估。此乃由於每年之專業估值方式所致：香港提供收入之優質物業所使用之資本化率約為百分之五，而上海兩個項目估值所使用之資本化率約為百分之十。實情是，即使該等物業使用之資本化率為百分之二，本集團亦不會把其出售，皆因此等物業乃不可替代之資產，其提供收入之能力仍正強勁增長。因此，倘上海物業像香港物業般採用百分之五之資本化率，其項目價值將增加一倍，而此確實乃巨大數目！然而，本集團尊重外聘專業人士之估值。吾等可理解為何內地項目須採用百分之十之資本化率，雖則吾等明白有同樣令人信服之理據支持採用遠低之資本化率及遠高之估值。

策略性計劃

簡略回顧本人近數年之致股東週年報告，可能挺有意思的。去年，吾等刊發了一本名為「十年回顧」之小冊子，當中載有過去十年有關函件之摘錄。有興趣之股東可致函公司秘書索取副本或到本公司之網站<http://www.hanglung.com/10years>。

本集團之策略於二零零三年敲定，原先之構思乃兩股力量揉合而來。首先，自上海兩個綜合商業項目港匯廣場與恒隆廣場分別於一九九九年及二零零零年完成後，吾等於一九九二年在中國內地房地產市場啟動之試驗開始取得成果。到二零零二年，吾等知道此等項目成績甚佳，並可把其成功在內地其他主要城市複製。

great profit; and in 2005-2006 we purchased under the radar screen the best located commercial land in several dynamic mainland cities. Prices paid for all of the above were well below those acquired by our competitors. Now as the market once again cools and few have the heart and the money to buy, we will come in and pick up the choicest pieces at reasonable prices.

This habit of ours partially explains why our stocks in the past several years have been one of the best if not the best performer in the property sector. A good number of analysts believe that our true net asset value far exceeds what most people think. Even if one greatly discounts the highly inflated land prices of a year ago, it is still true that the prices we paid for our recent acquisitions must be a fraction of their present market value. For all the projects not yet completed and hence not yet income producing, the land is always carried at cost on our balance sheet.

As to our completed and income producing properties, some investors also think that they too are undervalued. That is because of the way the annual professional valuations are done. Whereas the capitalization rate (i.e. cap rate) used for prime Hong Kong income producing properties is around 5%, our two Shanghai facilities are valued with a cap rate of around 10%. The fact is that we will not sell them even if given a cap rate of 2% since they are irreplaceable assets which are still growing strongly in terms of their income generating abilities. So if only a cap rate of 5% is used in Shanghai as in Hong Kong, their value would double. And those are big numbers indeed! Nevertheless we respect the valuations of outside professionals. We can rationally understand why 10% is used for mainland developments, although we realize that there are equally convincing arguments for a much lower cap rate and hence far higher valuations.

Strategic Initiatives

A brief review of my recent annual statement to shareholders may be a meaningful exercise. Last year, we published a small volume "Ten Years in Retrospect" containing excerpts of the past ten such letters. Shareholders who are interested can write to the Company Secretary for copies or access them on the Company website: <http://www.hanglung.com/10years>.

Our present strategy was put in place in 2003. The original idea came about as a result of two forces. First, the experiment with real estate in mainland China which started in 1992 began to bear fruit soon after the completion of our two Shanghai commercial complexes -- The Grand Gateway and Plaza 66 -- respectively in 1999 and 2000. By 2002, we knew that we had done well and that our success might be replicable in other major mainland cities. Secondly, at around the

其次，約於同一時間有明顯跡象顯示，本集團於一九九九年和二零零零年亞洲金融風暴最猛烈時在香港購入之土地，將可帶來巨大利潤和現金流。這使本集團在內地之擴展大計可以成事。

到二零零三年，正如本人在二零零三／二零零四年度致股東之報告所述，本人首次撰論本集團對香港以北之龐大市場作出之計劃。倘上海為此計劃之第一期，則當時乃吾等開始第二期計劃之時。在截至二零零六／二零零七財政年度之三年期間，隨著吾等對各城市有更深之認識，吾等就策略作出調整更新，此項進程載於本人致股東之週年函件內。

在二零零四／二零零五年度之報告內，本人詳細解釋為何本集團其後把重點放在內地。在該年度，本集團購入上海以外位於天津之首幅土地，並進行配股以準備作出進一步購置。

在二零零五／二零零六年度之報告內，本人清楚論述管理層如何部署策略執行，並撰述本集團在可持續發展方面之努力。當時本集團就著節約能源，已為旗下香港租賃物業作出大量改裝翻新工作，並對內地新項目之設計和建築積極作出具長線效益之努力。翌年，本人就該方面之工作向股東提供更多資料。

二零零六／二零零七年度之報告，闡述了本集團現時準備在約八個城市興建十八項綜合商場物業之計劃，並描述了本集團之業務如何與廣大社會相關。本人亦探討了房地產基金作為新資金來源對競爭環境帶來之變化，以及本集團採取之應變方法。

吾等股東均知，管理層計劃在二零零五年至二零零九年間為十八個項目作出土地購置。隨著市道放緩，本人仍抱希望吾等可達到或貼近此預期目標。或許有人會問：下一步將如何？管理層對二零一零年及其後確實已有構思，本人稍後會就此論述，現時只須說未來之計劃可能是現時策略之延伸便已足夠。因此，本人認為今年之討論宜集中於本集團所選路向之相關風險。管理層之工作乃就吾等策略之關鍵層面作出充分闡釋。

本人常被問到下列問題：當內地出現過量建造時恒隆會怎辦？即使最老練之投資者對答案亦非一聽即明，故值得作出一些解釋。

same time, it became obvious that land in Hong Kong purchased at the nadir of the Asian Financial Crisis in 1999 and 2000 would bring tremendous profit and cash flow. This made possible the contemplated expansion on the mainland.

In 2003 and as stated in my 2003/2004 statement to shareholders, I wrote for the first time about our plans for the huge market north of Hong Kong. If Shanghai is considered phase one of that effort, then we started phase two at that point. In the three years to fiscal 2006/2007, our strategy underwent refinements as we learned more about various cities. The progression was documented in my annual letter to shareholders.

In the 2004/2005 report, I explained in detail why we would henceforth focus on the mainland. That year we bought our first piece of land outside of Shanghai in Tianjin. We also placed shares to prepare for further acquisitions.

In the 2005/2006 statement, I clearly outlined how management planned to execute the strategy. I also wrote about our efforts in sustainable development. Whereas by that time we had already done much to retrofit all our Hong Kong rental properties for energy conservation, the new projects on the mainland called for serious efforts in design and construction for the longer term. That aspect of our work was further communicated to shareholders the following year.

The present plan to construct eighteen commercial complexes in say eight cities was enunciated in the 2006/2007 report. How our business relates to society at large was described. I also examined changes in the competitive landscape with new sources of capital in the form of real estate funds as well as our responses.

As our shareholders know, management plans to buy land for eighteen projects between 2005 and 2009. I am still hopeful that as the market is now softening, we will be able to achieve the target or hit close to it. One may reasonably ask: what is next? Management obviously has ideas for 2010 and beyond, and I will write about this later. It suffices now to say that the future will likely be an extension of the present strategy. As such, I deem it appropriate to focus this year's discussion on the risks associated with our chosen course. It is management's job to effectively communicate the critical facets of our strategy.

I am often asked this question: what will Hang Lung do as overbuilding sets in on the mainland? The answer is not readily understood by even the most sophisticated investors. It bears some explaining.

如古語所云：房地產之成功取決於三大關鍵，即地點、地點、以及地點。雖然尚有其他重要因素，但本人並不反對上述說法。對於商場項目尤其世界級綜合商場項目而言，地點之重要性乃千真萬確。沃爾瑪或家樂福座落何處，與知名時裝品店座落何處，後果顯然不可相提並論。由於本集團只發展地標項目，因此選址乃至為重要。

使人詫異者乃中國內地很少發展商依循此金科玉律。但本集團之管理層則不然——吾等身體力行及絕不背離此項教誨，本人稍後會再論述此點。此外，正如本人曾經撰述，吾等希望在富有經濟活力之城市之心臟地點盡可能取得最大幅之土地。從現實來看，此類土地很難覓得，因大多已被佔或分割成小塊。再者，由於吾等堅持有關土地在形狀方面須具一定完整性以供興建可滿足功能和美學兩種標準之建築物，故吾等之選擇進一步受到限制。此令吾等之工作極具挑戰性，皆因每個城市可能只有少數此類土地。

這意味著吾等必須盡快取得該等土地，以享有先行者優勢。世界級建築物只要有優秀的設計和建造，及享有理想之物業管理後，其業主便座擁幾乎無懈可擊之地位。此點連同本集團只租不賣有關物業之事實，構成了吾等策略之核心。在一個又一個城市，吾等有系統地執行該項策略，到目前為止一切仍算順利。

當本集團完成實施此項策略後，吾等會處身甚麼競爭環境？它不會令吾等在每個城市享有壟斷地位，但會令吾等享有幾乎同樣愜意之地位。且讓本人解釋。

吾等選定之特色市場，即每個城市最高檔之綜合商場物業之市場內，有強烈傾向偏重於「勝者為王」。處身市區之最佳地段，無疑會吸引競爭對手，但本集團應如何看待他們？在其他所有因素等同下，吾等當然希望沒有競爭對手，但此乃不切實際。然而，競爭對手亦可帶來正面影響；彼等為該區創造密集效應。消費者外出購物時，通常會選擇一個給他們最多選擇之地區，而競爭對手便可提供該等選擇。但當購物人士到達該區時，他們進入哪一個商場，主要取決於地點、規模、設計、商舖和商品類型、以及管理。本集團之目標乃建設、擁有及經營那些購物人士首選之商場。

As the old adage goes, the three most critical success factors for real estate are location, location and location. I do not disagree, although there are other important factors. The significance of location is especially true for commercial developments, and even more so for world-class complexes. Where one puts a Wal-Mart or a Carrefour is obviously less consequential than shops for leading fashion brands. Since we only develop landmark projects, the choice of location is paramount.

What is amazing is that few developers in mainland China follow this golden rule. But not your management – we practice what we preach and will not veer from it, a point to which I will return. Moreover, as I have previously written, we want the biggest possible piece of land in the heart of economically dynamic cities. Realistically, it is very difficult to find such plots, for most of them are occupied or are already divided into smaller parcels. Our choice is further limited because we insist on the pieces having a certain integrity in shape such that it is possible to build products that meet the dual criteria of functionality and aesthetics. That makes our job extremely challenging for there may only be a few such lots in each city.

This means that we must as soon as possible own such land, for ownership will bring first mover advantage. Once world-class buildings are properly designed and constructed, together with satisfactory property management, the owner's position is almost unassailable. Combined with the fact that we only rent and do not sell our properties is the crux of our strategy. In city after city, we are systematically executing it, and so far so good.

Once we finish carrying out this strategy, what will be our competitive landscape? It will not give us a monopolistic position in each city but it will be almost as pleasing. Let me explain.

In the market niche in which we have chosen, namely the highest end commercial complexes in each city, there is a strong tendency towards "winner-takes-all." Being in the best part of town will undoubtedly attract competitors but how shall we view them? All things else being equal, obviously we prefer not to have them, but that would be unrealistic. However, competitors can have a positive effect as well. They create critical mass for the area. When consumers go shopping, they usually choose the district which will give them the most choices. Competitors will provide those choices. But once shoppers arrive in the neighborhood, which mall they will enter depends mainly on its location, size, design, and hence types and variety of shops and goods, as well as management. Our goal is to build, own and operate malls that are the first choice of shoppers.

另一方面，知名時裝品牌通常只在一個地區開設一間商店。像其顧客一樣，此等品牌亦會根據地點、規模、設計及管理來作出選擇，其落戶點會吸引較次級之品牌在鄰近開業以求置身高檔之列。結果是，區內最佳之商場會擁有最佳租戶和最佳購物人士之「精英中之精英」，奠定其「勝者為王」之尊。儘管沒有人喜歡競爭對手，但在某些情況例如本集團之情況下，彼等反可以幫忙。故就吾等興建之高檔綜合商場物業而言，過量建造乃輕微之問題。

以上所述正是本集團兩個上海項目之情況。在彼等落成前，附近已有類似項目，而在彼等開業後，更多購物商場在周遭落成，故吾等真正被競爭對手圍攻。然而，吾等之項目與鄰近項目之租金出現很大差別。恒隆廣場現時之商場租金為同區項目之兩倍，其寫字樓租金高出百分之二十五；港匯廣場購物商場之租金為鄰近項目之一點二五倍，其寫字樓租金高出百分之五十。類似情況料會在本集團位於上海以外之所有新項目中發生。

鑑於上述情況，本集團必須迅速行動，在吾等選定之每個城市購入最佳土地。在少數大城市內，本集團為時已晚，其位置最佳之大幅土地已經出售或被分成小塊，在此情況下本集團會前往其他城市，吾等絕不輕易就選地準則作出妥協。畢竟，中國有許多擁有經濟活力和龐大人口之都市。單以人口計，其六百五十八個城市中，超過一百萬人口之城市達一百七十一個，超過三百萬人口之城市達八十三個，超過五百萬人口之城市達五十五個。吾等擁有選擇。

吾等全力興建新項目之際，繼續不遺餘力搜索新城市和新地點。唯有最佳之土地方能匹配吾等興建之世界級建築物。當吾等完成大計及妥善管理該等物業，吾等便享有幾乎無懈可擊之長遠競爭地位，屆時此項策略之風險將為業內最低之一，而其穩定之財務回報則可能屬於最高之列。

這聽起來似乎好得令人難以置信，但正如本集團在上海已充分證明，此確可成為事實。採用「買地、建造及出售」策略，其利潤只能以上個成功項目來作實。在中國這類發展中經濟體，其土地和建築物價格均會大幅波動——此現象過去數十年在香港和東南亞地區屢見不鮮，故該策略之風險相當高。但像本集團般堅持「買地、

The other side of the coin is that leading fashion brands will usually have only one store in each district. Like their customers, they too will choose according to location, size, design and management. This in turn will attract lesser brands which want to be identified by proximity with the more prestigious names. Consequently, the best mall in the area will have the “crème de la crème” of the best tenants and best shoppers, thus “winner-takes-all”. Inasmuch as no one likes competitors, it can in some instances — like in our case — help. For the top-end commercial complexes we build, overbuilding is less of an issue.

This is clearly the case with our two projects in Shanghai. Before completion, there were already similar developments around them. Since our opening, even more shopping malls have been constructed. We are truly surrounded by competitors. Yet the rent differential between us and our neighbors is staggering. Current retail rent at Plaza 66 is twice as much as those in the same district. Office rent is 25% more. For The Grand Gateway, our shopping center rent is 1.25 times that of our neighbors while our office rent is 50% more. A similar phenomenon is expected in all our new projects outside of Shanghai.

Given the above, it is imperative that we move fast to buy the very best land in each chosen city. In a few metropolises, we are already too late. The best located large plots are already sold or subdivided into smaller parcels. In those cases, we will go to other cities. We will not easily compromise our site selection criteria. After all, there are many metropolitan areas that are at once economically dynamic and have a big population. By one count, of the 658 cities in the country, 171 have more than one million people, 83 have more than 3 million and 55 have over 5 million. We have choices.

While we are going full steam in constructing new projects, we remain relentless in our search for new cities and new sites. Only the best plots deserve our erecting world-class buildings. Once we do that and manage the properties well, our long-term competitive position is almost untouchable. By that time the risks of this strategy will be among the lowest in the industry while the consistent financial returns may well be among the highest.

This sounds almost too good to be true, but it can be a reality as we have amply demonstrated in Shanghai. With the “buy land, build and sell” strategy, one’s profit is only as assured as the last successful project. Both land and building prices can fluctuate wildly in a developing economy like China — just as we have repeatedly witnessed in Hong Kong and in Southeast Asia in past decades. The risks one takes in that strategy are considerably greater. But by

建造及租賃]策略，藉著與信譽良好之公司簽定租約，便可把收入鎖定最少數年。縱使經濟下滑，本集團之利潤仍頗有保障。換句話說，本集團之收入質量遠遠較佳。此事實放諸本集團之購物商場及辦公室物業皆然。

再者，本集團之管理層誠盼與可取之租戶建立長期共濟關係。市道好時吾等不會擠壓租戶一分一毫作為租金，市道壞時吾等亦不會反目無情。加上零售商事實上很難在中國見到此種優質物業，故彼等往往爭相要求租用或續租本集團之物業；因而本集團可選擇那些最值得挑選之租戶。多位機構投資者股東曾告訴本人，恒隆是投資者關係最好的公司之一。吾等亦致力發展同樣良好之租戶關係，尤其與那些本集團視為長期「夥伴」之租戶。故此，儘管本集團在上海以外之商場設施尚未開業，但該等租戶許多已表示濃烈興趣，願與本集團前往任何一處共創新機。彼等喜歡本集團之項目質素及管理層作風。

然而，吾等亦必須顧及市場長期陷於谷底之可能性。本人曾撰述謂只要跌市乃週期性而非系統性，吾等可購置更多土地供日後擴展。同時，在保留租戶方面，吾等可與任何人一較高下。本集團之商舖租戶均知，倘他們在淡市時不租用吾等之物業，當市道復甦時吾等亦可對其租賃要求置之不理；超過一名零售商曾在本集團兩項上海物業有此親身體驗。畢竟，本集團並非要求不切實際之租金，亦無意恃強欺壓良好租戶。一句話，本集團是一個和善之業主，喜歡與租戶建立長期「夥伴關係」。

辦公樓市場之運作機制稍有不同。地點仍然重要，但同樣重要的是：決定實用面積比率之建築設計、影響能源效益之施工質量、以及管理服務。所有這些工作倘若出色，會給予辦公樓大廈尊崇地位，而這對企業客戶來說甚為重要。

恒隆亦是財力最強之業主之一。本集團處於淨現金狀況，並每年均享有龐大穩定之租金收入。倘市道向下或倘旗下其中一個新項目於淡市時落成，本集團在租金方面可與任何人競爭，並可保留那些優質租戶。當市場復甦時，本集團可享有租金回升，而屆時一些較弱之物業業主可能已不再存在。

adhering to “buy land, build and lease” as we do, revenue is locked in for at least several years through leases with reputable companies. Even when the economy is down, our profit is rather protected. In other words, the quality of our income is far better. This is true of our shopping centers as well as our offices.

Moreover, your management is conscientious to build long-term symbiotic relations with desirable tenants. We do not squeeze every last penny in rent out of them when the market is good, nor are we ruthless when times are bad. Coupled with the fact that retailers have hardly seen such quality buildings like ours in China, they often fight to get in or stay in our properties. This way we get to select the choicest tenants. Several of our institutional shareholders have told me that Hang Lung has one of the best investor relations. We also strive to do the same in tenant relations, especially with those whom we deem long-term “partners”. So although we have yet to open facilities outside of Shanghai, many of them have expressed a strong desire to go with us wherever we build. They like the quality of our developments as well as the style of our management.

However, we must also consider the possibility of a prolonged market trough. I have written before that as long as the down-turn is cyclical and not systemic, we may well buy more land for future expansion. At the same time, we can be as competitive as anyone in terms of tenant retention. Our retail clients know that if they do not rent from us when the market is down, we may exclude them when the market recovers. More than one retailer has experienced this first hand with our two Shanghai properties. After all, we are not unrealistic with the asking rent and have no intention to overplay our strong position vis-à-vis good tenants. In a word, we are a friendly landlord who likes to build long-term “partnerships”.

A slightly different dynamic exists with offices. Location is still important, but equally so are building design which determines the ratio of net usable space, construction quality which affects energy consumption, and management services. All of these, if done well, will give an office building prestige which is important to corporate clients.

Hang Lung is also among the strongest landlords in terms of finance. We are debt free and have a sizeable and steady annual rental income. If the market is down or if one of our new projects is completed during a market lull, we can compete on rent with anyone. We will keep choice tenants and will reap high rents once the market recovers. By that time, some of the weaker property owners may not be around anymore.

更長遠而言，吾等可合理預期中國主要城市之優質土地將會升值，而這意味著後來者將須支付較高之土地成本。就本集團之判斷而言，本集團近數年所購入之土地，以地點、規模和地形而論，不僅屬於最佳質量，所支付之價格亦屬於迄今最低者。舉一個例，成都政府去年九月在當地拍賣售出一幅佔地五至六公頃之土地，價格較本集團過去十六年在內地購置土地涉及之總成本還要高。

二零零零年代初期，土地價格一般而言應佔項目總成本約百分之三十至百分之三十五。此數字逐漸攀升至百分之四十至百分之四十五，到去年秋天已到了非理性之高位。而就本集團於二零零五年和二零零六年在上海以外購入之土地而言，此數字徘徊於百分之十七至百分之十八左右，此乃為何分析員中有識之士會視該等購置為「便宜貨」。然而，此情況並不可持續。倘長遠來說，土地價格仍維持在項目總成本約三分之一之水平，本人會很高興，這本來一直都是本集團之目標。

本集團冒低風險而獲得卓越穩定財務回報，明智的購置土地行動僅是部分原因。另一個關鍵因素是，比起任何競爭對手，本集團也許更能透過項目規劃、建築設計、施工、以及租戶和物業管理，為項目創造更大價值。換句話說，本集團不像許多業餘發展商般，把財務回報交由變幻莫測之市場定奪，並不時抱怨市道無常。本集團主要是善用經驗和知識，藉此紓緩風險及提升回報。

以上所述解釋了為何在中國所有房地產發展商中，本集團也許屬於風險率最低之一家。然而，本集團之回報率以幅度和穩定程度而論可能置身最佳之列。本集團之上海物業在簽定第三個三年期租約後，已錄得無槓桿回報率約百分之二十，而吾等可合理預期本集團在其他地方之新項目亦可有類似成績。就吾等之上海商場而言，其年均收入和利潤增長率均達兩位數，並往往在百分之二十以上。只要中國之經濟相對保持健康，現仍處於頗低水平之消費將無可避免地增加。這意味著購物商場之租金可於未來十年或二十年逐步提升，情況與其在過去數年之遞升一樣。寫字樓租金較不容易預測，但本人期望本集團在內地所有新舊項目之整體回報均會不俗。

In the longer term, it is reasonable to expect that prime land in major Chinese cities will rise in value. This means that latecomers will have higher land costs. From what we can determine, not only is the land we purchased in recent years probably the best in quality as defined by location, size and shape, we also paid by far the least. For example, the price of a five to six hectare plot in Chengdu auctioned last September by the government was more than the total cost of all the land we have ever purchased on the mainland in the past sixteen years.

In the early 2000's, the general rule of thumb is that land price should be around 30% to 35% of total project cost. The numbers gradually climbed to 40% to 45% until last autumn when they became irrationally high. For land we bought in 2005 and 2006 outside of Shanghai, prices hovered around 17% to 18%. That is why knowledgeable analysts consider those purchases "steals." That situation is however not sustainable. I will be happy if in the longer run, land price remains around one-third of total project cost which has always been our goal.

Wise acquisition of land is however only part of the reason for our assuming lower risks and obtaining superior consistent financial returns. Another critical factor is that perhaps more than any of our competitors, we create much more value through project planning and building design, construction, as well as tenant and property management. In other words, unlike many amateur developers who leave their financial returns to -- and at times blame their poor performance on -- the vagaries of the market, our risk mitigation and return enhancement are mainly derived from the application of experience and knowledge.

All of the above explain why we have perhaps one of the lowest risk profiles among all real estate developers in China. Yet our return may be among the best both in terms of magnitude and consistency. By the third three-year lease term, our Shanghai properties are yielding unleveraged returns of approximately 20%. It is reasonable to expect similar results for our new projects elsewhere. In the case of our Shanghai malls, annual revenue and profit growth have both averaged in the double digits, often upwards of 20%. As long as China's economy remains relatively healthy, consumption which is still at a rather low level will inevitably increase. That means shopping center rents should gradually rise in the coming decade or two as they have in the past several years. Office rents are less easy to predict but overall, I do expect a decent return from all our mainland projects old and new.

倘吾等之往績及預測成績具有如此吸引力，為何別人不模仿恒隆策略？其實並非無效嚮者，許多人均曾嘗試，但到目前為止，成功例子顯然絕無僅有。終有一天，值得重視之競爭對手會出現，但屆時本集團已確立地位，吾等之先行者優勢將使本集團甚具防衛能力。此乃吾等策略美妙之處。中國是一個大國，有空間可供許多發展商大展拳腳，但本集團應有希望成為當中最好和回報率最高之一家。

為何這麼少發展商在高級商場項目取得成功？審察箇中因由應有所啟發。表面原因是：要興建及持有物業而不作銷售，需要龐大財力支持。中國內地之主要房地產公司大多只在過去十年上市，之前彼等沒有這樣財力，而即使到現在許多公司仍沒有這個能力。然而，彼等中之少數公司以及其許多香港競爭對手，均同樣擁有這般財力。因此，箇中必然有更深入之原因。

正如本人上文提及，項目發展過程涉及四個步驟，成功執行所有四個步驟，將自動達至卓越財務回報之最終目標。再說一遍，此等步驟是：選址、項目設計、施工、以及物業管理。四個步驟從本質而言均非特別高科技，但全都要求從難得經驗所累積之知識。換句話說，成功關鍵不在於高科技而在於高經驗或高知識。這意味著管理層之連貫性至為重要，而此有賴多年發展方能建立之企業文化。吾等知道一些香港發展商之內地團隊有如旋轉門般轉個不停，而此現象大多由於其企業文化所致。沒有管理層之連貫性，不可能保留知識，結果是財務回報受損。

大部分內地公司仍未具有累積專才所需之年資。也許令某些人驚訝的是，大部分在內地之香港發展商亦付之闕如。有些此等公司對內地市場存有戒心，直至過去兩至三年受環境所迫而進軍內地；而那些早到者則在許多城市耽迷於各類產品。本集團可能是唯一一家從首天開始便專注於商業房地產項目之大型公司，並把地點限於上海一個地方，俾使吾等能建立團隊及專心致志。雖然某些基本因素可放諸四方而皆準，但內地市場在許多關鍵層面均與香港截然不同，單把香港經驗套用在北方可能是危險之事。

If our track record as well as forecast are that attractive, why are others not emulating Hang Lung's strategy? It is not for lack of trying; many have but so far apparently few if any have succeeded. One day worthy competitors will arrive but by then we will have established ourselves such that our first mover advantage will make our position very defensible. Such is the beauty of our strategy. China is a big country and there will be room for many to play, but we will hopefully be the best and have the highest returns.

It is instructive to examine why so few have succeeded in high-end commercial developments. A superficial reason is that tremendous financial strength is required to build and hold properties without selling. Most major mainland Chinese real estate companies only went public within the past ten years. Prior to that they did not have the financial means, and even now, many of them still do not. A few of them, like many of their Hong Kong competitors, however do. So there must be deeper reasons.

As I alluded to before, there are four steps in the development process and the successful execution of all four will automatically lead to the ultimate goal of superior financial return. Again they are: site selection, project design, construction and property management. None of these are particularly high-tech in nature. Rather, all four require accumulation of know-how through hard-earned experience. In other words, the key to success is not high-tech but high-experience or high-knowledge. This implies that management continuity is paramount. In turn, it depends on corporate culture which takes years to develop. We know of Hong Kong developers whose mainland team is like a revolving door. More often than not, this phenomenon is the result of their corporate culture. And without management continuity, there is no possibility of knowledge retention. The result is that financial returns will suffer.

Mainland companies for the most part have not had the years to accumulate the necessary expertise. Perhaps surprising to some, neither do most Hong Kong players on the mainland. Some of them were afraid of the market until they were forced by circumstances in the past two to three years to enter. Those who went in early occupied themselves with different product types in many cities. We were the only major firm which from day one concentrated on commercial real estate. We also limited ourselves to one place -- Shanghai -- so we could build a team and learn. While certain fundamentals are the same everywhere, the mainland market in many critical aspects is very different from Hong Kong. To merely bring Hong Kong experience to the north can be dangerous.

以工程設計為例，本集團高層管理團隊與世界級建築師合作所付出之時間，極有可能較任何競爭對手為多。這些世界級建築師的設計無疑是無與倫比，但彼等本質上乃藝術家，對當地商業情況沒有掌握。本集團花了許多年學習與彼等合作，唯有這樣才能令打造出來之產品切合市場需要及帶來優厚之財務回報。

鑑於內地市場幅員廣大，另一個重要準則必然是紀律，此乃項目發展過程不可或缺之條件。歷史證明，恒隆是一家對於購置土地至為嚴謹之地產公司，這體現在實際選址以及在作出承諾前與市政府之詳細磋商。此做法同樣有賴若干的企業文化和管理風格。

紀律亦見諸本集團對吾等策略之堅持。除非吾等確信有更佳路徑向前，否則吾等絕不偏離其致勝方略。在諸如中國之發展中經濟體，賺錢方法可謂五花八門，需要有紀律來堅守已選定之路徑。歷史顯示，市場長遠而言會獎勵那些專攻一行並在行內稱冠之公司，而非那些涉獵眾科之公司。如上文所述，本集團之策略乃低風險及具有高回報潛力，而迄今本集團少逢競爭，為何本集團要另闢蹊徑？！

為令本集團可進一步降低風險及持續為成功增益，吾等積極發揮集團之品牌價值。此乃一項可招徠潛在租戶和購物者之偉大工具。也許作為集團成功之一個標記，集團偶爾會發現有稱為「恒隆」之內地房地產公司魚目混珠，並發現有多個城市之建築物冠以本集團之名。一方面，此類侵權行為帶來麻煩，本集團絕不會姑息；另一方面，吾等明白東施效顰乃最高之讚頌。

於結束本節前，讓本人就中國內地房地產行業作以下總結。此乃一個相對較新之行業，只有約二十年歷史。在此期間，許多來自內地和香港之發展商均作出不同嘗試，由此產生了兩種已嘗到成功並有較長勝算之模式。該兩種模式截然不同，而本人認為其各自最具代表性之公司乃萬科及恒隆，並會據此來界定該兩種模式之差別。

Take project design as an example. It is highly likely that our top management team spends much more time working with world-class architects than any of our competitors. Those outside experts design like none of us can. But at the same time, they are artists at heart and have no knowledge of local commercial conditions. We spent many long years learning and working collaboratively with them. Only by doing so will the resulting products meet market needs and bring superior financial returns.

Due to the enormous size of the mainland market, another important criterion must be discipline which plays an inherent part of the development process. History has shown that Hang Lung is the most disciplined real estate company in buying land. This is manifested in the actual site selection as well as in negotiating detailed terms with municipal governments before we commit. Again such an approach requires a certain corporate culture and management style.

Discipline is also seen in our adherence to our strategy. Unless we are convinced that there is a better way forward, we will not veer from our winning formula. In developing economies such as China where money can be made in all kinds of ways, it takes discipline to stick to a prescribed path. History shows that in the long run, the market will reward those companies who only do one thing and are the best in class, rather than those who dabble in many things. As described above, our strategy is potentially low risk and high return, and so far we have had little competition. Why should we trade it for something else?!

To further mitigate risks and enhance our continued success, we have long recognized the value of brand building. It is a great tool to draw both potential tenants and shoppers. Perhaps as a sign of our success in this regard, copycat mainland real estate companies called "Hang Lung" have been discovered on occasion, and buildings in several cities have been found to bear our name. On the one hand, this is troublesome and we will not treat such infringements lightly. On the other hand, we understand that imitation is the highest form of flattery.

Before concluding this section, let me summarize the mainland Chinese real estate industry this way. It is a relatively new business with only about twenty years of history. During that period, many developers from both the mainland and Hong Kong tried different things. What has emerged are two models which have seen success and enduring promise. They differ greatly from one another and I will define them according to what I consider as the most representative company of each model -- Vanke and Hang Lung.

萬科在深圳證券交易所上市，是中國乃至世界上最大之住宅發展商。該公司去年生產和銷售超過六萬個單位，其最大市場為珠江三角洲和長江三角洲，兩地均為中國人口最多及最富經濟動力之地區。萬科之模式乃購入大片土地興建住宅單位及盡快出售或預售。該公司並不太擔心市場時機，以流量或數量為其要旨，其很像一家密集式生產之產品製造商。萬科董事長王石先生數月前在本人之辦公室告訴我，為了更好地控制質量和速度，其公司已開始與數家世界上首屈一指的預製家居建造商合作，這就萬科而言確是明智之舉。

財務管理方面，此類模式之公司需要資本，但只要銀行願意提供項目融資，公司本身之資本額毋需巨大。對公司而言，重要者乃現金流，故速度甚為重要，務求趕在鄰近項目之前推出市場，藉此套現來償還貸款及作出再投資。

與此模式相關之風險，主要涉及市場週期。公司盈利只以上個項目作準，在下一輪能否繼續賺錢並無保證；的而且確，公司很有可能在下一個週期損失慘重，甚至令過往所有盈利均蕩然無存。事實上，如果出現漫長熊市，公司甚有可能因欠缺現金流而破產。

此外，在中國等快速發展中之經濟體，其在此方面跟七零至九零年代之香港相像，即土地和樓房價格均會大幅波動。縱使大型持久之牛市亦可充滿危險，其時土地和樓房價格互相追逐飆升，而鑑於土地價格比起需要最終用家支持之樓房價格遠為波動，前者之領先程度可令後者望塵莫及。正如吾等直至去年底在香港及於較近期在內地所目睹，每單位可建面積之土地，可較土地連同樓房計算之現有市場價格更為昂貴。香港人稱此現象為「麪粉貴過麪包」。這句話在二零零七年內地牛市時被廣泛應用。它就像在賭桌上每次賭贏時把注碼增加一倍，只需輸掉一次便會失去之前賺得之所有。倘參與者曾作借貸，損失或會更大。

另一種模式是本公司所倡導者，故本人稱它為恒隆模式。由於過去曾閱讀本人週年報告之股東對此應耳熟能詳，故本人在這裏無須贅述，只須把其與另一策略概括比較便已足夠。

Listed on the Shenzhen Stock Exchange, Vanke is the biggest residential developer in China and indeed in the world. Last year it produced and sold over 60,000 units. Its biggest markets are the Pearl River Delta and the Yangtze River Delta, two of China's most populous and economically exciting regions. Vanke's model is to buy tracts of land, build residential units and sell or pre-sell as soon as possible. The company is not overly concerned with market timing. Volume or quantity is the name of the game. It is like being a product manufacturer and it is operationally intensive. To better control quality and speed, Vanke's chairman Mr. Wang Shi told me at my office a few months ago that his company was beginning to work with several of the world's best pre-fab home builders, which really makes sense.

Finance management wise, a company of this model needs capital but not necessarily a huge amount as long as banks are willing to fund projects. What is important to the company is cash flow. Speed is essential so as to beat neighboring projects to the market and to generate cash for loan repayment and reinvestment.

Risks associated with this model relate mainly to market cycles. A company is only as profitable as its last project. There is no guarantee that it will continue to make money in the next round. Rather there is the distinct possibility that the firm may lose big in the next cycle such that all previous profits vanish. In fact, if there is a prolonged bear market, cash flow shortage may very well bankrupt the firm.

Moreover, in fast developing economies like China and for that matter, like Hong Kong in the 1970's to the 1990's, both land and building prices can fluctuate wildly. Even a big and prolonged bull market can be fraught with danger where land and building prices chase each other on the way up. Since the price of land is far more elastic than that of the completed building which needs ultimate end users, the former can leave the latter in the dust. As we have repeatedly witnessed in Hong Kong and more recently on the mainland until the end of last year, the land element of each unit of buildable space can be more expensive than the existing market building unit price, i.e. land and building together. Hong Kong people describe this phenomenon as "flour is more expensive than the bread that it makes." This saying was widely adopted in China during the mainland bull market of 2007. It is like doubling a bet at the gambling table after each win. All it takes is for the player to lose once and he gives back everything he has ever made -- and perhaps more if he is leveraged.

The other model is championed by your Company so I will call it the Hang Lung model. There is little need to describe it here since shareholders who have read this annual statement in the past should be very well versed. Suffice to contrast it briefly with the other strategy.

如果萬科重量，本集團定必重質；彼等需要速度，吾等需要先行者優勢；彼等之利潤有時會極為吸引但週期性高，吾等之利潤於租出商業物業後其穩定性會令人難以置信。換句話說，吾等之收入具有卓越質量，而利潤則以遠低之風險水平來賺取，而由於吾等之物業只租不賣，因此吾等之稅率遠遠更可為人接受。

以本集團兩個上海項目為例，現時其無槓桿回報率超過百分之二十並正繼續上升。倘按合理利率借取項目總成本之六成，則槓桿回報率已超過百分之四十。即使本集團不合理地保守估計今後一段時期之租金並無增長，本集團仍可獲得逾百分之二十之現金回報。另一模式能否持續取得這個水平之利潤，實在令人非常懷疑。坦白說，以相對較高之穩定回報及頗低之風險作為著眼點，本人難以想到有另一行業具有相當於吾等行業之吸引力。

此涉及一個有趣問題：一家公司能否在兩項策略中同時佔優？畢竟兩者都是關於房地產業務。本人相信此乃不容易。籃球和體操均為體育活動，但要同時在此兩方面晉身世界級運動員甚為困難。如上文所述，許多傳統上屬於萬科模式之公司曾試圖進軍商業物業世界，迄今未見有許多成功案例。該兩種模式需要截然不同之思維和技巧。倘要作定奪，則鑑於吾等之模式要求遠高之專才，另一模式要伸延到此特別困難。反之，有可能的情況是，像恒隆等在香港興建及銷售房屋業務擁有廣泛經驗之公司，或許可以成功伸越彼邦。

但長遠而言，大贏家可能是那些一心一意之公司。這在房地產市場遠為發達之西方國家屬實，而在激烈競爭早晚會出現之中國，贏家必定是世界級公司。此論據亦支持專業化之重要。本人相信，未來數十年間在此巨大市場中甚為成功之地產商，幾乎所有均將屬於該兩種模式之其中一種或其衍生之流派。

展望

本人多年來均公開表示，預測中國經濟之困難遠較預測其他方面容易。內地許多涉及金融活動如銀行監管以至資本市場監管之機構，均為新成立及未經考驗者。負責經濟事宜之政府高級官員看來非常能幹，但他們未曾經歷重大之市場波動，當處理未來亂子時會面對相當挑戰，原因是該等亂子與九零年代中國經濟規

If what Vanke emphasizes is quantity, then ours must be quality. What they need is speed and what we need is first mover advantage. While their profit can at times be very attractive, it is highly cyclical. Ours on the other hand is incredibly steady once the commercial complexes are leased. In other words, the quality of our income is superior and our profit is generated with a much lower level of risk. And since we lease properties and do not sell, our tax rate is far more acceptable.

Take for example our two Shanghai developments. At present they are receiving unleveraged returns of over 20% and rising. If say 60% of the total project cost is borrowed at a reasonable interest rate, that equates to a leveraged return of over 40%. Even if we were to be unreasonably conservative and project no growth in rents in the coming period, we are still getting 20% plus cash-on-cash return. It is highly doubtful if the other model can consistently produce that level of profit. Frankly I can hardly think of another industry which is as attractive as ours – giving relatively high steady returns with fairly low risks.

Here is an interesting question: can a company excel in both strategies? After all, both are real estate. I believe that it is not easy. Basketball and gymnastics are both sports but one can hardly become world-class athletes in both. As mentioned earlier, many traditionally in the Vanke vein have tried to enter the commercial real estate world. So far we cannot find too many successful cases. The two models require very different mindsets and skill sets. If anything, it is particularly difficult for the other model to migrate to ours given the much higher expertise that is required. It is conceivable nevertheless that some of the Hang Lung ilk, especially those of us who have had extensive experience in Hong Kong building apartments for sale, may be able to successfully cross over.

In the long run, however, it is likely that those who win big are the ones who stick to one thing. This is the case in the West where the property market is far more developed. In China where heated competition will sooner or later arrive, the winners must be world-class. This also argues for specialization. I believe that in the coming decades, almost all highly successful developers in that enormous market will belong to either of the two models or derivatives thereof.

Prospects

For years I have publicly stated that it is much easier to predict difficulties in the Chinese economy than otherwise. Many of the institutions involved in financial activities from banking regulation to capital market supervision are newly established and untested. Inasmuch as senior government officials in charge of the economy are apparently very competent, they have not experienced major market fluctuations. Dealing with future troubles will present challenges as

模遠遠較小和較簡單時有頗大不同。當時全球化之程度少得多，如今要以行政手段來糾正錯誤會較為困難及成效較遜，而在制定或執行政策方面稍有差池所牽涉之後果會超越純經濟層面。過去約十年牛市不斷壯大，潛在危險似乎與日俱增。

到目前為止，本人之憂慮尚未成為事實。然而，市場似乎已進入自然調整期。牛市奔馳了一段頗長時間，現時逐漸放緩遠比日後急挫為佳。此乃最好之局面，皆因沒有市場能無限期只升不跌。至少到目前為止，中國領導人似乎能保持經濟穩定航行。對整體經濟有影響之房地產價格，在日益嚴厲之政府措施下終於下跌。

世界大部分其他國家尤其美國之表現更差。美國次按和有抵押債務問題，將嚴重影響該等國家之經濟。環球商品價格大幅上升，通脹再次張牙舞爪。幾乎可以肯定，前路將為波濤洶湧時期。

鑑於中國乃世界主要製造商，在上文所述之國內和國際問題一併而至下，其經濟增長將受到衝擊。管理層相信，最壞時刻仍未來臨，而這對本集團之業務必會有所影響。

無可否認，中國政府並不希望住宅價格上漲太急，因此過去一或兩年並不鼓勵外資(包括來自香港之資金)投入。社會和諧對中國至為重要，故此等措施可以理解。正由於這個原因，本集團從首天起已避開住宅項目。發展商須承擔所有風險，但回報卻有上限，參與此遊戲之唯一方法乃以量取勝。

儘管中國商業房地產之定價較程度上由市場力量決定，這絕不使其波動性較住宅單位為少。因此，吾等看到了去年秋季此類項目之土地價格瘋狂地大起大落。本集團在過去二十個月保留資金不作購置，故吾等已為未來之熊市做好準備工作，並切實對此歡迎。然而，尚有其他原因令吾等喜悅。

首先，熊市會推倒部分吾等之競爭對手。吾等已聽聞內地某些發展商出現麻煩，落成、半落成及尚未施工之項目均正尋找買家。吾等持開

they are likely to be quite different from those of the 1990's when the Chinese economy was a lot smaller and simpler. The extent of globalization then was much less. Administrative measures to correct mistakes may now be more difficult and less effective. Nowadays a misstep in policy formulation or execution may have much wider consequences beyond pure economics. As the bull market continuously expanded in the past decade or so, the potential dangers seemed to increase.

So far none of my worries have materialized. However, the market appears to have naturally entered into an adjustment phase. The bull market has been running for quite a long time and a gradual slow down now is much better than a sharp decline later. This is the best scenario for no market can defy gravity indefinitely. Chinese leaders appear to be able, at least so far, to keep the economic ship on even keel. Real estate prices which are of consequences to the overall economy finally fell after increasingly severe government measures.

Much of the rest of the world, especially the U.S., is faring worse. American subprime mortgage and CDO (collateralized debt obligations) problems will greatly impact their economy. Global commodity prices have risen exponentially and inflation is once again rearing its ugly head. A period of troubled waters ahead seems certain.

With China being a major world manufacturer, the combination of domestic and international problems as mentioned above will take a toll on economic growth. Management believes that the worst is yet to come, and this must somehow affect our business.

There is no denying that the Chinese government does not want residential prices to rise too fast. Consequently foreign investments (including those from Hong Kong) therein for the past year or two were discouraged. Social harmony is of foremost importance to China so these measures are understandable. This is precisely the reason from day one why we have avoided residential developments. The developer bears all the risks but the upside may be capped. The only way to play that game is by volume.

While pricing for commercial real estate in China is much more determined by market forces, that does not make it any less volatile than for residential units. Hence we saw the insane land prices of last autumn which fell as fast as the rise. We conserved capital and bought nothing in the past twenty months. We are well prepared for the coming bear market and, in fact, welcome it. There are however other reasons for our pleasure.

First, the bear market will knock off some of our competitors. We are already hearing about troubles from some of the mainland players. Completed, half-completed and yet-to-start-construction projects are

放態度並會查看，雖則吾等作出購置之機會不大。吾等尚未見有符合本集團高標準之設計，但倘該項目坐落在黃金地點，則本集團會作考慮。畢竟，一切都以價格為依歸。

其次，吾等希望現時競爭減少可讓本集團較易完成土地購置。吾等當然喜歡較低價格，但價格並非吾等唯一之考慮。與純然較低價相比，許多其他交易條款對本集團可能更有長遠價值。當市場熾熱時，出售土地之市政府或有更多誘因冀望更高價格。如今經濟放緩及稅收下降，政府或須出售土地以填補赤字。彼等亦知周遭潛在買家不多，故本集團抱有希望可稍快完成交易。

第三，經濟放緩很有可能導致股票市場冷卻。以往，本公司之母公司恒隆集團往往在其他人拋售本公司股份時購入，例如在過去約一年內，恒隆集團在本公司之股權由略高於百分之五十增至約百分之五十二。牛市有一天會重臨，屆時本公司可再次配股集資以供進一步擴展。鑑於內地機會幾乎無限，而吾等亦擁有致勝策略及穩健往績，故吾等應可繼續增長。

最後，正如本人過去數年撰述，吾等對旗下員工尤其各專業人員非常關心。集團要繼續取得成功，需要保持其優秀團隊之歡懷。此乃為何本集團縱非香港唯一一家亦是極少數大型地產公司其中一家設有明文規定之股份期權獎勵計劃。股價低迷可讓本集團向員工授予更具吸引力之股份期權。

正如財政年度下半年之業績顯示，租金增長依然強勁。預料此趨勢未來數月仍可持續。然而倘若經濟轉弱，可推想消費終有一天會受影響，但本集團之地位在頗佳程度上會因為與實力租戶簽定之租約而受到保護，雖則營業租金增長可能會有所放緩。惟正如上文解釋，與吾等從熊市之得益相比，吾等對此仍表歡迎。

展望未來，過去八至九年集團在上海取得之回報，應可在其他城市之新項目中再現，此項合理之預期乃基於數個因素而作出定論。

now seeking buyers. We are open-minded and will look although the chances of our buying are not great. We have yet to see designs that meet our high standards. However, if such a development is superbly located, then we will consider it. After all, everything can be boiled down to pricing.

Secondly, we are hopeful that now with less competition, we will be able to conclude land purchases easier. Obviously we always like lower prices but price is not our only consideration. Many other deal terms may be of more value to us in the long run than merely lower dollars. When the market is hot, the municipal government selling the land may have more incentive to wait in hope of higher price tags. Now when the economy is slow and tax revenues are down, the government may want to sell land to make up for the deficit. They also know that there are fewer potential buyers out there so we are hopeful of closing transactions slightly faster.

Thirdly, a slower economy will most likely translate to a cooler stock market. In the past, our parent company Hang Lung Group (HLG) always purchased our scripts when others dumped. In the last year or so, for example, HLG's shareholding has gone from a little over 50% to about 52%. The bull market will one day return and we will once again be able to place shares for further expansion. Given the almost unlimited opportunities on the mainland, our winning strategy and our solid track record, we should continue to grow.

Finally, as I have written in previous years, we care very much for our employees, especially our professional staff. To remain successful will require keeping our excellent team happy. This is why we are one of the very few if not the only major property company in Hong Kong that has a well defined stock option incentive scheme. A depressed stock price will enable us to issue more attractive options to our employees.

As the fiscal year's second half results show, rental growth has remained strong. This trend is expected to persist in the coming months. It is however conceivable that if the economy weakens, consumption will one day be affected. Our position is nevertheless protected to a good extent by term leases with strong tenants, although growth in turnover rent may slow somewhat. Yet compared to the benefits we enjoy in a bear market as explained above, we still welcome it.

Looking ahead, it seems reasonable to expect that the returns achieved in Shanghai over the past eight to nine years can be repeated in our new projects in other cities. This conclusion is based on several factors.

首先，本集團尚未購置像上海恒隆廣場般昂貴之土地。投資界有一個常見之誤解，彼以為集團兩個上海項目之成功，乃由於吾等早期進入內地故購地便宜所致。事實是多名香港發展商均較本集團更早進軍內地，不過彼等很少能賺得吾等所賺之金額。這並非因為他們過早，當時許多內地發展商亦在同一時期獲利甚豐。實質之原因乃彼等以往及現在均欠缺一套明確界定之明智策略，此亦是彼等今天不能有利可圖的原因。他們在香港蕞爾小地採用之機會主義伎倆在浩瀚之內地市場並不管用，況且兩地之體制亦截然不同。除非彼等願意隨著時間遞進而學習妥善執行，否則其在內地不會成功。

坦白說，本集團在一九九二年和一九九三年分別就港匯廣場和恒隆廣場支付之土地價格並不便宜。吾等能創造超過百分之二十之無槓桿每年投資回報率，此事實既說明市況之強勁及吾等之卓越專才，亦說明內地市場之潛力確實巨大。

新項目之土地價格較兩個上海項目較低，只是其應有良好表現之原因之一。當新項目未來數年可供租賃時，當地之消費市場很有可能較九年前吾等開設首家購物商場之上海強勁。當時許多世界級時裝品牌對上海仍然陌生。自那時起，這些品牌在全中國開設了眾多商店，落戶之處當然均包括本集團目前正在打造項目之所有城市。美林證券估計到二零一四年時，中國將佔全球豪華品牌產品銷售額四分之一。經過十年異常迅速之財富積累後，中國過去數年進入了購買此類產品之快速增長期。但除了高級時裝產品外，其他在吾等商場開店之消費品，其銷售收入亦錄得強勁增長。本集團許多新商場將可適時抓緊此等市場時機。

正如前文所述，許多國際品牌現時均已在本集團擁有項目之城市落戶。然而，此等城市並無適合彼等之甲級購物商場，因此彼等大多散佈市內各處，例如在酒店大堂開設獨立商店等。本集團地點優越及面積宏大之世界級商場，將成為該等品牌「薈萃之地」。彼等許多均為本集團上海項目之租戶，而吾等過去數年一直與他們商討有關本集團之未來項目。彼等大部分均強烈表示願與本集團到任何一地，皆因彼等對吾等之物業和管理具有信心。他們知道，無論本集團建設甚麼，都將是有關城市之地標。

First, we have yet to buy land as expensive as Plaza 66 in Shanghai. There is a common misunderstanding among the investment public that the successes of our two Shanghai projects are due to our early entrance into the mainland and hence our buying land cheaply. The fact is that a good number of Hong Kong developers jumped in before us. It is just that few have made as much money as we. It is not because they were too early, for many local mainland developers in the same period made out like bandits. Rather, the reason is the same as to why they are not so profitable today. Namely, they did not and still do not have a clearly defined strategy that makes sense. The opportunistic approach they have practiced in small Hong Kong will not work on the much bigger mainland market. The system there is also very different from here. Unless one is willing to learn over time how to execute properly, he or she will not be successful there.

The land prices we paid for The Grand Gateway and Plaza 66 in 1992 and 1993 respectively were frankly not cheap. The fact that we are now able to generate over 20% unleveraged annual return on investment speaks to the strong market as well as our seasoned expertise. It also tells us that the potential of the mainland market is great.

Lower land prices compared to the two Shanghai developments are but one reason why the new projects should do well. It is very possible that by the time the latter are ready for leasing in the coming few years, the local consumer markets will be stronger than Shanghai was nine years ago when we opened our first shopping center. Back then, many of the world-class fashion brands were new to Shanghai. Since then they have opened numerous stores all over China and certainly in all the cities where we are presently building. Merrill Lynch estimates that by 2014, China will account for a quarter of all global sales of luxury brands. Thanks to a decade of exceptionally rapid accumulation of wealth, the country has in the past few years entered into a fast growth period for such goods. But beyond high fashion products, other consumer items likely to find their way to our malls are experiencing strong increases in sales. Our many new malls will come just in time to capture those markets.

As mentioned already, at present many of the international brands are already in the cities where we have projects. However, there are hardly any first-class shopping centers of size for them. As a result, they are for the most part scattered all over town, in stand alone stores in hotel lobbies for example. Our well located and sizeable world-class malls will become the "aggregator" of such brands. Many of them are already our tenants in Shanghai and we have in the past few years been in discussions with them regarding our coming developments. The majority of them have expressed strong intent to go with us everywhere because they have confidence in our buildings and in our management. They know that whatever we build will be landmarks in the respective cities.

話題轉回香港，住宅市場仍然甚為兩極化。普羅住宅之價格仍未見一九九七年之高峰，但豪宅價格已超過十年前之數倍。吾等於一九九九年和二零零零年預見此情況，只購入後一類土地，而本集團存貨之二千個餘未售單位均座落於黃金地點，本人預期此等單位之售價會勝過已售單位之價格。

部分股東不明白本集團為何不在香港購置土地。本人可以向股東保證，本集團會採取此舉，但只在市場真正疲弱之時。現時政府並不熱衷於出售土地，讓本地鐵路公司港鐵公司可先行賣地。房地產業務有助後者維持利潤及財政上獨立於政府。港鐵公司以市場折讓價從政府取得土地後，會與私人發展商例如本集團進行合資項目及瓜分利潤。彼等採用此經營模式約三十年，很懂得如何擠壓其合作夥伴。在七零和八零年代，本集團縱非最大亦是其中一名最大之合資夥伴，而今天則除少數例外情況外，本集團已停止此舉。在本地欠缺其他機會之促使下，發展商朝這方面尋找生意，但激烈競爭令此等交易缺乏吸引力。私人發展商須承擔所有風險，並須把最大分額之利潤留予港鐵公司。換句話說，其須承受發展商之風險但只可獲承建商之回報。

除此之外，要動用資金亦是本集團不參與此遊戲之另一原因。吾等在內地有很多更佳之地方運用資金；不專注於這個遠為龐大兼獲利甚豐之市場，乃本集團不能負擔之機會成本。

再者，香港住宅物業市場並非正在增長；事實上它一直萎縮。去年僅有一萬個新單位落成及出售，而十年前則約為每年二萬三千個單位。（在過去一年左右之二手市場甚為活躍，但發展商無從受益。）本人去年致恒隆集團股東之函件已詳細分析其萎縮原因，故本人不會在此重複，只須說此現象近數年有所加劇便已足夠，至於其會否持續則並不清楚。不過，縱使成交額有一天回升，市場仍然遠較內地為小。此外，十多家或以上資本雄厚之發展商爭奪一個項目，只會進一步壓低邊際利潤。管理層認為，把時間和資源投放在香港以北之浩瀚及幾乎無限之市場，實乃遠遠為佳之舉措。

在香港發展大型商業項目之機會非常罕見，並罕有機會可以合理價錢購置現有之甲級大型寫

Back in Hong Kong, the residential market remains highly bifurcated. Whereas mass residential units have yet to see prices reaching the heights of 1997, luxury apartments have exceeded the prices from a decade ago by several fold. Foreseeing this in 1999 and 2000, we only bought land for the latter category. The 2,000 remaining unsold units in our inventory are all superbly located. I expect that they will outperform their lower unit price cousins.

Some of our shareholders wonder why we are not buying land in Hong Kong. I can assure you that we will, but only when the market is really weak. For now, the government is not keen to sell land, thus making way for local railway company MTRC to first part with theirs. Real estate helps the latter stay in the black and remain financially independent from the government. The MTRC after obtaining land from the government at a discount to the market price will joint venture with private developers like us and split the profits. After operating in that model for about three decades, they well know how to squeeze their partners. Whereas in the 1970's and 1980's we were among the biggest if not the biggest joint venture partner of theirs, with few exceptions we have stopped doing that. The lack of other local opportunities has sent developers in that direction, but competition has made those transactions unattractive. The private developer assumes all the risks while giving up the lion's share of profit to MTRC. In other words, one is asked to take on a developer's risk while getting a contractor's return.

Beyond that, the consumption of capital is another reason for our not playing that game. We have much better places to deploy our money—on the mainland. The opportunity cost of not concentrating on that much bigger and highly lucrative market is something we cannot afford.

Moreover, the Hong Kong residential market is not growing. In fact it has been shrinking. Last year barely 10,000 new apartments were completed and sold, compared to about 23,000 annual units a decade ago (In the past year or so, the secondary market has been very active but that does not benefit developers). The reason for the shrinkage was extensively analyzed in my letter to Hang Lung Group shareholders last year so I will not repeat it here. Suffice to say that the phenomenon has been exacerbated in recent years. Whether it will continue is however not as clear. But even if volume picks up one day, the market is still very small compared to opportunities on the mainland. Furthermore, there are a dozen or more well capitalized developers fighting for each project which further squeezes margins. Your management deems it a much better usage of our time and resources laboring in the vast and almost unlimited market north of us.

Opportunities for sizeable commercial developments in Hong Kong are extraordinarily rare. There are also very few chances

字樓大廈。一個例外情況是本集團購入位於中環之渣打銀行大廈，但此乃超過十五年前之事。

由於香港面積小，供發展新商場項目之大塊土地非常有限。回顧近四十年來，通常每十年只有一個或兩個重大機會。此等機會在七零年代為康樂大廈(現稱怡和大廈)及海富中心；八零年代為交易廣場，九零年代見證太古廣場和又一城之落成，而在千禧年則有國際金融中心和即將完成之環球貿易廣場。從中可見的有趣之處是，市場主導者每十年之清晰交替。七零年代為香港置地及長實。前者活躍至八零年代後靜止。九零年代屬於太古地產，現時則由新鴻基地產領班。

最重要的問題是：未來十年如何及機會何在？答案似乎明顯不過——中國內地及對此具有專才者。香港可能仍有機會，但本人相信它們之規模與內地項目相比將黯然失色。

因此，本集團將繼續在香港出售住宅單位以爭取最大利潤，並把賺得之資金投放內地。像去年十月份般，良好之銷售機會每隔一段時期便會出現，本集團將一如以往嘗試抓緊它們。本集團並不太急於出售物業，亦看不出有何理由要自己吃虧。香港經濟可望悄然繼續前行，這意味著樓價不會崩潰。供應方面，本集團並沒有在利潤通常較低之地區例如新界擁有任何樓面。集團所有可供銷售單位均位於非常受歡迎之地區，大部分單位均有海景。需求方面，由於香港之低稅率、法治和令人愜意之生活方式，故優質住所總會有買家垂青。供求對稱應可為本集團進一步帶來可觀利潤，而此等資金所投放之內地項目應可確保本集團之長期成功。

最後，本集團在香港和上海之租賃業務在今個財政年度之表現應可為人接受。儘管中國和美國經濟前景均蒙上陰霾，但其對本集團業務之影響料屬於可管理之水平。

主席
陳啟宗

香港，二零零八年八月十三日

to buy at reasonable prices large existing class A office buildings. One exception was Standard Chartered Bank Building in Central which we bought, but that was over 15 years ago.

Because of the small size of Hong Kong, big plots of land for new commercial projects are very limited. Looking back almost 40 years, there were usually only one or two major opportunities each decade. In the 1970's, there was the Connaught Center (now called Jardine House) and Admiralty Center. In the 1980's we had Exchange Square. The 1990's saw the completion of Pacific Place and Festival Walk. In the new millennium, we have IFC and the soon to be completed ICC. It is interesting to observe that there was a clear changing of the guards from decade to decade. In the 1970's it was Hongkong Land and Cheung Kong. The former was active into the 1980's then stopped. The 1990's belonged to Swire Properties while in the present Sun Hung Kai Properties reigns.

The million dollar question is: what about the next decade and where will be the opportunities? The answer seems obvious enough -- mainland China and whoever has expertise therein. There may yet be opportunities in Hong Kong but I believe that they will pale before mainland projects in terms of scale.

So we will continue to maximize profit from selling residential units in Hong Kong and pour the money earned into the mainland. Just like last October, good selling opportunities will come periodically and we will as before try to catch them. We are in no great hurry to sell and see no reason to short change ourselves. Hong Kong's economy is expected to quietly move along. This means that property prices will not collapse. On the supply side, we do not own a single inch in areas such as the New Territories where profit margin is usually low. All of our units for sale are in highly desirable districts and mostly have a seaview. On the demand side, given Hong Kong's low tax rate, rule of law and desirable life style, there will always be buyers of quality apartments. The convergence of supply and demand should bring us further handsome profits, and the mainland projects into which the money will go should ensure our longer term success.

Finally, our rental operations in both Hong Kong and Shanghai should perform acceptably in this fiscal year. While there are some clouds on the economic horizons in both China and the U.S., their impact on our business is however expected to be manageable.

Ronnie C. Chan

Chairman

Hong Kong, 13 August 2008

管理層之討論及分析

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2007/08 年度主要事項 MAJOR HIGHLIGHTS 2007/08

10. 2007

西九龍住宅項目浪澄灣展開銷售，憑著精心部署及專注市場策略，兩星期內售出六百零五個單位，銷售收益逾港幣三十億元。

Sales of The Long Beach, our residential development in West Kowloon, commenced. With careful planning and our focused marketing strategies, 605 units were sold within two weeks, generating sales revenue of over HK\$3 billion.



12. 2007

恒隆地產有限公司主席陳啟宗先生主持山東省濟南市「濟南恒隆廣場」動土儀式，承蒙濟南市市委副書記楊魯豫先生出席盛事，標誌著該項造價人民幣二十五億元的世界級商業項目踏入發展里程碑，項目將包括一座樓高六層總樓面面積約達十五萬平方米的購物商場，預期可於二零一零年落成。

Mr. Ronnie C. Chan, Chairman of Hang Lung Properties Limited officiated at the Ground Breaking Ceremony for our RMB 2.5 billion Jinan Hang Lung Plaza project in Jinan City, Shandong. The event, attended by the Deputy Secretary of the Municipal Committee of Jinan, Mr. Yang Lu Yu, marked a milestone in the development of this world-class commercial project. With completion expected in 2010, it will consist of a six-storey shopping mall with gross floor area of about 150,000 square metres.



集團位於東九龍之優質商場項目淘大商場已完成大型翻新工程，不僅提供更佳顧客設施讓公眾體驗全新購物樂趣，亦增加了項目之可供租賃總面積。預期新設施可提升項目今後之租賃回報。

Major renovations at Amoy Plaza, our prime retail development in Kowloon East, were completed. The renovations have not only improved customer facilities creating an enjoyable shopping experience for the public, they have also increased the total leasable areas in the development. The new facilities are expected to bring in higher rental returns in the years to come.



05. 2008

集團位於天津市主要商業購物街道和平路之「天津恒隆廣場」舉行動土儀式，承蒙天津市人大常委會副主任李潤蘭女士及天津市副市長熊建平先生出席盛事，標誌著項目順利展開。該項目包括一座總樓面面積達十五萬三千平方米的世界級購物商場，總投資額約為人民幣三十二億元，預計於二零一二年落成。

The Ground Breaking Ceremony for our Tianjin Hang Lung Plaza, located at Heping Lu, Tianjin's leading commercial and retail street, took place. Attended by Ms. Li Run Lan, Vice Chairman of the Standing Committee of the Tianjin Municipal People's Congress and Mr. Xiong Jianping, Vice Mayor of Tianjin, the ceremony marked the commencement of this project which will consist of a 153,000 square-metre shopping mall built to the highest world standards. With an estimated investment cost of RMB 3.2 billion, completion of the project is expected in 2012.

06. 2008

為鞏固名店坊在香港主要購物區銅鑼灣之地位，其翻新工程接近完竣。隨著更多國際品牌遷入及開設複式旗艦店，名店坊與時裝界部分最高檔和最時尚的品牌攜手開創獨特的購物天地。

Consolidating Causeway Bay's role as one of Hong Kong's major shopping districts, the upgrading of our facilities at Fashion Walk was almost completed. With more international brands moving in and with many of them creating duplex flagship stores within the complex, the project is creating a unique shopping environment with some of the most high-end and stylish names in the fashion industry.



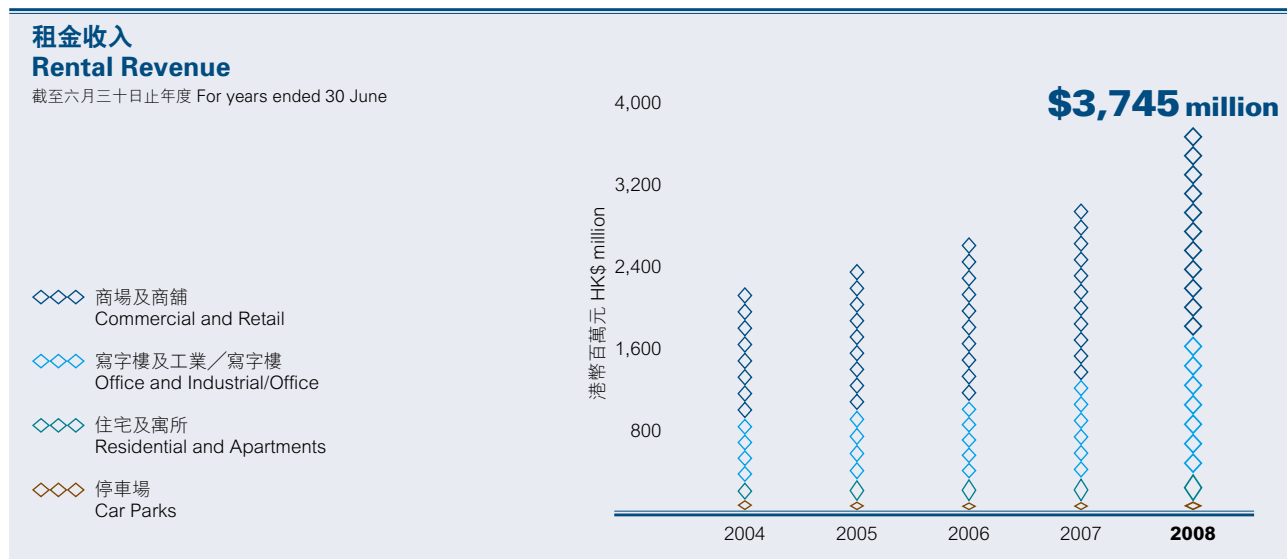
業務概覽及策略 BUSINESS OVERVIEW AND STRATEGIES

在區內蓬勃增長帶動下，集團於二零零七／零八財政年度表現更為出色。其卓越表現主要由於集團香港物業銷售取得熱烈反應，以及香港和上海物業租賃市場暢旺所致。因此，截至二零零八年六月三十日止年度之營業額飆升百分之一百三十，達港幣一百億七千九百九十萬元。其中，物業租賃佔港幣三十七億四千五百一十萬元，物業銷售佔港幣六十三億三千四百八十萬元，較去年分別增加百分之二十五及百分之三百五十七。本年度股東應佔純利銳升百分之一百零七，創出高達港幣一百三十一億五千九百一十萬元之新高。

年內之物業租賃業務有可觀增長，營業溢利上升百分之二十七，達港幣三十億四千五百七十萬元，當中之港幣十一億九千二百八十萬元來自上海物業，較去年增加百分之六十三。香港物業租賃業務亦表現強勁，在商舖及寫字樓物業租賃市場的蓬勃增長帶動下，營業額及溢利均增加百分之十一，分別達港幣二十二億九千零一十萬元及港幣十八億五千二百九十萬元。

Fuelled by dynamic growth in the region, we performed exceptionally well during the 2007/08 financial year. This outstanding performance was primarily due to the overwhelming responses received from the sale of our properties in Hong Kong as well as the robust leasing markets both in Hong Kong and Shanghai. As a result, turnover for the year ended 30 June 2008 surged a dramatic 130% to HK\$10,079.9 million. Of this figure, property leasing accounted for HK\$3,745.1 million and property sales for HK\$6,334.8 million, representing an increase of 25% and 357% respectively over the previous year. The net profit attributable to shareholders for the year rose 107% to a record HK\$13,159.1 million.

Property leasing activities grew considerably during the year with operating profit increasing 27% to HK\$3,045.7 million. Of this figure, our properties in Shanghai contributed HK\$1,192.8 million, an increment of 63% over the previous year. Hong Kong rentals also performed strongly. Boosted by the buoyant leasing market for retail and office properties, turnover and profits both increased 11% to HK\$2,290.1 million and HK\$1,852.9 million respectively.



上海物業租賃市場亦展示強勁動力。消費力增強，加上恒隆廣場第二幢辦公大樓於二零零六年年底落成，營業額銳增百分之五十四至港幣十四億五千五百萬元。來自上海之租金收入，現佔本集團整體租賃營業額約百分之三十九。

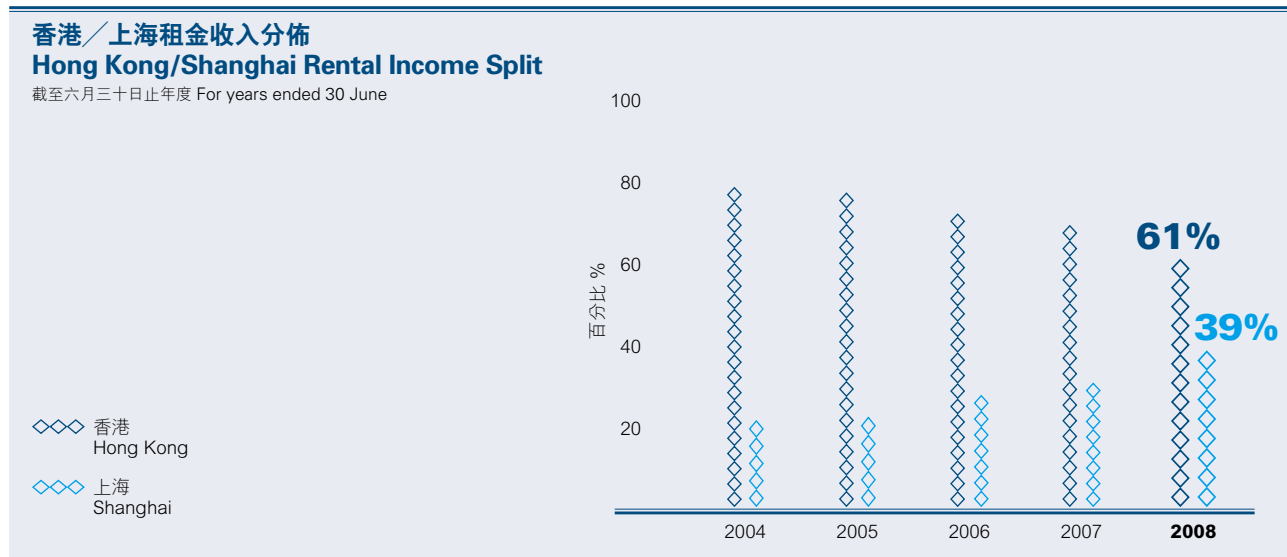
由於適時銷售香港住宅物業，故本集團之物業銷售業務亦享有優異成績。來自物業銷售之營業溢利增長百分之一千零七十九，達港幣三十五億五千一百九十萬元。年內售出近八百個單位，包括浪澄灣六百零五個單位及君臨天下一百一十三個單位，每平方呎平均售價分別約為港幣七千一百元及港幣一萬六千九百元。展望未來，集團將秉持一貫策略適時銷售物業，致力取得最佳價格及最大收益。

扣除投資物業重估收益及有關遞延稅項後，基本純利較去年上升百分之一百五十，達港幣五十一億二千三百萬元。

The property leasing market in Shanghai too displayed strong momentum. Coupled with growing consumption and the coming on stream of the second office tower in Plaza 66 at the end of 2006, turnover increased a remarkable 54% to HK\$1,455.0 million. Rental income from Shanghai now accounts for around 39% of the Group's total rental turnover.

The Group also enjoyed excellent results from property sales, achieved through the well-timed disposal of residential properties in Hong Kong. The operating profit for property sales grew 1,079% to HK\$3,551.9 million. During the year, about 800 units were sold, including 605 units from The Long Beach and 113 units from The HarbourSide at average prices of about HK\$7,100 and HK\$16,900 per square foot respectively. Looking forward, we will maintain our strategy to release sale properties at the appropriate time, to capture the best prices and maximise our revenues.

Underlying net profit, excluding a gain from the revaluation of investment properties and related deferred tax, amounted to HK\$5,123.0 million, a rise of 150% over the previous year.



業務概覽及策略 BUSINESS OVERVIEW AND STRATEGIES

增長策略

集團物業組合採取專注策略，以商場、商舖及寫字樓物業為主，藉此掌握租賃市場的蓬勃良機。同時，鑑於中國內地經濟急速增長，而集團相信其未來的成功與內地的日益發展乃息息相關，故集團已積極進軍有關市場。我們從一九九二年在上海起步，現已打造出兩個甚為成功的租賃項目恒隆廣場和港匯廣場購物商場。

在這個成功基礎上，集團努力創建未來，其策略是在內地最具活力的城市斥資合共約港幣四百億元發展世界級商場項目。集團採用極為嚴謹的篩選政策，僅會在城市心臟地帶最佳地點購置大幅優質土地，現已在瀋陽、天津、濟南及無錫購入土地，用作興建世界級的購物商場。集團至今已承諾之總投資額約為港幣二百億元，其中兩個項目「濟南恒隆廣場」和「天津恒隆廣場」已在本年度內分別於二零零七年十二月及今年五月動土興建。除無錫項目外，其他所有項目均已動工。

我們繼續勘察新地點，目標是於二零零九年年末前取得餘下項目。其中一幅土地位於長沙市，我們正與長沙市芙蓉區人民政府商討

Our Strategies for Growth

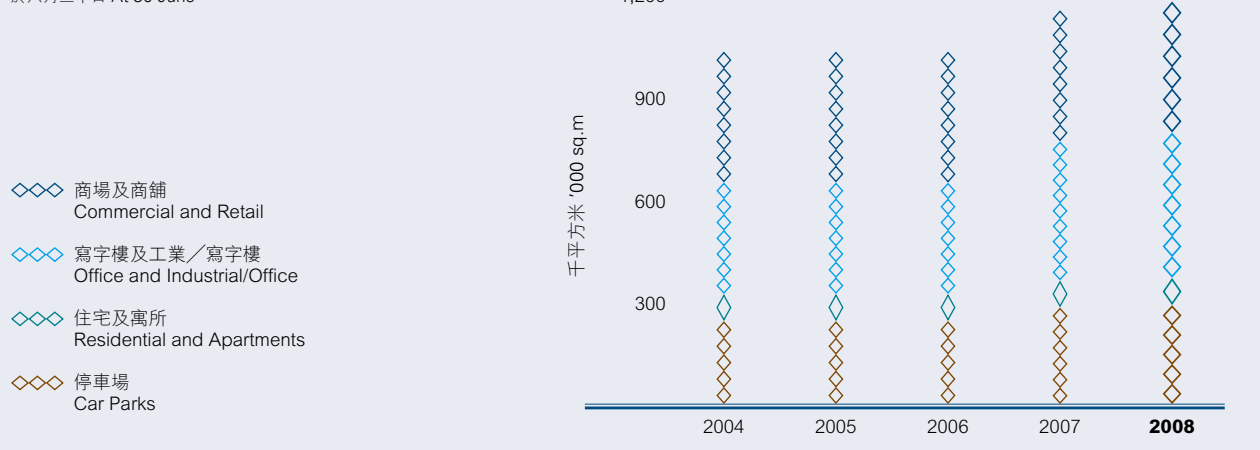
In line with our strategies, our property portfolio focuses primarily on commercial, retail and office properties, capitalising on the benefits of a strong leasing market. At the same time, in view of the rapid economic growth rate in mainland China and the belief that the Group's future success is closely linked to increasing development on the mainland, we have moved actively into this market. Starting out in Shanghai in 1992, we now have two highly successful leasing developments, Plaza 66 and the shopping mall at The Grand Gateway.

Building on this success, our strategy for the future is to invest around HK\$40 billion in world-class commercial projects, in the mainland's most vibrant cities. With a highly selective policy of buying only large and quality sites at the best locations in the heart of the city, we have purchased land in Shenyang, Tianjin, Jinan and Wuxi for the development of world-class commercial complexes. The total investment committed so far amounts to about HK\$20 billion. Two of these projects, the "Jinan Hang Lung Plaza" and "Tianjin Hang Lung Plaza" broke ground during the year, the first in December 2007 and the second in May this year, to commence construction. With the exception of our project in Wuxi, all the others have commenced construction.

We continue to scour new locations and our target is to have the remaining projects in hand by the end of 2009. One such site is in Changsha City. Discussions commenced with the

投資物業面積之業務分類 Investment Properties Area by Business Segment

於六月三十日 At 30 June



在該市興建一項綜合發展項目，並已就此簽署意向書。有關磋商仍在進行，現正商討細節。集團於二零零八年六月三十日處於現金淨額狀況，確保享有優越地位以掌握各項投資機會。

香港方面，我們繼續提升旗下物業組合之質素，該組合包括分佈於香港兩個最繁盛的購物區銅鑼灣和旺角之商場物業。集團除密切監察市場動向 — 不斷審閱旗下物業的租戶組合和調整租賃策略外，亦定期進行翻新和改善工程。此等措施不僅可為物業爭取最大回報，並有助維持其長遠價值。

香港之物業發展及銷售業務為集團贏得市區優質物業發展商之美譽。集團除恪守理念，只在黃金地點發展項目外，亦小心翼翼選擇適當時間購置土地及興建優質項目，並於市道良好時掌握時機進行發售。此策略年內取得豐碩成果，我們趁二零零七年市道壯旺時銷售浪澄灣及進一步發售旗艦項目君臨天下，帶來了創新高的銷售收入。

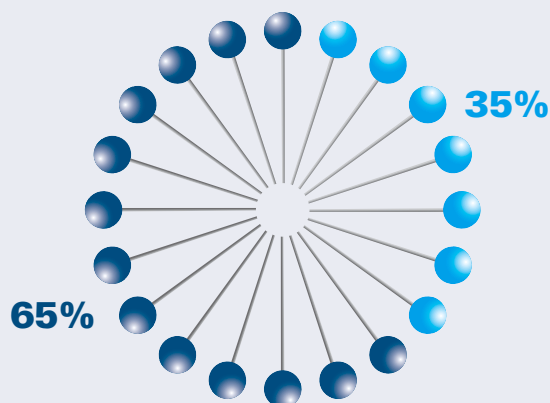
district government of Furong in Changsha for the development of a multi-complex project in the city and a Memorandum of Understanding was signed to this end. Discussions are continuing and details are currently under negotiation. To make sure that we are in an advantageous position to seize investment opportunities as they arise, we maintained a net cash position as at 30 June 2008.

In Hong Kong, we continue to upgrade the quality of our existing portfolio, which includes widespread retail properties both in Causeway Bay and Mongkok, Hong Kong's two busiest shopping districts. We keep our finger on the market's pulse — constantly reviewing our tenant mix and adjusting leasing strategies, while also carrying our regular refurbishment and improvement works. These initiatives not only maximise returns on our properties, they also help to maintain their long-term value.

In the development and sale of properties in Hong Kong, we have earned an enviable reputation as a developer of prime urban real estate. In addition to our philosophy to site our developments in prime locations, we also take care to buy at the right time and build quality developments, which are then released for sale to take advantage of positive market conditions. This strategy paid off handsomely during the year, when the launch of The Long Beach and the further release of a number of units in our signature development, The HarbourSide, together with the strong market in 2007, brought in record sales revenues.

投資物業面積之地域分佈 Investment Properties Area by Geographical Location

於二零零八年六月三十日 At 30 June 2008





ENETTON.

名店坊

FASHION WALK | 名店坊

FASHION WALK | 名店坊



香港—物業租賃 HONG KONG— PROPERTY LEASING



...煥然一新的名店坊，續為銅鑼灣高級購物區之地標
*Newly renovated Fashion Walk, continued to be the
landmark for high-end shoppers in Causeway Bay...*

香港 — 物業租賃 HONG KONG — PROPERTY LEASING

儘管美國發生次按危機、油價飆升以及環球金融市場日益不明朗，但香港租賃市場在商舖及寫字樓物業的強勁需求下保持堅穩，集團二零零七／零八年度之整體租金收入增加百分之十一，達港幣二十二億九千零一十萬元，溢利增加百分之十一，達港幣十八億五千二百九十萬元。

由於需求強勁，集團各類租賃物業均享有甚高之租出率。旗下面積達二十四萬三千平方米之商場及商舖，平均租出率高企於百分之九十九；面積達二十六萬三千平方米之寫字樓及工業／寫字樓，平均租出率達百分之九十五；而面積達七萬九千平方米之住宅及寓所，平均租出率為百分之七十七。同時，我們採取審慎均衡的租賃策略，藉此爭取最大的租金收益。這些專注的租賃策略，加上精益求精的管理、租戶的通力合作、持續有效的營運和成本控制，使我們的租金邊際純利穩企於百分之八十一，是香港地產發展商中最高者之一。

Spurred by strong demand in both the commercial and office sectors, the property leasing market in Hong Kong remained buoyant, despite the subprime woes in the US, rising oil prices and increasing uncertainty in the world's financial markets. Total rental turnover for 2007/08 therefore rose 11% to HK\$2,290.1 million while profit grew 11% to HK\$1,852.9 million.

In view of this strong demand, we enjoyed very high occupancy rates throughout our diverse leasing portfolio. Occupancy stood at an average of 99% for our 243,000 square metres of commercial and retail space, 95% for the 263,000 square metres of office and industrial/office space, and 77% for our 79,000 square metres of residential and apartment space. At the same time, our carefully balanced leasing strategies maximise rental yields. These focused leasing strategies, together with management enhancements, tenant co-operations, ongoing operational efficiencies and cost controls have allowed us to maintain our net rental margin at 81%, one of the highest among property companies in Hong Kong.

香港投資物業之按地域分析 Geographical Analysis of Hong Kong Investment Properties

於二零零八年六月三十日 At 30 June 2008

		樓面面積* (千平方米) Gross Floor Area* ('000 sq. m)	
		2008	2007
港島	Hong Kong Island		
中環及金鐘	Central and Admiralty	51.1	51.1
銅鑼灣及灣仔	Causeway Bay and Wanchai	111.8	111.8
康山及鰂魚涌	Kornhill and Quarry Bay	164.4	164.4
山頂及半山區	The Peak and Mid-Levels	46.9	46.9
港島南區	Hong Kong South	12.1	12.1
九龍	Kowloon		
旺角	Mongkok	147.9	149.4
尖沙咀及西九龍	Tsimshatsui and West Kowloon	89.3	39.7
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	92.6	92.6
長沙灣及葵涌	Cheung Sha Wan and Kwai Chung	51.6	51.6
總計	Total	767.7	719.6

* 包括停車場之樓面面積
Including gross floor area of car parks

商場及商舖

集團之策略乃持有城市心臟地區之物業，故此我們在香港之商舖及商場物業，均位於最繁盛和享有旺盛人流的購物區。集團除在中環、金鐘和尖沙咀等商業樞紐擁有大型物業以及擁有位於山頂之山頂廣場外，其物業組合之核心物業座落於香港兩個最繁盛的購物區銅鑼灣和旺角。我們在銅鑼灣座擁最大數量的門市商舖物業，並在旺角心臟地區彌敦道與西洋菜街交界地，擁有最多數量的商場物業。

我們採用有效的租賃策略，透過現代化專業管理及深化改善計劃全力為該等物業保值或增值，使其平均租出率達百分之九十九之水平。來自該等物業之租金收入達港幣十一億九千六百萬元，較去年上升百分之七。當中，黃金地段商場之租金收入上升百分之十一，其他市區商場之租金收入則溫和上升百分之三。

我們在銅鑼灣的物業名店坊及恒隆中心，分別錄得租金收入港幣二億四千一百四十萬元及港幣九千萬元，上升百分之十五及百分之十八。年內，名店坊開始進行翻新工程，其新設施吸引了時裝界一些最知名的名牌在此開設複式旗艦店，令名店坊日益成為高消費購物者尋找最時尚高檔時裝飾品的天堂。

山頂廣場錄得租金收入港幣五千一百五十萬元。該項目座落於山頂，提供獨特的購物體驗。由於山頂廣場擁有悠閒環境及翠綠空間，我們在這裏舉辦了多項社區活動，包括音樂表演、展覽、文化表演及消閒活動等，廣受本地人士和遊客歡迎。

Commercial and Retail

In line with our strategy to own properties at the heart of the cities in which we operate, our retail and commercial properties are located in some of Hong Kong's busiest shopping districts which enjoy huge pedestrian flows. Apart from major properties in key business areas such as Central, Admiralty and Tsimshatsui, as well as The Peak Galleria on the Peak, the core of our portfolio is based in Causeway Bay and Mongkok, the two busiest shopping areas in Hong Kong. In Causeway Bay, we are the largest landlord of street-level shops in the area, while in Mongkok, we are the largest retail landlord located in the heart of the district, bordered by Nathan Road on the one hand and Sai Yeung Choi Street on the other.

Together with our effective leasing strategies and ongoing commitment to maintain or add value to our properties with modern and professional management as well as intensive improvement programmes, we recorded an average occupancy rate of 99% with total rental income in this sector rising 7% over the previous year to HK\$1,196.0 million. In our prime retail malls, this rose to 11% while suburban developments experienced a more modest increase of 3%.

Our properties in Causeway Bay -- Fashion Walk and Hang Lung Centre -- recorded rental incomes of HK\$241.4 million and HK\$90.0 million, translating into growth of 15% and 18% respectively. During the year, refurbishment work began on Fashion Walk, with the improvement in facilities attracting some of the biggest names in the fashion industry to set up duplex flagship stores within the development. As such, the area is increasingly providing a paradise for high-end shoppers, who are looking for the most stylish and upmarket fashions available in the market.

On the Peak, The Peak Galleria recorded a rental income of HK\$51.5 million. It continues to offer a unique shopping experience. In view of The Peak Galleria's green and open areas together with its pleasant leisure environment, we held a number of community events ranging from musical performances and exhibitions to cultural shows and leisure events, appealing to locals and tourists alike.



MaxMara

「我們很高興選擇了名店坊作為店址。自一九九六年我們首間九百平方呎的商店在這裏開業以來，我們深深感受到恒隆地產對各項建議所持的開放態度、對我們的需要所給予的鼎力支持。

當我們為有意在名店坊創設複式店而初次接觸他們時，他們提供了無與倫比的幫忙。經共同努力下，我們於二零零七年在此開設了一間面積超過五千平方呎的嶄新複式旗艦店。這間緊貼巴黎、米蘭和東京潮流的超級品牌店，不僅是我們在大中華地區最大的商店，更為我們的顧客帶來了一個全新獨特的購物經驗。」

MaxMara 董事總經理鍾少堅

"We are delighted in our choice of location here at Fashion Walk. Since the opening of our first store of 900 square feet in the complex in 1996, we have always found Hang Lung Properties to be open to suggestions and very supportive of our needs.

When we first approached them with regard to creating a duplex store here in Fashion Walk, they couldn't have been more helpful and working together, we were able to open our new duplex flagship store, consisting of more than 5,000 square feet, in 2007. Following trends in Paris, Milan and Tokyo, this superstore is not only our largest in the greater China region, it also offers our customers a totally new and unique shopping experience."

Peter Chung, Managing Director, MaxMara

香港 — 物業租賃 HONG KONG — PROPERTY LEASING

旺角是世界人口最稠密的地區之一，也繼續為香港人流量最多之地，集團在該區的物業續有出色表現。我們把握該區高人流提供的契機，在家樂坊推出多元化「美食天堂」，引入嶄新的飲食生活理念。在各項新穎推廣措施帶動下，家樂坊、雅蘭中心一期及二期、以及荷李活商業中心，分別錄得租金收入港幣六千零八十萬元、港幣一億三千三百六十萬元及港幣九千九百萬元，增長百分之十、百分之八及百分之三。

集團其他購物商場同樣享有可觀人流，例如位於鰂魚涌之康怡廣場及東九龍之淘大商場，兩者均座落於人口稠密之地，並採用嶄新營運概念(例如主題區策略，把類似零售行業的租戶集合在同一區域)，再加上定時進行改善翻新，故兩者之租金收入分別上升百分之六，達港幣二億三千九百五十萬元及百分之一，達港幣一億八千三百八十萬元。淘大商場經接近一年時間完成大型翻新後，不僅優化了其設施和環境，並提供了檢討租戶組合的機會，從而更佳地滿足購物人士的需要，為顧客創造更愜意的購物體驗。翻新工程增加了淘大商場的可供租賃總面積，預期它今後的租金收入將顯著增長。

Mongkok, one of the most densely populated areas in the world, continues to experience some of the heaviest flows of pedestrian traffic in Hong Kong. As such, our properties in the area continue to perform well. Capitalising on the large number of people in the area, we introduced a new life-style concept in Gala Place, creating a “food paradise” to offer a diverse range of food and dining experiences in the area. Hand-in-hand with these new life-style initiatives, rentals of HK\$60.8 million, HK\$133.6 million and HK\$99.0 million were received for our properties in the area -- Gala Place, One and Two Grand Tower, as well as Hollywood Plaza, translating into increases of 10%, 8% and 3%, respectively.

Other shopping complexes such as Kornhill Plaza at Quarry Bay and Amoy Plaza in Kowloon East also proved to be popular. Located in densely populated districts and with innovations such as theme zone strategies, where tenants in similar businesses are grouped together to create theme areas, accompanied by ongoing upgrades and refurbishment, rentals for the two developments rose 6% to HK\$239.5 million and 1% to HK\$183.8 million respectively. Extensive renovation work, lasting almost the entire year, was completed at Amoy Plaza. The renovation has not only enhanced the mall's facilities and environment, it has also given us a chance to review the tenant mix to better meet shoppers' needs and create a more enjoyable shopping experience for customers. The renovation has resulted in an increase in the mall's total leasable areas and rental revenues are expected to see a significant increase in the years to come.

香港投資物業之按類分析 Segmental 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 (百分比) Occupancy Rate (%)	
		2008	2007	2008	2007	2008	2007
商場及商舖	Commercial and Retail	242.5	242.5	1,196.0	1,115.3	99	98
寫字樓及工業／寫字樓	Office and Industrial/Office	262.9	244.6	730.8	628.4	95	93
住宅及寓所	Residential and Apartments	79.3	79.3	269.6	232.6	77	73
停車場	Car Parks	183.0	153.2	93.7	82.2	N/A	N/A
總計	Total	767.7	719.6	2,290.1	2,058.5	94	93

香港 — 物業租賃 HONG KONG — PROPERTY LEASING

集團在該等商場項目設有停車場配套。這些停車場具備卓越的車輛進出監控程序，並由內部開發的電腦系統管理，故在業內享譽甚隆。更重要的是，我們可為購物人士、租戶和整個社區，提供方便有效及具成本效益的服務。

寫字樓及工業／寫字樓

我們的寫字樓物業位於香港商業心臟地區，除處於黃金地點外，更鄰近地鐵、公共交通網絡及主要公路，享有地利之便。

儘管世界金融市場日益不明朗，二零零六／零七年度對寫字樓物業之強勁市場需求仍延伸至二零零七／零八年度。集團寫字樓及工業／寫字樓物業之租金收入連續第二年顯著增長，較二零零六／零七年度上升百分之十六，達港幣七億三千零八十萬元。

此等優異成績部分歸功於集團位於中環之優質物業，包括渣打銀行大廈、樂成行、都爹利街一號及印刷行等，它們均能掌握區內寫字樓物業短缺所帶來之機會。同時，集團位於其他地區之寫字樓物業組合，亦因交通方便、優質管理及地點適中等優點而持續受歡迎。略舉數例，它們包括銅鑼灣恒隆中心、鰂魚涌康怡廣場辦公大樓、尖沙咀格蘭中心以及旺角之雅蘭中心一、二期、荷李活商業中心和栢裕商業中心等。

我們之核心強項，乃透過成功的市場推廣策略為旗下寫字樓物業提升價值及爭取最大的租金回報。我們按有關物業之地點及市場定位來制定不同的策略，其表表者乃數年前由酒店改建而成的雅蘭中心一期，它是我們今

Supporting these shopping facilities, we operate a number of car parks within these centres and developments. Known within the industry for our excellent access control and management as well as our own internally designed, computerised parking systems, we hold a leading reputation in this area. More importantly, however, we are able to provide convenient, efficient and cost-effective services for our shoppers, tenants as well as the overall community.

Office and Industrial/Office

Our office properties are situated at the heart of Hong Kong's leading commercial hubs, where in addition to their central location, they are conveniently located along mass transit railway lines, public transportations networks as well as major roadways.

The strong demand for office space in 2006/07 carried over into 2007/08 despite the growing uncertainty in the world's financial markets. Our office and industrial/office rentals increased significantly for the second year in a row, rising 16% over 2006/07 to HK\$730.8 million in 2007/08.

These positive results were due in part to our prime properties in Central -- the Standard Chartered Bank Building, Baskerville House, 1 Duddell Street and Printing House, which were able to capitalise on the shortage of new office space in the area. At the same time, in view of their accessibility, quality management and prime urban locations, our office portfolio, such as Hang Lung Centre in Causeway Bay, Kornhill Plaza Office Tower in Quarry Bay, Grand Centre in Tsimshatsui as well as One and Two Grand Tower, Hollywood Plaza and Park-In Commercial Centre in Mongkok, continues to prove its popularity.

Our core strength is the ability to enhance our office values and maximise rental returns through successful marketing strategies. Different strategies are formulated based on the building's location and market position. A prime example of this strategy in action is the successful conversion of One Grand Tower from a hotel a few

天最受歡迎的寫字樓物業之一。另一例子為集團把類似行業如時裝批發及旅行社等租戶集中在大廈同一區，令租戶及其業務夥伴更為方便。

憑著地利、優質專業管理和有效的市場策略，集團的寫字樓及工業／寫字樓之租出率為百分之九十五，較去年上升兩個百分點。

住宅及寓所

集團的住宅物業組合提供各類豪宅及舒適的服務式寓所。位於港島半山區尊貴地點之品牌項目御峯豪宅，堪稱為座擁香港最遼闊景觀之豪華住所之一，甚受企業和領事館租戶歡迎，其租金收入達港幣七千一百二十萬元，租出率達百分之八十四。

位於港島南區之濱景園，繼續吸引企業和專業人士成為租戶。該物業包括四十五個別墅式單位，享有翠綠開揚之環境，距離香港最著名的海灘淺水灣僅數分鐘路程，提供優閒寫意的生活。該項目年內之租金收入達港幣四千六百一十萬元，租出率為百分之九十一。

位於鰂魚涌太古港鐵站上蓋之康蘭居服務式寓所，為香港繁忙的行政人員提供舒適方便的生活環境。隨著客戶尤其公司客戶基礎擴大，其平均房租較去年顯著上升百分之十一。租金收入上升百分之十五，租出率為百分之七十。

years ago. It is one of our most popular office properties today. Another example is the use of the zoning concept, also used in our commercial and retail properties, to group similar tenants, such as fashion wholesalers and travel agents, together. This concept provides greater convenience both to tenants and their business partners.

In view of the location, quality and professional management of our developments as well as the efficiency and effectiveness of our marketing policies, the total occupancy rate for our office and industrial/office premises rose to 95%, 2% higher than the rate last year.

Residential and Apartments

Our residential portfolio offers a mix of luxurious residential properties as well as comfortable serviced apartments. The Summit, our signature property located in Hong Kong's exclusive Mid-levels area provides luxurious living space offering some of the most panoramic views in the territory. Popular among both corporate and consular tenants, the development generated a rental income of HK\$71.2 million with an occupancy rate of 84%.

Located on the south side of Hong Kong Island, our Burnside Villa development continues to be popular among corporate and professional tenants. Consisting of 45 villas-style homes in a green and open environment, just a couple of minutes walk away from Hong Kong's most well-known beach, Repulse Bay, the development offers a relaxed life-style. It generated an income of HK\$46.1 million during the year with an occupancy rate of 91%.

Kornhill Apartments, our serviced apartments, providing a comfortable and convenient living environment for Hong Kong's busy executives, also performed positively. With an expanded clientele, particularly from the corporate sector, the average room rate grew a significant 11% over the previous year. Located above the Tai Koo MTR Station in Quarry Bay, the apartments saw a rise of 15% in rental income, with an occupancy rate of 70%.

香港 — 物業租賃
HONG KONG — PROPERTY LEASING





1	2	3
		4

1. 山頂·山頂廣場
2. 旺角·栢裕商業中心
3. 牛頭角·淘大商場
4. 旺角·雅蘭中心一期

1. The Peak Galleria, The Peak
2. Park-In Commercial Centre, Mongkok
3. Amoy Plaza, Ngau Tau Kok
4. One Grand Tower, Mongkok



香港 — 物業發展及銷售
HONG KONG —
PROPERTY DEVELOPMENT
AND SALES

...浪澄灣座落於西九龍，包括八幢樓高四十三層之豪宅大廈

The Long Beach, our luxury residential development consisting of eight 43-storey towers in West Kowloon...



香港一物業發展及銷售

HONG KONG — PROPERTY DEVELOPMENT AND SALES

集團之物業發展及銷售業務年內表現特別出色。二零零七年下半年，豪宅市場價格飆升，交易宗數顯著增加。我們掌握市道改善帶來之良機，推出多項物業進行發售。

市場反應極為踴躍。我們售出合共約八百個單位，主要包括得獎項目君臨天下及浪澄灣，取得之收入達港幣六十三億三千四百八十萬元，較去年之十三億八千五百六十萬元大幅增加。溢利增至港幣三十五億五千一百九十萬元，增長百分之一千零七十九，邊際利潤約為百分之五十六。

展望未來，雖然二零零八年上半年之香港整體住宅交易宗數下跌，但住宅價格僅輕微下降。觀乎集團物業之卓越質量，兼且其只以豪宅市場為重點及精心策劃之執行為本，我們相信集團之物業銷售可繼續取得最大收益，所得現金流量可為集團之內地擴展計劃提供資金。

君臨天下

掌握二零零七年下半年市道暢旺及毗鄰購物商場於九月份大力宣傳開業之時機，我們於二零零七年第三季恢復發售港鐵九龍站上蓋優質項目君臨天下。在用家之熱烈支持下，我們售出合共一百一十三個單位，每平方呎平均售價達港幣一萬六千九百元，銷售收入達港幣二十六億元。

Our property development and sales performed particularly well during the year. Taking advantage of the improved market conditions, which saw prices soared in the luxury residential market in the second half of 2007 and the number of sales transactions increased significantly, we released a number of properties for sale.

The response was overwhelming. We sold a total of approximately 800 units, primarily from our award-winning developments – The HarbourSide and The Long Beach, bringing in an income of HK\$6,334.8 million, substantially higher than the figure of HK\$1,385.6 million recorded last year. Profit rose to HK\$3,551.9 million, an increase of 1,079%, representing a profit margin of some 56%.

Looking forward, though there has been a fall in the overall Hong Kong market in the number of transactions in the first half of 2008, prices appear to have softened only slightly. With the quality of our developments and focus solely on the luxury market, our commitment to precision and state of the art execution, we believe that we will continue to maximise revenues in this sector. We expect the cash flow generated in these areas to finance our planned expansion on the mainland.

The HarbourSide

Taking advantage of the positive market conditions in the second half of 2007 and the opening of the highly-publicised shopping complex in the neighbourhood in September, we resumed sales of this prime development above the MTR's Kowloon Station in the third quarter of 2007. With strong interest from end users, a total of 113 units were sold at an average of HK\$16,900 per square foot, to bring in sales revenue of HK\$2.6 billion.

君臨天下包括三幢樓高八十層之豪宅大廈，共有一千一百二十二個單位，截至二零零八年六月底售出合共三百五十九個單位。當鄰近之商業及基礎設施落成後，該項目餘下單位之未來銷售可進一步受惠。

浪澄灣

二零零七年十月，我們發售位於西九龍包括八幢樓高四十三層住宅大廈之浪澄灣。該項宏偉物業提供超過一千八百個單位，均享有遼闊海景及甲級康樂設施。我們採用重點市場推廣策略，在兩星期內售出合共六百零五個單位，每平方呎平均售價達港幣七千一百元，銷售收入達港幣三十三億元。

其他項目

除上述外，我們售出碧海藍天尚餘之九十二個單位其中六十九個，每平方呎平均售價達港幣五千一百元，較去年高出約百分之十二。

君逸山尚餘之十二個單位於年內售出，平均售價較去年高出約百分之二十五。

Consisting of 1,122 luxury units in three 80-storey blocks, a total of 359 units had been sold in The HarbourSide by the end of June 2008. Future sales of the remaining units in this development will benefit further when the nearby commercial and infrastructure facilities have been completed.

The Long Beach

In October 2007, we launched the sale of The Long Beach, a residential development consisting of eight 43-storey towers in West Kowloon. With over 1,800 units, this spectacular development offers panoramic sea views as well as first class recreational facilities. Implementing our focused marketing strategies, a total of 605 units were sold within two weeks. The sales generated an income of HK\$3.3 billion at an average of HK\$7,100 per square foot.

Other Projects

In addition to the above, we sold 69 out of 92 available units in AquaMarine, at an average rate of HK\$5,100 per square foot, some 12% higher than the previous year.

Twelve remaining units at Carmel-on-the-Hill were sold this year at average price some 25% higher than before.

香港 — 物業發展及銷售

HONG KONG — PROPERTY DEVELOPMENT AND SALES



1

2

1. 君臨天下
2. 浪澄灣

1. The HarbourSide
2. The Long Beach



中國內地—物業租賃
MAINLAND CHINA —
PROPERTY LEASING



...恒隆廣場位於上海最著名的購物區之一南京西路，
是一個贏得多項大獎的商場及辦公大樓項目
*Plaza 66, the award-winning commercial, retail and
office complex on Nan Jing Xi Lu in one of Shanghai's
most well-known shopping districts...*



中國內地—物業租賃 MAINLAND CHINA — PROPERTY LEASING

掌握中國內地急速城市化和日益富裕所帶來之契機，集團開展鴻圖大計，在中國內地主要城市之黃金地點建立高質素的投資物業組合。我們十五年前按此策略進軍市場，在上海之文化及商業要地浦西地區率先發展兩項優質物業。這些年來，此項策略證實甚為成功，集團在上海兩個項目——恒隆廣場和港匯廣場之購物商場，均已成為上海之主要地標，並為集團之投資成本提供超過百分之二十之總收益率，預測未來會進一步增加。

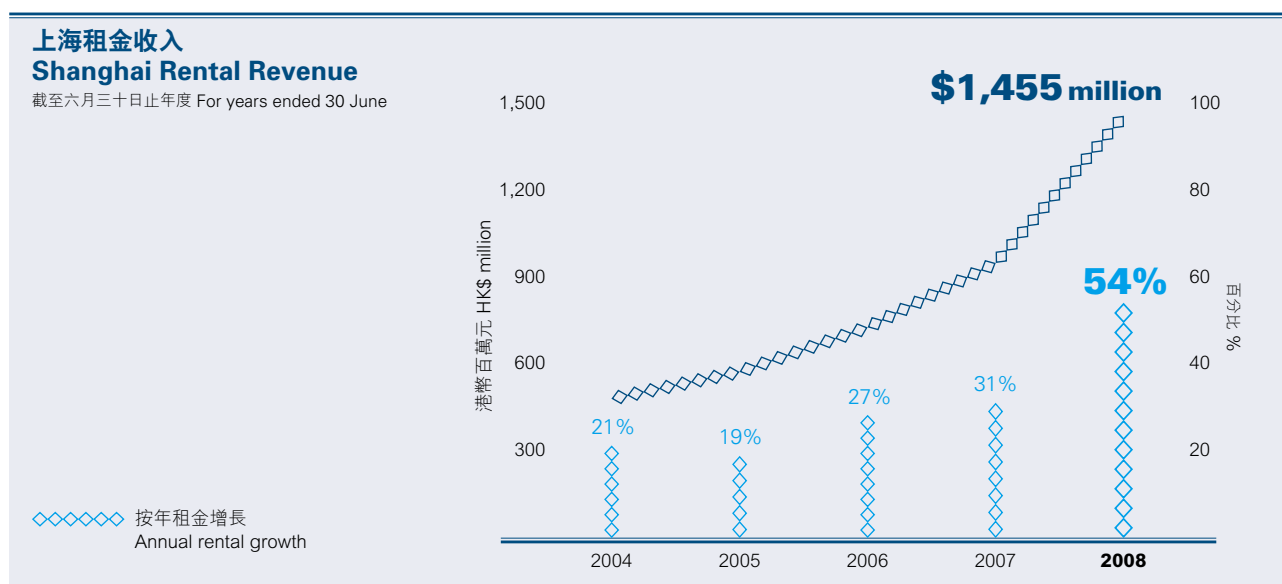
恒隆廣場位於上海最著名的購物區之一南京西路，是一個贏得多項大獎的商場及寫字樓的綜合項目。其仿如「名人錄」之租戶名單包括世界多個尊貴品牌，例如卡地亞(Cartier)、路易威登(Louis Vuitton)、香奈兒(Chanel)及范思哲(Versace)等；並不斷開創新猷，例如二零零七年十一月啟業之鐘錶廊等。其租出率達百分之一百，輪候租戶眾多，包括一些世界著名品牌。上海都會日益富裕，帶動恒隆廣場租金節節上升，其年內之租金收入達港幣三億二千九百六十萬元，較去年上升百分之四十一。

該項目包括兩幢甲級辦公大樓，吸引世界各地之資訊科技商、時裝界及跨國公司成為租戶。儘管第二幢辦公大樓落成後帶來額外樓

Capitalising on the rapid urbanisation and growing affluence in mainland China, our strategy has been to build a portfolio of top quality investment properties in prime locations and major cities in mainland China. Accordingly, we moved into this market 15 years ago with two leading properties in Shanghai's cultural and commercial district of Puxi. This strategy has proven successful over the years -- our two projects in Shanghai, Plaza 66 and the shopping mall at The Grand Gateway, have become major landmarks in the city. This winning formula has returned a gross yield on our investment cost of over 20% and we expect this to further improve in the future.

Plaza 66, our award-winning commercial, retail and office complex on Nan Jing Xi Lu, in one of Shanghai's most well-known shopping districts, continues to attract top names in the retail business. With a tenant list that reads like a Who's Who of the world's top luxury brands, from Cartier to Louis Vuitton and Chanel to Versace as well as innovations such as the Watch Gallery that opened in November 2007, Plaza 66 is not only fully occupied, it also has a long waiting list that includes some of the world's most well-known names. Fuelled by growing affluence in this cosmopolitan city, we saw an upward trend in rentals during the year -- commercial and retail rentals for the development rose to HK\$329.6 million, an increase of 41% over the previous year.

The complex also consists of two Grade A office towers, popular among multinational, IT and fashion businesses from around the world. Despite the fact that office space doubled in 2007 with



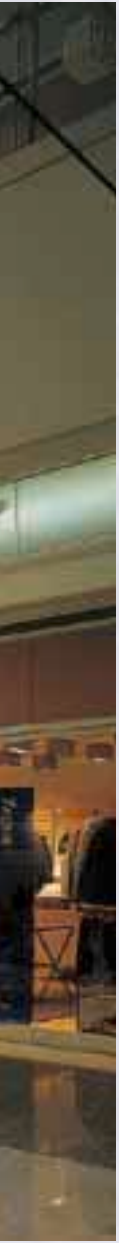
中國內地 — 物業租賃
MAINLAND CHINA — PROPERTY LEASING



1

2

1. 上海·恒隆廣場
2. 上海·港匯廣場
1. Plaza 66, Shanghai
2. The Grand Gateway, Shanghai



中國內地—發展中項目 MAINLAND CHINA — PROJECTS UNDER DEVELOPMENT

截至二零零八年六月底，我們已購入位於天津、瀋陽、無錫及濟南之五幅黃金土地。此等項目詳列如下：

As at the end of June 2008, five sites, at prime locations in Tianjin, Shenyang, Wuxi and Jinan have been acquired. The details of these projects are listed below:

中國內地發展項目最新資料：

Most Updated Information of Developments in mainland China:

項目 Project	天津恒隆廣場 Tianjin Hang Lung Plaza	瀋陽恒隆中街廣場 Shenyang Zhongjie Hang Lung Plaza
地點 Location	天津和平區和平路 Heping Lu, Heping District, Tianjin	瀋陽市瀋河區中街路 Zhongjie Lu, Shenhe District, Shenyang
主要用途 Main Usage	商業 Commercial	商業 Commercial
總樓面面積 Total Gross Floor Area	153,000平方米/sq.m	109,700平方米/sq.m
項目內容 Project Descriptions	<p>此項目位於天津市中心和和平路 — 於二零零五年被選為「全中國十大著名商業街」之一。集團於二零零五年一月購入該幅佔地四點四公頃之黃金地塊，以發展一座總樓面面積達十五萬三千平方米的頂級購物商場。項目已於今年五月動工，預計於二零一二年落成。此優質項目獲頒「2007年MIPIM建築評審未來項目大獎，零售及消閒」組別獎項。該系列獎項乃頒予全球最佳的國際級物業項目。</p> <p>A prime 4.4 hectare site was acquired in January 2005, located at Heping Lu in Tianjin's city centre, which was named as one of "the 10 most famous commercial streets in China" in 2005. Construction of a top end 153,000 square-metre shopping complex commenced in May this year with completion expected in 2012. This visionary project received the MIPIM Architectural Review Future Project Awards 2007 -- Retail and Leisure. MIPIM Awards reward the best international real estate projects from around the world.</p>	<p>集團於二零零五年九月購入一幅位於瀋陽市中心中街路，毗鄰世界文化遺產地「瀋陽故宮」之黃金地塊。三百多年來，中街路為瀋陽市之商業中心，並與天津市和平路一樣於二零零五年被選為「全中國十大著名商業街」之一。項目將包括一座總樓面面積約達十萬九千七百平方米的購物中心，並已於二零零六年動工，預計於二零零九年年底落成。</p> <p>In September 2005, we acquired a prime commercial site on Zhongjie Lu, at the heart of Shenyang City, near the Shenyang Imperial Palace, one of the world's Cultural Heritage sites. Zhongjie Lu has formed the city's prime commercial and trading hub for the past 300 years and similar to Heping Lu in Tianjin, was named as one of "the 10 most famous streets in China" in 2005. This project, which consists of some 109,700 square metres of prime retail space, began construction in 2006 and is expected to be completed at the end of 2009.</p>



瀋陽恒隆市府廣場 Shenyang City Hang Lung Plaza	無錫恒隆廣場 Wuxi Hang Lung Plaza	濟南恒隆廣場 Jinan Hang Lung Plaza
瀋陽市瀋河區青年大街 Qingnian Da Jie, Shenhe District, Shenyang	無錫市崇安區人民中路 Renmin Zhong Lu, Chongan District, Wuxi	濟南市歷下區泉城路 Quancheng Lu, Lixia District, Jinan
商業、寫字樓、酒店及服務式寓所 Commercial, office, hotel and serviced apartment	商業及寫字樓 Commercial and office	商業 Commercial
800,000 平方米/sq.m	255,000 平方米/sq.m	150,000 平方米/sq.m
<p>此項目位於遼寧省之省會瀋陽市，於二零零六年八月購入，座落於瀋陽市著名地標市政府廣場毗鄰、於貫通瀋陽市中心被稱為「金廊」之青年大街。新建議的地鐵二號綫將貫通「金廊」，並於市政府廣場及青年大街上均設置站點，料可為項目帶來更多人流。「瀋陽恒隆市府廣場」是一個綜合發展項目，將興建世界級購物中心、辦公樓群、六星級酒店及服務式寓所，其中樓高超過三百五十米的雙塔式辦公大樓勢成中國東北最高辦公大樓群。項目已於二零零七年四月動土，預計於二零一二年起分期落成。</p> <p>This development, in Shenyang City, the capital of Liaoning Province, was acquired in August 2006. It is located adjacent to City Plaza, the definitive landmark in Shenyang City, and along Qingnian Da Jie, the "Golden Corridor", which runs along the centre of Shenyang. The building of the newly proposed No. 2 metro line along this "Golden Corridor" will also enhance pedestrian flows with stations both on Qingnian Da Jie and City Plaza. Shenyang City Hang Lung Plaza, a multi-complex development, consists of world-class shopping facilities, office towers, a six-star hotel and serviced apartments. The twin office towers, rising over 350 metres, will become the tallest office building complex in north eastern China. The project broke ground in April 2007 and is expected to be completed in phases from 2012 onwards.</p>	<p>此項目亦位於市中心商務區，座落於無錫市兩條最繁盛的商業街交界。該區為市內主要購物區，人流旺盛。無錫市不僅為江蘇省之重點經濟城市，並名列《福布斯》「二零零八年中國大陸最佳商業城市排行榜」第三位。集團於二零零六年十二月購入該幅土地，預計於二零零八年年底前動工。</p> <p>Like the others, this development is located in the central business district, at the junction of the City's two busiest commercial streets. The area forms the city's primary shopping district, attracting huge pedestrian inflows. Wuxi is not only the major economic city in Jiangsu Province, it ranks third in Forbes magazine's list of "2008 China's Best Business Cities". The site was acquired in December 2006. Construction set to commence before the end of 2008.</p>	<p>集團於二零零七年二月購入該幅位於山東省政經文化都會濟南市之黃金地塊。「濟南恒隆廣場」座落於被譽為「金街」之泉城路，鄰近著名泉城廣場，將包括樓高六層總樓面面積達十五萬平方米的世界級購物中心，並已於二零零七年底舉行動土儀式，預計於二零一零年落成。</p> <p>In February 2007, we acquired a prime lot in Jinan, the capital city and political, economic and cultural centre of Shandong Province. Located at Quancheng Lu, also known as the City's "Golden Avenue", adjacent to the famous Quancheng Square, the Jinan Hang Lung Plaza consists of six storeys and 150,000 square metres of world class shopping space. Construction commenced with the ground breaking ceremony at the end of 2007 with project completion expected in 2010.</p>

中國內地 — 發展中項目
MAINLAND CHINA — PROJECTS UNDER DEVELOPMENT



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2		5

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|-------------|--------------------------------------|
| 1. 天津恒隆廣場 | 1. Tianjin Hang Lung Plaza |
| 2. 瀋陽恒隆中街廣場 | 2. Shenyang Zhongjie Hang Lung Plaza |
| 3. 瀋陽恒隆市府廣場 | 3. Shenyang City Hang Lung Plaza |
| 4. 無錫恒隆廣場 | 4. Wuxi Hang Lung Plaza |
| 5. 濟南恒隆廣場 | 5. Jinan Hang Lung Plaza |





持續發展—未來興盛之路
BUILDING FOR
SUSTAINABILITY —
THE WAY AHEAD

...我們矢志在中國建造具可持續性和文化理念與美感的項目

We are committed to building sustainable, culturally sensitive and aesthetically pleasing development in China...



持續發展 — 未來興盛之路 BUILDING FOR SUSTAINABILITY — THE WAY AHEAD

**“實現能源、成本和環境三大效益，
達到遠高於目前規定的標準
WE AIM TO ACHIEVE ENERGY-
EFFICIENT, COST-EFFECTIVE AND
ENVIRONMENTALLY FRIENDLY
OPERATIONS WITH SUBSTANTIALLY
HIGHER STANDARDS THAN
DICTATED BY CURRENT PRACTICE.”**

拿破崙說：「中國是沉睡的巨龍，當她甦醒時世界都會抖動。」過去二十五年，中國每年平均經濟增長幾乎達百分之十，這條沉睡的巨龍確實甦醒了。然而，中國的快速城市化並非沒有代價。毫無節制的增長，消耗了大量資源和帶來了嚴重污染，令中國政府面對巨大的挑戰。

針對這些挑戰，中國頒佈了一系列詳盡的「綠色」法例，致力保護環境及強調可持續性。我們完全同意這個重責不應由政府獨力承擔。作為一家對社會負責任的公司，我們矢志建造具可持續性和文化理念與美感的項目。

我們的做法是把可持續性設計功能納入旗下所有物業，以達到遠高於目前規定的標準，實現能源效益、成本效益和環境效益。這個目標反映在我們的物業和業務的每一方面，包括採用高效節能玻璃、太陽能 and 地熱能等再生能源、以及創造園林藉此散熱等。

“When the sleeping dragon wakes,” Napoleon said of China, “she will shake the world.” With economic growth averaging almost 10% a year over the past 25 years, the sleeping dragon is indeed awake. However, the country’s rapid urbanisation has not been without cost. Unbridled and uncontrolled growth has consumed vast amounts of resources and created tremendous pollution, posing huge challenges for the Chinese government.

Responding to these challenges head on, China has implemented a comprehensive line-up of “green” laws, seeking to protect the environment with an emphasis on sustainability. Fully accepting that this crucial task should not be left to the government alone, and as a socially responsible company, we are committed to building sustainable, culturally sensitive and aesthetically pleasing developments.

Our approach is to include sustainable design features in all our properties to achieve energy-efficient, cost-effective and environmentally friendly operations with substantially higher standards than dictated by current practice. This goal is reflected in every aspect of our building and operations — these range from the application of high-performance low-energy glazing and the use of renewable power sources, such as solar and geothermal energy, to the creation of landscaped gardens to dissipate heat.

以我們在瀋陽的兩個旗艦項目為例，建築師把尖端的節能技術融入設計。「瀋陽恒隆中街廣場」將使用地熱能源，以地源熱泵技術作為基礎為項目供熱和供冷。該技術利用瀋陽穩定的地面溫度來散熱，使用的能源比傳統的冷卻塔顯著減少。而當項目需要熱能時，該系統從土壤中抽熱。「瀋陽恒隆市府廣場」的雙塔式辦公大樓亦採用類似設計，從地表和太陽獲取能源。我們期望這個離地三百五十米的創新項目，將成為本集團以至瀋陽市的「可持續設計典範」。

樓高六層的「濟南恒隆廣場」，將採用雙層的高效節能玻璃。其頂層太陽能板可提供再生能源，而其十五萬平方米商場上的天頂園林，除可提供享有景觀的舒適開闊空間外，更具有絕緣功能。

我們的目標乃集團所有內地項目將可取得「節能與環保設計優先(LEED)」金獎。該項國際公認基準由美國綠色建築委員會制定，涵蓋五個主要的環境領域，包括：可持續發展的地塊建設、節水、節能、材料使用和室內空氣質量等。目前世界上的建築物平均佔整體能源消耗量百分之四十，我們希望集團高瞻遠矚和精益求精的做法，不但有利集團未來的可持續發展和增長，亦為整個環境以及中國經濟的長期發展帶來持久的良好影響。

At our two flagship projects in Shenyang for example, our architects have incorporated leading-edge energy-saving initiatives into their designs. Shenyang Zhongjie Hang Lung Plaza will be using geothermal energy, based on ground source heat technology to heat and cool the complex. The technology takes advantage of Shenyang's stable ground temperatures to dissipate heat, using considerably less energy than conventional cooling towers. In turn, when the building requires warming, the system draws heat from the soil. The twin office towers of Shenyang City Hang Lung Plaza have similarly been designed to harness energy from the earth and the sun. Rising 350 metres above the ground, we expect this innovative project to become a "showpiece of sustainable design" not only for ourselves but also for Shenyang City.

The six-storey Jinan Hang Lung Plaza will use high-performance, low-energy double-glazing to maximise the conservation of energy. Rooftop solar panels will also provide a source of renewable energy. Furthermore, landscaped gardens on top of the 150,000 square-metre mall will provide insulation in addition to offering pleasant and open spaces with spectacular views.

Our target for all our projects on the mainland is that they will all be awarded their LEED (Leadership in Energy and Environmental Design) gold certificates. The award is an internationally recognised benchmark developed by the US Green Building Council covering five key environmental areas – sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. Currently the world's buildings account for 40% on average of all energy consumption. We hope that our committed and forward looking practices will not only translate into our own sustainability for future growth and development, but that they will also have a lasting impact on the environment and the long-term viability of the economy in China.

集團主要物業 MAJOR GROUP PROPERTIES

A 主要發展中物業 Major Properties Under Development

於二零零八年六月三十日 At 30 June 2008

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)	施工階段 Stage of Completion	預計落成 日期 Expected Completion Date
香港 HONG KONG						
藍塘道· 內地段5747 號	Blue Pool Road, IL 5747	7,850	R	8,005	計劃中 Planning	2011
天津 TIANJIN						
和平區 和平路	Heping District Heping Lu	44,277	C	153,000	地基工程 Foundation	2012
瀋陽 SHENYANG						
瀋河區 中街路	Shenhe District Zhongjie Lu	34,845	C	109,700	建築上蓋 Superstructure	2009
瀋河區 青年大街	Shenhe District Qingnian Da Jie	92,065	C/H/O/S	800,000	地基工程 Foundation	2012 (第一期) (Phase 1)
無錫 WUXI						
崇安區 人民中路	Chongan District Renmin Zhong Lu	37,324	C/O	255,000	計劃中 Planning	2013
濟南 JINAN						
歷下區 泉城路	Lixia District Quancheng Lu	52,569	C	150,000	地基工程 Foundation	2010

C : 商場 Commercial
 H : 酒店 Hotel
 O : 寫字樓 Office
 R : 住宅 Residential
 S : 服務式寓所 Serviced Apartments

以上物業皆為本集團全資擁有。
 All the above properties are wholly owned by the Group.

B 已建成待售物業 Properties Completed for Sale

於二零零八年六月三十日 At 30 June 2008

地點	Location	主要用途 Main Usage	總樓面面積 (平方米) Total Gross Floor Area (sq. m)	未售出 住宅單位數目 No. of Unsold Residential Units	未售出 車位數目 No. of Unsold 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	92,368	763	520
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	99,531	1,224	–
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	2,011	23	–
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	286	2	23

R：住宅 Residential

以上物業皆為本集團全資擁有。

All the above properties are wholly owned by the Group.

集團主要物業 MAJOR GROUP PROPERTIES

C 主要投資物業 Major Investment Properties

於二零零八年六月三十日 At 30 June 2008

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 Apartments		
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	
名店坊， 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	Fashion Walk, 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) Major Investment Properties (Continued)

於二零零八年六月三十日 At 30 June 2008

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 Apartments	
香港(續) HONG KONG (Continued)						
康山及鰂魚涌 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	Kornhill 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	2082	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	25
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 Villa, 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	64	—	—	—
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	—	—

集團主要物業 MAJOR GROUP PROPERTIES

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

於二零零八年六月三十日 At 30 June 2008

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 Apartments	
香港(續)	HONG KONG (Continued)					
旺角(續)	MONGKOK (Continued)					
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
栢裕商業中心/ 家樂坊， 登打士街56號， 九龍內地段9590號	Park-In Commercial Centre/ Gala Place, 56 Dundas Street, KIL9590	2044 *	6,297	29,966	–	478
荷李活商業中心， 彌敦道610號， 九龍內地段11024號	Hollywood Plaza, 610 Nathan Road, KIL 11024	2047	9,136	17,974	–	–
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	2050	2,131	–	–	11
尖沙咀及西九龍	TSIMSHATSUI AND WEST KOWLOON					
格蘭中心， 堪富利士道8號， 九龍內地段7725號及 8026號	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	–	–
碧海藍天， 深盛路8號， 新九龍內地段6338號	AquaMarine, 8 Sham Shing Road, NKIL 6338	2050	22,350	–	–	516
浪澄灣， 海輝道8號， 新九龍內地段11152號	The Long Beach, 8 Hoi Fai Road, NKIL 11152	2050	20,200	–	–	390

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

於二零零八年六月三十日 At 30 June 2008

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 Apartments	
香港(續) HONG KONG (Continued)						
牛頭角及觀塘 NGAU TAU KOK AND KWUN TONG						
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	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	–	6,547	–	–
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
長沙灣及葵涌 CHEUNG SHA WAN AND KWAI CHUNG						
百佳商業中心， 青山道476號， 新九龍內地段1761號	Park Building, 476 Castle Peak Road, NKIL 1761	2047	397	13,109	–	–
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 SD 4	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
上海 SHANGHAI						
港匯廣場， 虹橋路1號， 徐匯區	The Grand Gateway, 1 Hong Qiao Lu, Xuhui District	2043	101,900	–	–	835
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	159,600	–	804

* 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

二零零七／零八年度之財務業績

Financial results for 2007/08

營業額

Turnover

由於商舖及寫字樓強勁增長，香港租賃業務繼續表現理想。

恒隆廣場第二座寫字樓於二零零六年十二月落成，令上海租賃業務更添動力。

物業銷售方面，本集團售出近八百個住宅單位，包括浪澄灣六百零五個單位及君臨天下一百一十三個單位，每平方呎平均售價分別約為港幣七千一百元及港幣一萬六千九百元。

Spurred by the remarkable growth in commercial and office sectors, Hong Kong rental operations continued to perform well. The completion of Plaza 66 Office Tower II in December 2006 provided additional impetus to Shanghai leasing activity.

In property sales, we sold nearly 800 residential units, with 605 units from The Long Beach and 113 units from The HarbourSide at an average price of about HK\$7,100 and HK\$16,900 per square foot respectively.

其他收入

Other income

其他收入為港幣二億八千一百萬元之銀行利息收入。

Other income represented bank interest income of HK\$281 million.

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

重估收益反映市場對現有投資物業組合的需求甚殷。

The revaluation gain reflected a keen market demand for existing investment properties portfolio.

財務費用

Finance costs

財務費用下降是由於貸款利率下調及銀行貸款減少。

Finance costs fell along with the decrease in loan interest rates and the reduction of bank loans.

以港幣百萬元計算 in HK\$million		2008	2007	變動 (百分比) change (%)
營業額	Turnover			
租金收入	Rental income			
香港	Hong Kong	2,290	2,059	11%
中國內地	Mainland China	1,455	945	54%
		3,745	3,004	25%
物業銷售	Property sales	6,335	1,385	357%
		10,080	4,389	130%
其他收入	Other income	281	303	-7%
直接成本及營業費用	Direct costs and operating expenses	(3,483)	(1,686)	107%
行政費用	Administrative expenses	(361)	(243)	48%
投資物業之公平值增加	Increase in fair value of investment properties	10,182	5,962	71%
財務費用	Finance costs	(150)	(297)	-49%
應佔合營公司溢利	Share of profits of jointly controlled entities	129	78	65%
稅項	Taxation	(2,784)	(1,403)	98%
本年度溢利	Profit for the year	13,894	7,103	96%
應佔純利：	Attributable to:			
股東	Shareholders	13,159	6,371	107%
少數股東權益	Minority interests	735	732	0%

於二零零八年六月三十日之財政狀況
Financial position at 30 June 2008

以港幣百萬元計算 in HK\$million		2008	2007	變動 (百分比) change (%)
投資物業	Investment properties	59,085	47,153	25%
其他非流動資產	Other non-current assets	6,496	4,719	38%
存貨	Inventories	6,817	9,542	-29%
現金及銀行存款	Cash and bank deposits	10,578	6,994	51%
其他流動資產	Other current assets	1,366	837	63%
流動負債	Current liabilities	(2,555)	(1,825)	40%
銀行貸款	Bank loans	(4,419)	(4,782)	-8%
浮息票據	Floating rate notes	(1,500)	(1,500)	0%
遞延稅項負債	Deferred tax liabilities	(6,824)	(4,813)	42%
融資租約承擔	Finance lease obligations	(393)	(487)	-19%
資產淨值	Net assets	68,651	55,838	23%

其他非流動資產
Other non-current assets

其他非流動資產主要包括發展中物業。其增長顯示我們不斷在中國內地擴大投資。

Other non-current assets mainly included properties under development. The increase reflected our continuous investment in mainland China.

現金及銀行存款
Cash and bank deposits

強勁現金狀況有助本集團把握未來之投資商機。

The strong cash position will enable the Group to grasp future investment opportunities.

財務回顧 FINANCIAL REVIEW

流動資金及信貸融資

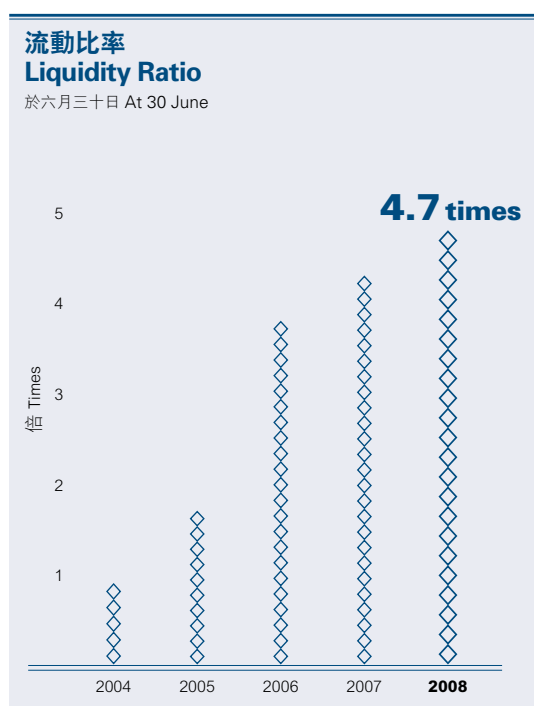
來自君臨天下及浪澄灣之銷售所得款項為港幣六十三億元，為我們之現金流入帶來重大貢獻。因此，我們繼續處於現金淨額狀況，保持可以爭取任何潛在投資機會。

於二零零八年六月三十日，尚未動用之銀行信貸連同銀行存款合共為港幣二百一十一億九千九百八十萬元，其中港幣一百零五億七千七百八十萬元為銀行存款、港幣一百億零二千二百萬元為承諾信貸，而港幣六億元為活期信貸。

Liquidity and Financing Facilities

Sales proceeds from The HarbourSide and The Long Beach totalled HK\$6.3 billion which contributed to our cash inflow significantly. As a result, we continued to keep a higher net cash position which would enable us to seize any potential investment opportunities.

As at 30 June 2008, undrawn banking facilities together with bank deposits amounted to HK\$21,199.8 million, comprising HK\$10,577.8 million in bank deposits, HK\$10,022.0 million in committed facilities and HK\$600.0 million in demand facilities.



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.



附註：負債率為淨債項與股權加淨債項之比較。淨債項指銀行貸款、浮息票據及融資租約承擔，減現金及銀行存款。股權則包括股東權益及少數股東權益。
Note: Gearing ratio represents net debt over equity plus net debt. Net debt represents bank loans, floating rate notes and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and minority interests.

於二零零八年六月三十日，我們持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。我們並無其他未償還之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五角一仙，較去年度增加百分之十九。全年度股息總額每股為六角六仙，較去年度增加百分之十八。

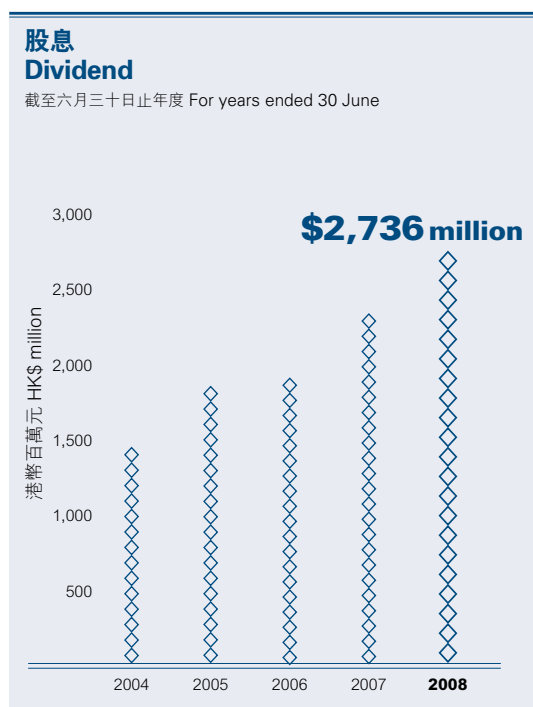
我們繼續在各個年度將所派付股息總額之絕對金額保持穩定。此「分攤」方式可避免股息與年度溢利掛鉤，從而消除因銷售物業之時間而出現波動。

At 30 June 2008, we have floating rate notes of HK\$1.5 billion which are repayable in full in December 2009 and have no right of conversion into shares of the Company or any other body corporate. We have no other outstanding fixed or floating rate notes or convertible bonds.

Dividend

The Board has proposed a final dividend of 51 cents per share, which is an increase of 19% above last year's figure. The total dividend for the year is 66 cents, up 18% from the previous year.

We will continue with our policy to keep the absolute amount of total dividends payable each year steady 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.



風險管理

RISK MANAGEMENT

土地儲備

我們已就中國內地業務制定投資策略，其中載列對地點和項目之甄選準則，包括有關城市之經濟發展和基建情況、當地政府之支持程度及土地成本等。在決定投資任何項目前，我們必先徹底評估該等準則。除了安排經驗豐富之專業團隊執行各個項目外，我們的管理層亦會積極參與各個項目之不同階段，包括物色及購置合適土地、可行性研究、項目設計以至施工等。

香港方面，我們將繼續審慎物色機會，冀能透過各項購置方式適時地增加土地儲備。

現金及融資管理

本集團之現金流均會交由中央管理。我們將匯集所有盈餘現金供償還借貸之用，或存放於信譽良好之金融機構以取得最大回報。在集團層面上，我們以優惠條件維持適量而還款期各有不同之銀行貸款額度，以支持本集團之業務增長及資金需求。

流動性風險

我們保持穩健之流動資金水平，確保隨時備有足夠資金以應付流動資金需要。我們亦密切監察負債組合之還款時間表，並預先妥善安排不同資金來源以應付付款要求。

利率及匯率風險

我們密切監察所承擔之利率風險，務求把整體借貸成本減至最低。我們的大部分借貸均以港幣列值及按浮動利率計息。貨幣資產和負債之到期日亦妥善分佈以儘量減低重新定價風險。於適當時，我們將以本土貨幣資金配對有關營運貨幣，從而減低匯率波動所帶來之匯率風險。

Land Bank

We have established a strategy for investment in mainland China, which sets out criteria for the selection of locations and projects. These include the economic development and infrastructure of the cities, the level of support from the local government and the land cost. We will conduct a thorough evaluation of these criteria before deciding to commit to any project. Apart from having an experienced professional team to carry out the execution for each project, our management actively participates in different stages of each project including the identification and acquisition of suitable sites, feasibility study, project design and implementation.

In Hong Kong, we will continue to identify opportunities prudently to expand our land bank at appropriate times by acquiring sites through various means.

Cash and Funding Management

We centralize the management of cash flow for the Group. All surplus cash is pooled together either to repay borrowings or place with reputable financial institutions to maximize the return. We maintain appropriate amount of banking facilities with attractive terms and diversified maturity periods at Group level to support its growth strategy and funding requirements.

Liquidity Risk

Our liquidity is kept in strong position so that sufficient funds are always available to meet liquidity requirement. We monitor closely the repayment schedules of our liabilities portfolio and different sources of funding are arranged well in advance to meet payment requirement.

Interest Rate and Exchange Rate Risks

We closely monitor our exposure to interest rate risk in order to minimize the overall cost of borrowings. Most of our borrowings are in Hong Kong dollars with floating interest rates. The maturity of monetary assets and liabilities are arranged in such a way that the re-pricing risk is minimized. Exchange rate risk due to fluctuation of exchange rates is mitigated by using local currency funding, where appropriate, to match the operating currencies.

採用衍生工具

我們之政策絕不容許訂立任何投機性之衍生工具交易。我們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

我們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，對方必須是擁有高度信貸評級的金融機構。集團亦會控制與每名交易對手的信貸關係，以避免過量集中所帶來的風險。

零售市道及收租管理

我們會於適當時間及場合舉辦各項宣傳及推廣活動，為旗下商場增加人流，並定期檢討旗下商場之租戶組合及收租政策。租戶須預先支付租金按金，如過期繳租須支付利息。當出現拖欠租金情況時，我們會即時採取行動，令潛在損失減至最低。

保險及保養

我們定期審閱旗下所有投資物業，以確保採取適當預防措施，藉以改善物業之狀況。我們已制定持續保養計劃為物業提供保養及美化工程。此外，我們亦定期為住宅物業及商場進行翻新及設施升級。我們已為投資物業購買保險，以確保意外損失時獲得保障。

營運風險

我們維持合適內部監控機制，以保護其資產及防止欺詐、錯誤或系統故障所帶來之任何損失。我們的內部審計部定期就內部監控機制進行獨立審閱，以確保所有監控均已適當依循。我們已設定有效備分程序，以確保資料得以妥善備分。我們亦設有獨立後備中心，一旦發生緊急事故，亦可以將對業務受到干擾之機會減至最低。

Use of Derivatives

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

Counterparty/Credit Risk

We only undertake transactions with counterparties that represent acceptable credit risks. When deploying surplus funds, we only deal with financial institutions having high credit ratings. We also manage to avoid undue concentration of risk by restricting our exposure to individual counterparties.

Retail Climate and Rental Collection

Advertising and promotional events are organized at appropriate time and occasion to enhance customer traffic at our retail centres. We carry out periodic review on our tenant mix and the policy on rental collection. Our tenants are required to pay rental deposits in advance and interest will be imposed for late payment. Immediate actions are taken for rental in arrears to minimize potential loss.

Insurance and Maintenance

We carry out regular review on all of our investment properties to ensure adequate precautionary actions are taken to improve their conditions. We have established ongoing maintenance programme to maintain and enhance our properties. In addition, we regularly conduct renovation and upgrading of facilities for our residential and shopping malls. Insurance coverage has been arranged to ensure that our investment properties are well insured for accidental losses.

Operational Risk

We have maintained an adequate internal control system to safeguard our assets and protect against any loss from fraud, error or system malfunction. Our Internal Audit Department carries out regular independent review of the internal control system to ensure that all controls have been properly followed. We have established an effective back-up procedure to ensure that data is properly backed up. A separate back-up site is in place to minimize any disruption to business in case of emergency.

得獎項目 AWARDS



	獎項 Award	項目 Project	頒獎機構 Award Organisation
2008			
六月 Jun	2008企業管治年獎 — 亞洲最佳企業管治大獎 Corporate Governance Asia Recognition Awards 2008 -- The Best of Asia	—	Corporate Governance Asia 雜誌 Corporate Governance Asia Magazine
	整體表現銀獎 SILVER Award -- Overall Presentation	恒隆地產2006/07年報 Hang Lung Properties Limited 2006/07 Annual Report	第二十一屆國際 MERCURY Awards 比賽 21 st Annual International MERCURY Awards Competition
2007			
十二月 Dec	2007年共融環境表揚計劃 • 無障礙之都 — 共融環境獎(住宅樓宇) Caring Environment Recognition Scheme 2007 • Caring Environment -- The Caring Environment Award (Residential Building)	碧海藍天 · 香港 AquaMarine, Hong Kong	勞工及福利局 康復諮詢委員會康復服務公眾教育小組委員會 香港復康聯會 香港社會服務聯會 十八區區議會 Labour and Welfare Bureau Rehabilitation Advisory Committee Subcommittee on Public Education on Rehabilitation The Hong Kong Joint Council for People with Disabilities The Hong Kong Council of Social Service 18 District Councils
十一月 Nov	2007年亞洲國際房地產大獎 • 商業中心組別證書 MIPIM Asia Awards 2007 • Certificate of "Business Centres"	恒隆廣場 · 上海 Plaza 66, Shanghai	國際房地產交易會 MIPIM
	2007年亞洲國際房地產大獎 • 未來項目組別證書 MIPIM Asia Awards 2007 • Certificate of "Futura Projects"	瀋陽恒隆中街廣場 · 瀋陽 Shenyang Zhongjie Hang Lung Plaza, Shenyang	國際房地產交易會 MIPIM

2007

	獎項 Award	項目 Project	頒獎機構 Award Organisation
九月 Sep	財務數據銀獎 內部設計銀獎 SILVER Award -- Financial Data SILVER Award -- Interior Design	恒隆地產 2005/06 年報 Hang Lung Properties Limited 2005/06 Annual Report	第二十一屆 ARC 年報大獎比賽 2007 21 st Annual International ARC Awards Competition 2007
六月 Jun	2007 企業管治年獎 — 亞洲最佳企業管治大獎 Corporate Governance Asia Recognition Award 2007 -- The Best of Asia	—	Corporate Governance Asia 雜誌 Corporate Governance Asia Magazine
三月 Mar	2007 年 MIPIM 建築評審未來項目大獎 — 零售及消閒組別表揚證書 MIPIM Architectural Review Future Project Awards 2007 -- Retail & Leisure Commended Certificate	天津恒隆廣場， 天津 Tianjin Hang Lung Plaza, Tianjin	國際房地產交易會 MIPIM
	2007 年《中國寫字樓 100 強》第一名榮譽證書 Ranked 1 st in The Top 100 Office Buildings in China 2007	恒隆廣場， 上海 Plaza 66, Shanghai	中國房地產聯合會 世界經理人週刊社 世界地產研究院 華爾街電訊 China Real Estate Federation World Executive Weekly World Real Estate Academy The Wall Street Wire

2006

十二月 Dec	亞太區室內設計大獎 2006 — 會所消閒空間組別優異獎 Asia Pacific Interior Design Awards 2006 -- Honourable Mention -- Category of Club & Entertainment Space	浪澄灣會所， 香港 The Long Beach Club House, Hong Kong	亞太區室內設計大獎 2006 Asia Pacific Interior Design Awards 2006
十一月 Nov	2006 年度中國最佳購物中心業主獎 Mall China Golden Mall Award -- 2006 China Best Shopping Centre Landlord Award	港匯廣場， 上海 The Grand Gateway, Shanghai	中國購物中心產量資訊中心 中國購物中心專業認證委員會 辦公室 Mall China Information Centre Mall China Professional Certificate Committee
	2006 年結構工程師學會獎 — 商業及零售結構組別 Commendation in the Structural Awards 2006 -- Category of Commercial or Retail Structures IStructE Award	港匯廣場， 上海 The Grand Gateway, Shanghai	英國結構工程師學會 Institution of Structural Engineers UK
七月 Jul	2006 年度亞洲商業地產代表作 Asia Commercial Real Estate Award 2006	恒隆廣場， 上海 Plaza 66, Shanghai	2006 亞洲房地產峰會暨國際魅力地產 評選活動組委會 Asian Real Estate Summit Meeting, 2006 & The Appraisal Election Activity Organisation Committee for International Fascinating Estates

得獎項目 AWARDS

	獎項 Award	項目 Project	頒獎機構 Award Organisation
2006			
三月 Mar	2006年《中國寫字樓 100強》榮譽證書 Accredited Honourable Certificate in The Top 100 Office Buildings in China 2006	恒隆廣場 · 上海 Plaza 66, Shanghai	中國房地產聯合會 世界經理人週刊社 世界地產研究院 華爾街電訊 China Real Estate Federation World Executive Weekly World Real Estate Academy The Wall Street Wire
2005			
十二月 Dec	2005十大樓盤頒獎典禮 • 十大最佳市場推廣大獎 • 十大最佳樓書大獎 • 十大最佳樓則大獎 Top Ten Property Development Projects 2005 • Top Ten Property Marketing Project • Top Ten Property Sales Brochure • Top Ten Property Flat Layout	君臨天下 · 香港 The HarbourSide, Hong Kong	香港測量師學會 The Hong Kong Institute of Surveyors
	2005十大樓盤頒獎典禮 • 十大最佳樓書大獎 Top Ten Property Development Projects 2005 • Top Ten Property Sales Brochure	碧海藍天 · 香港 AquaMarine, Hong Kong	香港測量師學會 The Hong Kong Institute of Surveyors
	上海房地產18年經典商業地產 Classic Commercial Property in Shanghai in 18 years	港匯廣場 · 上海 The Grand Gateway, Shanghai	上海市房地產行業協會 上海市房產經濟學會 上海市房地產經濟行業協會 上海市土地學會
五月 May	「2005High在上海」時尚奧斯卡 年度十大時尚地標 Top Ten Fashion Landmark in Shanghai 2005	港匯廣場 · 上海 The Grand Gateway, Shanghai	中國工業經濟聯合會 上海文廣新聞傳媒集團 上海國際時尚聯合會 China Industrial Economic Association Shanghai Media Group Shanghai International Fashion Association
	「2005High在上海」時尚奧斯卡 年度十大時尚地標 Top Ten Fashion Landmark in Shanghai 2005	恒隆廣場 · 上海 Plaza 66, Shanghai	中國工業經濟聯合會 上海文廣新聞傳媒集團 上海國際時尚聯合會 China Industrial Economic Association Shanghai Media Group Shanghai International Fashion Association

	獎項 Award	項目 Project	頒獎機構 Award Organisation
2004 十一月 Nov	2004-2005年度上海新地標建築大獎 New Landmark Building in Shanghai 2004-2005	恒隆廣場· 上海 Plaza 66, Shanghai	中國國際建築商務論壇 China International Construction Conference
九月 Sep	整體表現金獎 GOLD Award -- Overall Presentation	恒隆地產2003/04年報 Hang Lung Properties Limited 2003/04 Annual Report	第十八屆國際 MERCURY Awards比賽 18 th Annual International MERCURY Awards Competition
二月 Feb	2004年《中國寫字樓100強》榮譽證書 Accredited Honourable Certificate in The Top 100 Office Buildings in China 2004	恒隆廣場· 上海 Plaza 66, Shanghai	世界經理人週刊社 World Executive Institute Limited
2002 十二月 Dec	2002年度上海商業優質服務 先進集體稱號獎狀 Collective Title in Quality Business Service in Shanghai 2002 -- Certificate of Merit	港匯廣場· 上海 The Grand Gateway, Shanghai	中共上海市商業工作委員會 上海市商業委員會 上海市商業工會
四月 Apr	NYACE傑出工程獎 NYACE Engineering Excellence Award	恒隆廣場· 上海 Plaza 66, Shanghai	New York Association of Consulting Engineers, Inc.
2000 十一月 Nov	海外優秀項目獎 Award of Merit for Out of Area Project	恒隆廣場· 上海 Plaza 66, Shanghai	美國混凝土協會 Concrete Industry Board 2000 Roger H. Corbetta Awards Program

造福社群

REACHING OUT TO THE COMMUNITY

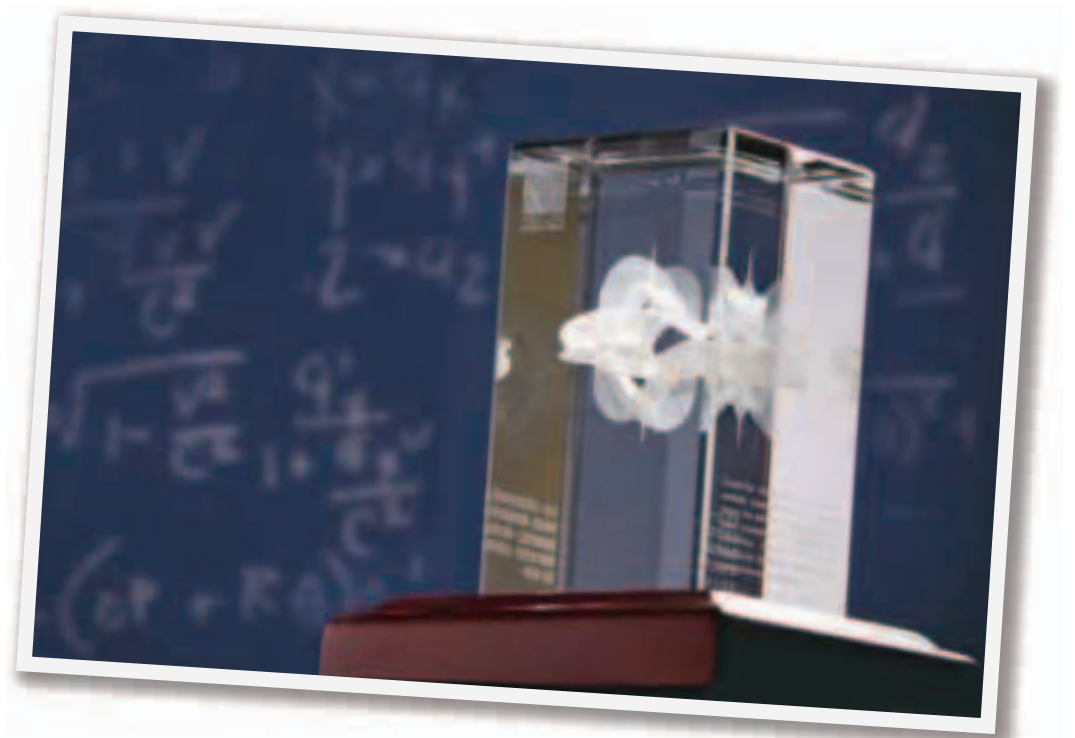
身為一家負責任的企業公民，我們感謝業務地區內之社群給予重大支持，並透過積極參與社會事務作為回饋，包括為合適活動提供財務捐助，以及贊助、組織或參與各項社會公益及教育活動。年內，本集團遵照其政策向慈善及非牟利機構捐出共港幣三千四百四十萬元，其中包括協助四川地震的災民，並為各社區和公司團體組織的有關賑災活動提供場地。

集團旗下商場繼續為多項活動提供場地贊助。年內，我們為合共四十五項籌得善款總額約達港幣一千二百萬元之活動提供場地，其中包括「關懷愛滋」籌款活動、「香港小童群益會」馬拉松步行籌款、以及「香港紅十字會」和「聯合國兒童基金會青少年資訊中心」義賣等。我們年內的主要重點之一是促進香港社會對少數裔群的了解和關注，故此山頂廣場在二零零八年六月舉行菲律賓藝術節，讓公眾更了解菲律賓的藝術文化。

As a responsible corporate citizen and acknowledging the tremendous support received from the communities in which we operate, we participate actively in a range of community programmes, making financial contributions to worthwhile causes while also sponsoring, organising or participating in various social and educational initiatives. During the year, we made in accordance with our policy donations totalling HK\$34.4 million to charitable and non-profit-making organisations including helping the victims of the tragic earthquake in Sichuan. We also sponsored different earthquake relief activities organised by community and corporate groups with the provision of venues for the various events.

Our shopping malls continue to provide venue sponsorships for various causes. During the year, we provided venues for a total of 45 events, which raised approximately HK\$12 million. These included a fund-raising drive for AIDS Concern, a fund-raising Walkathon for the Boys' and Girls' Clubs Association of Hong Kong as well as charity sales both for the Hong Kong Red Cross and the UNICEF Youth & Information Centre. One of our major focuses of the year was to promote awareness and social concern for minorities in Hong Kong. As such, providing a window into the art and culture of the Philippines, the Philippine Arts Festival was held at The Peak Galleria in June 2008.

“竭盡公民責任，處處關懷社會
TO GIVE IS TO RECEIVE...
OUR COMMITMENT TO THE
COMMUNITIES THAT WE SERVE”



恒隆數學獎
Hang Lung Mathematics Awards

我們繼續推行年青人培育工作，並以「恒隆數學獎」為重點項目。該項每兩年一度舉行的數學研究比賽，有助激發香港中學生對數學的興趣，以及培養獨立學習的環境。「恒隆數學獎」乃恒隆地產與香港中文大學數學科學研究所及數學系合辦，由集團主席陳啟宗先生與丘成桐教授於二零零四年創立，今年為第三屆。

二零零八年度「恒隆數學獎」詳情已於今年三月公佈。在老師帶領下，參賽隊伍自訂數學課題和計劃，進行研究並提交報告予「學術委員會」審閱。入圍隊伍需於今年十月就其研究報告公開作出闡述，以及接受學術委員會的閉門提問，通過答辯。頒獎典禮將於同月舉行。

「學術委員會」由十六位國際知名數學家組成，彼等來自美國哈佛大學、麻省理工學院、加州大學洛杉磯分校、加州大學柏克萊分校及哥倫比亞大學；英國劍橋大學；中國南京大學；以及香港中文大學和香港大學，均鼎力支持是項比賽。恒隆地產除統籌和管理該活動外，並贊助有關比賽。

We continue with our youth development activities and our Hang Lung Mathematics Awards (HLMA) in particular. This bi-annual mathematics research competition, which aims to stimulate creativity and cultivate an independent learning environment among Hong Kong's secondary school students, is co-organised by Hang Lung Properties, The Institute of Mathematical Sciences and Department of Mathematics of The Chinese University of Hong Kong. First launched in 2004 by our Chairman Mr Ronnie C. Chan and Professor Shing-Tung Yau, the event is being held for the third time this year.

Details for HLMA 2008 were announced in March this year. Under the supervision of a teacher, school teams design a maths project, carry out research and submit a report for evaluation by the Scientific Committee. The final stage consists of a public presentation of the project, followed by a closed-door inquiry session where contesting teams must defend their submissions. These presentations followed by the award ceremony are due to take place in October this year.

The judging panel, the Scientific Committee, consists of 16 eminent mathematicians from around the world. Coming from such illustrious institutions as Harvard, MIT, UCLA, UC Berkeley and Columbia University in the US, Cambridge University in the UK, Nanjing University in the PRC, as well as the Chinese University of Hong Kong and the University of Hong Kong, the judges have responded with tremendous enthusiasm to the event. In addition to the organisation and management of the event, we also sponsor the Awards.

造福社群 REACHING OUT TO THE COMMUNITY

隨著香港經濟好轉，淘大商場於沙士後為幫助青年人創業而推出的「青年企業家計劃」亦圓滿結束。在該計劃的五年期內，有六百八十三位企業家提交了業務計劃，其中一百六十八項計劃成功獲選。今天，二十三項有關業務仍在恒隆旗下商場經營，而其他則已遷出及進軍市場。我們相信，這項計劃除有助香港青年人創業外，亦為香港未來企業家灌輸了「事在人為」的精神。

為促進香港的創業精神及加強歐洲和亞洲之關係，我們贊助了在漢堡舉行的二零零七年歐亞會議。此外，為慶祝上海市即將舉辦二零一零年世界博覽會，恒隆廣場於去年十一月舉行「迎世博·創和諧 — 2007 千人交響慈善藝術盛典」。

集團員工亦參與多項慈善活動協助籌款或為善舉貢獻時間，這些活動包括「香港傷健協會」活動、「昂步棧道」籌募善款活動、「體育舞蹈大賽」、以及於今年五月舉行的「世界自然基金會香港觀鳥大賽2008」。

環保活動

隨著全球暖化、環境污染及資源匱乏等問題日益惹人關注，所有完善的企業公民計劃均必須包括環保計劃。我們明白，只有採用可持續措施才能令業務保持增長，故把可持續性設計納入集團所有新項目內。為促進商界實施可持續政策，我們擔當領導角色，擔任「商界環保協會氣候變化商界論壇2007」的主要贊助人。

日常運作方面，集團採取減省用電和用紙措施並取得成功。年內，我們的租賃物業耗電量下降約百分之五，節省電力開支約港幣五百萬元。過去三年，儘管電費上升，我們的每平方呎樓面電力開支持續減少，期內減幅達百分之七。

With the improvement of the economy in Hong Kong, our Young Entrepreneurs' Programme in Amoy Plaza, introduced in the wake of SARS to help young people to kick start their own business reached a successful conclusion. During the five-year programme, 683 entrepreneurs submitted their business plans with 168 being successfully selected. Today, 23 of these businesses are still operating in Hang Lung premises while others have moved out into the market. In addition to helping Hong Kong's young people start their businesses, we believe this initiative has instilled a "can do" spirit among Hong Kong's entrepreneurs of the future.

Promoting this business spirit in Hong Kong and strengthening relations between Europe and Asia, we sponsored the Asia-Europe Meeting 2007, which took place in Hamburg. Also, celebrating the upcoming World Expo 2010 in Shanghai, Plaza 66 held a City Harmony in EXPO Tunes Thousand-Artist Orchestral Concert in November last year.

Staff too participated in a number of charity events, helping to raise funds or donating their time to a worthy cause. These included both the PHAB (Physically Handicapped and Able-Bodied) Association and Ngong Ping Charity Walks, a DanceSport Competition, as well as the WWF Big Bird Race 2008 held in May this year.

Our Environmental Initiatives

No corporate citizenship programme would be complete without an environmental protection plan, as global warming, pollution and scarce resources continue to pose increasing concerns. Aware that only with sustainable practices will we be able to grow and maintain our business, sustainable design practices are being incorporated into all our new developments. Taking a leadership role in the need to promote sustainable business practices, we are a major patron of the Business Environment Council's Climate Change Business Forum 2007.

On a more day to day level, initiatives to reduce the consumption of electricity and paper have also been successful. During the year, electricity consumption in our leasing properties fell by some 5%, translating into savings of about HK\$5 million. Over the past three years, we have continued to enjoy a decrease in electricity expenses per square foot of space, experiencing a drop of about 7% over this period, despite the rise in electricity charges.

山頂廣場的再生能源系統
Renewable Energy System at The Peak Galleria



由於更多採用電子通訊及租戶電子賬單系統，故集團用紙量亦持續減少。我們並在旗下所有租賃物業設置紙張回收箱，鼓勵租戶支持循環再用。

我們並為香港和內地的所有員工提供全面的環保培訓及教育計劃，以加強他們對環保的重視及為集團各項業務落實這些觀念。同時，我們年內委任了十七名自願人士為環保大使，協助旗下管理物業傳播這項重要訊息。為與社會分享環保做法，我們安排三十五名學生參觀山頂廣場的再生能源系統。這個系統為該物業部分樓面之照明系統提供電力。我們並為「綠色力量環島行」及「香港綠色學校獎」等活動提供場地。

Paper consumption too continues to fall with the greater use of electronic communications and our E-billing tenant system. To drive stronger recycling efforts among our tenants, paper recycling bins have been placed in all our leasing properties.

Promoting the importance of environmental protection and helping to deliver the message throughout our operations both in Hong Kong and the mainland, comprehensive training and education programmes are held for all our staff. At the same time Environmental Protection Ambassadors, 17 volunteers were appointed during the year, also helped to spread this vital message in the management of our properties. Sharing this message with the community, we welcomed a group of 35 students who visited our Renewable Energy System at The Peak Galleria. The system provides electricity for some of the floor lighting systems within the complex. We also provided venues for events such as Green Power Hike and the Green School Award Competition.



培育人才
GROWING OUR PEOPLE



...我們竭盡全力培育員工成長，這不僅為了確保他們有才幹可勝任工作，亦為了協助他們全面發揮潛力
We make every effort to grow and develop our staff, not only ensuring that they have the means and skills to perform their jobs to the best of their abilities, but also to unlock their full potential...

培育人才
GROWING OUR PEOPLE

“團隊精英雲集，創造更美好的明天 CREATING A TALENTED TEAM... OUR GUARANTEE FOR A BETTER FUTURE”

我們視員工為人力資本，他們對集團的成功至為重要。因此，我們竭盡全力培育員工成長，這不僅為了確保他們有才幹技能可勝任工作，亦為了協助他們全面發揮潛力。同時，我們提供良好的工作環境及完善福利，目標是令集團成為「理想僱主之選」，從而吸引和挽留優秀人才，並讓彼等享有具挑戰性和意義的工作發展。

於二零零八年六月三十日，恒隆地產僱用一千八百五十八名員工，包括香港員工一千零九十六人及中國內地員工七百六十二人。年內，員工之薪酬總額為港幣四億九千零八十萬元。集團之薪酬政策乃論功行賞，除給予員工合約訂明之十三個月薪金外，亦為表現卓越之員工給予酌情發放之花紅及加薪。集團員工維持高生產力，反映出有使命感的愉快員工可為公司帶來持續成功。

We think of our people as human capital, absolutely critical to our success. As such, we make every effort to grow and develop our staff, not only ensuring that they have the means and skills to perform their jobs to the best of their abilities, but also to unlock their full potential. At the same time, we provide a positive working environment together with a comprehensive package of benefits. Our aim is to be “the employer of choice”, attracting and retaining the best talent, who in turn will enjoy challenging and rewarding careers with us.

As at the end of June 2008, Hang Lung Properties employed 1,858 staff, 1,096 in Hong Kong and 762 on the mainland. Remuneration for the year totalled HK\$490.8 million. Based on the principle of pay for performance, our remuneration policies include a contractual 13-month salary, discretionary bonuses and salary increments for outstanding performance. Reflecting that a happy and motivated workforce translates into ongoing sustainability and success for the company, we continue to maintain high staff productivity.

員工發展及培訓

集團明白新員工入職時可能會感到困難重重及無從入手，故設立「夥伴」計劃助其一臂之力，由「夥伴」協助他們熟習公司運作及工作環境。新員工亦會收到「迎新」資料冊，為其提供關於各部門的詳盡資料；並獲安排參加迎新會，為其講解集團的人事架構及公司文化。

無用贅言，我們為每個階層之員工提供全面培訓。除提供基本和溫故知新的培訓計劃外，我們亦按照質量保證系統為保安員提供最新的保安技術和程序，並為前線人員提供客戶服務培訓及個人儀表課程，確保他們有良好形象及為客戶提供優質服務。

年內，為確保公司的培訓計劃更具組織及更加周詳，我們聘用了多名富經驗的培訓專才以加強培訓隊伍，同時成立了多個專責小組來制定培訓需要及規劃長期培訓策略。

集團於二零零五年推出的「見習管理人員培訓計劃」繼續開花結果。受訓者須接受為期二十二至二十四個月培訓，包括在本公司各部門見習以及在上海辦事處實習六個月，而上海見習管理人員亦須在香港實習三個月以更佳地了解集團總部的運作。待他們完成計劃後，集團會為其進行個人評估以界定其強項，協助他們發揮最大潛能及為公司提供最大貢獻。

為確保集團業務達至最高的專業道德標準，所有員工均須遵守本公司的紀律守則。集團每年均安排廉政公署人員舉辦「專業道德及防止貪污」講座，協助集團加強落實守則。

Staff Development and Training

Aware of how difficult it can be for a new member of staff and how important it is to start off well in a new job, we operate a “buddy” system. This “buddy” lends a helping hand, making sure that the new staff member has someone to turn to when he or she is learning about the Company and the work environment. New staff also receive a “welcome on-board” pack providing comprehensive information about their new working family and they attend an orientation session, which welcomes them into the Company and introduces them to the different people, aspects and culture of the Group.

Needless to say, we provide comprehensive training for staff at every level. In addition to basic and refresher training programmes, in line with our Quality Assurance System, security staff are updated with the latest in security techniques and procedures. Front line staff too receive both customer service training as well as grooming and deportment workshops so as to ensure they provide a positive image and quality services to customers.

During the year, to ensure the development of corporate training in a more structured manner and to enable greater customisation, we strengthened our training team with a number of experienced training professionals. At the same time, several focus groups were established to identify training needs and formulate long term training strategies.

Our Management Trainee programme, first introduced in 2005, continues to flourish. Trainees go through 22-24 months of training, spending time with the different divisions in the Company together with a 6-month attachment in our Shanghai office. In turn, Management trainees from Shanghai, spend a three-month secondment in Hong Kong to gain a better understanding of operations at head office. Upon the conclusion of their programme, a personality profile assessment identifies personal strengths, helping to maximise both their potential and contribution to the company.

Ensuring the highest standards of professional ethics within our operations, all staff are required to comply with our Company Code of Conduct. Supporting this Code, we collaborate with the Independent Commission Against Corruption (ICAC) to conduct “Professional Ethics and Corruption Prevention” talks, which are held every year.

培育人才 GROWING OUR PEOPLE

員工安康

集團深明若要員工對公司信任和忠誠，需要讓他們有安康及均衡的工作和生活：唯有健康和快樂的工作團隊，方可讓集團得以提升員工工作表現。因此，我們在原已完善的員工福利上增加了員工假期，包括額外年假及陪產假等，並提供義工假期讓員工在辦公時間內可抽空參與社區志願活動。

我們亦增加了醫療及健康福利，包括讓更多員工免費享有健康檢查，以及讓員工家屬享有醫療保險，而這些新增的福利亦深受員工的歡迎。年內，陳曾熙基金有限公司為五名員工提供免息貸款，協助他們支付子女在本港及海外大專的教育費。

配合員工安康計劃的實施，我們竭力為員工提供更均衡的工作和生活。集團舉辦了多項戶外活動，而年內之重點活動為兩次公司大旅行，讓員工可無拘無束地歡聚。員工及其家眷可選擇到上海或瀋陽作四天暢遊之旅，這個忙裏偷閒的活動甚受員工歡迎。

此外，集團之員工康體會亦舉辦多項社交和康體活動，員工反應踴躍。該等活動包括電影晚宴、海洋公園暢遊、大嶼山遠足及燒烤晚會，以及讓喜愛體育的員工參加由康樂及文化事務署舉辦的「工商機構運動會」及合和實業保齡邀請賽等。員工亦可參加烹飪課程或泰拳等各類不同活動。

Employee Wellness

Cognisant of the fact that health, well-being and a balanced work-life relationship are necessary to foster ongoing trust and loyalty among our staff and that only with a healthy and happy workforce will we be able to improve staff performance, we enhanced our comprehensive package of benefits with increased leave entitlements for staff. These include additional annual, paternity leave and volunteer leave days, for staff participating in volunteer community activities during office hours.

Medical and health benefits were also improved with health checks being expanded to cover a larger group of staff and medical insurance being extended to cover employees' dependants. These additional benefits were appreciated by staff. During the year, five staff members also received interest free loans granted by the Chan Tseng-Hsi Foundation Limited Awards, to help with the cost of their children's education in tertiary institutions in Hong Kong and overseas.

With the introduction of our employee wellness programme which aims to enhance the well-being of our staff, we make every effort to ensure a better work-life balance among our people. We therefore arranged a number of activities outside the workplace. The highlights of the year were the two corporate-wide trips organised to bring staff together in a friendly and more informal atmosphere. All members of staff, together with spouses and children, could choose to go either to Shanghai or Shenyang for four days of fun and relaxation. The trips were extremely popular and provided an enjoyable break for all.

In addition to these trips, the Hang Lung Social Club also organised a range of social, recreational and sporting events which were well attended. They included a Movie and Dinner night, an outing at Ocean Park as well as a Hiking and BBQ night on Lantau. A badminton competition, Corporate Games organised by the Leisure and Cultural Services Department, as well as the Hopewell Invitation League provided an outlet for the more sporty members of our staff. Employees could also join in cooking classes or take part in a number of diverse activities such as Thai boxing.



財務日誌

FINANCIAL CALENDAR

2月 FEB

公布中期業績
二零零八年二月二十日
Interim Results
announced
20 February 2008

4月 APR

派發中期股息
二零零八年四月十八日
Interim Dividend paid
18 April 2008

8月 AUG

公布全年業績
二零零八年八月十三日
Annual Results
announced
13 August 2008

10月 OCT

截止辦理股份過戶
二零零八年十月二十八日下午四時正
Latest time to lodge transfer
4:00 p.m. on 28 October 2008

——
暫停辦理股份過戶登記
(就末期股息而言)
二零零八年十月二十九日至十月三十一日
(首尾兩天包括在內)
Share Register closed
(for final dividend)
29 October to 31 October 2008
(both days inclusive)

11月 NOV

股東週年大會
二零零八年十一月三日上午十時正
假座註冊辦事處
(細節請參閱本年報附上之
股東週年大會通告)
Annual General Meeting
10:00 a.m. on 3 November 2008
at Registered Office
(Details are set out in the Notice of
Annual General Meeting
accompanying this Annual Report)

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建議派發末期股息
二零零八年十一月十八日
Proposed Final Dividend payable
18 November 2008

公司管治

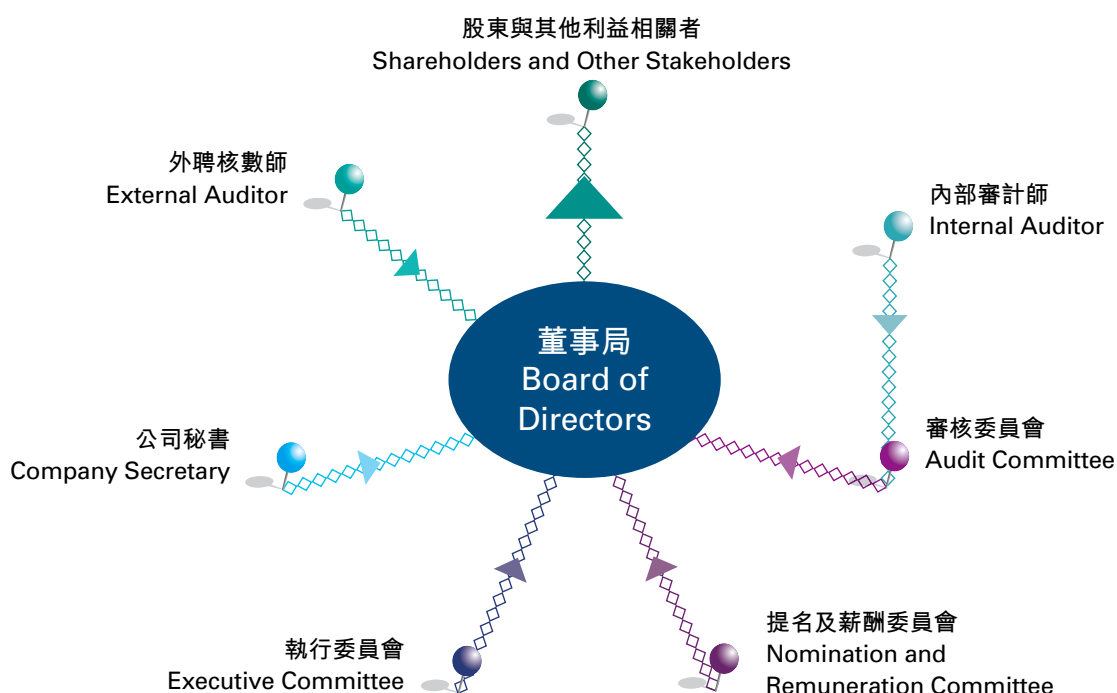
CORPORATE GOVERNANCE

恒隆地產致力維持最高質素的公司管治，因公司堅信此乃為本集團及所有利益相關者取得最大權益的基礎。

We strive to sustain the highest standards of corporate governance practices as they are fundamental to maximise the benefits of Hang Lung Properties and all our stakeholders.

公司管治架構

Corporate Governance Structure

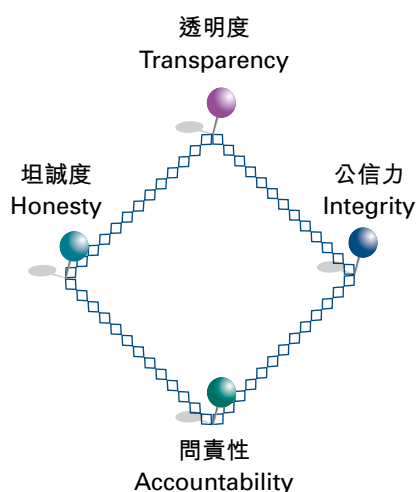


良好的企業管治須符合下列主要原則的要求：

Core Principles behind good corporate governance are:

良好公司管治常規尤其重要，能為所有利益相關者提供一個著重透明度及問責性、維持高質素誠信以及通過卓越管治建立信心的體制。我們透過以身作則的領導方式、培訓及有效的內部監控廣泛推行，致力把這些信念融入公司文化。

年內，我們一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四《企業管治常規守則》所載之所有守則條文。



It is essential for good corporate governance practices to provide a framework that emphasises on transparency and accountability to all stakeholders, maintaining high standards of integrity and establishing trust through sound governance. We instil these principles into our corporate culture through leadership by example, training and effective internal control.

Throughout the year, we have complied with all the Code Provisions set out in the Code on Corporate Governance Practices as stated in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

有關本公司就上市規則附錄十四所載之守則條文及建議最佳常規的遵守情況概述如下：

A summary of how we comply with the Code Provisions and Recommended Best Practices of the Code under Appendix 14 of the Listing Rules are set out below:

A 董事 Directors

守則編號 Code Number	守則條文	Code Provision				
A.1	董事局 董事局應負有領導及監控本公司的責任，並集體負責統管及監督本公司事務。	The Board The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.				
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices				
✓✓✓ 超越守則條文 Exceeding Requirement	董事局每年舉行最少四次會議，其中包括兩次全體會議以審批中期業績和全年業績以及擬定中期股息和末期股息金額： ➢ 於二零零七／零八年度，董事局舉行了五次會議，其中包括兩次在香港以外舉行的會議；及 ➢ 另於有需要時間開會商議各類重大交易，包括發行債券、重大收購及出售，以及關連交易（如有）。 二零零七／零八年度董事出席各類會議的記錄如下：	Board Meetings are held at least four times a year which include two full Board Meetings to approve interim and annual results and to propose interim and final dividends: ➢ five meetings of the Board of Directors were held in 2007/08, including two held outside Hong Kong; and ➢ meetings are also held as and when necessary to discuss significant transactions, including issuance of debt securities, material acquisitions and disposals, and connected transactions, if any. Details of Directors' attendance records in 2007/08 were as follows:				
	出席會議次數／會議舉行次數 Meetings Attended/Held					
	董事 Directors	董事局 Board	審核委員會 Audit Committee	提名及薪酬委員會 Nomination & Remuneration Committee	股東週年大會 AGM	
	獨立非執行董事 Independent Non-Executive Directors					
	殷尚賢	S. S. Yin	3 / 5	N/A	N/A	1 / 1
	夏佳理	Ronald J. Arculli	4 / 5	N/A	2 / 2	1 / 1
	鄭漢鈞	H. K. Cheng	4 / 5	2 / 2	1 / 2	1 / 1
	陳樂怡	Laura L. Y. Chen	4 / 5	1 / 2	2 / 2	1 / 1
	廖柏偉	P. W. Liu	4 / 5	2 / 2	2 / 2	1 / 1
	何潮輝 (於二零零八年 四月一日獲委任)	Dominic C. F. Ho (appointed on 1-4-2008)	2 / 2	N/A	1 / 1	N/A
	執行董事 Executive Directors					
	陳啟宗	Ronnie C. Chan	5 / 5	N/A	N/A	1 / 1
	袁偉良	Nelson W. L. Yuen	5 / 5	N/A	N/A	1 / 1
	吳士元	Terry S. Ng	5 / 5	2 / 2	N/A	1 / 1
	高伯適	William P. Y. Ko	5 / 5	N/A	N/A	1 / 1
	所有董事均可向主席或公司秘書提出在董事局會議之議程內列入商討事項，於定期董事局會議舉行日期最少十四天前，向董事發出會議通告。董事局並已同意董事尋求獨立專業意見之程序，其所需費用由本公司支付。	All Directors can give notice to the Chairman or the Company Secretary if they intend to include matters in the agenda for Board Meetings. Notice will be given to Directors at least 14 days before a regular Board Meeting. Procedure has been agreed by the Board to enable Directors to seek independent professional advice at the Company's expense.				

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>公司秘書負責確保董事局依循程序及遵守適用法律及規例；所有董事均可獲得公司秘書之意見及服務。公司秘書亦就企業管治情況及《企業管治常規守則》之施行事宜，向主席及董事局提供意見。董事局及各委員會之會議記錄初本，由公司秘書分別交予全體董事或各委員會成員供彼等置評，而會議記錄定本則分別交予彼等留檔。公司秘書負責保存董事局及各委員會所有會議記錄，任何董事均可查閱。</p> <p>公司已為董事和高級管理人員購買適當保險，保障彼等因履行職務有可能承擔之法律訴訟責任。</p> <p>超越守則條文：</p> <ul style="list-style-type: none"> 董事局於二零零七／零八年度舉行了五次會議。 其中兩次董事局會議在香港以外舉行，讓董事對本公司在國內的投資有更清晰的理解。 	<p>All Directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that procedures are followed and that all applicable laws and regulations are complied with. The Company Secretary is also a source of advice to the Chairman and to the Board on corporate governance and the implementation of the Code on Corporate Governance Practices. Draft and final versions of minutes of Board Meetings and meetings of Board Committees are sent to all Directors or Committee members respectively for their comments and record. All minutes of Board Meetings and meetings of Board Committees are kept by the Company Secretary and are open for inspection by any Director.</p> <p>We have arranged appropriate insurance cover on Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.</p> <p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> Five (5) Board Meetings were held in 2007/08. Two (2) of these Board Meetings held outside Hong Kong so as to give Directors a clearer view on the Company's investments in PRC.
守則編號 Code Number	守則條文	Code Provision
A.2	<p>主席及行政總裁</p> <p>本公司主席及行政總裁的責任應清楚區分，以確保權力和授權分佈均衡。</p>	<p>Chairman and Chief Executive Officer</p> <p>There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority.</p>
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
<p>✓✓</p> <p>符合守則條文 Comply with Requirement</p>	<p>主席</p> <p>主席陳啟宗先生為董事局之領導人。彼負責確保所有董事均可適時獲得足夠及完整可信之資料以及可就其在董事局會議所提出之問題獲清楚之解釋。彼亦確保：</p> <ul style="list-style-type: none"> 董事局有效地運作及履行責任； 董事局適時商討所有重要問題； 公司建立良好之管治常規和程序；及 公司採取適當步驟與股東有效地溝通，而股東之意見可傳達到整個董事局。 <p>主席最少每年一次與獨立非執行董事會面，執行董事不會列席。主席主要負責釐定並批准每次董事局會議議程，並在適當情況下考慮把其他董事提出之任何事宜列入議程。彼亦可把此項責任交由公司秘書執行。</p> <p>主席鼓勵所有董事全面地及積極地為董事局之事務作出貢獻，並以身作則，確保董事局之行事符合本公司之最佳利益。彼亦務求非執行董事對董事局能作出有效之貢獻，並確保執行董事與非執行董事保持有建設性之關係。</p>	<p>Chairman</p> <p>The Chairman, Mr Ronnie C. Chan, provides leadership for the Board. He is responsible for ensuring that all Directors receive adequate information, which must be complete and reliable, in a timely manner and that Directors are properly briefed on issues arising at Board Meetings. He also ensures that:</p> <ul style="list-style-type: none"> the Board works effectively and discharges its responsibilities; all key and appropriate issues are discussed by the Board in a timely manner; good corporate governance practices and procedures are established; and appropriate steps are taken to provide effective communication with shareholders and that views of shareholders are communicated to the Board as a whole. <p>He at least annually holds meeting with the Independent Non-Executive Directors without the Executive Directors present. He is primarily responsible for drawing up and approving the agenda for each Board Meeting taking into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda, or delegates such responsibility to the Company Secretary.</p> <p>He encourages all Directors to make a full and active contribution to the Board's affairs and takes the lead to ensure that the Board acts in the best interests of the Company. He facilitates the effective contributions of Non-Executive Directors and ensures constructive relations between Executive and Non-Executive Directors.</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>董事總經理(行政總裁) 董事總經理袁偉良先生為本公司之行政總裁。董事總經理與主席肩負不同職責。</p> <p>身為本公司執行委員會的成員，董事總經理負責：</p> <ul style="list-style-type: none"> ➢ 本公司之整體業務運作，並執行董事局所採納之政策和策略； ➢ 按董事局的指示管理本公司之日常業務； ➢ 就董事局所設定之目標和優先次序制定策略性業務計劃，並致力保持本公司之業務表現；及 ➢ 確保本公司之財務和內部監控機制以及業務運作均充分符合適用法規之規定。 <p>董事總經理負責主持本公司每月舉行之部門營運會議，制定本公司之管理架構及內部守則供董事局審批，並就高級行政人員之委任及辭退向董事局作出建議。</p>	<p>Managing Director (Chief Executive Officer) The Managing Director, Mr Nelson W.L. Yuen, is our Chief Executive Officer. The roles of the Managing Director are separate from those of the Chairman.</p> <p>The Managing Director is a member of the Executive Committee of the Company and is responsible for:</p> <ul style="list-style-type: none"> ➢ operating the business of the Company and implementing policies and strategies adopted by the Board of Directors; ➢ the Company's day-to-day management in accordance with the instructions issued by the Board; ➢ developing strategic operating plans that reflect the objectives and priorities established by the Board and maintaining the operational performance; and ➢ ensuring the adequacy of systems of financial and internal control and conduct of business in conformity with applicable laws and regulations. <p>The Managing Director chairs the monthly meetings of the Company's various operational divisions. He formulates, for the Board's approval, the management organisation and internal rules of the Company and recommends the appointment and dismissal of senior executives.</p>
守則編號 Code Number	守則條文	Code Provision
A.3	<p>董事局組成 董事局應根據本公司業務而具備適當所需技能和經驗。董事局中執行董事與非執行董事的組合應該保持均衡，以便能夠有效地作出獨立判斷。</p>	<p>Board Composition The Board should have a balance of skills and experience appropriate for the requirements of the Company's business and should include a balanced composition of Executive and Non-Executive Directors so that there is a strong independence element on the Board.</p>
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
<p>✓✓✓</p> <p>超越守則條文 Exceeding Requirement</p>	<p>董事局現有十名成員：</p> <ul style="list-style-type: none"> ➢ 四名執行董事，分別為陳啟宗先生、袁偉良先生、吳士元先生及高伯適先生；及 ➢ 六名獨立非執行董事，分別為殷尚賢先生、夏佳理先生、鄭漢鈞先生、陳樂怡女士、廖柏偉先生及何潮輝先生。彼等均具備適當之學術及專業資格或相關之財務管理專才，並以其豐富的商務及財務經驗為董事局作出貢獻。 	<p>The Board of Directors currently comprises ten persons:</p> <ul style="list-style-type: none"> ➢ four Executive Directors, namely, Mr Ronnie C. Chan, Mr Nelson W.L. Yuen, Mr Terry S. Ng and Mr William P.Y. Ko; and ➢ six Independent Non-Executive Directors, namely, Mr S.S. Yin, Mr Ronald J. Arculli, Mr H.K. Cheng, Ms Laura L.Y. Chen, Mr P.W. Liu and Mr Dominic C. F. Ho. They possess appropriate academic and professional qualifications or related financial management expertise and have brought a wide range of business and financial experience to the Board.

下表列出本公司之董事局以及各委員會成員：

The following chart illustrates the composition of the Board of Directors as well as each Committee of the Company:

股東 Shareholders

董事局 Board of Directors

陳啟宗 (主席)	Ronnie C. Chan (Chairman)
殷尚賢 (副主席)*	S.S. Yin (Vice Chairman)*
袁偉良 (董事總經理)	Nelson W.L. Yuen (Managing Director)
夏佳理*	Ronald J. Arculli*
鄭漢鈞*	H.K. Cheng*
陳樂怡*	Laura L.Y. Chen*
廖柏偉*	P.W. Liu*
何潮輝*	Dominic C. F. Ho*
吳士元	Terry S. Ng
高伯道	William P.Y. Ko

審核委員會 Audit Committee

鄭漢鈞 (主席)*
H.K. Cheng (Chairman)*
陳樂怡*
Laura L.Y. Chen*
廖柏偉*
P.W. Liu*
何潮輝*
Dominic C. F. Ho*

執行委員會 Executive Committee

陳啟宗 (主席)
Ronnie C. Chan (Chairman)
袁偉良
Nelson W.L. Yuen
吳士元
Terry S. Ng
高伯道
William P.Y. Ko

提名及薪酬委員會 Nomination and Remuneration Committee

廖柏偉 (主席)*
P.W. Liu (Chairman)*
夏佳理*
Ronald J. Arculli*
鄭漢鈞*
H.K. Cheng*
陳樂怡*
Laura L.Y. Chen*
何潮輝*
Dominic C. F. Ho*

* 獨立非執行董事 Independent Non-Executive Director

本公司網頁之董事簡介提供最新的董事名單及履歷詳情。

An updated list of Directors showing their biographical details is maintained on our website under Profile of Directors.

超越守則條文：

• 過半數董事(即全部十位董事中之六位)均為獨立非執行董事。

EXCEEDING REQUIREMENT:

• **Majority of the Directors are Independent Non-Executive Directors, i.e. 6 out of 10 Directors.**

守則編號 Code Number	守則條文	Code Provision																								
A.4	<p>委任、重選和罷免</p> <p>董事局應制定正式、經審慎考慮並具透明度的新董事委任程序，並應設定有秩序的董事接任計劃。所有董事均應定期進行重選。</p>	<p>Appointments, Re-election and Removal</p> <p>There should be a formal, considered and transparent procedure for the appointment of new Directors and plans in place for orderly succession for appointments to the Board. All Directors should be subject to re-election at regular intervals.</p>																								
合規狀況 Compliance Status	企業管治常規 Corporate Governance Practices																									
<p>✓✓</p> <p>符合守則條文 Comply with Requirement</p>	<p>遵照本公司之組織章程細則，董事人數三分之一須於應屆股東週年大會（「週年大會」）輪流退任再獲股東重選方可連任。此外，每位董事須最少每三年輪值告退一次，新委任之董事須於緊接其委任後召開之股東大會獲股東重新選任。所有該等合資格重選之董事姓名連同其詳細履歷，均會載於股東大會通告內。</p> <p>執行董事概無與本公司訂立於一年內倘終止則須作出賠償（法定賠償除外）之服務合約。獨立非執行董事之任職屆滿日期與彼等之預期輪值告退日期（最少每三年一次）一致，詳情如下：</p> <table border="1" data-bbox="288 1198 670 1422"> <thead> <tr> <th data-bbox="288 1198 598 1254">獨立非執行董事姓名</th> <th data-bbox="598 1198 670 1254">委任期</th> </tr> </thead> <tbody> <tr> <td data-bbox="288 1276 598 1310">殷尚賢</td> <td data-bbox="598 1276 670 1310">直至2008年週年大會</td> </tr> <tr> <td data-bbox="288 1310 598 1344">鄭漢鈞</td> <td data-bbox="598 1310 670 1344">直至2008年週年大會</td> </tr> <tr> <td data-bbox="288 1344 598 1377">夏佳理</td> <td data-bbox="598 1344 670 1377">直至2009年週年大會</td> </tr> <tr> <td data-bbox="288 1377 598 1411">陳樂怡</td> <td data-bbox="598 1377 670 1411">直至2009年週年大會</td> </tr> <tr> <td data-bbox="288 1411 598 1444">廖柏偉</td> <td data-bbox="598 1411 670 1444">直至2009年週年大會</td> </tr> </tbody> </table> <p>何潮輝先生於二零零八年四月一日始獲委任為新董事，故於即將舉行之週年大會上將接受重選。</p> <p>為進一步提高問責性，凡服務董事局超過九年之獨立非執行董事，須獲股東以獨立決議案批准方可連任。我們會在週年大會通告中，向股東列明董事局認為該獨立非執行董事仍屬獨立人士的原因以及我們對彼等應重新獲選為董事的建議。</p> <p>我們已接獲每位獨立非執行董事按上市規則第3.13條所提交有關其獨立性之年度確認書，故認為所有獨立非執行董事均繼續保持其獨立性。</p>	獨立非執行董事姓名	委任期	殷尚賢	直至2008年週年大會	鄭漢鈞	直至2008年週年大會	夏佳理	直至2009年週年大會	陳樂怡	直至2009年週年大會	廖柏偉	直至2009年週年大會	<p>In accordance with our Articles of Association, one-third of the Directors will retire from office by rotation for re-election by shareholders at the Annual General Meeting (“AGM”). In addition, every Director is subject to retirement by rotation at least once every three years, and new appointments to the Board are subject to re-election by shareholders at the upcoming general meeting. Names of such Directors eligible for re-election will be stated in the notice of general meeting accompanied by detailed biography.</p> <p>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). Independent Non-Executive Directors are appointed for specific terms, which coincide with their expected dates of retirement by rotation at least once every three years, details as follows:</p> <table border="1" data-bbox="927 1198 1442 1422"> <thead> <tr> <th data-bbox="927 1198 1204 1254">Name of Independent Non-Executive Director</th> <th data-bbox="1204 1198 1442 1254">Term of Appointment</th> </tr> </thead> <tbody> <tr> <td data-bbox="927 1276 1204 1310">S.S. Yin</td> <td data-bbox="1204 1276 1442 1310">Until 2008 AGM</td> </tr> <tr> <td data-bbox="927 1310 1204 1344">H.K. Cheng</td> <td data-bbox="1204 1310 1442 1344">Until 2008 AGM</td> </tr> <tr> <td data-bbox="927 1344 1204 1377">Ronald J. Arculli</td> <td data-bbox="1204 1344 1442 1377">Until 2009 AGM</td> </tr> <tr> <td data-bbox="927 1377 1204 1411">Laura L.Y. Chen</td> <td data-bbox="1204 1377 1442 1411">Until 2009 AGM</td> </tr> <tr> <td data-bbox="927 1411 1204 1444">P.W. Liu</td> <td data-bbox="1204 1411 1442 1444">Until 2009 AGM</td> </tr> </tbody> </table> <p>Mr Dominic C. F. Ho, being a new director of the Company with effect from 1 April 2008, will stand for re-election in the forthcoming AGM.</p> <p>To further enhance accountability, any appointment of an Independent Non-Executive Director who has served the Board for more than 9 years will be subject to a separate resolution to be approved by shareholders. We will state in the notice of AGM the reason why we consider the Independent Non-Executive Director continues to be independent and our recommendation to shareholders to vote in favour of the re-election of such Independent Non-Executive Director.</p> <p>We have received from each of our Independent Non-Executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and therefore we still consider the Independent Non-Executive Directors to be independent.</p>	Name of Independent Non-Executive Director	Term of Appointment	S.S. Yin	Until 2008 AGM	H.K. Cheng	Until 2008 AGM	Ronald J. Arculli	Until 2009 AGM	Laura L.Y. Chen	Until 2009 AGM	P.W. Liu	Until 2009 AGM
獨立非執行董事姓名	委任期																									
殷尚賢	直至2008年週年大會																									
鄭漢鈞	直至2008年週年大會																									
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守則編號 Code Number	守則條文	Code Provision
A.5	<p>董事責任</p> <p>每名董事須不時瞭解其作為本公司董事的職責，以及本公司的經營方式、業務活動及發展。</p>	<p>Responsibilities of Directors</p> <p>Every Director is required to keep abreast of his/her responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.</p>
合規狀況 Compliance Status	企業管治常規 Corporate Governance Practices	
<p>✓✓</p> <p>符合守則條文 Comply with Requirement</p>	<p>每位新委任之董事在首次接受委任時均會獲安排與其他董事和高級管理人員會面，並會獲得全面、正式兼特為其而設的就任須知，藉此確保該董事妥善理解本公司之業務運作，以及完全清楚其本人按照法規及普通法、上市規則、其他法定規則及本公司之管治政策所應負之責任。公司秘書會持續更新董事對其職責及有關法規的了解，所有董事必須向本公司披露其於公眾公司或組織擔任的職位及其他重大承擔。</p> <p>董事負責：</p> <ul style="list-style-type: none"> ➢ 確保領導層之連續性； ➢ 設定卓越之業務策略； ➢ 確保資金和管理資源足以應付業務策略之推行；及 ➢ 確保財務及內部監控制度健全，業務運作符合適用之法規。 <p>本公司之執行董事吳士元先生負責統籌本公司及其附屬公司之財務匯報程序及內部監控，並確保財務報告及其他會計相關事宜符合上市規則之規定。</p> <p>本公司之企業操守守則(「操守守則」)內有關「買賣本公司之股份」之指引，載有本公司已採納的一套不低於上市規則附錄十所載之《標準守則》(「守則」)所規定的董事買賣證券標準的行為守則。本公司已向所有董事作出特定查詢，而彼等亦確認已遵守守則及操守守則所規定的董事買賣證券標準。</p>	<p>Every newly appointed Director will meet with other fellow Directors and members of senior management, and will receive a comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the operations and business of the Company, and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, other regulatory requirements, and especially the governance policies of the Company. The Company Secretary will continuously update and refresh Directors on areas regarding their responsibilities and relevant regulations. All Directors are required to disclose to the Company their offices held in public companies or organisations and other significant commitments.</p> <p>The Directors are responsible for:</p> <ul style="list-style-type: none"> ➢ ensuring continuity of leadership; ➢ development of sound business strategies; ➢ availability of adequate capital and managerial resources to implement the business strategies adopted; and ➢ adequacy of systems of financial and internal controls and conduct of business in conformity with applicable laws and regulations. <p>Our Executive Director, Mr Terry S. Ng is responsible for oversight of the financial reporting procedures and internal controls of the Company and its subsidiaries and compliance with the requirements under the Listing Rules with regard to financial reporting and other accounting-related issues.</p> <p>We have set out guidelines regarding securities transactions by Directors under “transactions in the Company’s shares” in our Code of Conduct (the “Code of Conduct”), which are on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules (the “Code”). Specific enquiry has been made to all Directors who have confirmed that they have complied with the required standard set out in the Code and the Code of Conduct regarding Directors’ securities transactions.</p>

守則編號 Code Number	守則條文	Code Provision
A.6	資料提供及使用 董事應適時獲提供適當的資料，其形式及素質須使董事能夠在掌握有關資料的情況下作出決定，並能履行其作為本公司董事的職責及責任。	Supply of and Access to Information Directors should be provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓✓✓ 超越守則條文 Exceeding Requirement	<p>董事局及各委員會的會議文件，至少於計劃舉行會議日期的三天前全部交予所有董事。</p> <p>管理層為董事局及各委員會提供了足夠資料和解釋，以讓董事局及各委員會於作出決定前能充分掌握有關之財務及其他資料。在適當情況下，管理層會獲邀出席董事局會議。</p> <p>所有董事均有權取得有關本公司業務的適時資料，於有需要時作出進一步查詢，並可個別地聯絡高級管理人員。</p> <p>超越守則條文：</p> <ul style="list-style-type: none"> 在適當情況下高級管理人員會被邀請出席董事局會議。 	<p>Full Board or Committee papers will be sent to all Directors at least three days before the intended date of a Board Meeting or Committee meeting.</p> <p>Management has supplied the Board and its Committees with adequate information and explanations so as to enable them to make an informed assessment of the financial and other information put before the Board and its Committees for approval. Management is also invited to join the Board Meetings where appropriate.</p> <p>All the Directors are entitled to have access to timely information in relation to our business and make further enquiries where necessary, and they can have separate and independent access to senior management.</p> <p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> Senior management is invited to join the Board Meetings, where appropriate.

B 董事及高級管理人員的薪酬 Remuneration of Directors and Senior Management

守則編號 Code Number	守則條文	Code Provision
B.1	薪酬及披露的水平及組成 應設有正規而具透明度的程序，以制訂有關執行董事酬金的政策及釐訂各董事的薪酬待遇。	The Level and Make-up of Remuneration and Disclosure There should be a formal and transparent procedure for setting policy on Executive Directors' remuneration and for fixing the remuneration packages for all Directors.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓ 超越守則條文 但偏離 建議最佳常規 Exceeding requirement with a deviation from Recommended Best Practice	提名及薪酬委員會 提名及薪酬委員會 於二零零三年設立，目前成員包括五名獨立非執行董事，分別為廖柏偉先生(委員會主席)、夏佳理先生、鄭漢鈞先生、陳樂怡女士及何潮輝先生。該委員會定期舉行會議以審閱有關人力資源之議題，包括集團薪酬架構之重大改變及影響董事和高級管理人員之條款及條件之重大改變。於二零零七/零八年度內，委員會舉行了兩次會議，以審閱(其中包括)董事局現時之成員架構及董事酬金。	Nomination and Remuneration Committee A Nomination and Remuneration Committee , set up in 2003, now constitutes by five Independent Non-Executive Directors, namely Mr P.W. Liu (Chairman of the Committee), Mr Ronald J. Arculli, Mr H.K. Cheng, Ms Laura L.Y. Chen and Mr Dominic C. F. Ho. Regular meetings were held to review human resources issues, including significant changes in salary structure of the Group and terms and conditions affecting Directors and senior management. The Committee met twice in 2007/08 to review, inter alia, the composition of existing Board members and the Directors' remuneration.

委員會之職權範圍如下(已載於本公司的網頁供瀏覽)：

(a) 定期審閱董事局之架構、規模及成員(包括董事之技能、知識和經驗)，並就任何需要之變動向董事局提出建議；

(b) 物色具有適當資格可出任董事之人選，並提名及作出推薦或向董事局就有關提名提出建議；

(c) 評估獨立非執行董事之獨立性；

(d) 就委任董事或重新委任董事之相關事宜以及董事(尤其主席及行政總裁)之繼任計劃向董事局提出建議；

(e) 就本公司有關董事和高級管理人員之酬金政策及架構，應設有正規及具透明度之程序，制定有關政策，向董事局提出建議；

(f) 獲授權釐定所有執行董事和高級管理人員之特定酬金安排，包括非金錢利益、退休金權利及賠償金額(包括因喪失職位或終止委任而獲支付之任何賠償)，並就獨立非執行董事之酬金向董事局提出建議。委員會須考慮各項因素，包括可供比較之公司所支付之薪金、董事所投入之時間及承擔之職責、集團其他職位之僱用條件、以及與表現掛鈎之酬金安排是否可取；

(g) 參考董事局不時決定之企業目標，對與表現掛鈎之酬金安排進行審閱及審批；

(h) 審閱及審批因執行董事或高級管理人員喪失職位或終止委任而須向其支付之賠償，確保該項賠償乃按照有關合約條款；若未能按有關合約條款釐定，有關賠償亦須公平及不會對本公司造成過重負擔；

(i) 審閱及審批因董事行為失當而把其撤職或罷免而須向其支付之賠償安排，確保該項安排乃按照有關合約條款釐定；若未能按有關合約條款釐定，有關賠償亦須合理及適當；

Its terms of reference, which are accessible to all via our website, are as follows:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of Independent Non-Executive Directors;

(d) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the Chief Executive Officer;

(e) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;

(f) to have the delegated responsibility to determine the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of Independent Non-Executive Directors. The Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration;

(g) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(h) to review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

(i) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>(j) 確保有關酬金(包括退休金)之資料披露完全符合公司條例和上市規則之規定；</p> <p>(k) 確保任何董事或其任何聯繫人不得自行釐訂薪酬；及</p> <p>(l) 向董事局匯報提名及薪酬委員會之決定或建議。</p> <p>董事和高級管理人員之酬金待遇(包括酌定花紅及股份期權)，乃取決於每名董事或高級管理人員之：</p> <ul style="list-style-type: none"> ➢ 個人表現； ➢ 技能和知識； ➢ 對本集團業務之參與程度； ➢ 達成之業務目標；及 ➢ 本集團之表現及盈利。 <p>委員會從內部及外界取得指標報告，以評估董事和高級管理人員酬金之有關市場趨勢及競爭水平。委員會獲提供足夠資源以履行其職責。委員會可諮詢主席及行政總裁就其對其他執行董事酬金之意見，並可在有需要時徵詢專業意見。</p> <p>超越守則條文：</p> <ul style="list-style-type: none"> • 提名及薪酬委員會之所有成員均為獨立非執行董事。 <p>偏離建議最佳常規：</p> <ul style="list-style-type: none"> • 披露高級管理人員之酬金待遇。 <p>披露高級管理人員薪酬的建議最佳常規並不適用，故未被採納。我們只具名披露每名董事的酬金。</p>	<p>(j) to ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Companies Ordinance and Listing Rules, are fulfilled;</p> <p>(k) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and</p> <p>(l) to report back to the Board on their decisions or recommendation.</p> <p>The remuneration package of Directors and senior management, including discretionary bonus and share options, is based on the following criteria:</p> <ul style="list-style-type: none"> ➢ their individual performance; ➢ skill and knowledge; ➢ involvement in the Group's affairs; ➢ their achievement of business targets; and ➢ performance and profitability of the Group. <p>The Committee obtains benchmark reports from internal and external sources for evaluation of market trends and the competitive levels of remuneration being offered to Directors and senior management. Sufficient resources are provided to the Committee to discharge its duty. The Committee may consult the Chairman and the Chief Executive Officer about their proposals relating to the remuneration of other Executive Directors and have access to professional advice if considered necessary.</p> <p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> • The Nomination and Remuneration Committee comprises only Independent Non-Executive Directors. <p>DEVIATION FROM RECOMMENDED BEST PRACTICE:</p> <ul style="list-style-type: none"> • Disclosure of remuneration payable to members of senior management. <p>The Recommended Best Practice to disclose the remuneration of senior management has not been adopted as it is considered to be not appropriate. Only details of Directors' remuneration are disclosed on an individual and named basis.</p>

守則編號 Code Number	守則條文	Code Provision
C.1	財務匯報 董事局應就本公司的表現、情況及前景作出持平、清晰及容易理解之評估。	Financial Reporting The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓ 超越守則條文 但偏離 建議最佳常規 Exceeding requirement with a deviation from Recommended Best Practice	<p>董事對本公司以持續營運為基準所編製的財務報表承擔責任，並於有需要時為財務報表作出合理的假設和保留意見。本公司之財務報表乃按照上市規則、公司條例及香港公認會計原則及守則之規定而編製，並貫徹採用合適之會計政策及作出審慎及合理之判斷和估計。董事於年報、中期報告、股價敏感公告及上市規則和法規要求的其他披露文件內，致力確保就本公司之狀況和前景作出持平、清晰及容易理解之評估。</p> <p>超越守則條文：</p> <ul style="list-style-type: none"> 於財政年度結束後兩個月內公布業績。 <p>偏離建議最佳常規：</p> <ul style="list-style-type: none"> 編製季度報表。 <p>公布季度財務報表被視為並不切合實際需要，亦不符合地產公司的成本效益，故未被採納。</p>	<p>Directors acknowledge their responsibility for preparing the financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. The Company's financial statements are prepared in accordance with the Listing Rules, Companies Ordinance and also the accounting principles and practices generally accepted in Hong Kong. Appropriate accounting policies are selected and applied consistently; judgements and estimates made are prudent and reasonable. The Directors endeavour to ensure a balanced, clear and understandable assessment of the Company's position and prospects in annual reports, interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory requirements.</p> <p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> We announce our annual results within two months after the end of the financial year. <p>DEVIATION FROM RECOMMENDED BEST PRACTICE:</p> <ul style="list-style-type: none"> Production of quarterly financial statements. <p>The Recommended Best Practice to publish quarterly financial results has not been adopted as it is considered not practical and not cost effective for a property company.</p>
守則編號 Code Number	守則條文	Code Provision
C.2	內部監控 董事局應確保本公司的內部監控系統穩健妥善而且有效，以保障股東的投資及本公司的資產。	Internal Controls The Board should ensure that the Company maintains sound and effective internal controls to safeguard the shareholders' investment and the Company's assets.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓✓✓ 超越守則條文 Exceeding Requirement	<p>我們維持良好的內部監控系統，確保內部監控系統及程序有效運作。操守守則詳述本集團之業務宗旨，作為所有員工依隨之標準。</p> <p>設立內部監控制度，是為了讓我們監察本集團之整體財務狀況、防止資產受損或被挪用、就欺詐及錯失作出合理預防措施、以及就因無法達成本集團之目標而可能帶來之風險作出管理。</p> <p>我們對執行委員會、董事、行政人員及高級職員之活動設有明確之特定權限。年度及中期預算案編製後，均須先獲我們批准方可採納。我們密切監察各項業務，審閱每月之財務業績及與預算作出比較，並不時更新及改善內部監控以面對未來的挑戰。</p> <p>我們採取極審慎的預防措施處理股價敏感資料。此等資料僅為須知人士所悉。</p>	<p>We maintain a good internal control environment to enable the internal control systems and procedures to perform effectively. The Code of Conduct details the Group's philosophy in running its business and acts as a benchmark for all staff to follow.</p> <p>Internal control systems have been designed to allow us to monitor the Group's overall financial position, safeguard its assets against loss and misappropriation, to provide reasonable assurance against fraud and errors, and to manage the risk in failing to achieve the Group's objectives.</p> <p>We have a well defined specific limit of authority governing activities of the Executive Committee, Directors, executives and senior staff. Annual and mid-year budgets on all capital and revenue items are prepared and approved by us before being adopted. We monitor the business activities closely and review monthly financial results of operations against budgets. We also review and update the internal controls to meet upcoming challenges.</p> <p>We take extreme precautionary measures in the handling of price-sensitive information. Such information is restricted to a need-to-know basis.</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>本公司設有內部審計部，後者獨立於本公司之日常運作及會計職務。內部審計師直接向審核委員會作出匯報。內部審計程序乃根據風險評估方法設計，並由審核委員會每年作出審閱。內部審計師每月與管理層商討其內部審計工作及結果，而管理層會就各項有關事宜作出適當之回應。內部審計師每季均向審核委員會提交報告。</p> <p>內部審計師與審核委員會每六個月舉行一次正式會議，商討內部審計事宜。審核委員會舉行會議時，亦會向外聘核數師查詢其對本公司財務及內部監控事宜之意見。審核委員會有權與外聘核數師直接商討，雙方並會最少每年就此舉行一次會議，倘有需要，管理層不會列席。一名執行董事出席審核委員會會議，以解答審核委員會之查詢，並會向董事局匯報審核委員會會議上提出的事宜。</p> <p>我們明白，我們有責任維持有效的風險管理及內部監控制度，並須每年最少審閱有關制度兩次。我們管理風險的方法包括作出策略性規劃、委任合適資歷及經驗豐富的人士擔任高級管理人員、定期監察本集團之表現、對資本支出及投資保持有效的監控、以及制定嚴謹的操守則供所有董事及員工依從。</p> <p>截至二零零八年六月三十日止之財政年度內，我們已就本公司及其附屬公司之所有監控機制作出審閱，範圍涵蓋財務、運作及合規監控、以及風險管理功能，對運作中的內部監控機制的成效和足夠程度感到滿意。我們作出此項結論，乃基於公司已清楚列明有關政策和程序，並已設定權限、監控財政預算及定期監察集團之表現，而我們亦已參考外聘核數師及內部審計師之報告。</p> <p>我們確定，與上一財政年度比較，本公司所面對的主要風險，在性質上和程度上均無重大變化；本公司有能力應付其營商環境及外部環境之任何相關變化。此外，本公司年內並無遇到有關內部監控的重大問題。我們持續地密切監察本公司的內部監控機制，並獲審核委員會進一步證實，內部監控機制正有效地運作。我們完全遵守《企業管治常規守則》之守則條文所載有關維持有效的內部監控制度的規定。</p>	<p>We maintain an internal audit department which is independent of our daily operations and accounting functions. The Internal Auditor reports directly to the Audit Committee. An internal audit programme based on risk assessment methodology was designed which has been reviewed by the Audit Committee on an annual basis. On a monthly basis, the Internal Auditor discusses with the management on his internal audit reviews and findings, and obtains management's responses on various issues. Internal audit reports are prepared for the Audit Committee every quarter.</p> <p>Formal meetings are held every six months between the Internal Auditor and the Audit Committee to discuss internal audit issues. During Audit Committee meetings, the Audit Committee also enquires on financial and internal control matters with the external auditors. The Audit Committee has the authority to have direct discussion with external auditors in the absence of management if deemed necessary, and they meet at least once annually for this purpose. One Executive Director is present at the Audit Committee meetings to answer enquiries from the Audit Committee and to report to the Board of Directors on matters arising.</p> <p>We acknowledged that it is our responsibility to maintain effective risk management and internal control systems and to review them twice a year. We manage risks by strategic planning, appointing appropriately qualified and experienced personnel at senior management positions, monitoring the Group's performance regularly, maintaining effective control over capital expenditure and investments, and setting a high level of Code of Conduct for all Directors and employees to follow.</p> <p>We had conducted a review covering all material controls, including financial, operational and compliance controls and risk management functions of the Company and its subsidiaries for the financial year ended 30 June 2008 and were satisfied that an effective and adequate internal control system had been in operation. We came to such conclusion based on our clearly set company policies and procedures, specific limits of authority, budgetary controls, regular monitoring of performance and the reports from both the external auditors and the Internal Auditor.</p> <p>We confirm that there have been no major changes in the nature and extent of significant risks faced by us from the previous financial year, and we have the ability to respond to any such changes in our business and the external environment. Furthermore, there were no significant internal control problems encountered during the year. We closely monitor our system of internal control, and had received further assurance from the Audit Committee that the internal audit function has been functioning effectively. We have complied with the Code Provisions set out in the Code on Corporate Governance Practices in respect of maintaining an effective internal control system.</p>

合規狀況 Compliance Status	企業管治常規 Corporate Governance Practices	
	<p>超越守則條文：</p> <ul style="list-style-type: none"> • 我們設有內部審計部，後者獨立於本公司之日常運作及會計職務。 • 內部審計師直接向審核委員會作出匯報。 	<p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> • We maintain an internal audit department which is independent of our operation and accounting functions. • The Internal Auditor reports directly to the Audit Committee.
守則編號 Code Number	守則條文 Code Provision	
C.3	<p>審核委員會</p> <p>董事局應就如何應用財務匯報及內部監控原則及如何維持與本公司核數師適當的關係作出正規及具透明度的安排。</p>	<p>Audit Committee</p> <p>The Board should establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors.</p>
合規狀況 Compliance Status	企業管治常規 Corporate Governance Practices	
<p>✓✓✓</p> <p>超越守則條文 Exceeding Requirement</p>	<p>審核委員會乃於一九九九年由董事局設立，目前成員包括四名獨立非執行董事，分別為鄭漢鈞先生(委員會主席)、陳樂怡女士、廖柏偉先生及何潮輝先生。彼等均具備適當之學術及專業資格或相關之財務管理專才。審核委員會每年舉行最少兩次會議，與會者包括外聘核數師及內部審計師、財務董事及公司秘書，以討論內部審計工作之性質和範疇以及評核集團之內部監控。審核委員會於有需要時會與外聘核數師另行開會(管理層並不列席)。於二零零七/零八年度內，審核委員會舉行了兩次會議。</p> <p>審核委員會之職權範圍如下(已載於本公司的網頁供瀏覽)：</p> <p>與本公司核數師之關係</p> <p>(a) 主要負責向董事局建議有關外聘核數師之委任、重聘及撤換事宜，並審批外聘核數師之酬金及聘用條款，以及解答有關外聘核數師辭職或撤職之任何問題；</p> <p>(b) 依據適用之標準，審閱及監察外聘核數師之獨立性和客觀性及其核數程序之成效，並於審核工作開始前與外聘核數師討論審核性質和範圍及匯報責任；</p> <p>(c) 制定及執行有關外聘核數師提供非核數服務之政策(就此而言，外聘核數師包括與該核數師行受同一機構控制、擁有或管理之任何機構，或一個合理知悉所有有關資料的第三方，在合理情況下會斷定該機構屬於該負責核數的公司的本土或國際業務的一部分的任何機構)，並向董事局匯報其界定須採取行動或作出改善之任何事宜，以及向董事局建議應採取之行動；</p>	<p>An Audit Committee was established by the Board in 1999, which now comprises four Independent Non-Executive Directors with appropriate academic and professional qualifications or related financial management expertise, namely, Mr H.K. Cheng (Chairman of the Committee), Ms Laura L.Y. Chen, Mr P.W. Liu and Mr Dominic C. F. Ho. Meetings are held at least two times a year and are attended by external and internal auditors, the Finance Director and the Company Secretary for the purpose of discussing the nature and scope of internal audit work and assessing the Group's internal controls. Separate meetings will also be held with the external auditor (in the absence of management) as and when required. The Audit Committee held two meetings in 2007/08.</p> <p>Its terms of reference, which are accessible to all via our website, are as follows:</p> <p>Relationship with the Company's auditors</p> <p>(a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor;</p> <p>(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;</p> <p>(c) to develop and implement policy on the engagement of an external auditor to supply non-audit services (for this purpose, external auditor shall include any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), and report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>檢討本公司之財務資料</p> <p>(d) 監察財務報表、年報和賬目及中期報告之完整性，並審閱財務報告所載之主要判斷，重點包括：</p> <p>(i) 會計政策及準則之任何改變；</p> <p>(ii) 重要判斷之範疇；</p> <p>(iii) 因核數而須作出之重大調整；</p> <p>(iv) 有關持續營運之假設及任何保留意見；</p> <p>(v) 有否遵照會計準則；及</p> <p>(vi) 有否遵照上市規則及其他與財務報告有關之法律規定；</p> <p>(e) 就上文(d)項而言：</p> <p>(i) 委員會成員必須與董事局及高級管理人員保持聯繫，並必須最少每年一次與本公司之核數師會面；及</p> <p>(ii) 委員會須對有關報告及財務報表所反映或可能需反映之任何重大或不尋常項目作出考慮，並必須就本公司之合資格會計師、監察主任或核數師所提出之任何事宜作出適當考慮；</p> <p>監察本公司之財務匯報機制及內部監控程序</p> <p>(f) 檢討財務監控、內部監控及風險管理制度；</p> <p>(g) 與管理層討論內部監控制度，確保管理層履行職責致令內部監控制度有效地運作；</p> <p>(h) 主動或應董事局的委派，就有關內部監控事宜的重要調查結果及管理層的回應進行研究；</p> <p>(i) 如設有內部審計功能，確保內部審計師與外聘核數師合作無間，確保內部審計功能擁有足夠資源及在本公司內部享有適當地位，並審閱及監察內部審計功能之有效性；</p> <p>(j) 檢討本集團之財務及會計政策及準則；</p> <p>(k) 審閱外聘核數師致管理層之函件，包括其就會計記錄、財務報表或監控制度，對管理層所提出之任何重大查詢及管理層之回應；</p> <p>(l) 確保董事局對外聘核數師致管理層之函件內所提出之問題適時作出回應；</p>	<p>Review of financial information of the Company</p> <p>(d) to monitor the integrity of financial statements, annual report and accounts and half-year report and to review significant financial reporting judgements contained within them, focusing particularly on:</p> <p>(i) any changes in accounting policies and practices;</p> <p>(ii) major judgmental areas;</p> <p>(iii) significant adjustments resulting from audit;</p> <p>(iv) the going concern assumptions and any qualifications;</p> <p>(v) compliance with accounting standards; and</p> <p>(vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting;</p> <p>(e) in regard to (d) above:</p> <p>(i) members of the Committee must liaise with the Board of Directors and senior management and the Committee must meet, at least once a year, with the Company's auditors; and</p> <p>(ii) the Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and financial statements and must give due consideration to any matters that have been raised by the Company's qualified accountant, compliance officer or auditors;</p> <p>Oversight of the Company's financial reporting system and internal control procedures</p> <p>(f) to review financial controls, internal control and risk management systems;</p> <p>(g) to discuss with management the system of internal control and ensure that management has discharged its duty to have an effective internal control system;</p> <p>(h) to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response;</p> <p>(i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;</p> <p>(j) to review the Group's financial and accounting policies and practices;</p> <p>(k) to review the external auditor's management letter, any material queries raised by the auditor to management in respect of the accounting records, financial statements or systems of control and management's response;</p> <p>(l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>(m) 向董事局匯報上市規則《企業管治常規守則》企業管治守則內關於審核委員會的守則條文所規定之事宜；</p> <p>(n) 研究董事局所界定的其他事宜；</p> <p>其他職責</p> <p>(o) 審閱供員工在保密情況下就財務匯報、內部監控或其他事宜舉報不當行為之安排；</p> <p>(p) 擔當主要代表，以監察本公司與外聘核數師之關係；及</p> <p>(q) 向董事局匯報審核委員會之決定或建議。</p> <p>委員會獲董事局授權，可調查其職權範圍內之任何事項；向任何僱員索取任何所需資料，而所有僱員均須就委員會之要求作出通力合作；向外界法律人士或其他獨立專業人士尋求意見；及於有需要時邀請具有相關經驗和專才之外界人士參與會議。委員會獲提供足夠資源以履行其職責。</p> <p>本年度內，審核委員會履行了(其中包括)以下之職責：</p> <ul style="list-style-type: none"> • 審閱並向管理層和外聘核數師取得有關中期業績(未經審核)和全年業績之解釋，包括與以往會計期有改變之原因、採用新會計政策之影響、對上市規則和有關法規的遵例情況、以及任何核數問題，然後建議董事局採納有關業績； • 考慮及向董事局建議再度委任畢馬威會計師事務所為本公司之外聘核數師； • 考慮及審批僱用外聘核數師為本公司提供非核數服務之程序和指引； • 收取及檢討內部審計師之內部審計報告； • 與外聘核數師開會(管理層並不列席)以商討核數問題； • 與內部審計師另行開會以商討內部審計問題； • 審批二零零七/零八年度之內部審計計劃；及 • 就本公司的內部監控機制作出年度審閱。 <p>超越守則條文：</p> <ul style="list-style-type: none"> • 審核委員會所有成員均為獨立非執行董事。 	<p>(m) to report to the Board on the matters set out in the code provisions for Audit Committee in the Code on Corporate Governance Practices of the Listing Rules;</p> <p>(n) to consider other topics, as defined by the Board;</p> <p>Other duties</p> <p>(o) to review arrangements by which employees may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters;</p> <p>(p) to act as the key representative body for overseeing the Company's relation with the external auditor; and</p> <p>(q) to report their decisions or recommendations to the Board.</p> <p>The Committee is authorised by the Board to investigate any activity within its terms of reference; to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Committee; to obtain outside legal or other independent professional advice; and to secure the attendance of outsiders with relevant experience and expertise to their meetings if necessary. Sufficient resources are provided to the Committee to discharge its duty.</p> <p>During the year, the Audit Committee has performed, inter alia, the following:</p> <ul style="list-style-type: none"> • reviewed and obtained explanation from management and the external auditors on the interim (unaudited) and annual results, including causes of changes from previous period, effect on the application of new accounting policies, compliance with the Listing Rules and relevant legislation, and any audit issues, before recommending their adoption by the Board of Directors; • considered and proposed to the Board on the re-appointment of KPMG as the Company's external auditors; • considered and approved the procedures and guidelines in employing the external auditors to perform non-audit assignments for the Company; • received and reviewed the internal audit reports from the Internal Auditor; • meeting with the external auditors in the absence of management to discuss any audit issues; • meeting with the Internal Auditor in private to discuss on internal audit issues; • approved the internal audit programme for 2007/08; and • carried out an annual review of the internal control system of the Company. <p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> • The Audit Committee comprises only Independent Non-Executive Directors.

D 董事局權力的轉授 Delegation by the Board

守則編號 Code Number	守則條文	Code Provision
D.1	管理功能 本公司應有一項正式的預定計劃表，列載特別需要董事局作決定的事項及授權管理層決定的事項。	Management Functions The Company should have a formal schedule of matters specifically reserved to the Board and those delegated to management.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓✓ 符合守則條文 Comply with Requirement	高級管理人員包括各助理董事及高級經理，彼等在各執行董事領導下負責本集團之日常運作及行政管理。董事局已給予高級管理人員清晰指引，明確界定哪些事項須先獲董事局批准，高級管理人員方可代表本公司作出決定。董事局授權高級管理人員可作出決定之事項包括：執行董事局決定之策略和方針、本集團之業務運作、準備財務報表及營運預算案、以及遵守適用之法律和法規。本公司每隔一段時間審閱此等安排，確保其適合本公司之所需。	Senior management, comprising assistant directors and senior managers, is responsible for the day-to-day operations and administration function of the Group under the leadership of the Executive Directors. The Board has given clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company. The types of decisions to be delegated by the Board to management include implementation of the strategy and direction determined by the Board, operation of the Group's businesses, preparation of financial statements and operating budgets, and compliance with applicable laws and regulations. These arrangements will be reviewed periodically to ensure that they remain appropriate to our needs.
守則編號 Code Number	守則條文	Code Provision
D.2	董事局轄下的委員會 董事局轄下各委員會的成立應訂有書面的特定職權範圍，清楚列載委員會權力及職責。	Board Committees Board Committees should be formed with specific written terms of reference which deal clearly with the Committees' authority and duties.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓✓ 符合守則條文 Comply with Requirement	執行委員會、審核委員會和提名及薪酬委員會 分別於一九八九年、一九九九年及二零零三年成立。有關審核委員會和提名及薪酬委員會之資料分別載於上文守則編號C.3及B.1內。 執行委員會 本公司董事局之 執行委員會 乃於一九八九年成立，現有成員包括全部執行董事，分別為陳啟宗先生、袁偉良先生、吳士元先生及高伯適先生。彼等定期舉行會議，藉以制定本公司之策略性方向及監察管理層之表現。董事局已採納清晰的職權範圍，並已就若干須交由董事局決定的事項制訂了指引。每位委員會成員均完全清楚哪些事項須交由董事局全體決定、哪些事項可交由委員會或管理層負責。	Executive Committee, Audit Committee, and Nomination and Remuneration Committee were formed in 1989, 1999 and 2003 respectively. Information on Audit Committee and Nomination and Remuneration Committee can be found in Code Numbers C.3 and B.1 above. Executive Committee The Executive Committee of the Board of Directors of the Company was formed in 1989. Its members are all the Executive Directors of the Company, namely, Mr Ronnie C. Chan, Mr Nelson W.L. Yuen, Mr Terry S. Ng and Mr William P.Y. Ko, who meet regularly to establish the strategic direction of the Company, and to monitor the performance of management. Clear terms of reference have been adopted by the Board, and guidelines were also set up for certain issues requiring Board approval. Each of the Committee members has full understanding on determining which issues require a decision of the full Board and which are delegated by the Board to the Committee or management.

E 與股東的溝通 Communication with Shareholders

守則編號 Code Number	守則條文	Code Provision
E.1	有效溝通 董事局應盡力與股東持續保持對話，尤其是藉股東週年大會或其他股東會議與股東溝通及鼓勵他們的參與。	Effective Communication The Board should endeavour to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓✓ 符合守則條文 Comply with Requirement	<p>本公司之週年大會為董事局與股東提供溝通良機。董事局及各委員會之主席一般均出席以解答股東提出之問題，外聘核數師每年也會出席週年大會。週年大會通告及有關文件於大會舉行日期前最少二十一日寄予股東。主席就每項獨立的事宜個別提出決議案。週年大會獲股東踴躍出席。所有董事出席了去年度之週年大會。</p> <p>倘持有不少於本公司百分之五已繳股本之股東提出要求(彼於提出要求當日擁有上述持股量及在本公司之股東大會上有相等之投票權)，本公司董事須就此舉行股東特別大會。</p> <p>倘股東有特別查詢或建議，可致函本公司之註冊地址予董事局或公司秘書或電郵至本公司。</p>	<p>Our AGM provides a good opportunity for communication between the Board and the shareholders. Chairman of the Board and of the Committees are normally present to answer queries raised by shareholders. External auditors also attend the AGM every year. Notice of the AGM and related papers are sent to shareholders at least 21 calendar days before the meeting. Each separate issue is proposed by a separate resolution by the Chairman. The meeting is well participated by shareholders. All Directors attended last year's AGM.</p> <p>On the requisition of our shareholders holding not less than 5% of our paid-up capital as at the date of the deposit of the requisition carrying the right of voting at our general meetings, our Directors shall forthwith proceed to convene an extraordinary general meeting.</p> <p>Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary at our registered address or by e-mail to our company.</p>
守則編號 Code Number	守則條文	Code Provision
E.2	以投票方式表決 本公司應定期通知股東以投票方式表決的程序，並確保符合上市規則有關以投票方式表決的規定及本公司的組織章程文件。	Voting by Poll The Company should regularly inform shareholders of the procedure for voting by poll and ensure compliance with the requirements about voting by poll contained in the Listing Rules and the Company's constitutional documents.
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
✓✓ 符合守則條文 Comply with Requirement	<p>本公司上屆週年大會(「二零零七年度之週年大會」)於二零零七年十一月五日在本公司之註冊辦事處舉行。為召開二零零七年度週年大會而刊發之通告，已詳細載列以投票方式表決的程序和權利。合共有一百零八位股東親身或委派代表出席大會。會上，主席要求以投票方式表決每項決議案，股東採納了財務報表、通過董事及核數師之重選及連任、並再次給予一般授權令。所有於二零零七年度之週年大會上提出的決議案均以投票方式表決，投票表決結果於同日傍晚在本公司及聯交所之網頁刊登。投票表決結果概述如下：</p>	<p>Our last AGM was held on 5 November 2007 ("2007 AGM") at our registered office. Notice convening the 2007 AGM had detailed the procedures for and the rights of shareholders to demand a poll. The meeting was attended by 108 shareholders present in person or by proxy. At the meeting, the Chairman had demanded a poll on each of the resolutions submitted for voting, and the shareholders adopted the financial statements, re-elected Directors, re-appointed auditors and renewed general mandate. All resolutions tabled at the 2007 AGM were voted on by poll, and the results of poll voting were posted on the websites of our company and the Stock Exchange in the evening on the same day. Summary of the poll results is set out below:</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices										
		百分比 Percentage (%)										
	普通決議案 Ordinary Resolutions	10	20	30	40	50	60	70	80	90	100	附註 Remarks
	1 採納截至二零零七年六月三十日止年度之財務報表及董事局與核數師報告 To adopt the Financial Statements and Reports of the Directors and Auditors for the year ended 30 June 2007	■	■	■	■	■	■	■	■	■	■	贊成 For - 99.991%
	2 宣布派發末期股息每股港幣四角三仙 To declare the final dividend of 43 cents per share	■	■	■	■	■	■	■	■	■	■	贊成 For - 100%
	3A 選舉陳啟宗先生連任為本公司董事 To re-elect Mr Ronnie C. Chan as a Director	■	■	■	■	■	■	■	■	■	■	贊成 For - 98.826%
	3B 選舉高伯道先生連任為本公司董事 To re-elect Mr William P.Y. Ko as a Director	■	■	■	■	■	■	■	■	■	■	贊成 For - 99.381%
	3C 選舉吳士元先生連任為本公司董事 To re-elect Mr Terry S. Ng as a Director	■	■	■	■	■	■	■	■	■	■	贊成 For - 99.382%
	3D 授權董事局釐定董事袍金 To authorise the Board of Directors to fix Directors' fees	■	■	■	■	■	■	■	■	■	■	贊成 For - 99.991%
	4 重聘畢馬威會計師事務所為本公司核數師，酬金將由董事釐定 To re-appoint KPMG as Auditors of the Company at a fee to be agreed with the Directors	■	■	■	■	■	■	■	■	■	■	贊成 For - 100%
	5A 授予董事有關購回本身股份之授權令 To approve a general mandate to the Directors to purchase the Company's own shares	■	■	■	■	■	■	■	■	■	■	贊成 For - 99.977%
	5B 授予董事發行新股份之授權令 To approve a general mandate to the Directors to issue additional shares	■	■	■	■	■	■	■	■	■	■	贊成 For - 79.174%
	5C 授予董事權力將購回本身之股份數目加入可發行之新股數目內 To authorise the Directors to include the number of repurchased shares re. issue of shares	■	■	■	■	■	■	■	■	■	■	贊成 For - 81.383%
	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0056b3; margin-right: 5px;"></div> 贊成 For </div> <div style="display: flex; align-items: center; margin-top: 5px;"> <div style="width: 15px; height: 15px; background-color: #800080; margin-right: 5px;"></div> 反對 Against </div>											

本公司於來屆及未來之週年大會，將繼續以投票方式表決會上提呈的所有決議案。

We will continue our practice of voting by poll on all resolutions to be proposed at the forthcoming and future AGMs.

董事局確認毋須於二零零八年十一月三日舉行之週年大會（「二零零八年度之週年大會」）動議修訂本公司之組織章程細則。下個財政年度與股東相關的重要日期，包括就宣布派發截至二零零九年六月三十日止年度之中期股息及末期股息而舉行的董事局會議的日期、以及週年大會日期，均會與本年度之有關日期相若，即分別約於二零零九年二月中、二零零九年八月中、以及二零零九年十一月舉行。

The Board confirms that there are no changes proposed to the Articles of Association of the Company at the forthcoming AGM to be held on 3 November 2008 ("2008 AGM"). The important shareholders' dates for the coming financial year, which include the Board Meetings for the declaration of interim and final dividends for the year ending 30 June 2009 and the AGM, are expected to be similar to this year's timing at around mid-February 2009, mid-August 2009 and in November 2009 respectively.

F 自願性披露 Voluntary Disclosure

F.1	核數師酬金	Auditors' Remuneration
	<p>二零零七年度之週年大會上，股東批准再度委任畢馬威會計師事務所為本公司之外聘核數師，直至二零零八年度之週年大會為止。彼等之主要責任乃就年度綜合財務報表提供核數服務。</p> <p>年內，付予外聘核數師法定核數服務之總酬金為港幣五百三十萬元。彼等亦提供稅務服務及顧問服務予本集團，該等酬金合共為港幣十萬元。</p>	<p>KPMG was re-appointed as our external auditors by shareholders at the 2007 AGM until the conclusion of the 2008 AGM. They are primarily responsible for providing audit services in connection with the annual consolidated financial statements.</p> <p>During the year, the total remuneration in respect of statutory audit services provided by the external auditors amounted to HK\$5.3 million. They also provided taxation services and advisory services to the Group to the value of HK\$0.1 million.</p>
F.2	操守守則	Code of Conduct
	<p>本公司自一九九四年起採納企業操守守則（「操守守則」），並不時更新，為員工列出包括下列事宜之清晰指引：</p> <ul style="list-style-type: none"> ➢ 索取或收受利益； ➢ 提供利益； ➢ 在另一個司法地區工作時遵守當地法規； ➢ 處理利益衝突； ➢ 處理保密資料／公司財產； ➢ 使用資訊和通訊系統； ➢ 遵守操守守則；及 ➢ 買賣本公司股份。 <p>操守守則亦就其他事宜列出指引，包括與供應商及承辦商；客戶及消費者之關係；對股東和財經界之責任；僱傭常規；以及對社會之責任。</p> <p>為監察及貫徹操守守則之遵從，各部門經理負責確保其下屬充分瞭解及遵守該等準則和規定。違規之僱員會受到處分，包括被勒令離職，並會向廉政公署或其他有關機構舉報涉嫌貪污或其他罪行。倘任何董事查詢關於股東、潛在股東、客戶、消費者、供應商、承辦商及本公司之僱員所作出之投訴，執行董事須直接向該董事作出回答，以確保有關投訴獲公平及有效率之處理。</p> <p>此外，所有高於界定職級的僱員均須每年填寫並簽署「利益申報」，披露其直接或間接在本公司或其附屬公司或聯營公司持有之利益，以確保所有業務管理均按照最高的實務準則及企業管治準則進行。</p>	<p>We have adopted a corporate code of conduct since 1994 ("the Code of Conduct") which is updated from time to time, setting out clear guidelines for employees on matters such as:</p> <ul style="list-style-type: none"> ➢ soliciting or accepting advantages; ➢ offering advantages; ➢ observing local laws when working in another jurisdiction; ➢ handling of conflicts of interests situations; ➢ handling confidential information/company property; ➢ use of information and communication systems; ➢ compliance with the Code of Conduct; and ➢ transactions in the Company's shares. <p>The Code of Conduct also sets out guidelines on matters in relation to suppliers and contractors; customers and consumers; responsibilities to shareholders and the financial community; employment practices; and responsibilities to the community.</p> <p>In order to monitor and enforce the compliance of the Code of Conduct, functional managers are responsible for ensuring their subordinates understand well and comply with the standards and requirements as stipulated. Any violation thereof will result in the employee being disciplined, including termination of employment. Suspected corruption or other forms of criminality will be reported to the Independent Commission Against Corruption or appropriate authorities. The Executive Directors will also answer directly to any Board member for impartial and efficient handling of complaints received from all shareholders and potential shareholders; customers and consumers; suppliers and contractors and our employees.</p> <p>Also, all employees above a designated level are required to complete and sign a Statement of Interest annually declaring their interest, directly or indirectly, with the Company and our subsidiaries and associated companies, so as to make sure that all operations are managed in accordance with the highest standards of practice and corporate governance.</p>

F.3	董事及高級管理人員持有之權益	Interests of Directors and Senior Management			
<p>於二零零八年六月三十日，董事持有本公司及其上市母公司恒隆集團有限公司（「恒隆集團」）之股份權益之詳情如下：</p>		<p>Details of Directors' interests in shares of the Company and our listed parent company, Hang Lung Group Limited ("HLG") as at 30 June 2008 are as follows:</p>			
		本公司 The Company		恒隆集團 HLG	
董事姓名	Name of Directors	股份數目 No. of Shares	股份期權 (股份數目) Share Options (No. of Shares)	股份數目 No. of Shares	股份期權 (股份數目) Share Options (No. of Shares)
陳啟宗	Ronnie C. Chan	–	16,330,000	–	11,790,000
殷尚賢	S.S. Yin	–	–	–	–
袁偉良	Nelson W.L. Yuen	–	21,836,000	–	8,000,000
夏佳理	Ronald J. Arculli	724,346	–	1,089,975	–
鄭漢鈞	H.K. Cheng	–	–	–	–
陳樂怡	Laura L.Y. Chen	–	–	–	–
廖柏偉	P.W. Liu	70,000	–	–	–
何潮輝	Dominic C. F. Ho	–	–	–	–
吳士元	Terry S. Ng	–	14,789,000	–	4,338,000
高伯道	William P.Y. Ko	–	12,130,000	–	1,024,000
<p>於二零零八年六月三十日，高級管理人員合共持有一千一百八十萬股本公司之股份期權，約佔本公司已發行股本百分之零點二八。彼等亦持有一百八十萬股恒隆集團之股份期權，約佔該公司已發行股本百分之零點一三。</p>		<p>The share options held by senior management as at 30 June 2008 totalled 11.8 million shares, representing approximately 0.28% of the issued share capital of the Company. They also held share options of HLG totalled 1.8 million shares, representing approximately 0.13% of the issued share capital of that company.</p>			
F.4	股東資料	Shareholder Information			
<p>於二零零八年六月三十日，公眾（即吾等母公司恒隆集團以外之股東）持有十九億九千五百六十五萬八千一百股本公司股份，佔本公司已發行股本百分之四十八點一，市值為港幣四百九十八億九千一百萬元。</p>		<p>As at 30 June 2008, the number of Shares of the Company which were in the hands of the public (i.e. other than those held by our parent company, HLG) was 1,995,658,100 (48.1% of total issued share capital), with market capitalisation of HK\$49,891 million.</p>			

於二零零八年六月三十日之股東所屬地 Details of holders of Shares by domicile as at 30 June 2008 are as follows:
詳情如下：

所屬地	Domicile	股東 Shareholders		持股量 Shareholdings	
		人數 No.	百分比 %	股份數目 No. of Shares	百分比 %
香港	Hong Kong	3,042	94.12	4,106,034,911	99.06
中國內地	Mainland China	62	1.92	4,505,632	0.11
澳門	Macau	7	0.22	418,173	0.01
台灣	Taiwan	2	0.06	593	0.00
澳洲及新西蘭	Australia & New Zealand	10	0.31	4,869	0.00
加拿大及美國	Canada & USA	40	1.24	2,360,760	0.06
東南亞	South East Asia	48	1.48	3,432,917	0.08
英國	United Kingdom	15	0.46	18,072	0.00
其他	Others	6	0.19	28,336,743	0.68
總計	TOTAL	3,232	100.00	4,145,112,670	100.00

於二零零八年六月三十日之股東持股量 Details of holders of Shares by holding range as at 30 June 2008 are as follows:
組別詳情如下：

		股東* Shareholders*		持股量* Shareholdings*	
		人數 No.	百分比 %	股份數目 No. of Shares	百分比 %
1-1,000股	1-1,000 shares	1,458	45.11	680,665	0.02
1,001-5,000股	1,001-5,000 shares	800	24.75	2,201,478	0.05
5,001-10,000股	5,001-10,000 shares	367	11.36	3,041,755	0.07
10,001-100,000股	10,001-100,000 shares	502	15.53	17,251,137	0.42
100,001股以上	Over 100,001 shares	105	3.25	4,121,937,635	99.44
總計	TOTAL	3,232	100.00	4,145,112,670	100.00

* 包括三百六十四名參與中央結算及交收系統(「中央結算系統」)之人士，彼等在所屬之持股量組別內，以香港中央結算代理人有限公司名義登記持有合共二十七億四千三百零五萬七千二百六十六股股份

* incorporating, in their respective shareholdings range, 364 participants of Central Clearing and Settlement System ("CCASS") holding a total of 2,743,057,266 shares registered in the name of HKSCC Nominees Limited

F.5	透明度及披露	Transparency and Disclosure
	<p>本公司致力向股東和投資者披露其業務之相關資料，除透過本公司之年報及中期報告外，亦定期與分析員會面、舉行記者會、發放新聞稿和電郵、以及在本公司網頁提供資料。股東、投資者、傳媒或公眾人士之所有查詢及建議，均由執行董事、公司秘書或適當之高級管理人員負責解答。</p> <p>任何人士均可登上本公司之網頁查閱本公司之資料，包括董事局屬下各委員會的職權範圍，而有關指引亦可供索閱。除提供財務等傳統資料外，本公司之網頁亦提供本公司其他最新資料，包括可供出售物業、租賃物業、最新之已發行股本、主要股東之股份權益、公司大事紀要及經常提問之問題等。</p>	<p>We are committed to disclose relevant information on our activities to our shareholders and investors through regular analysts' briefings, press conferences and press releases, e-mails and our website, apart from our annual and interim reports. All inquiries and proposals received from shareholders, investors, media or the public are responded to by Executive Directors, Company Secretary or appropriate members of senior management.</p> <p>The Company's information including the terms of reference of Board Committees is also accessible to all via our website. Terms of reference of Board Committees are also available on request. Besides providing traditional financial data, our website also contains the most current information including properties available for sale and let, latest issued capital, updated substantial shareholders' interests in shares, major corporate events and frequently asked questions.</p>

前景

我們非常重視公司管治對我們的營運和策略性發展的重要性。我們確信本公司的良好公司管治常規及高道德標準是我們成功的主要因素。我們致力尋找提升我們公司管治常規的方法，以期加強我們的公司管治水平，與國際性之最佳常規看齊。

Moving Forward

We attach great importance to corporate governance as it is crucial to our operation and strategic development. We believe our good corporate governance practices and high ethical standards are central to our success. We devote considerable efforts to seek ways to improve our corporate governance practices with an aim to enhance our corporate governance standard to meet with international best practices.

董事簡介

PROFILE OF THE DIRECTORS

陳啟宗先生

主席

陳先生現年五十八歲，於一九七二年加盟集團，一九八六年獲委任加入恒隆地產有限公司董事局並於一九九一年出任主席。彼亦為恒隆集團有限公司之主席。陳先生為香港地產建設商會副會長、亞洲協會副主席兼其香港分會主席，及中國國務院屬下中國發展研究基金會理事會顧問。陳先生亦為多個國際智庫和大學的董事局或顧問委員會成員，包括中國外交學院、香港科技大學及美國南加州大學等。陳先生持有美國南加州大學工商管理學碩士。

Mr Ronnie Chichung Chan

Chairman

Aged 58, Mr Chan joined the Group in 1972, was appointed to the Board of Hang Lung Properties Limited in 1986 and became Chairman in 1991. He is also Chairman of Hang Lung Group Limited. Mr Chan is a Vice-President of The Real Estate Developers Association of Hong Kong, a Vice Chairman of the Asia Society and Chairman of its Hong Kong Center, and an advisor to the China Development Research Foundation of the State Council of the People's Republic of China. Mr Chan also serves on the governing or advisory bodies of several think-tanks and universities, including China Foreign Affairs University, the Hong Kong University of Science and Technology and the University of Southern California, USA, where he received his MBA.

殷尚賢先生

副主席(獨立非執行董事)

殷先生現年七十七歲，於一九七零年加盟恒隆，一九八零年獲委任加入恒隆地產有限公司董事局，自一九九二年卸任董事總經理後出任副主席。殷先生在物業投資及發展方面積逾二十年經驗，且為資深銀行家，並於英國倫敦獲英國銀行學會頒授銀行學文憑。彼亦兼任恒隆集團有限公司之副主席。

Mr Shang Shing Yin

Vice Chairman (Independent Non-Executive Director)

Aged 77, Mr Yin joined Hang Lung in 1970 and was appointed to the Board of Hang Lung Properties Limited in 1980. A past Managing Director, he has been the Vice Chairman since 1992. He has over 20 years of experience in the fields of property investment and development, and is a qualified banker with a Banking Diploma from The Chartered Institute of Bankers in London, UK. Mr Yin is also the Vice Chairman of Hang Lung Group Limited.

袁偉良先生

董事總經理

袁先生現年五十七歲，於一九七八年加盟集團之控股公司——恒隆集團有限公司出任財務總監。一九八零年當恒隆地產有限公司成為恒隆集團之附屬公司時，袁先生開始協助處理恒隆地產有限公司各類業務。彼於一九八六年出任執行董事，並於一九九二年獲委任為本公司及其控股公司之董事總經理。加盟恒隆集團前，袁先生在英國及香港之執業會計師行任職共四年。彼畢業於英國曼徹斯特大學，為英格蘭及威爾斯特許會計師公會資深會員，亦為香港會計師公會會員。袁先生亦為香港地產建設商會董事及執行委員會委員。

Mr Nelson Wai Leung Yuen

Managing Director

Aged 57, Mr Yuen joined Hang Lung Group Limited, the holding company, as its Financial Controller in 1978. When Hang Lung Properties Limited became a subsidiary of Hang Lung Group in 1980, he began to assume operating responsibility in various areas of Hang Lung Properties Limited's activities. He became an Executive Director in 1986 and was appointed Managing Director of the Company and its holding company in 1992. Prior to joining Hang Lung Group, Mr Yuen practised public accounting for four years in England and Hong Kong. He is a graduate of the University of Manchester, UK, a Fellow of The Institute of Chartered Accountants in England and Wales and an Associate of the Hong Kong Institute of Certified Public Accountants. Mr Yuen is a Director and Member of the Executive Committee of The Real Estate Developers Association of Hong Kong.

夏佳理先生

CVO、金紫荊星章、OBE、太平紳士

獨立非執行董事

夏先生現年六十九歲，於一九八零年加入董事局。夏先生為執業律師，並自一九八八年起至二零零零年止擔任香港立法局議員，於一九九一年至二零零零年期間代表地產及建造界功能組別。夏先生為香港交易及結算所有限公司之獨立非執行主席，及於二零零五年十一月首次被委任為香港特別行政區行政會議非官守議員。彼曾擔任多個政府委員會及諮詢團體成員，社會事務工作傑出，現為本港多間主要公司之董事。

Mr Ronald Joseph Arculli

CVO, GBS, OBE, JP

Independent Non-Executive Director

Aged 69, Mr Arculli joined the Board in 1980. Mr Arculli is a practising solicitor and was a Member of the Legislative Council of Hong Kong from 1988 to 2000, representing the Real Estate and Construction functional constituency between 1991 and 2000. Mr Arculli is the Independent Non-Executive Chairman of Hong Kong Exchanges and Clearing Limited, and was first appointed a non-official member of the Executive Council of the HKSAR in November 2005. He has a distinguished record of public service and has served on numerous government committees and advisory bodies, and is also a director of several other major local companies.

鄭漢鈞博士

金紫荊星章、OBE、太平紳士
獨立非執行董事

鄭博士現年八十一歲，於一九九三年加入董事局。鄭博士持有天津大學工程學學士學位及英國倫敦帝國學院深造文憑，並為英國倫敦帝國學院資深院士。彼為香港工程師學會之前會長及該會榮譽資深會員及金獎章獲得者，亦為香港工程科學院資深會員，英國結構工程師學會前副會長、該會資深會員及金獎章獲得者，英國土木工程師學會資深會員，以及澳洲工程師學會榮譽資深會員。鄭博士為香港建築物條例之認可人士及香港註冊結構工程師，曾為行政及立法兩局議員以及香港房屋委員會主席。鄭博士為永亨銀行有限公司、雅居樂地產控股有限公司及天津發展控股有限公司之獨立非執行董事。彼亦為恒隆集團有限公司之獨立非執行董事。

Dr Hon Kwan Cheng

GBS, OBE, JP
Independent Non-Executive Director

Aged 81, Dr Cheng joined the Board in 1993. Dr Cheng obtained an engineering degree from Tianjin University and a post-graduate diploma from Imperial College, London, UK, of which he is a Fellow. He is a past President, Honorary Fellow and Gold Medallist of The Hong Kong Institution of Engineers, Fellow of the Hong Kong Academy of Engineering Sciences, and past Vice President, Fellow and Gold Medallist of The Institution of Structural Engineers, Fellow of The Institution of Civil Engineers, UK, and Honorary Fellow of The Institution of Engineers, Australia. An Authorised Person and Registered Structural Engineer in Hong Kong, Dr Cheng was a Member of both the Executive and Legislative Councils and Chairman of the Hong Kong Housing Authority. Dr Cheng is an Independent Non-Executive Director of Wing Hang Bank Limited, Agile Property Holdings Limited and Tianjin Development Holdings Limited. He is also an Independent Non-Executive Director of Hang Lung Group Limited.

陳樂怡女士

獨立非執行董事

陳女士現年六十歲，於一九九七年加盟恒隆。在本港及美國之銀行、地產及金融服務行業工作逾二十年，自一九九三年起出任私人投資企業常興集團之董事，管理環球資本市場之投資組合，尤其是新興市場及高息產品。過往數年，彼之職責轉變為發展及管理慈善團體之計劃及活動。私人方面，彼亦為中美中心(約翰霍普金斯大學與南京大學之合作計劃)、亞洲協會(香港分會)、以及多個非牟利機構之顧問委員會成員。陳女士為美國首都華盛頓喬治華盛頓大學工商管理學系碩士，並持有美國維珍尼亞大學國際銀行學深造證書。彼亦為恒隆集團有限公司之獨立非執行董事。

Ms Laura Lok Yee Chen

Independent Non-Executive Director

Aged 60, Ms Chen joined Hang Lung in 1997. She has been involved in the banking, real estate, and financial service industries for over twenty years, both in Hong Kong and in the USA. Since 1993 she has been a director of the Sterling Group — a private investment entity — and managing investment portfolios in global capital markets, with special interests in emerging markets and high-yield products. Over the past few years her professional career has transitioned into the direction of the development and management of philanthropic programs and activities. On a personal level, she serves on the advisory councils of the Hopkins-Nanjing Center — a joint program between the Johns Hopkins and Nanjing Universities, the Asia Society Hong Kong Center, and numerous non-profit organisations. Ms Chen holds an MBA from the George Washington University in Washington, DC, USA, and a post-graduate certificate in International Banking from the University of Virginia, USA. Ms Chen is also an Independent Non-Executive Director of Hang Lung Group Limited.

廖柏偉教授

銀紫荊星章、太平紳士
獨立非執行董事

廖教授現年六十歲，於一九九八年加入董事局為獨立非執行董事。廖教授在美國普林斯頓大學及史丹福大學接受教育，現為香港中文大學副校長兼經濟學系講座教授。彼出任多項經濟研究要職，包括擔任香港亞太研究所香港及亞太經濟研究計劃主任以及於二零零零至零一年年度獲委任為美國富布賴特(Fulbright)傑出訪問學人。廖教授服務多個政府諮詢機構。現為人力發展委員會、香港特別行政區區議員薪津獨立委員會、香港特別行政區行政會議成員、立法會議員及政治委任制度官員薪津獨立委員會、航空發展諮詢委員會、以及策略發展委員會之委員，並為香港金融研究中心之董事以及證券及期貨事務監察委員會非執行董事。彼於一九九九年獲授勳銀紫荊星章，並於二零零六年獲委任為太平紳士。

Professor Pak Wai Liu

SBS, JP
Independent Non-Executive Director

Aged 60, Professor Liu joined the Board as an Independent Non-Executive Director in 1998. Educated at Princeton University and Stanford University, USA, Professor Liu is Professor of Economics and Pro-Vice-Chancellor of the Chinese University of Hong Kong. He holds a number of positions related to his field of study, including Director of the Hong Kong and Asia-Pacific Economies Research Programme of the Hong Kong Institute of Asia-Pacific Studies and Distinguished Fulbright Scholar in 2000-01. Professor Liu serves on many government advisory bodies. He is currently a Member of the Manpower Development Committee, the Independent Commission on Remuneration for Members of the District Councils of the HKSAR, the Independent Commission on Remuneration for Member of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR, the Aviation Development Advisory Committee and the Commission on Strategic Development. He is also a Director of the Hong Kong Institute for Monetary Research and a Non-Executive Director of the Securities and Futures Commission. He was awarded the Silver Bauhinia Star (SBS) in 1999, and appointed Justice of Peace (JP) in 2006.

何潮輝先生

獨立非執行董事

何先生現年五十七歲，於二零零八年四月加入董事局為獨立非執行董事。何先生曾任畢馬威會計師事務所(北京)主席，並於二零零七年三月三十一日退休。何先生在美國休斯敦大學取得學位，為美國註冊會計師協會會員及香港會計師公會會員。何先生現擔任香港廉政公署防止貪污諮詢委員會成員，以及香港保險業諮詢委員會成員等公職。何先生亦為Singapore Telecommunications Limited 之非執行及獨立董事。

Mr Dominic Chiu Fai Ho

Independent Non-Executive Director

Aged 57, Mr Ho joined the Board as an Independent Non-Executive Director in April 2008. Mr. Ho retired as co-chairman of KPMG Beijing on 31 March 2007. He obtained his degrees at the University of Houston in the United States and is a member of the American Institute of Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He serves as a member of the Corruption Prevention Advisory Committee of Independent Commission Against Corruption and a member of the Insurance Advisory Committee, both in Hong Kong. Mr Ho is also the Non-Executive and Independent Director of Singapore Telecommunications Limited.

吳士元先生

執行董事

吳先生現年四十八歲，於二零零一年加盟集團出任執行董事，現負責本集團兩方面之運作。作為財務及行政董事，彼掌管本集團之策略及企業規劃、財務投資，以及投資者關係，因而同時負責管理本集團之組織及支援運作；而作為租務及物業管理董事，彼掌管本集團之物業投資組合。吳先生為澳洲會計師公會資深會員。彼持有澳洲新南威爾斯大學學士學位及亞洲(澳門)國際公開大學工商管理碩士學位。此外，吳先生被委任為證券及期貨事務監察委員會雙重存檔事宜顧問小組成員及旅遊事務署旅遊業策略小組委員。吳先生亦為恒隆集團有限公司之執行董事。

Mr Terry Szeyuen Ng

Executive Director

Aged 48, Mr Ng has been with the Group as an Executive Director since 2001, and is responsible for two areas of the Group's activities. As Director of Finance and Administration, he leads the Group's strategic and corporate planning, financial investments, and relations with the investment community. In this role, he also manages the Group's organisational and support functions. As Director of Leasing and Management, Mr Ng oversees management of the Group's property investment portfolio. Mr Ng is a Fellow of CPA Australia and holds a Bachelor's degree in Commerce from the University of New South Wales, Australia, as well as a Master's degree in Business Administration from the Asia International Open University (Macau). In addition, he was appointed as a member of the Dual Filing Advisory Group of the Securities and Futures Commission and a member of the Tourism Strategy Group, Tourism Commission. Mr Ng is also an Executive Director of Hang Lung Group Limited.

高伯適先生

執行董事

高先生現年四十九歲，於一九九四年加盟集團出任高級工程策劃經理，二零零二年晉升為助理董事，彼於二零零五年獲委任為執行董事，負責香港及中國之物業發展及項目策劃管理。彼持有英國利物浦大學文學學士學位及建築學學士學位。彼亦持有美國西北大學 The Kellogg School of Management 以及香港科技大學工商管理學院聯合頒授之行政人員工商管理碩士學位。彼為英國皇家建築師協會及香港建築師學會之會員，並為英國及香港註冊建築師。加盟集團前，高先生曾在英國、美國及香港從事建築實務。

Mr William Pak Yau Ko

Executive Director

Aged 49, Mr Ko joined the Group in 1994 as Senior Project Manager and was promoted to Assistant Director in 2002. He was appointed Executive Director in 2005 and is responsible for property development and project management both in Hong Kong and China. He holds a Bachelor of Arts degree and a Bachelor of Architecture degree from the University of Liverpool, UK. He also has an Executive MBA degree jointly awarded by The Kellogg School of Management of Northwestern University, USA and The School of Business and Management of the Hong Kong University of Science and Technology. He is a Member of the Royal Institute of British Architects and The Hong Kong Institute of Architects. He is a Registered Architect in the United Kingdom and Hong Kong. Prior to joining the Group, Mr Ko practised architecture in the United Kingdom, United States and Hong Kong.

高級行政人員簡介

PROFILE OF SENIOR EXECUTIVES

李蕙蘭女士

公司秘書

助理董事 — 集團財務

李女士現年四十三歲，於一九九七年加盟集團出任會計經理，並於二零零零年晉升為集團會計總監。李女士於二零零六年晉升為助理董事，並於二零零七年一月獲委任為公司秘書。彼曾在倫敦及香港之金融界及核數界工作。李女士畢業於英國倫敦帝國理工學院，現為英格蘭及威爾斯特許會計師公會會員。

Ms Velencia Lee

Company Secretary

Assistant Director — Corporate Finance

Aged 43, Ms Lee joined the Group as Accounting Manager in 1997 and was promoted to Group Chief Accountant in 2000. She was promoted to Assistant Director in 2006 and was appointed Company Secretary in January 2007. Having previously worked in the finance and auditing field in London and Hong Kong, Ms Lee is a graduate of the Imperial College of Science, Technology and Medicine, London, UK, and an Associate of The Institute of Chartered Accountants in England and Wales.

張錦齡先生

助理董事 — 租務及物業管理

張先生現年五十二歲，於一九八三年加盟集團出任行政助理。彼於一九八四年加入租務及物業管理部，於一九九四年晉升為高級物業經理，並於二零零六年獲晉升至助理董事。張先生持有加拿大維多利亞大學經濟學學士學位及美國南伊利諾大學工商管理碩士學位。

Mr Henry Kam Ling Cheung

Assistant Director — Leasing & Management

Aged 52, Mr Cheung joined the Group as an Executive Assistant in 1983. He has worked in the Leasing and Management Division since 1984 and was promoted to Senior Property Manager in 1994. Mr Cheung was appointed Assistant Director in 2006. He has a Bachelor's degree in Economics from the University of Victoria, Canada and an MBA degree from Southern Illinois University, USA.

何磐光先生

助理董事 — 租務及物業管理(中國)

何先生現年五十七歲，於一九九二年加盟集團出任物業經理，自一九九三年以來，負責恒隆位於中國內地之物業項目、租務及物業管理等。彼於二零零五年獲委任為助理董事。何先生持有美國太平洋大學之博士學位。

Mr Roy Poon Kwong Ho

Assistant Director — Leasing & Management (China)

Aged 57, Mr Ho joined the Group in 1992 as Property Manager, and has been responsible for projects, leasing and property management in mainland China since 1993. He was appointed Assistant Director in 2005. Mr Ho holds a Doctorate from the University of the Pacific, USA.

王裕強先生

總經理 — 上海港匯廣場

王先生現年五十三歲，於一九九三年加盟上海港匯廣場出任副總經理，彼於二零零三年獲委任為上海港匯房地產開發有限公司董事，並於二零零五年出任董事長兼總經理。彼於中共中央黨校修畢本科經濟專業，並獲中華人民共和國財政部會計師專業資格。王先生曾獲委任為中國人民政治協商會議上海市委員並曾擔任多屆上海市兩選區的人民代表大會常務委員會委員。彼現為中國人民政治協商會議上海市徐匯區委員會委員。

Mr William Yu Qiang Wang

General Manager — The Grand Gateway, Shanghai

Aged 53, Mr Wang joined The Grand Gateway, Shanghai in 1993 as Deputy General Manager. He was appointed Director of Shanghai Kong Kui Property Development Co., Ltd. in 2003, and was nominated Board Chairman and General Manager in 2005. Mr Wang is a graduate of the Economics Faculty in Zhong Gong Zhong Yang Dang Xiao and a qualified accountant accredited by the Ministry of Finance People's Republic of China. Mr Wang has been appointed as a Committee Member of the Shanghai Chinese People's Political Consultative Conference and Committee Member of two designated districts of the Shanghai Municipal People's Congress (Standing Committee) for several years, and is now a Committee Member of the Shanghai Xuhui District of the Chinese People's Political Consultative Conference.

黃為山先生

助理董事 — 市務

黃先生現年五十八歲，於一九七零年代曾在集團服務，並於一九八二年再度加盟出任市務經理。彼於一九九零年獲委任為恒隆地產代理有限公司之董事，於二零零二年獲委任為恒隆地產有限公司之助理董事 — 市務，負責各項物業發展項目之銷售及市務。彼持有加拿大英屬哥倫比亞大學科學學士學位以及城市經濟及按揭貸款深造文憑。彼為持牌地產代理人，並為香港地產行政學會資深會員、香港地產建設商會法律小組及中國事務小組成員。黃先生於二零零六年獲委任為土地及建設諮詢委員會的土地小組委員會成員，並自二零零四年起為地產代理監管局成員。

Mr Wilson Wong

Assistant Director — Marketing

Aged 58, Mr Wong worked at the Group in the 1970s and rejoined in 1982 as Marketing Manager. He was appointed Director of Hang Lung Real Estate Agency Limited in 1990 prior to being appointed Assistant Director — Marketing of Hang Lung Properties Limited in 2002, with responsibility for sales and marketing of development projects. He holds a Bachelor of Science degree and post-graduate qualifications in Urban Land Economics and Mortgage Lending from the University of British Columbia, Canada. A licensed estate agent and a Fellow of the Hong Kong Institute of Real Estate Administration, Mr Wong serves as a Member of the Legal Sub-committee and the China Sub-committee of The Real Estate Developers Association of Hong Kong. He was appointed a Member of the Land Sub-Committee of the Land and Building Advisory Committee in 2006, and has served as a Member of the Estate Agents Authority since 2004.

鄭佩玲女士

高級經理 — 法律及秘書

鄭女士現年四十歲，於二零零七年六月加盟集團出任高級經理 — 法律及秘書。鄭女士擁有逾十五年法律及條例監管工作經驗。彼於加盟本集團前曾任職多家著名機構，熟悉國內的營商環境。彼持有香港大學法律學士學位，並為香港特別行政區高等法院律師。

Ms Cathy Pui Ling Cheng

Senior Manager — Legal & Secretarial

Aged 40, Ms Cheng joined the Group in June 2007 as Senior Manager — Legal & Secretarial. Ms Cheng possesses over 15 years of legal and compliance experience. Before joining the Group, she served various leading corporations gaining significant exposure in the PRC business environment. She holds a Bachelor's degree in Laws from The University of Hong Kong and is a solicitor of the High Court of the Hong Kong Special Administrative Region.

霍有華先生

總經理 — 天津

霍先生現年四十七歲，於二零零八年三月加盟集團出任總經理 — 天津。霍先生曾任職著名顧問公司及擁有逾十九年項目發展和香港及國內項目策劃之豐富經驗。彼持有香港大學建築學文學士、建築學學士學位及深圳大學中國法律(商法)文憑。霍先生為香港建築師學會會員。彼亦為香港註冊建築師及建築物條例之認可人士，並獲得中華人民共和國一級註冊建築師資格。

Mr Patrick Yau Wa Fok

General Manager — Tianjin

Aged 47, Mr Fok joined the Group as General Manager — Tianjin in March 2008. Mr Fok possesses over 19 years of experience in project management with leading consultant firms and extensive exposure to development projects in Hong Kong and PRC. He holds a Bachelor of Arts Degree in Architectural Studies, a Bachelor of Architecture Degree from the University of Hong Kong and a Diploma in China (Commercial) Law from Shenzhen University. Mr Fok is a member of The Hong Kong Institute of Architects. He is a Registered Architect in Hong Kong, an Authorized Person under the Buildings Ordinance and also a State First Class Registered Architect of PRC.

吳佳興先生

高級經理 — 人力資源

吳先生現年四十五歲，於二零零七年七月加盟集團出任高級經理 — 人力資源。吳先生擁有逾二十年管理地區事務的寶貴經驗，並曾出任多家著名跨國機構的高級行政管理職位。彼持有新加坡國立大學理學學士學位及新加坡管理學院人事管理文憑。

Mr Howie Kay Heng Goh

Senior Manager — Human Resources

Aged 45, Mr Goh joined the Group in July 2007 as Senior Manager — Human Resources. Mr Goh possesses over 20 years' relevant experience with broad exposure in the regional scene with renowned multinational corporations at senior executive level. He holds a Bachelor of Science degree from The National University of Singapore and a Graduate Diploma in Personnel Management from the Singapore Institute of Management.

黎鎮昌先生

高級經理 — 內部審計

黎先生現年五十一歲，在一間主要國際性會計師行工作逾八年後於一九八八年加盟集團為總會計主任，一九九二年出任 Grand Hotel Group Limited 高級行政職位，於二零零三年調職回恒隆地產有限公司為高級經理 — 內部審計。黎先生持有西澳洲大學商科學士學位，為香港會計師公會資深會員及澳洲會計師公會高級會員。

Mr Desmond Chun Cheong Lai

Senior Manager — Internal Audit

Aged 51, Mr Lai joined the Group in 1988 as Chief Accountant after working with a major international accounting firm for over eight years. He assumed senior executive position of Grand Hotel Group Limited in 1992. In 2003, Mr Lai was transferred to Hang Lung Properties Limited as Senior Manager — Internal Audit. He has a Bachelor's degree in Commerce from the University of Western Australia, and is a Fellow of the Hong Kong Institute of Certified Public Accountants and a CPA member of CPA Australia.

黎莆琳女士

高級經理 — 租務及物業管理

黎女士現年五十四歲，於一九九五年加盟集團出任集團事務經理。彼加盟集團前分別於香港及海外擁有豐富的管理和談判經驗，於二零零三年獲委任為中央採購經理，並於二零零七年一月晉升為高級經理。黎女士於二零零七年九月獲委任為高級經理 — 租務及物業管理。彼持有英國理斯特大學工商管理碩士學位。

Ms Mina Pou Lam Lai

Senior Manager — Leasing & Management

Aged 54, Ms Lai joined the Group in 1995 as Corporate Services Manager. Having gained extensive managerial and negotiation experience during her previous employment in Hong Kong and overseas, she was appointed as Central Purchasing Manager in 2003 and was promoted to Senior Manager in January 2007. Ms Lai was appointed as Senior Manager – Leasing & Management in September 2007. She holds a Master of Business Administration degree from the University of Leicester, U.K.

林紹和先生

高級經理 — 項目發展

林先生現年四十八歲，於二零零七年二月加盟集團出任高級經理 — 項目發展。林先生擁有逾二十五年任職著名顧問公司之機電設計和項目管理經驗。彼亦具有於國內發展項目之豐富工程策劃經驗。林先生持有香港理工大學屋宇設備工程學學士學位，並獲得特許工程師及註冊專業工程師資格。彼亦為英國屋宇設備工程師學會、美國供暖製冷及空調工程師學會及香港工程師學會會員。

Mr Shiu Wo Lam

Senior Manager — Project Development

Aged 48, Mr Lam joined the Group as Senior Manager — Project Development in February 2007. Mr Lam possesses over 25 years of experience in mechanical and electrical design and project management with leading consultant firm. He also gained extensive exposure in development projects in PRC. He holds a Bachelor of Engineering Degree in Building Services Engineering from the Hong Kong Polytechnic University and is a Chartered Engineer and Registered Professional Engineer. He is also a Member of Chartered Institution of Building Services Engineers, UK, American Society of Heating, Refrigerating and Air Conditioning Engineers, Inc, USA and Hong Kong Institution of Engineers.

李志敏先生

高級經理 — 財務

李先生現年五十歲，於二零零八年六月加盟集團出任高級經理 — 財務。彼擁有逾二十五年財務管理經驗，並於商界具豐富資歷。李先生持有英國蘭卡斯特大學文學碩士學位、英國倫敦大學法律學士學位及中國清華大學法學學士學位。彼為香港加拿大註冊會計師協會會員、特許公認會計師公會資深會員、香港會計師公會會員、英格蘭及威爾斯特許會計師公會會員及英國特許管理會計師公會會員。

Mr Andrew Chee Man Lee

Senior Manager — Finance

Aged 50, Mr Lee joined the Group in June 2008 as Senior Manager – Finance. He possesses over 25 years relevant experience in finance and has significant exposure in the commercial sector. Mr Lee holds a Master of Arts Degree from The University of Lancaster, UK, a Bachelor of Laws Degree from the University of London, UK and a Bachelor of Law Degree from Tsinghua University, PRC. He is also a member of Canadian Certified General Accountants Association of Hong Kong, a Fellow of the Association of Chartered Certified Accountants, an Associate of the Hong Kong Institute of Certified Public Accountants, an Associate of The Institute of Chartered Accountants in England and Wales and an Associate of the Chartered Institute of Management Accountants.

李家瑜女士

高級經理 — 集團傳訊

李女士現年四十一歲，於二零零一年加盟集團出任集團傳訊經理，並於二零零五年晉升為高級經理 — 集團傳訊。李女士於本地及海外擁有豐富的公共關係及集團傳訊經驗，並曾服務政府及企業機構。彼於加盟集團前曾任職美國加州貿易及投資香港辦事處，負責統籌加州州政府多項重要的商貿發展計劃。彼持有加拿大多倫多大學文學學士學位。

Ms Elina Lee

Senior Manager — Corporate Communications

Aged 41, Ms Lee joined the Group in 2001 as Corporate Communications Manager and in 2005 was promoted to Senior Manager — Corporate Communications. Ms Lee has extensive local and overseas experience in public relations and corporate communications, with significant exposure gained in both the government and corporate sectors. Prior to joining the Group, she worked for the California Trade and Commerce Agency in Hong Kong, where she was responsible for overseeing the planning and organising of major business development programmes. Ms Lee holds a Bachelor of Arts degree from the University of Toronto, Canada.

梁煥添先生

總經理 — 瀋陽

梁先生現年四十一歲，於二零零七年三月加盟集團出任高級經理 — 項目發展，並於二零零七年六月獲委任為總經理 — 瀋陽。梁先生擁有逾十五年任職著名顧問公司及於國內發展項目之豐富工程設計經驗。彼持有香港大學建築學文學學士及建築學學士學位。梁先生為香港註冊建築師、香港建築師學會之會員及建築物條例之認可人士。

Mr Moses Woon Tim Leung

General Manager — Shenyang

Aged 41, Mr Leung joined the Group as Senior Manager — Project Development in March 2007. He was appointed General Manager — Shenyang in June 2007. Mr Leung possesses over 15 years of experience in project design with leading consultant firms and broad exposure in PRC projects. He holds a Bachelor of Arts Degree in Architectural Studies and a Bachelor of Architecture Degree from The University of Hong Kong. Mr Leung is a Registered Architect in Hong Kong, a Member of The Hong Kong Institute of Architects and an Authorised Person under the Buildings Ordinance.

吳賢俊先生

總經理 — 瀋陽

吳先生現年四十八歲，於二零零五年加盟集團出任總經理 — 瀋陽。彼於加盟集團前，擁有逾二十年任職政府及私人機構的工程策劃經驗，包括曾於中國工作超過十年。吳先生持有香港理工大學工商管理碩士學位、機械工程學高級文憑、工程院院士及管理學文憑。彼亦為香港工程師學會會員。

Mr Chris Yin Chun Ng

General Manager — Shenyang

Aged 48, Mr Ng joined the Group as General Manager — Shenyang in 2005. Prior to joining the Group, Mr Ng had over 20 years' experience in project management with the Hong Kong Government and other private organisations, including 10 years' exposure in mainland China. He holds a Master's degree in Business Administration, a Higher Diploma and an Associateship in Mechanical Engineering, and a Diploma in Management Studies from The Hong Kong Polytechnic University. He is also a Member of The Hong Kong Institution of Engineers.

吳偉豪先生

高級經理 — 項目發展

吳先生現年四十三歲，於一九九五年加盟集團出任工程策劃經理，並於二零零七年一月晉升為高級經理。彼擁有逾十九年建築設計及工程策劃經驗。吳先生持有香港大學建築學文學學士及建築學學士學位。彼亦為香港註冊建築師及香港建築師學會之會員。

Mr Thomas Wai Ho Ng

Senior Manager — Project Development

Aged 43, Mr Ng joined the Group in 1995 as Project Manager and was promoted to Senior Manager in January 2007. He possesses over 19 years' experience in architectural design and project management in Hong Kong. Mr Ng holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from The University of Hong Kong. He is also a Registered Architect in Hong Kong and a Member of The Hong Kong Institute of Architects.

司徒永康先生

高級經理 — 市務

司徒先生現年四十歲，於一九九二年加盟集團，及於二零零四年晉升為高級經理 — 市務。彼擁有豐富物業發展經驗，並負責銷售及推廣物業發展項目。司徒先生持有加拿大西安大略大學經濟學學士學位、香港城市大學資訊系統碩士學位及香港大學測量學(房地產發展)研究文憑。

Mr Eric Wing Hong Szeto

Senior Manager - Marketing

Aged 40, Mr Szeto joined the Group in 1992 and was promoted to Senior Manager — Marketing in 2004. Mr Szeto has extensive experience in property development and is responsible for sales and marketing of development projects. He holds a Bachelor's degree in Economics from the University of Western Ontario, Canada, a Master's degree in Information Systems from the City University of Hong Kong and a Postgraduate Diploma in Surveying (Real Estate Development) from The University of Hong Kong.

田軍先生

總經理 — 無錫

田先生現年四十四歲，於二零零七年三月加盟集團出任總經理 — 無錫。彼擁有逾十六年任職著名顧問公司及發展商之項目設計及工程策劃經驗，對國內的發展項目具豐富之管理經驗。彼持有香港大學建築學文學學士及建築學學士學位。田先生為香港註冊建築師，英國皇家建築師協會及香港建築師學會之會員。彼亦為建築物條例之認可人士。

Mr Oliver Chun Tien

General Manager — Wuxi

Aged 44, Mr Tien joined the Group as General Manager — Wuxi in March 2007. Mr Tien possesses over 16 years' experience in project design and management with leading consultant firms and developers, including extensive exposure in management of China projects. He holds a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from The University of Hong Kong. Mr Tien is a Registered Architect in Hong Kong, a Member of the Royal Institute of British Architects and The Hong Kong Institute of Architects. Mr Tien is also an Authorised Person under the Buildings Ordinance.

徐小惠女士

高級經理 — 租務及物業管理（中國）

徐女士現年三十六歲，於二零零一年加盟集團，並於二零零六年晉升為經理 — 租務及物業管理（中國）。彼於二零零八年獲委任為高級經理 — 租務及物業管理（中國）。徐女士於加盟本集團前於地產行業擁有豐富的經驗。

Ms Iris Siu Wai Tsui

Senior Manager — Leasing & Management (China)

Aged 36, Ms Tsui joined the Group in 2001 and was promoted to Manager – Leasing & Management (China) in 2006. In 2008, she was appointed Senior Manager – Leasing & Management (China). Ms Tsui gained significant and extensive exposure in the property sector prior to joining the group.

黃敬宜先生

高級經理 — 資訊科技

黃先生現年五十五歲，於一九七九年加盟集團，一九八八年出任電腦部經理。彼於二零零五年晉升為高級經理 — 資訊科技，監督集團內部各主要資訊系統的整體發展，並促進辦公室自動化的全面推行。彼為特許公認會計師公會資深會員及香港會計師公會會員。

Mr Walter King Yee Wong

Senior Manager — Information Technology

Aged 55, Mr Wong joined the Group in 1979. He assumed the position of Computer Manager in 1988 and was promoted to Senior Manager — Information Technology in 2005, overseeing the development of various integral systems and the enhancement of office automation within the Group. Mr Wong is a Fellow of The Association of Chartered Certified Accountants and a Member of the Hong Kong Institute of Certified Public Accountants.

殷錦輝先生

高級經理 — 租務及物業管理

殷先生現年四十六歲，於一九九四年加盟集團出任助理物業經理，並於二零零二年晉升為物業經理。彼於二零零六年獲委任為高級經理 — 租務及物業管理。殷先生持有英國伯明翰大學房屋政策及管理碩士學位。

Mr Ronald Kam Fai Yan

Senior Manager - Leasing & Management

Aged 46, Mr Yan joined the Group as Assistant Property Manager in 1994 and was promoted to Property Manager in 2002. In 2006, he was appointed Senior Manager — Leasing & Management. Mr Yan has a Master of Social Science degree in Housing Policy & Practice from the University of Birmingham, UK.

饒月娥女士

高級經理 — 租務及物業管理

饒女士現年四十五歲，於一九九零年加盟集團，並於二零零一年晉升為物業經理。彼於二零零八年獲委任為高級經理 — 租務及物業管理。饒女士持有英國理斯特大學工商管理碩士學位及英國雷丁大學物業管理理學學士學位。

Ms Cora Yuet Ngor Yiu

Senior Manager - Leasing & Management

Aged 45, Ms Yiu joined the Group in 1990 and was promoted to Property Manager in 2001. In 2008, she was appointed Senior Manager — Leasing & Management. Ms Yiu has a Master of Business Administration degree from the University of Leicester, UK and a Bachelor of Science degree in Estate Management from The University of Reading, UK.

姚子賢先生

總經理 — 濟南

姚先生現年五十四歲，於一九八六年加盟集團。彼於一九九四年出任工程策劃經理，並於二零零六年獲委任為高級經理 — 工程策劃(中國)。姚先生於二零零七年四月獲委任為總經理 — 濟南，管理及統籌濟南工程項目的策劃和發展。姚先生於香港接受教育和專業培訓，加盟集團前曾於本地的著名機構任職，擁有豐富工程策劃經驗。

Mr Henry Tze Yin Yiu

General Manager - Jinan

Aged 54, Mr Yiu joined the Group in 1986. He assumed the position of Project Manager in 1994 and was promoted to Senior Manager — Project Development (China) in 2006. Mr Yiu was appointed General Manager — Jinan in April 2007, managing and overseeing the planning and progress of development project in Jinan. Educated and professionally trained in Hong Kong, Mr Yiu has gained extensive prior experience in project management and relevant exposure with reputable local organisation before joining the Group.

庾鳳婷女士

高級經理 — 中央採購

庾女士現年五十四歲，於一九八六年加盟 Grand Hotel Group Limited，並於一九九二年出任高級行政職位。彼加盟本集團前在旅遊及酒店業擁有豐富的管理經驗。庾女士於二零零三年調職至恒隆地產為高級經理 — 酒店及住宅，並於二零零四年出任高級經理 — 市務。二零零七年九月，庾女士獲委任為高級經理 — 中央採購，監管集團的採購策略及相關政策的制定和操作管理。

Ms Polly Kathen Fung Ting Yu

Senior Manager - Central Purchasing

Aged 54, Ms Yu joined Grand Hotel Group Limited in 1986 and assumed senior executive position in 1992. She possesses extensive managerial experience and relevant exposure in hotel and tourism business before joining the Group. Ms Yu was transferred to Hang Lung Properties Limited as Senior Manager — Hotel & Residential in 2003 and was appointed as Senior Manager — Marketing in 2004. In September 2007, Ms Yu was appointed as Senior Manager – Central Purchasing, overseeing the Group's procurement strategies and managing related policies and operations.

張雲女士

高級經理 — 法律及秘書

張女士現年三十三歲，於二零零八年四月加盟集團出任高級經理 — 法律及秘書。張女士擁有逾十年內地法務經驗，熟悉國內的營商環境。彼持有上海復旦大學法律碩士學位及法律學士學位，並自一九九八年起獲中華人民共和國司法部頒發律師資格。

Ms Yun Zhang

Senior Manager – Legal & Secretarial

Aged 33, Ms Zhang joined the Group in April 2008 as Senior Manager — Legal & Secretarial. Ms Zhang possesses over 10 years experience in the PRC legal field and has significant exposure in the local commercial arena. She holds a Master's Degree in Law and a Bachelor of Law Degree from the Fudan University, Shanghai. Ms Zhang is qualified as a Lawyer by the Ministry of Justice of PRC since 1998.

董事局報告

REPORT OF THE DIRECTORS

董事局欣然提呈截至二零零八年六月三十日止年度之董事局報告及已審核財務報表。

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二項內。

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三十三及三十四項內。

業績

本集團截至二零零八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一百三十六至一百九十四頁內。

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一百九十五頁內。

股息

董事現建議派發末期股息每股五角一仙，連同於二零零八年四月十八日已派發之中期股息每股一角五仙，截至二零零八年六月三十日止年度之全年派息將合共為每股六角六仙。擬派發之末期股息倘於二零零八年十一月三日舉行之股東週年大會中獲股東通過，將於二零零八年十一月十八日派發予二零零八年十月三十一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 2008.

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 2 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 33 and 34 on the Financial Statements.

Financial Results

The profit of the Group for the year ended 30 June 2008, and the state of affairs of the Company and of the Group at that date are set out in the Financial Statements on pages 136 to 194.

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 195 of the annual report.

Dividends

The directors now recommend a final dividend of 51 cents per share which, together with the interim dividend of 15 cents per share paid on 18 April 2008, makes a total of 66 cents per share in respect of the year ended 30 June 2008. The proposed final dividend, if approved by the shareholders at the Annual General Meeting on 3 November 2008, will be paid on 18 November 2008 to shareholders whose names appear on the Register of Members on 31 October 2008.

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二十一項內。

捐款

年內本集團之捐款為港幣三千四百四十萬元(二零零七年：港幣六百三十萬元)。

固定資產

年內固定資產之變動詳情載於財務報表附註第九項內。

銀行貸款

本集團於二零零八年六月三十日之銀行貸款情況載於財務報表附註第十七項內。

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一億七千九百七十萬元(二零零七年：港幣一億三千九百四十萬元)。

集團主要物業

於二零零八年六月三十日本集團主要物業之詳情載於本年報第六十二至六十七頁內。

股本

於本年度內，由於根據本公司股份期權計劃行使股份期權而發行股份，已發行及繳足股本因而增加發行二百一十六萬八千股(二零零七年：一百二十三萬七千股)每股港幣一元之股份。

年內本公司股本之變動詳情載於財務報表附註第二十項內。

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 21 on the Financial Statements.

Donations

Donations made by the Group during the year amounted to HK\$34.4 million (2007: HK\$6.3 million).

Fixed Assets

Details of movements in fixed assets during the year are set out in Note 9 on the Financial Statements.

Bank Loans

Particulars of bank loans of the Group as at 30 June 2008 are set out in Note 17 on the Financial Statements.

Borrowing Costs Capitalisation

Borrowing costs capitalised by the Group during the year amounted to HK\$179.7 million (2007: HK\$139.4 million).

Major Group Properties

Details of major properties of the Group as at 30 June 2008 are set out on pages 62 to 67 of the annual report.

Share Capital

During the year, the issued and fully paid share capital was increased by an issue of 2,168,000 (2007: 1,237,000) shares of HK\$1.00 each 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 20 on the Financial Statements.

董事

於本報告日之本公司董事名單載於本年報第一百九十六頁內，而彼等之簡歷載於本年報第一百一十一至一百一十五頁內。彼等之薪酬詳情載於財務報表附註第四項內。

伍綺琴女士已於二零零七年十二月一日辭去本公司董事職務。董事局全人謹向伍女士於在任期間對本公司作出之寶貴貢獻表示謝意。

何潮輝先生乃於二零零八年四月一日新委任為本公司之獨立非執行董事，故遵照本公司組織章程細則第九十四條規定於股東週年大會上告退，惟願膺選連任。

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，鄭漢鈞先生、殷尚賢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。

Directors

The directors of the Company as at the date of this report are listed on page 196 and their brief biographical details are set out on pages 111 to 115 of the annual report. Details of their remuneration are set out in Note 4 on the Financial Statements.

Ms Estella Y.K. Ng resigned as a director of the Company with effect from 1 December 2007. The Board wishes to convey its sincere gratitude to Ms Ng for her valuable contribution to the Company during her tenure of office.

Mr Dominic C.F. Ho, being an independent non-executive director of the Company newly appointed on 1 April 2008, retires at the Annual General Meeting in accordance with Article 94 of the Company's Articles of Association and, being eligible, offers himself for re-election.

In accordance with Articles 103, 104 and 118 of the Company's Articles of Association, Mr H.K. Cheng, Mr S.S. Yin and Mr Nelson W.L. Yuen retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer 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).

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)中擁有任何根據香港聯合交易所有限公司證券上市規則(「上市規則」)須予披露的權益。

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，各董事於二零零八年六月三十日持有本公司及其相聯法團之股份、相關股份及債權證之權益或淡倉如下：

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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

As at 30 June 2008, the interests or short positions of each of the directors in the shares, underlying shares and debentures 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 recorded in the register required to be kept by the Company under Section 352 of the SFO are as follows:

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 Shares of HK\$1.00 each	未行使之 股份期權 (附註1) Share Options Outstanding (Note 1)	已發行 股本之 百分比 % of Issued Capital	每股面值 港幣一元之股份 Shares of HK\$1.00 each	未行使之 股份期權 (附註2) Share Options Outstanding (Note 2)	已發行 股本之 百分比 % of Issued Capital
陳啟宗	個人	Ronnie C. Chan	Personal	-	-	16,330,000	-	-	11,790,000
殷尚賢	-	S.S. Yin	-	-	-	-	-	-	-
袁偉良	個人	Nelson W.L. Yuen	Personal	-	-	21,836,000	-	-	8,000,000
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	家屬	P.W. Liu	Family	70,000	-	-	-	-	-
何潮輝	-	Dominic C.F. Ho	-	-	-	-	-	-	-
吳士元	個人	Terry S. Ng	Personal	-	-	14,789,000	-	-	4,338,000
高伯道	個人	William P.Y. Ko	Personal	-	-	12,130,000	-	-	1,024,000

附註1

Note 1

授出日期 Date Granted	姓名 Name	於1/7/2007 As at 1/7/2007	年內授出 Granted During the Year	於30/6/2008 As at 30/6/2008	每股行使價 (港幣) Exercise Price per Share (HK\$)	股份期權 行使期 Exercise Period
20/5/2004	陳啟宗 Ronnie C. Chan	5,090,000	–	5,090,000	\$9.20	20/5/2005 to 19/5/2014 *
	袁偉良 Nelson W.L. Yuen	7,126,000	–	7,126,000		
	吳士元 Terry S. Ng	3,239,000	–	3,239,000		
	高伯適 William P.Y. Ko	1,330,000	–	1,330,000		
1/9/2005	高伯適 William P.Y. Ko	500,000	–	500,000	\$12.35	1/9/2006 to 31/8/2015 +
20/11/2006	陳啟宗 Ronnie C. Chan	2,000,000	–	2,000,000	\$17.14	20/11/2007 to 19/11/2016 #
	袁偉良 Nelson W.L. Yuen	5,800,000	–	5,800,000		
	吳士元 Terry S. Ng	3,300,000	–	3,300,000		
	高伯適 William P.Y. Ko	3,700,000	–	3,700,000		
21/8/2007	陳啟宗 Ronnie C. Chan	–	3,640,000	3,640,000	\$25.00	21/8/2008 to 20/8/2017 △
	袁偉良 Nelson W.L. Yuen	–	3,510,000	3,510,000		
	吳士元 Terry S. Ng	–	3,250,000	3,250,000		
	高伯適 William P.Y. Ko	–	2,600,000	2,600,000		
21/8/2007	陳啟宗 Ronnie C. Chan	–	5,600,000	5,600,000	\$25.00	21/8/2009 to 20/8/2017 *
	袁偉良 Nelson W.L. Yuen	–	5,400,000	5,400,000		
	吳士元 Terry S. Ng	–	5,000,000	5,000,000		
	高伯適 William P.Y. Ko	–	4,000,000	4,000,000		

* 該等股份期權乃根據本公司之股份期權計劃授出。有關期權可由現時起至二零一四年五月十九日行使期屆滿前行使。

These share options were granted under the Share Option Scheme of the Company, all of which are now exercisable with the expiry date on 19 May 2014.

+ 該股份期權乃根據本公司之股份期權計劃授出。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首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。

This share option was granted under the Share Option Scheme of the Company, vest 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.

該等股份期權乃根據本公司之股份期權計劃授出。有關期權可分四期行使：即於二零零七年十一月二十日起可行使首個百分之十，二零零八年十一月二十日起可行使下一個百分之二十，二零零九年十一月二十日起可行使下一個百分之三十，以及二零一零年十一月二十日起可行使餘下之百分之四十，而全部股份期權之行使期將於二零一六年十一月十九日屆滿。

These share options were granted under the Share Option Scheme of the Company, vest in 4 tranches, i.e. the first 10% from 20 November 2007, the next 20% from 20 November 2008, the next 30% from 20 November 2009 and the balance 40% from 20 November 2010, all expiring on 19 November 2016.

△ 該等股份期權乃根據本公司之股份期權計劃授出。有關期權可分四期行使：即於二零零八年八月二十一日起可行使首個百分之十，二零零九年八月二十一日起可行使下一個百分之二十，二零一零年八月二十一日起可行使下一個百分之三十，以及二零一一年八月二十一日起可行使餘下之百分之四十，而全部股份期權之行使期將於二零一七年八月二十日屆滿。

These share options were granted under the Share Option Scheme of the Company, vest in 4 tranches, i.e. the first 10% from 21 August 2008, the next 20% from 21 August 2009, the next 30% from 21 August 2010 and the balance 40% from 21 August 2011, all expiring on 20 August 2017.

* 該等股份期權乃根據本公司之股份期權計劃授出。有關期權可分四期行使：即於二零零九年八月二十一日起可行使首個百分之十，二零一零年八月二十一日起可行使下一個百分之二十，二零一一年八月二十一日起可行使下一個百分之三十，以及二零一二年八月二十一日起可行使餘下之百分之四十，而全部股份期權之行使期將於二零一七年八月二十日屆滿。

These share options were granted under the Share Option Scheme of the Company, vest in 4 tranches, i.e. the first 10% from 21 August 2009, the next 20% from 21 August 2010, the next 30% from 21 August 2011 and the balance 40% from 21 August 2012, all expiring on 20 August 2017.

附註2

Note 2

授出日期 Date Granted	姓名 Name	未行使之股份期權股數 No. of Option Shares Outstanding	每股行使價(港幣) Exercise Price per Share (HK\$)	股份期權行使期 Exercise Period
24/2/2000	袁偉良 高伯適	Nelson W.L. Yuen William P.Y. Ko	2,500,000 30,000	\$6.12 24/2/2001 to 23/2/2010*
1/11/2001	吳士元	Terry S. Ng	1,250,000	\$5.87 1/11/2002 to 31/10/2011*
20/5/2004	陳啟宗 袁偉良 吳士元 高伯適	Ronnie C. Chan Nelson W.L. Yuen Terry S. Ng William P.Y. Ko	5,090,000 3,000,000 1,388,000 494,000	\$9.45 20/5/2005 to 19/5/2014*
20/11/2006	陳啟宗 袁偉良 吳士元 高伯適	Ronnie C. Chan Nelson W.L. Yuen Terry S. Ng William P.Y. Ko	6,700,000 2,500,000 1,700,000 500,000	\$20.52 20/11/2007 to 19/11/2016 [△]

* 該等股份期權乃根據恒隆集團有限公司(「恒隆集團」)之股份期權計劃授出。有關期權可由現時起至各自之行使期屆滿前行使。
These share options were granted under the Share Option Scheme of Hang Lung Group Limited ("HLGL"), all of which are now exercisable until their respective expiry dates.

△ 該等股份期權乃根據恒隆集團之股份期權計劃授出。有關期權可分四期行使：即於二零零七年十一月二十日起可行使首個百分之十，二零零八年十一月二十日起可行使下一個百分之二十，二零零九年十一月二十日起可行使下一個百分之三十，以及二零一零年十一月二十日起可行使餘下之百分之四十，而全部股份期權之行使期將於二零一六年十一月十九日屆滿。
These share options were granted under the Share Option Scheme of HLGL, vest in 4 tranches, i.e. the first 10% from 20 November 2007, the next 20% from 20 November 2008, the next 30% from 20 November 2009 and the balance 40% from 20 November 2010, all expiring on 19 November 2016.

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。

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.

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。

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二零零八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：

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

As at 30 June 2008, 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:

姓名	Name	附註 Note	持有股份或相關股份數目 No. of Shares or Underlying Shares Held		已發行股本之百分比 % of Issued Capital	
			好倉 Long Position	淡倉 Short Position	好倉 Long Position	淡倉 Short Position
陳譚慶芬	Chan Tan Ching Fen	1	2,177,787,670	–	52.54	–
Cole Enterprises Holdings Limited	Cole Enterprises Holdings Limited	1	2,177,787,670	–	52.54	–
Merssion Limited	Merssion Limited	1	2,177,787,670	–	52.54	–
恒隆集團有限公司	Hang Lung Group Limited	2	2,149,454,570	–	51.86	–
恒旺有限公司	Prosperland Housing Limited	3	1,267,608,690	–	30.60	–
Purotat Limited	Purotat Limited	3	354,227,500	–	8.55	–
JP Morgan Chase & Co.	JP Morgan Chase & Co.	4	265,696,988	7,312,088	6.41	0.18

附註 Notes

- 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 Enterprises Holdings Limited及Merssion Limited 被視為於恒隆集團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二十一億七千七百七十八萬七千六百七十股股份之數目內。
These shares were the same parcel of shares held by a trust of which Ms. Chan Tan Ching Fen was the founder. Cole Enterprises Holdings Limited and Merssion Limited were deemed to be interested in the shares held by HLGL and its subsidiaries, which number of shares were included in the above-mentioned number of 2,177,787,670.
- 恒隆集團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五億二千七百六十一萬八千三百八十股股份中擁有權益。
HLGL 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 527,618,380 shares held by other subsidiaries.
- 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所持有之二十一億四千九百四十五萬四千五百七十股股份之數目內。
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 2,149,454,570 shares held by HLGL.
- 包括九千七百九十九萬九千一百七十八股可供借出的股份。
It includes 97,999,178 shares in the lending pool.

除以上所披露者外，根據證券條例第三百三十六條規定須予備存之登記冊的記錄，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二十七項內。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八十九至一百一十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

李蕙蘭謹啟

香港，二零零八年八月十三日

Save as disclosed 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 27 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 89 to 110 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

Velencia Lee

Secretary

Hong Kong, 13 August 2008

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



獨立核數師報告 致恒隆地產有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第一百三十六至一百九十四頁恒隆地產有限公司(「貴公司」)的綜合財務報表,此綜合財務報表包括於二零零八年六月三十日的綜合資產負債表及貴公司的資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們是按照香港《公司條例》第141條的規定,僅向整體股東報告。除此以外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。

Independent auditor's report to the shareholders of Hang Lung Properties Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Hang Lung Properties Limited ("the Company") set out on pages 136 to 194, which comprise the consolidated and company balance sheets as at 30 June 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年六月三十日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

畢馬威會計師事務所
執業會計師

香港中環
遮打道10號
太子大廈8樓

二零零八年八月十三日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

13 August 2008

財務報表

FINANCIAL STATEMENTS

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綜合收益表

CONSOLIDATED INCOME STATEMENT

截至二零零八年六月三十日止年度 For the year ended 30 June 2008

以港幣百萬元計算	in HK\$ million	附註 Note	2008	2007
營業額	Turnover	2(a)	10,079.9	4,389.4
其他收入	Other income		281.1	302.6
直接成本及營業費用	Direct costs and operating expenses		(3,482.3)	(1,686.0)
行政費用	Administrative expenses		(361.1)	(243.3)
營業溢利	Operating profit		6,517.6	2,762.7
投資物業之公平值增加	Increase in fair value of investment properties	9	10,181.5	5,962.1
			16,699.1	8,724.8
財務費用	Finance costs	3	(150.4)	(297.1)
應佔合營公司溢利	Share of profits of jointly controlled entities	11	128.9	78.3
除稅前溢利	Profit before taxation	2(a) & 3	16,677.6	8,506.0
稅項	Taxation	5(a)	(2,783.2)	(1,403.0)
本年度溢利	Profit for the year		13,894.4	7,103.0
應佔純利：	Attributable to:			
股東	Shareholders	21	13,159.1	6,370.6
少數股東權益	Minority interests	22	735.3	732.4
			13,894.4	7,103.0
股息	Dividends	7(a)	2,735.7	2,320.0
每股盈利	Earnings per share	8(a)		
基本	Basic		\$3.18	\$1.60
攤薄	Diluted		\$3.15	\$1.58
每股盈利（不包括扣除 相關遞延稅項後的投 資物業公平值變動）	Earnings per share excluding changes in fair value of investment properties net of related deferred tax	8(b)		
基本	Basic		\$1.24	\$0.51
攤薄	Diluted		\$1.23	\$0.51

財務報表附註乃本財務報表之一部分。

The annexed notes form part of these financial statements.

資產負債表

BALANCE SHEETS

於二零零八年六月三十日 At 30 June 2008

		集團 Group		公司 Company		
以港幣百萬元計算	in HK\$ million	附註 Note	2008	2007	2008	2007
非流動資產	Non-current assets					
固定資產	Fixed assets					
投資物業	Investment properties		59,085.4	47,152.9	-	-
其他固定資產	Other fixed assets		5,758.9	4,051.2	-	-
			64,844.3	51,204.1	-	-
附屬公司權益	Interest in subsidiaries	9	-	-	34,029.4	34,769.2
合營公司權益	Interest in jointly controlled entities	10	696.7	596.9	-	-
貸款及投資	Loans and investments	11	5.4	6.9	-	-
遞延稅項資產	Deferred tax assets	12	34.5	63.9	-	-
		16(b)				
			65,580.9	51,871.8	34,029.4	34,769.2
流動資產	Current assets					
存貨	Inventories	13	6,816.6	9,541.6	-	-
應收賬款及其他應收款	Trade and other receivables	14	1,365.9	836.9	1.2	1.9
現金及銀行存款	Cash and deposits with banks	23(b)	10,577.8	6,993.7	8.4	8.2
			18,760.3	17,372.2	9.6	10.1
流動負債	Current liabilities					
應付賬款及其他應付款	Trade and other payables	15	1,726.0	1,635.0	6.1	6.2
稅項	Taxation	16(a)	828.5	189.5	-	2.9
			2,554.5	1,824.5	6.1	9.1
流動資產淨值	Net current assets		16,205.8	15,547.7	3.5	1.0
資產總值減流動負債	Total assets less current liabilities		81,786.7	67,419.5	34,032.9	34,770.2
非流動負債	Non-current liabilities					
銀行貸款	Bank loans	17	4,419.2	4,781.8	-	-
二零零九年到期 之浮息票據	Floating rate notes due 2009	18	1,500.0	1,500.0	-	-
融資租約承擔	Finance lease obligations	19	393.0	487.1	-	-
應付附屬公司款項	Amounts due to subsidiaries	10	-	-	2,301.1	1,773.9
遞延稅項負債	Deferred tax liabilities	16(b)	6,823.9	4,813.1	-	-
			13,136.1	11,582.0	2,301.1	1,773.9
資產淨值	NET ASSETS		68,650.6	55,837.5	31,731.8	32,996.3
資本及儲備	Capital and reserves					
股本	Share capital	20	4,145.1	4,142.9	4,145.1	4,142.9
儲備	Reserves	21	62,231.8	50,133.8	27,586.7	28,853.4
股東權益	Shareholders' equity		66,376.9	54,276.7	31,731.8	32,996.3
少數股東權益	Minority interests	22	2,273.7	1,560.8	-	-
總權益	TOTAL EQUITY		68,650.6	55,837.5	31,731.8	32,996.3

袁偉良
董事總經理

Nelson W.L. Yuen
Managing Director

吳士元
執行董事

Terry S. Ng
Executive Director

財務報表附註乃本財務報表之一部分。

The annexed notes form part of these financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零八年六月三十日止年度 For the year ended 30 June 2008

以港幣百萬元計算	in HK\$ million	附註 Note	2008	2007
<hr/>				
於七月一日之總權益	Total equity at 1 July			
股東權益	Shareholders' equity		54,276.7	43,246.2
少數股東權益	Minority interests		1,560.8	1,042.9
			55,837.5	44,289.1
年內已確認收支總額	Total recognised income and expense for the year			
換算海外附屬公司賬項 產生之匯兌差額	Exchange difference arising from translation of overseas subsidiaries		1,453.1	21.5
年內溢利	Profit for the year		13,894.4	7,103.0
			15,347.5	7,124.5
去年度末期股息	Final dividend in respect of previous year	7(b)	(1,781.9)	(1,418.2)
本年度中期股息	Interim dividend in respect of current year	7(a)	(621.7)	(538.5)
發行股份，已扣除 發行成本	Issue of shares, net of issue costs	20 & 21	23.7	6,554.1
僱員股權費用	Employee share-based payments	21	109.1	41.0
償還予少數股東款項	Repayment to minority interests	22	(40.5)	(214.5)
附屬公司少數股東 權益減少	Decrease in minority interests in subsidiaries	22	(223.1)	–
於六月三十日之總權益	Total equity at 30 June		68,650.6	55,837.5
應佔權益：	Attributable to:			
股東	Shareholders		66,376.9	54,276.7
少數股東權益	Minority interests		2,273.7	1,560.8
			68,650.6	55,837.5

財務報表附註乃本財務報表之一部分。

The annexed notes form part of these financial statements.

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

截至二零零八年六月三十日止年度 For the year ended 30 June 2008

以港幣百萬元計算	in HK\$ million	附註 Note	2008	2007
經營活動				
來自經營業務之現金	Cash generated from operations	23(a)	8,078.2	3,400.9
已付稅項	Tax paid			
已付香港利得稅	Hong Kong Profits Tax paid		(150.0)	(319.6)
已付中國企業所得稅	PRC Income Tax paid		(137.7)	(100.9)
來自經營活動之現金淨額	Net cash generated from operating activities		7,790.5	2,980.4
投資活動				
購買固定資產	Purchase of fixed assets		(1,347.3)	(2,549.2)
出售固定資產所得款項	Proceeds from disposal of fixed assets		145.9	29.8
已收利息	Interest received		275.0	305.7
已收合營公司股息	Dividends received from jointly controlled entities		36.0	27.0
合營公司(墊支)/還款	(Advance to)/Repayment from jointly controlled entities		(6.9)	5.4
非上市投資償還貸款	Repayment of advances from unlisted investments		1.5	1.0
用於投資活動之現金淨額	Net cash used in investing activities		(895.8)	(2,180.3)
融資活動				
新增銀行貸款所得款項	Proceeds from new bank loans		–	314.3
償還銀行貸款	Repayment of bank loans		(374.9)	(4,000.0)
配售股份所得款項	Proceeds received from placement of shares		–	6,542.0
行使股份期權	Exercise of share options		23.7	12.1
已付利息及其他輔助借貸	Interest and other ancillary borrowing costs paid		(312.7)	(371.9)
已付融資租約費用	Finance lease charges paid		(37.4)	(42.7)
已付股息	Dividends paid		(2,403.6)	(1,956.7)
償還少數股東款項	Repayment to minority interests		(40.5)	(214.5)
附屬公司少數股東權益減少	Decrease in minority interest in a subsidiary		(105.1)	–
融資租約之資本部份	Capital element of finance lease		(82.9)	(72.6)
(用於)/來自融資活動之現金淨額	Net cash (used in)/generated from financing activities		(3,333.4)	210.0
現金及現金等價物之增加	Increase in cash and cash equivalents		3,561.3	1,010.1
匯率變動之影響	Effect of foreign exchange rate change		22.8	–
於七月一日之現金及現金等價物	Cash and cash equivalents at 1 July		6,294.2	5,284.1
於六月三十日之現金及現金等價物	Cash and cash equivalents at 30 June	23(b)	9,878.3	6,294.2

財務報表附註乃本財務報表之一部分。

The annexed notes form part of these financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

(以港幣為單位) (Expressed in Hong Kong dollars)

1 主要會計政策

(a) 遵例聲明

本財務報表乃根據所有適用之《香港財務報告準則》(「HKFRSs」) 編製，而該統稱涵蓋香港會計師公會頒佈之所有適用個別《香港財務報告準則》、《香港會計準則》(「HKASs」) 及詮釋、香港公認會計原則及香港《公司條例》之規定。本財務報表亦符合《香港聯合交易所有限公司證券上市規則》之適用披露規定。本集團採用之主要會計政策概述如下。

香港會計師公會頒佈多項新訂和經修訂之 HKFRSs。此等準則在本集團當前之會計期間開始生效或可供提前採用。此等新訂和經修訂之 HKFRSs 對本集團截至二零零八年及二零零七年六月三十日止年度財務報表並無重大影響，惟採納 HKFRS 第 7 號《金融工具：披露》及 HKAS 第 1 號修訂《財務報表之列報：資本披露》後對列報之規定除外。

1. HKFRS 第 7 號《金融工具：披露》

與早前根據 HKAS 第 32 號《金融工具：披露和列報》須予披露之資料相比，採納 HKFRS 第 7 號後，本財務報表所包含有關金融工具之重要性及此等工具所產生風險之性質及程度之披露內容更加詳盡。披露內容載列於財務報表附註 28。

1 PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the principal accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. These new and revised HKFRSs have no significant impact on the financial statements of the Group for the years ended 30 June 2008 and 2007, except for the presentation requirements following the adoption of HKFRS 7, Financial Instruments: Disclosures and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures.

1. HKFRS 7, Financial instruments: Disclosures

As a result of the adoption of HKFRS 7, the financial statements included expanded disclosures about the significance of the financial instruments and the nature and extent of risks from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial Instruments: Disclosure and presentation. These disclosures are provided in note 28 to the financial statements.

1 主要會計政策 (續)

(a) 遵例聲明 (續)

2. HKAS 第1號《財務報表之列報：資本披露》

HKAS 第1號修訂引入了額外之披露要求，以便就資本水平及本集團管理資本之目標、政策及流程提供資料。此等新披露內容載列於財務報表附註21。

HKFRS 第7號及HKAS 第1號修訂均沒有對在財務報表中所確認數額之分類、確認和計量構成任何重大影響。

本集團並無採用任何在當前會計期間尚未生效之新準則或詮釋（參閱附註31）。

(b) 財務報表編製基準

截至二零零八年六月三十日止年度之綜合財務報表包括本公司及其附屬公司（統稱「本集團」）及本集團於合營公司之權益。

除下文所載之會計政策另有所指外，財務報表均以歷史成本作為編製基準。

為編製符合HKFRSs之財務報表，管理層須作出對政策之應用、資產負債及收支之列報構成影響的判斷、估計及假設。有關估計及相關之假設乃根據過往經驗，以及多項在當時情況下相信屬合理之其他因素而作出，有關結果構成在未能依循其他途徑即時確切得知資產與負債賬面值時所作出判斷的基礎。實際結果可能與此等估計或有不同。

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Statement of compliance (Continued)

2. HKAS 1, Presentation of financial statements: Capital disclosures

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's objectives, policies and processes for managing capital. These new disclosures are set out in note 21 to the financial statements.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact to the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 31).

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in jointly controlled entities.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 主要會計政策 (續)

(c) 附屬公司及少數股東權益

附屬公司為本集團控制之公司。當本集團有權支配一間公司的財務及經營政策，並藉此從其活動中取得利益，則本集團擁有該公司之控制權。評估控制權時，現時可行使的潛在投票權亦計算在內。

年內收購或出售之附屬公司，自開始控制起至失去控制權當日之業績已包括於綜合收益表內。集團內部往來之結餘和交易，以及集團內部交易所產生之任何未變現溢利，會在編製綜合財務報表時全數抵銷。集團內部交易所引致未變現虧損之抵銷方法與未變現收益相同，但抵銷額只限於沒有證據顯示已出現減值之部份。

綜合資產負債表內之少數股東權益包括外界股東所佔之附屬公司資產淨值部份，於綜合資產負債表及綜合權益變動表內被視為權益之一部份處理。本集團業績內之少數股東權益按少數股東權益及股東權益應佔年內溢利分配披露。

如果歸屬於少數股東之虧損超過少數股東於該附屬公司所有者權益中所享有之份額，除少數股東有義務承擔並且有能力予以彌補之部份外，其餘部份沖減本集團權益。該附屬公司日後之所有盈利均分配予本集團，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

在本公司之資產負債表內，附屬公司之投資乃按成本值減去任何減值虧損列賬。本公司按於結算日已收及應收附屬公司之股息確認附屬公司之業績。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income statement from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests in the consolidated balance sheet comprise the outside shareholders' proportion of the net assets of subsidiaries and are presented as a part of equity in the consolidated balance sheet and statement of changes in equity. Minority interests in the results of the Group are disclosed as an allocation of the profit for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment losses. The results of subsidiaries are recognised by the Company to the extent of dividends received and receivable at the balance sheet date.

1 主要會計政策 (續)

(d) 合營公司

合營公司乃一間由本集團或本公司與其他人士按一項合約性安排而經營之公司，而在該項合約性安排下，本集團或本公司與一名或多名其他人士對該公司之經濟活動共同行使控制權。

本集團於合營公司之權益乃以權益法在綜合財務報表內列賬，初步以成本入賬，其後按本集團應佔合營公司之淨資產於收購後之改變作出調整。綜合收益表包括本集團應佔合營公司於收購後及除稅後之年度業績。

當本集團對合營公司承擔的虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不須再確認往後的虧損；但如本集團須履行法定或推定義務，或代合營公司作出付款則除外。就此而言，本集團在合營公司所佔權益為按照權益法計算之投資賬面價值，以及實質上構成本集團對合營公司投資淨額一部份之長期權益。

本集團與其合營公司之間交易所產生之未變現溢利或虧損，均按本集團於合營公司所佔之權益比例抵銷；但如未變現虧損證明已轉讓資產出現減值，則會即時在損益中確認該虧損。

在本公司之資產負債表內，合營公司之投資乃按成本值減任何減值虧損列賬。本公司按於結算日已收及應收合營公司之股息確認合營公司之業績。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Jointly controlled entities

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or the Company and other parties, where the contractual arrangement establishes that the Group or the Company and one or more of the other parties share joint control over the economic activity of the entity.

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements under the equity method and are initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the jointly controlled entities' net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the jointly controlled entities for the year.

When the Group's share of losses exceeds its interest in the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly controlled entity. For this purpose, the Group's interest in the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's balance sheet, its investments in jointly controlled entities are stated at cost less any impairment losses. The results of jointly controlled entities are recognised by the Company to the extent of dividends received and receivable at the balance sheet date.

1 主要會計政策 (續)

(e) 商譽

商譽是指企業合併之成本超過本集團在被收購方之可辨別資產、負債和或然負債之公平值中所佔部份之差額。

商譽是按成本減去累計減值虧損後列賬，並須定期接受減值測試。

本集團在被收購方之可辨別資產、負債和或然負債的公平值中所佔部份，超過企業合併之成本部份，會即時在損益中確認。

當出售一間公司時，任何應佔購入商譽於出售時計入損益內。

(f) 物業

1. 投資物業

投資物業是持有用作賺取租金收入或資本增值（或兩者皆是）的物業。投資物業以公平值列賬，即各方於知情且自願並按公平交易之原則下就一項資產進行交易之款額，並由外聘合資格估值師評估。公平值之任何變動於收益表確認。持作上述用途的營業租約物業權益按投資物業分類及列賬。

2. 發展中投資物業

興建或發展中日後用作投資物業的物業列作發展中投資物業，並按成本（包括資本化之借貸支出（如有）及專業服務費）減任何減值虧損列賬。當工程或發展完成時，物業會按公平值重新分類為投資物業。於轉讓當日，公平值與過往賬面值的差額於收益表列賬。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses and is tested regularly for impairment.

Any excess of the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in profit or loss.

On disposal of an entity, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(f) Properties

1. Investment properties

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. They are stated at fair value, representing the amount for which an asset could be exchanged between knowledgeable, willing parties in arm's length transaction, assessed by external qualified valuers. Any changes in fair values are recognised in the income statement. A property interest under an operating lease which is held for the above purposes is classified and accounted for as an investment property.

2. Investment properties under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development and stated at cost, including borrowing costs capitalised, if any, and professional fees, less any impairment losses. When the construction or development is complete, it is reclassified as investment property at fair value. At the date of transfer, the difference between fair value and its previous carrying amount is recorded in the income statement.

1 主要會計政策 (續)

(f) 物業 (續)

3. 待售發展中物業

待售發展中物業皆列入流動資產內，並以成本值及可變現淨值兩者中較低者列賬。成本包括發展成本、資本化之借貸支出及其他直接開支之總和。可變現淨值乃估計物業售價減估計落成成本及出售物業涉及之費用。

4. 待售已建成物業

待售已建成物業皆列入流動資產，並以成本值及可變現淨值之較低者入賬。成本乃按未出售單位應佔之比例攤分總發展成本，包括資本化借貸支出而釐定。可變現淨值指管理層參照目前市況而釐定之估計物業售價減出售物業涉及之費用。

(g) 其他固定資產

1. 其他固定資產按成本值減累計折舊及任何減值虧損列賬。

2. 租賃資產

(i) 租予本集團之資產分類

分類乃評估有關安排的實質內容後釐定，而不論有關安排是否具備租約的法律形式。由承租人承擔資產擁有權之絕大部份風險及利益之資產租約均列為融資租約，而租賃人未有把資產擁有權之全部風險及利益轉移之資產租約則列為營業租約，但下列情況除外：

- 以營業租約持有但在其他方面均符合投資物業定義之物業會逐項劃歸為投資物業；及

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Properties (Continued)

3. Properties under development for sale

Properties under development for sale are classified under current assets and stated at the lower of cost and net realisable value. Costs include the aggregate costs of development, borrowing costs capitalised and other direct expenses. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

4. Completed properties for sale

Completed properties for sale are classified under current assets and stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total development costs, including borrowing costs capitalised, attributable to unsold units. Net realisable value represents the estimated selling price as determined by reference to management estimates based on prevailing market conditions, less costs to be incurred in selling the property.

(g) Other fixed assets

1. Other fixed assets are stated at cost less accumulated depreciation and any impairment losses.

2. Leased assets

(i) Classification of assets leased to the Group

The classification is determined based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease. Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis; and

1 主要會計政策 (續)

(g) 其他固定資產 (續)

2. 租賃資產 (續)

(i) 租予本集團之資產分類 (續)

- 以營業租約持作自用，但無法在租賃開始時將其公平值與建於其上之建築物之公平值分開計量之土地，是按以融資租約持有方式入賬；但清楚地以營業租約持有之建築物除外。就此而言，租賃之開始時間是指本集團首次訂立租約時，或自前承租人接收建築物時，或有關建築物之施工日（取較遲者）。

(ii) 根據融資租約購入之資產

如本集團根據融資租約購入資產之使用權，則所租賃資產之公平值或有關資產之最少應付租金之現值兩者之較低者計入固定資產，而相應之負債在扣除融資費用後，列作融資租約承擔入賬。折舊是在相關之租約期內或資產之可使用年期（如本公司或本集團可能取得資產之擁有權）內撇銷資產成本或估值之比率計提；有關之資產可使用年期載列於附註1(h)。包含在租金內之融資費用於租約期內在收益表內扣除，使每個會計期間之融資費用佔承擔餘額的比率大致相同。或然租金在其產生之會計期間作為開支撇銷。

(iii) 營業租約費用

如果本集團是以營業租約獲得資產之使用權，則根據租約作出之付款在租約期內所涵蓋之會計期間內，以等額在收益表中列支；但如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。所獲之租金優惠在收益表中確認為淨租金總額之不可分割組成部份。或然租金在其產生之會計期間內在收益表中列支。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Other fixed assets (Continued)

2. Leased assets (Continued)

(i) Classification of assets leased to the Group (Continued)

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Company or the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(h). Finance charges implicit in the lease payments are charged to the income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are written off as an expense of the accounting period in which they are incurred.

(iii) Operating leases charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

1 主要會計政策 (續)

(h) 折舊

1. 投資物業

投資物業及發展中投資物業毋須計提折舊撥備。

2. 其他固定資產

其他固定資產之折舊乃將成本減其估計剩餘價值 (如有)，按下列預計可使用年期以直線法撇銷：

樓宇	五十年或地契尚餘年期 (取較短者)
傢俬及設備	四至二十年
車輛	五年

(i) 資產減值

本集團於每個結算日均對流動或非流動資產 (以重估值列賬之物業除外) 進行評估，決定是否有任何客觀證據顯示減值跡象。

如有任何此類證據存在，減值虧損則會按以下方式釐定及確認：

- 就以攤銷成本列賬之流動應收款而言，當貼現之影響重大時，減值虧損按客觀減值證據確認及以資產之賬面值與以金融資產初始實際利率貼現之預計未來現金流量現值之間之差額計量。減值之客觀證據包括本集團所注意到有關對資產之預計未來現金流量有影響之事件 (例如債務人之重大財政困難) 之可觀察數據。倘減值虧損在其後期間減少，則減值虧損會於綜合收益表撥回。減值虧損之撥回不應使資產之賬面值超過其在以往年度並無確認任何減值虧損而釐定之數額。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(h) Depreciation

1. Investment properties

No depreciation is provided for investment properties and investment properties under development.

2. Other fixed assets

Depreciation on other fixed assets is calculated to provide so as to write off the cost, less their estimated residual value, if any, on a straight line basis over their estimated useful lives as follows:

Buildings	50 years or unexpired lease term, whichever is shorter
Furniture and equipment	4 – 20 years
Motor vehicles	5 years

(i) Impairment of assets

As assessment is carried out at each balance sheet date to determine whether there is objective evidence that a current or non-current asset, other than properties carried at revalued amounts, is impaired.

If any such indication exists, any impairment loss is determined and recognised as follows:

- For current receivables carried at amortised cost, the impairment loss is recognised when there is objective evidence of impairment and measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective rate where the effect of discounting is material. Objective evidence of impairment includes observable data that comes to the attention of the Group about events that have an impact on the asset's estimated future cash flows such as significant financial difficulty of the debtor. If in a subsequent period the amount of impairment loss decreases, the impairment loss is reversed through the consolidated income statement. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

1 主要會計政策 (續)

(i) 資產減值 (續)

- 就其他非流動資產，可收回金額為其淨銷售價與使用價值兩者中較高之金額。凡賬面值高於可收回金額，減值虧損於綜合收益表中確認為開支。倘用作釐定可收回金額之預計數據有任何有利變動時，減值虧損即予撥回。所撥回的減值虧損以在過往年度沒有確認任何減值虧損而釐定的資產賬面金額為限。減值虧損之撥回乃於確認撥回金額之年度計入收益表。有關商譽之減值虧損將不予撥回。

(j) 應收賬款及其他應收款

應收賬款及其他應收款初步按公平值確認，其後按攤銷成本減去呆壞賬減值虧損後入賬；但如應收款為免息貸款或其貼現影響並不重大則除外。在此情況下，應收款會按成本減去呆壞賬減值虧損後入賬。

(k) 現金及現金等價物

現金及現金等價物包括銀行及手頭之現金、於銀行及其他財務機構之活期存款，及短期而高流動性之投資，即在沒有涉及重大價值轉變之風險下可以即時轉換為已知數額之現金的投資。就編製綜合現金流量表而言，現金及現金等價物包括即期償還及構成本集團現金管理之不可分割組成部份之銀行透支。

(l) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本入賬；但如貼現影響並不重大，則按成本入賬。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

- For other non-current assets, the recoverable amount is the greater of its net selling price and value in use. An impairment loss is recognised as an expense in the consolidated income statement whenever the carrying amount exceeds the recoverable amount. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised. An impairment loss in respect of goodwill is not reversed.

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(l) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

1 主要會計政策 (續)**(m) 計息借貸**

計息借貸初步按公平值減應佔交易成本確認。初次確認後，計息借貸按攤銷成本列賬，成本與贖回價值間之差額以實際利率法按借貸年期於收益表內確認。

(n) 借貸支出

除收購、興建或製造之資產因需較長時間方可用作擬定用途或可供出售而將有關借貸支出資本化外，借貸支出於產生期間在收益表列支。

在合資格資產之開支及借貸支出開始產生時，以及將該資產投入擬定用途或出售所需之籌備工作正在進行，即開始將借貸支出资本化，作為合資格資產之一部份。當將合資格資產投入擬定用途或出售所需之大部份籌備工作被中斷或完成時，借貸支出资本化則被暫停或終止。

(o) 已發出財務擔保、撥備及或然負債**1. 已發出財務擔保**

當本公司發出財務擔保，擔保之公平值（即交易價，除非公平值可以其他方法可靠計量）初步確認為應付賬款及其他應付款之遞延收入。遞延收入於擔保期內在損益中攤銷。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)**(m) Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between costs and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

(n) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are interrupted or complete.

(o) Financial guarantees issued, provisions and contingent liabilities**1. Financial guarantees issued**

Where the Company issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. The deferred income is amortised in profit or loss over the term of the guarantee.

1 主要會計政策 (續)

(o) 已發出財務擔保、撥備及或然負債 (續)

2. 其他撥備及或然負債

倘若本公司或本集團須就過往事件承擔法律或推定責任，而且履行責任可能涉及付出經濟利益，並可作出可靠的估計，則須就未能確定時間或數額的負債確認撥備。

倘若不大可能涉及付出經濟利益，或無法對有關數額作出可靠估計，則會將責任披露為或然負債，惟付出經濟利益的可能性極低時則除外。

(p) 收入確認

於經濟利益可能會流入本集團，而收入及成本（如適用）能可靠地計算時，收入乃按以下方式於收益表內確認：

1. 銷售物業

建成物業之銷售收入乃於簽訂買賣協議或相關政府部門發出入伙紙時（以較遲者為準）確認。

2. 租金收入

營業租約所得租金收入乃按個別租約之年期以直線法確認。所給予之租賃獎勵乃於損益中確認為應收租賃淨付款總額之組成部分。或然租金乃於賺取之會計期間內確認為收入。

3. 利息收入

銀行存款之利息於產生時按實際利率法確認。

4. 股息

股息於收款權確立時確認。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(o) Financial guarantees issued, provisions and contingent liabilities (Continued)

2. Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or the Group has a legal or constructive obligation arising as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

(p) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

1. Sale of properties

Revenue from sale of completed properties is recognised upon the signing of sale and purchase agreements or the issue of occupation permit by the relevant government authorities, whichever is the later.

2. Rental income

Rental income under operating leases is recognised on a straight line basis over the terms of the respective leases. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

3. Interest income

Interest on bank deposits is recognised as it accrues using the effective interest method.

4. Dividends

Dividends are recognised when the right to receive payment is established.

1 主要會計政策 (續)

(q) 稅項

本年度所得稅包括本年稅項、遞延稅項資產及負債的變動。除某些在權益內直接確認的項目之相關的稅項亦應記入權益外，其他本年稅項及遞延稅項資產及負債的變動則於收益表確認。

本年稅項指年內就應課稅收入按結算日已生效或實質上已生效的稅率計算之預期應付稅項，並已包括以往年度應付稅項的任何調整。

遞延稅項資產和負債分別由可扣稅及應課稅暫時差異產生，而暫時差異乃資產及負債在財務報表上的賬面值與這些資產及負債的納稅基礎兩者之差異。遞延稅項資產亦可來自未使用的稅項虧損及未使用的稅項抵免。

除若干有限的特別情況外，所有遞延稅項負債，以及未來可能有應課稅溢利可供有關資產動用之遞延稅項資產均予確認。確認遞延稅項資產及負債之有限特別情況，包括不可扣稅的商譽所產生的暫時差異，以及不影響會計或應課稅溢利的資產及負債之初始確認。

確認遞延稅項的金額是根據該項資產及負債的賬面值之預期變現或償還方式，按在結算日已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不貼現計算。

本集團於各結算日重新審閱遞延稅項資產的賬面值，對預期不再可能有足夠應課稅溢利以實現相關稅務利益的遞延稅項資產予以扣減。若日後可能出現足夠的應課稅溢利時，則有關扣減予以轉回。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(q) Taxation

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that affect neither accounting nor taxable profits.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

1 主要會計政策 (續)

(r) 外幣換算

在本集團各公司之財務報表中之項目乃以最能反映與該公司相關的實質經濟狀況及事務之貨幣（「功能貨幣」）計量。本集團財務報表乃以港元列報。

年內之外幣交易按交易日之匯率換算。以外幣計值的貨幣資產及負債則按結算日之匯率換算。匯兌收益及虧損均於收益表確認。

海外業務之業績按與交易日匯率相若之匯率換算。資產負債表之項目則按結算日之匯率換算為港元。所產生之匯兌差額直接於權益中確認為獨立項目。

於出售海外業務時，於權益項下確認與海外業務有關之累計匯兌差額乃計算入出售損益內。

(s) 關連人士

如本集團有能力直接或間接透過一名或多名中介控制另一方人士或對另一方人士的財務及經營決策作出重大影響或對另一方人士行使共同控制權，或另一方人士能夠直接或間接透過一名或多名中介控制本集團或對本集團的財務及經營決策作出重大影響或對本集團行使共同控制權，或本集團與另一方人士均受制於共同的控制權或共同的重大影響下，則另一方人士將被視為關連人士。關連人士可為個別人士（即主要管理層人員成員、主要股東及／或彼等之近親家族成員）或其他公司，並包括受本集團關連人士（該等人士為個別人士）控制、共同控制或重大影響之公司，以及為本集團或身為本集團關連人士之任何公司之僱員利益而設立之退休福利計劃。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(r) Translation of foreign currencies

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("functional currency"). The financial statements of the Group are presented in Hong Kong dollars.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

The results of foreign operations are translated in Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(s) Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly through one or more intermediaries, to control the party or exercise significant influence or has joint control over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the control, joint control or significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

1 主要會計政策 (續)

(t) 分部報告

分部指本集團內可明顯區分之組成部份，可分為提供產品或服務（業務分部），或在某一特定經濟環境內提供產品或服務（地區分部）。不同分部承受不同於其他分部之風險及回報。

根據本集團之內部財務報告方式，本集團決定把業務分部作為主要之報告方式，地區分部則作為次要之報告方式。

分部收入、支出、業績、資產及負債包括直接屬於該分部及按合理基準分配至該分部之項目。分部收入、支出、資產及負債乃於綜合賬目過程中，撇銷集團間之結餘及交易前釐定，倘該等集團間結餘及交易同屬一個分部則除外。分部間之交易定價條款與提供予集團以外交易方之條款相若。

分部資本開支指期內添置預計將可使用超過一個會計期間之分部資產（包括有形及無形資產）所產生之成本總額。

(u) 僱員福利

1. 短期僱員福利及定額供款退休計劃供款

薪金、年終花紅、有薪年假、非貨幣性福利成本及對界定供款退休計劃之供款（包括於中國及香港根據有關法例應付之款項）均於產生時在收益表中列支。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products, or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segment be presented as the primary reporting format and geographical segment as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions which are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period on additions of segment assets (both tangible and intangible) that are expected to be used for more than one period.

(u) Employee benefits

1. Short term employee benefits and contributions to defined contribution retirement schemes

Salaries, annual bonuses, paid annual leave, the cost of non-monetary benefits and obligation for contributions to defined contribution retirement schemes, including those payable in PRC and Hong Kong under relevant legislation, are expensed in the income statement as incurred.

1 主要會計政策 (續)

(u) 僱員福利 (續)

2. 股權支付

授予僱員之股份期權之公平值乃計及授出期權之條款及條件於授出日期計算，並依據期權將歸屬的可能性根據歸屬期按直線法列作開支，相應增加乃於權益（僱員股份補償儲備）中予以確認。

本公司在歸屬期內檢討預期歸屬之股份期權數目。已於以往年度確認之累計公平價值之任何調整會在檢討當年在損益中列支／計入（若原來之僱員支出符合確認為資產的資格除外），並在資本儲備作出相應調整。已確認為支出之數額會在歸屬日作出調整，以反映所歸屬股份期權之實際數目（同時對資本儲備作出相應調整）。

倘股份期權獲行使，則相關資本儲備連同行使價一併轉撥至股本及股份溢價。倘期權到期或於歸屬期後失效，則相關資本儲備直接轉撥至保留溢利。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(u) Employee benefits (Continued)

2. Share-based payments

The fair value of share options granted to employees is measured at grant date, taking into account the terms and conditions upon which the options were granted, and is expensed on a straight line basis over the vesting period taking into account the probability that the options will vest, with a corresponding increase in equity (Employee share-based compensation reserve).

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve).

At the time when the share options are exercised, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options expire or lapse after the vesting period, the related capital reserve is transferred directly to retained profits.

2 營業額及分部資料

本公司在香港註冊成立，主要業務為控股投資，並透過其附屬公司從物業租賃、供銷售及投資之物業發展、停車場管理及物業管理。

營業額指物業租賃及銷售之收入。按業務及地區分部分析之營業額已載於下文。

(a) 業務分部

(i) 分部收入及業績

2 TURNOVER AND SEGMENT INFORMATION

The principal activities of the Company, which is incorporated in Hong Kong, are investment holding and, through its subsidiaries, property leasing, property development for sale and investment, car park management and property management.

Turnover represents revenue from property leasing and sales. An analysis of turnover by business and geographical segments is set out below.

(a) Business segment

(i) Segment revenue and results

以港幣百萬元計算 in HK\$ million		分部收入 Segment revenue		分部業績 Segment results	
		2008	2007	2008	2007
物業租賃	Property leasing	3,745.1	3,003.8	3,045.7	2,402.2
物業銷售	Property sales	6,334.8	1,385.6	3,551.9	301.2
		10,079.9	4,389.4	6,597.6	2,703.4
其他收入	Other income			281.1	302.6
行政費用(附註)	Administrative expenses (Note)			(361.1)	(243.3)
營業溢利	Operating profit			6,517.6	2,762.7
投資物業之公平值增加	Increase in fair value of investment properties				
— 物業租賃	— property leasing			10,181.5	5,962.1
財務費用	Finance costs			(150.4)	(297.1)
應佔合營公司溢利	Share of profits of jointly controlled entities				
— 物業租賃	— property leasing			128.9	78.3
除稅前溢利	Profit before taxation			16,677.6	8,506.0

附註：

年內，行政費用包括股權費用一億零九百一十萬元（二零零七年：四千一百萬元）。股權費用為授予僱員的股份期權於歸屬期內之公平值的攤銷，本公司並沒有因此產生現金流出。

Note:

Administrative expenses included share-based payments of \$109.1 million (2007: \$41.0 million) recognised during the year. Share-based payments represent the amortisation of the fair value of options granted to employees over the vesting period and do not involve any cash outflow for the Company.

2 營業額及分部資料 (續)

(a) 業務分部 (續)

(ii) 分部資產及負債

以港幣百萬元計算	in HK\$ million	資產 Assets		負債 Liabilities	
		2008	2007	2008	2007
物業租賃	Property leasing				
本公司及其附屬公司	The Company and its subsidiaries	65,157.8	51,298.2	1,224.3	1,187.4
合營公司	Jointly controlled entities	696.7	596.9	-	-
物業銷售	Property sales	7,869.0	10,284.4	295.7	238.9
未分類 (附註)	Unallocated (Note)	10,617.7	7,064.5	14,170.6	11,980.2
		84,341.2	69,244.0	15,690.6	13,406.5

附註：

未分類之項目主要包括金融及企業資產，包括現金及銀行存款一百零五億七千七百八十萬元（二零零七年：六十九億九千三百七十萬元），帶息借貸包括銀行貸款四十四億一千九百二十萬元（二零零七年：四十七億八千一百八十萬元）以及其他負債十八億九千三百萬元（二零零七年：十九億八千七百一十萬元），另稅項七十六億一千七百九十萬元（二零零七年：四十九億三千八百七十萬元）。

Note:

Unallocated items mainly comprise financial and corporate assets including cash and deposits with banks of \$10,577.8 million (2007: \$6,993.7 million), interest-bearing borrowings including bank loans of \$4,419.2 million (2007: \$4,781.8 million) and other liabilities of \$1,893.0 million (2007: \$1,987.1 million), and taxation of \$7,617.9 million (2007: \$4,938.7 million).

(iii) 資本開支及折舊

(iii) Capital expenditure and depreciation

以港幣百萬元計算	in HK\$ million	資本開支 Capital expenditure		折舊 Depreciation	
		2008	2007	2008	2007
物業租賃	Property leasing	1,508.0	2,769.8	7.5	4.4

2 營業額及分部資料 (續)

(b) 地區分部

(i) 分部收入及業績

以港幣百萬元計算	in HK\$ million	分部收入		分部業績	
		2008	2007	2008	2007
集團	Group				
香港	Hong Kong	8,624.9	3,444.1	5,404.8	1,971.1
中國內地	Mainland China	1,455.0	945.3	1,192.8	732.3
		10,079.9	4,389.4	6,597.6	2,703.4
合營公司	Jointly controlled entities				
香港	Hong Kong			128.9	78.3

(ii) 分部資產

以港幣百萬元計算	in HK\$ million	2008	2007
香港	Hong Kong	52,487.0	46,677.4
中國內地	Mainland China	20,539.8	14,905.2
		73,026.8	61,582.6

(iii) 資本開支

以港幣百萬元計算	in HK\$ million	2008	2007
香港	Hong Kong	179.2	109.2
中國內地	Mainland China	1,328.8	2,660.6
		1,508.0	2,769.8

2 TURNOVER AND SEGMENT INFORMATION

(Continued)

(b) Geographical segment

(i) Segment revenue and results

(ii) Segment assets

(iii) Capital expenditure

3 除稅前溢利

3 PROFIT BEFORE TAXATION

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
除稅前溢利已扣除下列各項：	Profit before taxation is arrived at after charging:		
須於五年內償還之銀行貸款及 其他借貸之利息	Interest on bank loans and other borrowings repayable within 5 years	262.3	365.7
融資租約費用	Finance lease charges	37.4	42.7
其他輔助借貸支出	Other ancillary borrowing costs	30.4	28.1
借貸支出總額	Total borrowing costs	330.1	436.5
減：借貸支出资本化（附註）	Less: Borrowing costs capitalised (Note)	(179.7)	(139.4)
財務費用	Finance costs	150.4	297.1
已出售物業成本	Cost of properties sold	2,375.0	1,019.4
職工成本，包括僱員股權費用	Staff costs, including employee share-based payment expenses of \$109.1 million (2007: \$41.0 million)	490.8	301.3
折舊	Depreciation	7.5	4.4
營業租約費用，包括或然租金	Operating lease charges, including contingent rentals of \$30.2 million (2007: \$25.7 million)	110.9	102.0
核數師酬金	Auditors' remuneration		
— 核數服務	— audit services	5.3	4.8
— 其他服務	— other services	0.1	0.4
並已計入：	and after crediting:		
出售投資物業溢利	Profit on disposal of investment properties	63.8	5.3
租金收入，已扣除直接支出	Rental income less direct outgoings of \$699.4 million (2007: \$597.2 million), including contingent rentals of \$193.7 million (2007: \$133.4 million)	3,045.7	2,406.6
利息收入	Interest income	281.1	294.8

附註：

發展中物業之借貸支出已按每年百分之四點四（二零零七年：百分之五點一）之平均率資本化。

Note:

The borrowing costs have been capitalised at an average rate of 4.4% (2007: 5.1%) per annum for properties under development.

4 董事及高級管理層之酬金

提名及薪酬委員會包括五名獨立非執行董事。該委員會向董事會提供有關董事薪酬福利及僱傭條款的建議。董事的酬金乃按照職責及問責範圍、個別董事的表現，經考慮本公司的表現及盈利、市場慣例及現行的業務狀況而釐定。

(a) 董事酬金

董事酬金詳列如下：

以港幣百萬元計算 in HK\$ million

姓名	Name	袍金 Fees	薪金、津貼及 實物利益 Salaries, allowances and benefits in kind	酌定花紅 Discretionary bonuses	本集團對 退休金 計劃之供款 Group's contributions to retirement scheme	
執行董事						
Executive Directors						
陳啟宗	Ronnie C. Chan	0.2	8.2	25.6	0.8	34.8
袁偉良	Nelson W.L. Yuen	0.2	7.8	23.8	0.8	32.6
吳士元	Terry S. Ng	0.2	4.1	12.3	0.3	16.9
高伯道	William P.Y. Ko	0.2	2.6	12.1	0.3	15.2
伍綺琴	Estella Y.K. Ng	-	0.9	2.0	-	2.9
(於二零零七年十二月辭任) (Resigned in December 2007)						
獨立非執行董事						
Independent Non-Executive Directors						
殷尚賢	S.S. Yin	0.1	-	-	-	0.1
夏佳理	Ronald J. Arculli	0.2	-	-	-	0.2
鄭漢鈞	H.K. Cheng	0.2	-	-	-	0.2
陳樂怡	Laura L.Y. Chen	0.2	-	-	-	0.2
廖柏偉	P.W. Liu	0.2	-	-	-	0.2
何潮輝	Dominic C.F. Ho	0.2	-	-	-	0.2
(於二零零八年四月委任) (Appointed in April 2008)						
二零零八年	2008	1.9	23.6	75.8	2.2	103.5
執行董事						
Executive Directors						
陳啟宗	Ronnie C. Chan	0.2	7.8	4.2	0.8	13.0
袁偉良	Nelson W.L. Yuen	0.1	7.4	4.1	0.7	12.3
吳士元	Terry S. Ng	0.1	3.9	2.1	0.3	6.4
高伯道	William P.Y. Ko	0.1	2.4	2.1	0.2	4.8
伍綺琴	Estella Y.K. Ng	0.1	1.9	1.3	0.1	3.4
獨立非執行董事						
Independent Non-Executive Directors						
殷尚賢	S.S. Yin	0.1	-	-	-	0.1
夏佳理	Ronald J. Arculli	0.2	-	-	-	0.2
鄭漢鈞	H.K. Cheng	0.2	-	-	-	0.2
陳樂怡	Laura L.Y. Chen	0.2	-	-	-	0.2
廖柏偉	P.W. Liu	0.2	-	-	-	0.2
二零零七年	2007	1.5	23.4	13.8	2.1	40.8

4 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

The Nomination and Remuneration Committee consists of five Independent Non-Executive Directors. The Committee makes recommendation to the Board on the Directors' remuneration packages and terms of employment. The emoluments of Directors are determined by the scope of responsibility and accountability, and individual performance of directors, taking into consideration of the Company's performance and profitability, market practice and prevailing business conditions.

(a) Directors' emoluments

Details of directors' emoluments are summarised below:

4 董事及高級管理層之酬金 (續)

(a) 董事酬金 (續)

截至六月三十日止財政年度完結時應付予執行董事的花紅，以往於下一財政年度之八月／九月批准及派付並反映於該財政年度之財務報表。由截至二零零八年六月三十日止財政年度起，付款將於同一財政年度作出。因此，截至二零零七年及二零零八年六月三十日止兩個財政年度之花紅已於今年支付。

除以上酬金外，若干董事根據本公司及其最終控股公司恒隆集團有限公司的股份期權計劃獲授予股份期權。本公司授出之股份期權詳情已於財務報表附註26(b)內披露。

(b) 最高薪人士

在五名最高薪人士中，四名（二零零七年：五名）為董事，彼等之酬金於附註4(a)及26(b)披露。其餘一名人士於二零零八年之酬金如下：

以港幣百萬元計算	in HK\$ million	集團 Group
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	1.1
酌定花紅	Discretionary bonuses	0.5
本集團對退休金計劃的供款	Group's contributions to retirement scheme	1.5
股權費用	Share-based payments	0.4
		3.5

於二零零七年，五名最高薪人士均為董事，彼等之酬金載於附註4(a)及26(b)。

(c) 截至二零零八年六月三十日及二零零七年六月三十日止年度，概無向上述董事及高級行政人員支付款項作為離職補償或招攬彼等加盟本集團。

4 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

(a) Directors' emoluments (Continued)

Payment of bonus to Executive Directors, due at the end of a financial year ending 30 June, was previously approved and paid in August/September of the following financial year and reflected in the latter year's financial statements. With effect from the financial year ended 30 June 2008, the payment has been made in the same financial year. Accordingly, two years' bonuses relating to the financial years ended 30 June 2007 and 2008 have been paid in current year.

In addition to the above emoluments, certain directors were granted share options under the share option schemes of the Company and its ultimate holding company, Hang Lung Group Limited. Details of the share options granted by the Company are disclosed in note 26(b) to the financial statements.

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, four (2007: five) are directors whose emoluments are disclosed in note 4(a) and 26(b). The emoluments of the other individual for 2008 are as follows:

For 2007, the five highest paid individuals were all directors whose emoluments are shown in note 4(a) and 26(b).

(c) During the years ended 30 June 2008 and 30 June 2007, there were no amounts paid to directors and senior executives above for compensation of loss of office and inducement for joining the Group.

5 綜合收益表內之稅項

(a) 綜合收益表內之稅項為：

5 TAXATION IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

以港幣百萬元計算 in HK\$ million		集團 Group	
		2008	2007
本年稅項	Current tax		
香港利得稅	Hong Kong Profits Tax	724.9	182.1
過往年度之撥備少提/(多提)	Under/(Over)-provision in prior years	1.1	(1.4)
		726.0	180.7
中國企業所得稅	PRC Income Tax	200.7	97.2
		926.7	277.9
遞延稅項	Deferred tax		
投資物業之公平值變動	Change in fair value of investment properties	1,899.9	1,306.3
其他源自及撥回暫時性差額	Other origination and reversal of temporary differences	138.0	84.2
香港稅率變動對七月一日之遞延稅項結餘之影響	Effect of change in Hong Kong tax rate on deferred tax balances at 1 July	(181.4)	-
中國稅率變動對七月一日之遞延稅項結餘之影響	Effect of change in PRC tax rate on deferred tax balances at 1 July	-	(265.4)
合計(附註16(b))	Total (note 16(b))	1,856.5	1,125.1
稅項支出總計	Total income tax expense	2,783.2	1,403.0

香港利得稅稅項撥備乃按年內之估計應課稅溢利乘以百分之十六點五(二零零七年:百分之十七點五)計算。中國企業所得稅則按中國內地適用稅率計算。

Provision for Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year. PRC Income Tax is calculated at the rates applicable in mainland China.

香港特別行政區政府頒佈自二零零八至零九年課稅年度起,香港利得稅稅率由百分之十七點五減至百分之十六點五。因此,有關的利得稅及遞延稅項負債乃根據新稅率百分之十六點五計算。

The Hong Kong SAR Government enacted a reduction in the Profits Tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. Accordingly, the relevant profits tax and deferred tax liabilities have been calculated using the new rate of 16.5%.

於二零零七年三月十六日,中國第十屆全國人民代表大會常務委員會通過企業所得稅法,據此,稅率由百分之三十三更改為百分之二十五,於二零零八年一月一日起生效。因此,中國企業所得稅及遞延稅項負債分別自二零零八年一月一日及自二零零六至零七年財政年度按新稅率百分之二十五計算。

On 16 March 2007, the Standing Committee of the Tenth National People's Congress of PRC passed the income tax law whereby the tax rate would be changed from 33% to 25% with effect from 1 January 2008. Accordingly, the relevant PRC Income Tax from 1 January 2008 and the deferred tax liabilities from the financial year 2006/07 have been calculated at the new rate of 25%.

5 綜合收益表內之稅項 (續)

- (b) 截至二零零八年六月三十日止年度之應佔合營公司稅項一千八百六十萬元(二零零七年：一千六百六十萬元)已計入應佔合營公司溢利內。
- (c) 稅項支出與會計溢利以適用稅率計算之調節：

以港幣百萬元計算	in HK\$ million	2008	2007
除稅前溢利	Profit before taxation	16,677.6	8,506.0
按除稅前溢利以適用稅率計算之稅項	Tax on profit before taxation at applicable rates	3,107.1	1,833.7
應佔合營公司溢利之稅項影響	Tax effect of share of profits of jointly controlled entities	(18.6)	(16.6)
非應課稅收入之稅項影響	Tax effect of non-taxable income	(90.1)	(96.7)
非扣減支出之稅項影響	Tax effect of non-deductible expenses	30.8	15.3
因已使用之稅務虧損及其他可扣減暫時性差異之稅項影響	Tax effect of tax losses utilised and other deductible temporary differences	(74.6)	(75.2)
未確認之稅務虧損之稅項影響	Tax effect of unrecognised tax losses	8.9	4.8
稅率變動對遞延稅項年初結餘之影響	Effect of change in tax rate on opening balance of deferred tax	(181.4)	(265.4)
其他	Others	-	4.5
過往年度之撥備少提/(多提)	Under/(Over)-provision in prior years	1.1	(1.4)
實際稅項支出	Actual tax expense	2,783.2	1,403.0

6 股東應佔純利

股東應佔純利包括本公司財務報表內之溢利十億零六百三十萬元(二零零七年：九億二千四百二十萬元)。

7 股息

(a) 本年度股息

以港幣百萬元計算	in HK\$ million	2008	2007
已宣佈及已派中期股息每股十五仙(二零零七年：十三仙)	Interim dividend declared and paid of 15 cents (2007: 13 cents) per share	621.7	538.5
於結算日後擬派末期股息每股五十一仙(二零零七年：四十三仙)	Final dividend of 51 cents (2007: 43 cents) per share proposed after the balance sheet date	2,114.0	1,781.5
		2,735.7	2,320.0

於結算日後擬派之末期股息，並無確認為結算日之負債。

- (b) 二零零七年財政年度之十七億八千一百九十萬元末期股息於二零零八年財政年度批准及派發(二零零七年：十四億一千八百二十萬元)。

5 TAXATION IN THE CONSOLIDATED INCOME STATEMENT (Continued)

- (b) Share of jointly controlled entities' taxation for the year ended 30 June 2008 of \$18.6 million (2007: \$16.6 million) is included in the share of profits of jointly controlled entities.
- (c) Reconciliation between tax expense and accounting profit at applicable tax rates:

6 NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Net profit attributable to shareholders includes a profit of \$1,006.3 million (2007: \$924.2 million) which has been dealt with in the financial statements of the Company.

7 DIVIDENDS

(a) Dividends attributable to the year

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

- (b) The final dividend of \$1,781.9 million for financial year 2007 was approved and paid in financial year 2008 (2007: \$1,418.2 million).

8 每股盈利

(a) 每股基本及攤薄盈利乃按以下數據計算：

以港幣百萬元計算	in HK\$ million	2008	2007
用以計算每股基本及攤薄盈利之盈利 (即股東應佔純利)	Earnings for calculation of basic and diluted earnings per share (net profit attributable to shareholders)	13,159.1	6,370.6

以百萬股計算	in million	2008	2007
用以計算每股基本盈利之股份 加權平均數	Weighted average number of shares used in calculating basic earnings per share	4,144.2	3,995.2
具攤薄作用之潛在股份之影響 — 股份期權	Effect of dilutive potential shares – share options	33.1	35.7
用以計算每股攤薄盈利之股份 加權平均數	Weighted average number of shares used in calculating diluted earnings per share	4,177.3	4,030.9

(b) 每股基本及攤薄盈利(不包括投資物業公平值變動, 並扣除相關遞延稅項及少數股東權益)乃根據以下經調整之溢利計算：

以港幣百萬元計算	in HK\$ million	2008	2007
股東應佔純利	Net profit attributable to shareholders	13,159.1	6,370.6
投資物業之公平值變動並扣除相關 遞延稅項及少數股東權益之影響	Effect of changes in fair value of investment properties net of related deferred tax and minority interests	(8,036.1)	(4,322.7)
用以計算每股基本及攤薄盈利之 經調整盈利	Adjusted earnings for calculation of basic and diluted earnings per share	5,123.0	2,047.9

8 EARNINGS PER SHARE

(a) The calculation of basic and diluted earnings per share is based on the following data:

(b) The calculation of basic and diluted earnings per share excluding changes in fair value of investment properties net of related deferred tax and minority interests is based on the profit adjusted as follows:

9 固定資產 — 集團

9 FIXED ASSETS – GROUP

以港幣百萬元計算	in HK\$ million	投資物業 Investment properties	發展中 投資物業 Investment properties under development	其他 Others	合計 Total
成本值或估值：					
於二零零六年七月一日	At 1 July 2006	39,590.0	2,856.8	74.1	42,520.9
添置	Additions	90.9	2,650.1	28.8	2,769.8
轉入／(轉出)	Transfers	1,534.4	(1,534.4)	–	–
出售	Disposals	(24.5)	–	(3.6)	(28.1)
公平值增加	Increase in fair value	5,962.1	–	–	5,962.1
於二零零七年六月三十日 及二零零七年七月一日	At 30 June 2007 and 1 July 2007	47,152.9	3,972.5	99.3	51,224.7
匯兌調整 (附註)	Exchange adjustment (Note)	1,244.0	366.3	1.8	1,612.1
添置	Additions	160.8	1,318.0	29.2	1,508.0
重新分類	Reclassification	578.2	–	–	578.2
出售	Disposals	(232.0)	–	(2.3)	(234.3)
公平值增加	Increase in fair value	10,181.5	–	–	10,181.5
於二零零八年六月三十日	At 30 June 2008	59,085.4	5,656.8	128.0	64,870.2
累計折舊：					
於二零零六年七月一日	At 1 July 2006	–	–	19.8	19.8
本年度折舊	Charge for the year	–	–	4.4	4.4
因出售撥回	Written back on disposals	–	–	(3.6)	(3.6)
於二零零七年六月三十日 及二零零七年七月一日	At 30 June 2007 and 1 July 2007	–	–	20.6	20.6
本年度折舊	Charge for the year	–	–	7.5	7.5
因出售撥回	Written back on disposals	–	–	(2.2)	(2.2)
於二零零八年六月三十日	At 30 June 2008	–	–	25.9	25.9
賬面淨值：					
於二零零八年六月三十日	At 30 June 2008	59,085.4	5,656.8	102.1	64,844.3
於二零零七年六月三十日	At 30 June 2007	47,152.9	3,972.5	78.7	51,204.1
固定資產於六月三十日之 成本值或估值如下：					
二零零八年：	2008:				
估值	Valuation	59,085.4	–	–	59,085.4
成本值	Cost	–	5,656.8	128.0	5,784.8
		59,085.4	5,656.8	128.0	64,870.2
二零零七年：	2007:				
估值	Valuation	47,152.9	–	–	47,152.9
成本值	Cost	–	3,972.5	99.3	4,071.8
		47,152.9	3,972.5	99.3	51,224.7

附註：

根據附註1(r)所載之本集團會計政策，本集團之中國業務之資產負債表項目（包括固定資產）乃按結算日之匯率換算為港元。相關匯兌差額已計入匯兌儲備。

Note:

In accordance with the Group's accounting policy in note 1(r), balance sheet items in the PRC operations of the Group, including fixed assets, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The related exchange difference has been credited to exchange reserve.

9 固定資產 — 集團 (續)

物業之賬面淨值分析如下：

9 FIXED ASSETS – GROUP (Continued)

An analysis of net book value of properties is as follows:

以港幣百萬元計算	in HK\$ million	投資物業		發展中投資物業	
		2008	2007	2008	2007
香港長期地契	Long leases in Hong Kong	30,944.7	25,949.5	678.3	677.9
香港境外長期地契	Long leases outside Hong Kong	–	–	2,388.2	3,294.6
香港中期地契	Medium term leases in Hong Kong	12,511.7	9,498.4	–	–
香港境外中期地契	Medium term leases outside Hong Kong	15,493.0	11,555.0	2,590.3	–
香港短期地契	Short lease in Hong Kong	136.0	150.0	–	–
		59,085.4	47,152.9	5,656.8	3,972.5

(a) 本集團之投資物業均於二零零八年六月三十日由第一太平戴維斯估值及專業顧問有限公司之註冊專業測量師(產業測量)陳超國先生經參考租金淨值後按公開市值基準,並計入租約屆滿續約時租值升幅後之可能收益進行估值。

本集團投資物業之賬面淨值內包括根據融資租約持有之資產,其賬面淨值為四十四億四千一百萬元(二零零七年:三十二億九千五百萬元)。

本集團其他固定資產之賬面淨值包括位於香港以長期地契及香港境外以中期地契持有的土地及建築物分別為一千五百二十萬元(二零零七年:一千五百四十萬元)及一千零一十萬元(二零零七年:長期地契一千零五十萬元)。

物業租賃收益包括投資物業之租金收入總額三十七億四千五百一十萬元(二零零七年:三十億零三百八十萬元)。

(a) Investment properties of the Group carried at fair value were revalued as at 30 June 2008 by Mr Charles C.K. Chan, Registered Professional Surveyor (General Practice), of Savills Valuation and Professional Services Limited, on an open market value basis with reference to the net rental income after taking into account reversionary income potential.

The net book value of investment properties of the Group includes an amount of \$4,441.0 million (2007: \$3,295.0 million) in respect of an asset held under a finance lease.

The net book value of other fixed assets of the Group included long lease of \$15.2 million (2007: \$15.4 million) in respect of land and building held in Hong Kong, and medium leases of \$10.1 million (2007: long leases of \$10.5 million) in respect of land and buildings held outside Hong Kong respectively.

Property leasing revenue includes gross rental income from investment properties of \$3,745.1 million (2007: \$3,003.8 million).

9 固定資產 — 集團 (續)

(b) 本集團根據營業租約出租及按融資租約分租其投資物業。該等租約一般初步為期二至五年，其中部份有權選擇續約，屆時重新協商所有條款。長期租約通常會訂明重新檢討或調整租金之條款，而本集團每年均有一定比例的租約期滿續約。若干租約包括或然租金，乃參照租戶之收入而釐定。

於六月三十日，本集團根據不可撤銷之營業租約最少應收之未來租金總額如下：

以港幣百萬元計算	in HK\$ million	分租 Subleases	其他租約 Other leases	總計 Total
二零零八年				
一年內	2008 Within 1 year	265.2	3,146.6	3,411.8
一年後但五年內	After 1 year but within 5 years	518.5	2,966.4	3,484.9
五年後	After 5 years	—	21.1	21.1
		783.7	6,134.1	6,917.8
二零零七年				
一年內	2007 Within 1 year	251.5	2,517.7	2,769.2
一年後但五年內	After 1 year but within 5 years	528.7	2,801.3	3,330.0
五年後	After 5 years	27.0	9.8	36.8
		807.2	5,328.8	6,136.0

10 附屬公司權益

10 INTEREST IN SUBSIDIARIES

以港幣百萬元計算	in HK\$ million	公司 Company	
		2008	2007
非上市股份，成本值	Unlisted shares, at cost	8.1	8.1
應收附屬公司款項	Amounts due from subsidiaries	34,021.3	34,761.1
		34,029.4	34,769.2

主要附屬公司之詳細資料載於附註33。

Details of principal subsidiaries are set out in note 33.

應收／應付附屬公司款項為無抵押、免息及無限定還款期，而因預期該等款項於未來十二個月內不可收回／無需償還，故列作非流動資產／負債。

Amounts due from/to subsidiaries are unsecured, non-interest bearing with no fixed terms of repayment and classified as non-current assets/liabilities as they are not expected to be recoverable/repayable within the next twelve months.

11 合營公司權益

11 INTEREST IN JOINTLY CONTROLLED ENTITIES

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
應佔資產淨值 — 非上市股份	Share of net assets – unlisted shares	677.9	585.0
應收合營公司款項	Amounts due from jointly controlled entities	18.8	11.9
		696.7	596.9

於二零零八年六月三十日合營公司之詳細資料載於附註34。應收合營公司款項為無抵押、免息，並為即期收回。本集團於合營公司之權益的相關財務資料概述如下：

Details of jointly controlled entities at 30 June 2008 are set out in note 34. Amounts due from jointly controlled entities are unsecured, interest free and recoverable on demand. The summary financial information related to the Group's interest in jointly controlled entities are as follows:

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
非流動資產	Non-current assets	846.9	731.0
流動資產	Current assets	26.3	49.5
非流動負債	Non-current liabilities	(172.1)	(176.6)
流動負債	Current liabilities	(23.2)	(18.9)
資產淨值	Net assets	677.9	585.0
收入	Revenue	49.5	47.3
本年度溢利	Profit for the year	128.9	78.3

12 貸款及投資

12 LOANS AND INVESTMENTS

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
於香港之非上市投資	Unlisted investments in Hong Kong	0.1	0.1
貸款予非上市投資公司	Advances to unlisted investee companies	5.3	6.8
		5.4	6.9

由於非上市投資並無交投活躍市場上之市場報價以釐定其公平值，因此按成本扣除減值（如有）入賬。

Unlisted investments are carried at cost less impairment, if any, as they do not have a quoted market price in an active market to determine their fair value.

13 存貨

13 INVENTORIES

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
位於香港之發展中物業	Property under development located in Hong Kong		
— 長期地契	– long leases	42.7	40.5
位於香港之待售已建成物業	Completed properties for sale located in Hong Kong		
— 中期地契	– medium leases	6,773.9	9,501.1
		6,816.6	9,541.6

待售發展中物業預期在一年後變現。

The property under development for sale is expected to be recovered after more than one year.

14 應收賬款及其他應收款

14 TRADE AND OTHER RECEIVABLES

已計入應收賬款及其他應收款之應收賬款其結賬期分析如下：

Included in trade and other receivables are trade debtors with the following terms:

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
一個月內	Within 1 month	1,068.7	449.1
一至三個月	1 – 3 months	2.5	4.0
三個月以上	Over 3 months	5.3	0.9
		1,076.5	454.0

來自物業銷售的應收樓價乃按買賣協議的條款釐定。有關物業租賃的月租則由租客預繳。本集團定期編製應收賬款之賬齡分析及作出密切監察，以便把任何與應收賬款有關之信貸風險減至最低。於二零零八年及二零零七年六月三十日之呆壞賬債務餘額並不重大。本集團並無就此等餘額持有任何抵押品。

Proceeds from property sales are receivable pursuant to the terms of the sale and purchase agreements. Monthly rents in respect of leased properties are payable in advance by the tenants. An ageing analysis of trade debtors is prepared on a regular basis and is closely monitored to minimise any credit risk associated with receivables. The balance of bad and doubtful debts as at 30 June 2008 and 2007 is insignificant. The Group does not hold any collateral over these balances.

15 應付賬款及其他應付款

15 TRADE AND OTHER PAYABLES

以港幣百萬元計算	in HK\$ million	集團 Group		公司 Company	
		2008	2007	2008	2007
應付款及應計費用 (附註 i)	Creditors and accrued expenses (Note i)	595.2	634.7	6.1	6.2
已收按金(附註 ii)	Deposits received (Note ii)	924.8	791.6	–	–
應付同系附屬公司款項 (附註 iii)	Amounts due to fellow subsidiaries (Note iii)	206.0	208.7	–	–
		1,726.0	1,635.0	6.1	6.2

附註：

- (i) 應付款及應計費用包括預期於一年內不會償付之保留款項一千零五十萬元(二零零七年：二千三百萬元)。
- (ii) 已收按金六億二千八百七十萬元(二零零七年：七億九千一百六十萬元)預期於一年內不會償付。
- (iii) 應付同系附屬公司款項均為無抵押、免息及無固定償還期。

Notes:

- (i) Creditors and accrued expenses include retention money payable of \$10.5 million (2007: \$23.0 million) which is not expected to be settled within one year.
- (ii) Deposits received of \$628.7 million (2007: \$791.6 million) are not expected to be settled within one year.
- (iii) The amounts due to fellow subsidiaries are unsecured, interest free and have no fixed terms of repayment.

已計入應付賬款及其他應付款之應付賬款其賬齡分析如下：

Included in trade and other payables are trade creditors with the following ageing analysis:

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
一個月內到期	Due within 1 month	425.9	514.7
三個月以上到期	Due over 3 months	56.5	78.9
		482.4	593.6

16 於資產負債表上之稅項

16 TAXATION IN THE BALANCE SHEETS

(a) 本年稅項

(a) Current taxation

以港幣百萬元計算	in HK\$ million	集團 Group		公司 Company	
		2008	2007	2008	2007
香港利得稅撥備	Provision for Hong Kong Profits Tax	724.9	182.1	–	1.6
中國企業所得稅撥備	Provision for PRC Income Tax	72.9	9.9	–	–
以往年度之應付/ (可收回)香港利得稅	Hong Kong Profits Tax payable/ (recoverable) relating to prior years	30.7	(2.5)	–	1.3
		828.5	189.5	–	2.9

16 於資產負債表上之稅項 (續)

(b) 遞延稅項

16 TAXATION IN THE BALANCE SHEETS (Continued)

(b) Deferred taxation

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
遞延稅項負債	Deferred tax liabilities	6,823.9	4,813.1
遞延稅項資產	Deferred tax assets	(34.5)	(63.9)
遞延稅項負債淨額	Net deferred tax liabilities	6,789.4	4,749.2

於綜合資產負債表上確認之遞延稅項負債／(資產) 的組成及年內之變動如下：

The components of deferred tax liabilities/(assets) recognised in the consolidated balance sheet and the movements during the year are as follows:

以港幣百萬元計算	in HK\$ million	折舊免稅額多於相關折舊 Depreciation allowances in excess of related depreciation	物業重估 Revaluation of properties	因稅務虧損產生之將來得益 Future benefit of tax losses	其他 Others	總數 Total
遞延稅項產生於：	Deferred tax arising from:					
於二零零六年七月一日	At 1 July 2006	655.7	3,035.1	(35.8)	(30.9)	3,624.1
於綜合收益表內(撥入)/扣除 (附註 5(a))	(Credited)/Charged to consolidated income statement (note 5(a))	(21.3)	1,143.6	2.8	-	1,125.1
於二零零七年六月三十日 及二零零七年七月一日	At 30 June 2007 and 1 July 2007	634.4	4,178.7	(33.0)	(30.9)	4,749.2
於儲備內扣除	Charged to reserve	41.4	142.3	-	-	183.7
於綜合收益表內 扣除(附註 5(a))	Charged to consolidated income statement (note 5(a))	97.4	1,729.7	21.0	8.4	1,856.5
於二零零八年六月三十日	At 30 June 2008	773.2	6,050.7	(12.0)	(22.5)	6,789.4

(c) 未確認之遞延稅項資產

本集團尚未就若干附屬公司營運期間出現的二億五千五百九十萬元(二零零七年：二億二千九百一十萬元)稅務虧損所產生的遞延稅項資產作出確認，因為於二零零八年六月三十日，可用作抵銷有關資產的日後應課稅溢利仍不存在。此等香港業務的稅務虧損於現時稅務法規上並未逾時，而中國內地業務的稅務虧損則於相關會計年結日五年後逾時。

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of tax losses of \$255.9 million (2007: \$229.1 million) sustained in the operations of certain subsidiaries as the availability of future taxable profits against which the assets can be utilised is not probable at 30 June 2008. The tax losses arising from Hong Kong operations do not expire under current tax legislation. The tax losses arising from mainland China operations expire five years after the relevant accounting year end date.

17 銀行貸款

於六月三十日無抵押銀行貸款之還款期如下：

17 BANK LOANS

At 30 June, bank loans were unsecured and repayable as follows:

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
兩年後但五年內	After 2 years but within 5 years	4,453.7	4,828.6
減：未攤銷之財務費用	Less: unamortised front end fees	(34.5)	(46.8)
		4,419.2	4,781.8

年內，所有銀行貸款均按一點八厘至七厘（二零零七年：四點一厘至六點二厘）年利率計息。

All bank loans are interest-bearing at rates ranging from 1.8% to 7.0% (2007: 4.1% to 6.2%) per annum during the year.

本集團之若干借貸受到財務契約限制，該等財務契約要求本集團於任何時間之綜合有形資產淨值不得低於及借貸佔綜合有形資產淨值之比率不得高於規定水平。年內，本集團已完全遵守該等契約的要求。

Certain of the Group's borrowings are attached with financial covenants which require that at any time, the Group's consolidated tangible net worth is not less than and the ratio of borrowings to consolidated tangible net worth is not more than required levels. During the year, all these covenants have been complied with by the Group.

18 二零零九年到期之浮息票據

浮息票據由本公司之附屬公司發行。此票據由本公司保證其本金及利息，按年利率二點一厘至五點一厘（二零零七年：四點二厘至五厘）計息，並須於二零零九年十二月悉數償還及沒有權利轉換成本公司或其他公司之股份。

18 FLOATING RATE NOTES DUE 2009

The floating rate notes were issued by the Company's subsidiary. These notes are guaranteed as to principal and interest by the Company, bear interest ranging from 2.1% to 5.1% (2007: 4.2% to 5.0%) per annum during the year, repayable in full in December 2009 and have no rights of conversion into shares of the Company or any other body corporate.

於二零零八年六月三十日，除以上浮息票據之外，本集團並無任何其他未償還的定息或浮息票據或可換股債券。

At 30 June 2008, except for the above floating rate note, the Group has no other outstanding fixed or floating rate notes or convertible bonds.

21 儲備

21 RESERVES

以港幣百萬元計算 in HK\$ million		集團 Group		公司 Company	
		2008	2007	2008	2007
資本儲備	Capital reserves				
股份溢價	Share premium				
於七月一日	At 1 July	21,687.4	15,541.5	21,687.4	15,541.5
發行股份，已扣除 發行成本	Issue of shares, net of issue costs	21.5	6,142.9	21.5	6,142.9
僱員股份期權福利	Employee share option benefits	6.1	3.0	6.1	3.0
於六月三十日	At 30 June	21,715.0	21,687.4	21,715.0	21,687.4
資本贖回儲備	Capital redemption reserve				
於七月一日及 六月三十日	At 1 July and 30 June	2,065.5	2,065.5	2,065.5	2,065.5
匯兌儲備	Exchange reserve				
於七月一日	At 1 July	42.6	21.1	–	–
換算海外附屬公司 賬項產生之匯兌 差額	Exchange difference arising from translation of overseas subsidiaries	1,211.9	21.5	–	–
於六月三十日	At 30 June	1,254.5	42.6	–	–
僱員股份補償儲備	Employee share-based compensation reserve				
於七月一日	At 1 July	86.1	48.1	86.1	48.1
僱員股權費用	Employee share-based payment expenses	109.1	41.0	109.1	41.0
轉撥至股份溢價	Transfer to share premium	(6.1)	(3.0)	(6.1)	(3.0)
轉撥至保留溢利	Transfer to retained profits	(8.4)	–	(8.4)	–
於六月三十日	At 30 June	180.7	86.1	180.7	86.1
		25,215.7	23,881.6	23,961.2	23,839.0
保留溢利	Retained profits				
於七月一日	At 1 July	26,252.2	21,838.3	5,014.4	6,046.9
本年度純利	Net profit for the year	13,159.1	6,370.6	1,006.3	924.2
上年度末期股息	Final dividend in respect of previous year	(1,781.9)	(1,418.2)	(1,781.9)	(1,418.2)
本年度中期股息	Interim dividend in respect of current year	(621.7)	(538.5)	(621.7)	(538.5)
由僱員股份補償 儲備轉入	Transfer from employee share- based payment reserve	8.4	–	8.4	–
於六月三十日	At 30 June	37,016.1	26,252.2	3,625.5	5,014.4
		62,231.8	50,133.8	27,586.7	28,853.4

21 儲備 (續)

股份溢價賬及資本贖回儲備之用途分別受香港《公司條例》第四十八乙條及第四十九辛條監管。匯兌儲備包括換算海外附屬公司財務報表產生之匯兌差額。誠如附註1(u)所述，僱員股份補償儲備包括已授出但尚未被行使之股份期權之公平值。

於二零零八年六月三十日，本公司可供分派予股東之儲備金總額為三十六億二千五百五十萬元（二零零七年：五十億一千四百四十萬元）。

資本管理

本集團的資本管理政策之首要目標為保障本集團能持續營運，以為股東提供回報及為其他權益持有人提供利益，同時以合理成本取得融資。

本集團積極及定期檢討及管理其資本結構，以在維持較高借貸水平可能帶來的較高股東回報與雄厚資本所帶來的優勢及保障之間取得平衡，並因應本集團之業務組合及經濟環境之變動對資本結構作出調整。

本集團透過檢討負債率及現金流量的需求，並考慮到其未來的財務承擔來監察其資本結構。負債率指淨債項與股權加淨債項之比例。淨債項指銀行貸款、浮息票據及融資租約承擔，減現金及銀行存款。股權包括股東權益及少數股東權益。

於二零零八年及二零零七年六月三十日，本集團處於淨現金水平。本公司或其任何附屬公司並無受到外間實施資本需求之規限。

21 RESERVES (Continued)

The application of the share premium account and capital redemption reserve are governed by Section 48B and Section 49H of the Hong Kong Companies Ordinance respectively. The exchange reserve comprises the exchange differences arising from the translation of the financial statements of overseas subsidiaries. The employee share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised, as explained in note 1(u).

The aggregate amount of the Company's reserves available for distribution to equity shareholders of the Company at 30 June 2008 was \$3,625.5 million (2007: \$5,014.4 million).

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders, and to secure access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in the light of changes in the Group's business portfolio and economic conditions.

The Group monitors its capital structure by reviewing its gearing ratio and cash flow requirements, taking into account its future financial obligations and commitments. The gearing ratio represents the proportion of net debt to equity plus net debt. Net debt represents bank loans, floating rate notes and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and minority interests.

The Group has net cash position as at 30 June 2008 and 2007. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 少數股東權益

22 MINORITY INTERESTS

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
於七月一日	At 1 July	1,560.8	1,042.9
本年度少數股東權益應佔溢利	Profit attributable to minority interests for the year	735.3	732.4
償還予少數股東款項	Repayment to minority interests	(40.5)	(214.5)
附屬公司少數股東權益減少	Decrease in minority interests in subsidiaries	(223.1)	-
應佔儲備	Share of reserves	241.2	-
於六月三十日	At 30 June	2,273.7	1,560.8

23 綜合現金流量表附註

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) 來自經營業務之現金

(a) Cash generated from operations

以港幣百萬元計算	in HK\$ million	2008		2007	
		除稅前溢利	Profit before taxation	16,677.6	8,506.0
調整：	Adjustments for:				
利息收入	Interest income	(281.1)	(294.8)		
財務費用	Finance costs	150.4	297.1		
折舊	Depreciation	7.5	4.4		
出售投資物業之溢利	Profit on disposal of investment properties	(63.8)	(5.3)		
投資物業之公平值增加	Increase in fair value of investment properties	(10,181.5)	(5,962.1)		
應佔合營公司溢利	Share of profits of jointly controlled entities	(128.9)	(78.3)		
僱員股權費用	Employee share-based payment expenses	109.1	41.0		
存貨之減少	Decrease in inventories	2,146.8	558.0		
應收賬款及其他應收款 之(增加)/減少	(Increase)/Decrease in trade and other receivables	(476.8)	248.7		
應付款及應計費用之減少	Decrease in creditors and accrued expenses	(11.6)	(42.3)		
已收按金之增加	Increase in deposits received	133.2	148.4		
應付同系附屬公司款項之減少	Decrease in amounts due to fellow subsidiaries	(2.7)	(19.9)		
來自經營業務之現金	Cash generated from operations	8,078.2	3,400.9		

23 綜合現金流量表附註 (續)

(b) 現金及現金等價物

以港幣百萬元計算	in HK\$ million	2008	2007
綜合資產負債表的現金及銀行存款	Cash and deposits with banks in the consolidated balance sheet	10,577.8	6,993.7
減：於三個月後到期的銀行存款	Less: Bank deposits with maturity greater than three months	(699.5)	(699.5)
綜合現金流量表的現金及現金等價物	Cash and cash equivalents in the consolidated cash flow statement	9,878.3	6,294.2

綜合資產負債表之現金及銀行存款按平均利率每年三點四厘（二零零七年：四點五厘）計息。

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Cash and cash equivalents

Cash and deposits with banks in the consolidated balance sheet are interest bearing at an average rate of 3.4% (2007: 4.5%) per annum.

24 或然負債

於六月三十日之或然負債如下：

24 CONTINGENT LIABILITIES

At 30 June, contingent liabilities were as follows:

以港幣百萬元計算	in HK\$ million	公司 Company 2008	2007
就所獲得之銀行信貸而提供之擔保	Guarantees given to banks to secure credit facilities	5,979.9	6,354.6

本公司並無就附屬公司之借貸及其他銀行信貸提供之擔保確認任何遞延收入，因該等借貸及銀行信貸之公平值無法可靠地計量及無成交價（二零零七年：無）。

The Company has not recognised any deferred income for the guarantees given in respect of borrowings and other bank facilities for subsidiaries as their fair value cannot be reliably measured and their transaction price was \$Nil (2007: \$Nil).

25 承擔

(a) 於六月三十日尚未於財務報表撥備之資本承擔如下：

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
已簽約	Contracted for	2,405.2	1,048.2
已授權但尚未簽約	Authorised but not contracted for	14,487.5	8,372.6
		16,892.7	9,420.8

上述承擔包括本集團擴展其物業投資業務至中國內地多個城市之承擔。

The above commitments include those in respect of the Group's expansion of its property investment operations into various cities in mainland China.

(b) 本集團根據十年內屆滿之不可撤銷營業租約租用若干物業。若干租約包括參考物業收入而釐定之或然租金。於六月三十日，未來最少應付之租金總額如下：

(b) The Group leases certain properties under non-cancellable operating leases expiring within ten years. Certain leases include contingent rentals calculated with reference to revenue from the properties. At 30 June, total future minimum lease payments were as follows:

以港幣百萬元計算	in HK\$ million	集團 Group	
		2008	2007
一年內	Within 1 year	80.7	80.7
一年後但五年內	After 1 year but within 5 years	212.6	291.9
五年後	After 5 years	–	1.4
		293.3	374.0

26 僱員福利

(a) 退休福利

本集團已為其僱員設立界定供款退休金計劃，該計劃下之資產由一間獨立之公司受託人掌管，並由專業基金經理管理，與本集團之資產分開處理。

僱主及僱員均按僱員之基本薪金之若干百分比供款，有關百分比按服務年資而有所不同。當僱員於可全數獲得本集團供款前退出該計劃，其遭沒收之供款乃撥入計劃基金之儲備內。本集團可視乎儲備的水平而指示受託人將股息自基金之儲備撥入基金成員賬戶。本集團可將沒收之供款減少其供款，但年內本集團並無以此方式削減供款。本集團於年內之供款總額為一千六百四十萬元（二零零七年：一千四百萬元），而撥入儲備金之沒收供款金額總數為六十萬元（二零零七年：七十萬元）。

一項集成信託強制性公積金計劃（「強積金計劃」）已成立，並交由獨立服務機構營辦。僱主及僱員分別按僱員之每月有關收入（上限為二萬元）之百分之五作出強制性供款。本集團之供款會全數及即時歸屬於僱員之賬戶並列為僱員在計劃內之累算權益。本集團於本年度內作出之強積金供款總額為二百一十萬元（二零零七年：一百六十萬元）。

由於本集團之退休金計劃乃一項獲豁免於強積金條例的職業退休計劃（「職業退休計劃」），職業退休計劃與強積金計劃之成員資格相同，而新僱員可一次性選擇參與職業退休計劃或強積金計劃。

26 EMPLOYEE BENEFITS

(a) Retirement benefits

The Group operates a defined contribution provident fund scheme for its employees. The assets of the scheme are held separately from those of the Group by an independent trustee and managed by professional fund managers.

Contributions are made by both the employer and the employees at a certain percentage of employees' basic salaries, the percentage varying with their length of service. When an employee leaves the scheme prior to his or her interest in the Group's contributions being fully vested, forfeited contributions are credited to reserves of the fund. Depending on the level of reserves, the Group may direct the trustee to credit dividends to members' accounts out of the reserves of the fund. The Group's contributions may be reduced by the forfeited contributions, but there was no such reduction of the Group's contributions during the year. Total contributions made by the Group for the year amounted to \$16.4 million (2007: \$14.0 million) and forfeited sums credited to reserves amounted to \$0.6 million (2007: \$0.7 million).

A master trust Mandatory Provident Fund Scheme (the "MPF Scheme") is operated by an independent service provider. Mandatory contributions are made by both the employer and the employees at 5% of the employees' monthly relevant income, up to a limit of \$20,000. The Group's contributions will be fully and immediately vested in the employees' accounts as their accrued benefits in the scheme. Total MPF contributions made by the Group for the year amounted to \$2.1 million (2007: \$1.6 million).

As the Group's provident fund scheme is an MPF Exempted Occupational Retirement Scheme (the "ORSO Scheme"), eligibility for membership of the ORSO and MPF schemes is identical. New employees are offered a one-off option to join either the ORSO or the MPF scheme.

26 僱員福利 (續)**(a) 退休福利 (續)**

本公司在中華人民共和國(「中國」)經營業務之附屬公司，其僱員乃中國當地市政府所營辦之退休福利計劃(「中國退休福利計劃」)之成員。該等中國附屬公司所需承擔之唯一責任，乃按僱員之支薪金額之某個百分比，向中國退休福利計劃作出供款以作為退休福利資金，而中國當地市政府則承擔該等中國附屬公司之所有現職及將來退休之僱員之退休福利責任。該等中國附屬公司於本年度內作出之供款總額為七百五十萬元(二零零七年：五百八十萬元)。

(b) 股份補償福利

本公司於二零零二年十一月二十二日設立股份期權計劃。此計劃授權本公司董事局向被揀選人士(包括本集團內任何公司之董事)授予股份期權認購本公司之股份。股份期權行使價由董事局於授予股份期權時決定，並必須為股份面值、於授予當日股份之收市價及授予前五個營業日之平均收市價三者中之最高價。股份期權之歸屬期、行使期及每份股份期權可認購股份之數目均由董事局於授予當日決定。

26 EMPLOYEE BENEFITS (Continued)**(a) Retirement benefits (Continued)**

Staff in the Company's subsidiaries operating in the People's Republic of China ("PRC"), are members of a retirement benefits scheme (the "PRC RB Scheme") operated by the local municipal government in the PRC. The only obligation of the PRC subsidiaries is to contribute a certain percentage of their payroll to the PRC RB Scheme to fund the retirement benefits. The local municipal government in the PRC undertakes to assume the retirement benefits obligations of all existing and future retired employees of the PRC subsidiaries. Total contributions made by the PRC subsidiaries for the year amounted to \$7.5 million (2007: \$5.8 million).

(b) Equity compensation benefits

The Company has a share option scheme which was adopted on 22 November 2002, whereby the Board of Directors (the "Board") of the Company are authorised to grant options to selected participants, including directors of any company in the Group, to subscribe for shares of the Company. The exercise price of the options is determined by the Board at the time of grant, and shall be the highest of the nominal value of the shares, the closing price of the shares at the date of grant and the average closing price of the shares for the 5 business days immediately preceding the date of grant. 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.

26 僱員福利 (續)

(b) 股份補償福利 (續)

年內本公司股份期權之變動如下：

26 EMPLOYEE BENEFITS (Continued)

(b) Equity compensation benefits (Continued)

The movements of share options during the year are as follows:

授出日期 (附註) Date granted (Note)	股份期權數目 Number of share options					股份期權之行使期 Period during which options are exercisable	行使價 (港元) Exercise price (HK\$)
	於二零零七年 七月一日 尚未被行使 Outstanding on 1 July 2007	已授出 Granted	已行使 Exercised	已失效 Lapsed	於二零零八年 六月三十日 尚未被行使 Outstanding on 30 June 2008		
二零零四年五月二十日 20 May 2004	23,385,000	-	(1,468,000)	(273,000)	21,644,000	二零零五年五月二十日至 二零一四年五月十九日 20 May 2005 to 19 May 2014	9.20
二零零五年五月三日 3 May 2005	200,000	-	(100,000)	(100,000)	-	二零零六年五月三日至 二零一五年五月二日 3 May 2006 to 2 May 2015	11.85
二零零五年九月一日至 二零零五年十一月一日 1 September 2005 to 1 November 2005	1,706,000	-	(250,000)	(250,000)	1,206,000	二零零六年九月一日至 二零一五年十月三十一日 1 September 2006 to 31 October 2015	11.40 – 12.35
二零零六年十一月十四日 至二零零七年三月十九日 14 November 2006 to 19 March 2007	27,600,000	-	(350,000)	(2,200,000)	25,050,000	二零零七年十一月十四日至 二零一七年三月十八日 14 November 2007 to 18 March 2017	16.75 – 22.60
二零零七年七月三日至 二零零八年四月一日 3 July 2007 to 1 April 2008	-	34,350,000	-	-	34,350,000	二零零八年七月三日至 二零一八年三月三十一日 3 July 2008 to 31 March 2018	25.00 – 34.45
總計 Total	52,891,000	34,350,000	(2,168,000)	(2,823,000)	82,250,000		

上述所有股份期權可於授出日期起計一至五年後歸屬，並可於授出日期十年屆滿前行使，此後股份期權將告失效。

附註：
由於參與本公司股份期權計劃之僱員人數眾多，故只在本財務報表顯示合理範圍內之若干相關資料。

All the above options may vest after one to five years of the grant date and are exercisable up to the tenth anniversary of the date of grant, after which they will lapse.

Note:
Due to the large number of employees participating in the share option scheme of the Company, certain relevant information is shown within a reasonable range in these financial statements.

26 僱員福利 (續)

(b) 股份補償福利 (續)

就授予董事之股份期權，依據附註1(u)(2)所載之本集團會計政策估計，於截至二零零八年六月三十日止年度確認之相關支出如下：

- (a) 陳啟宗先生：二千零八十萬元（二零零七年：三百九十萬元）；
- (b) 袁偉良先生：二千六百萬元（二零零七年：九百萬元）；
- (c) 吳士元先生：二千零七十萬元（二零零七年：四百九十萬元）；
- (d) 高伯道先生：一千八百三十萬元（二零零七年：五百三十萬元）；及
- (e) 伍綺琴女士*：無（二零零七年：二百八十萬元）。

* 於二零零七年十二月辭任

- (i) 尚未被行使之股份期權數目及其有關加權平均行使價之變動如下：

26 EMPLOYEE BENEFITS (Continued)

(b) Equity compensation benefits (Continued)

In respect of share options granted to the directors, the related charge recognised for the year ended 30 June 2008, estimated in accordance with the Group's accounting policy in note 1(u)(2) was as follows:

- (a) Mr. Ronnie C. Chan, \$20.8 million (2007: \$3.9 million);
- (b) Mr. Nelson W.L. Yuen, \$26.0 million (2007: \$9.0 million);
- (c) Mr. Terry S. Ng, \$20.7 million (2007: \$4.9 million);
- (d) Mr. William P.Y. Ko, \$18.3 million (2007: \$5.3 million); and
- (e) Ms. Estella Ng*, \$Nil (2007: \$2.8 million).

* Resigned in December 2007

- (i) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		2008		2007	
		加權平均 行使價 (港元) Weighted average exercise price (HK\$)	股份 期權數目 Number of options	加權平均 行使價 (港元) Weighted average exercise price (HK\$)	股份 期權數目 Number of options
於七月一日尚未被行使	Outstanding at 1 July	13.54	52,891,000	9.43	26,628,000
已授出	Granted	25.14	34,350,000	17.30	27,600,000
已行使	Exercised	10.94	(2,168,000)	9.63	(1,237,000)
已失效	Lapsed	15.67	(2,823,000)	9.20	(100,000)
於六月三十日尚未被行使	Outstanding at 30 June	18.38	82,250,000	13.54	52,891,000
於六月三十日可予行使	Exercisable at 30 June	10.11	24,752,000	9.42	17,679,500

於年內行使之股份期權行使當日之加權平均股價為三十四元二角九仙（二零零七年：十九元二角四仙）。

The weighted average share price at the dates of exercise for share options during the year was \$34.29 (2007: \$19.24).

- (ii) 於結算日尚未被行使之股份期權之加權平均剩餘合約期為八年（二零零七年：八點三年）。

- (ii) The weighted average remaining contractual life of options outstanding at the balance sheet date was 8.0 years (2007: 8.3 years).

26 僱員福利 (續)

(b) 股份補償福利 (續)

(iii) 年內授出之股份期權按於授出日期採用「柏力克 — 舒爾斯」定價模式而估計之每份股份期權之加權平均價值為七元五角。所採用之加權平均假設如下：

授出日期之股價	Share price at grant date	\$25.14
行使價	Exercise price	\$25.14
無風險利率	Risk-free interest rate	4%
預期使用年期 (年)	Expected life (in years)	6
波幅	Volatility	0.3
預期每股股息	Expected dividend per share	\$0.56

按預期股價回報之標準差衡量之波幅，乃按緊接授出日期前一年內每日股價之統計分析為準。預期每股股息乃根據過往股息而釐定。更改輸入項目假設可對公平值估計造成重大影響。

26 EMPLOYEE BENEFITS (Continued)

(b) Equity compensation benefits (Continued)

(iii) The weighted average value per share option granted during the year estimated at the date of grant using a Black-Scholes pricing model was \$7.5. The weighted average assumptions used are as follows:

The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the one year immediately preceding the grant date. Expected dividend per share is based on historical dividend. Changes in the input assumptions could materially affect the fair value estimate.

27 關連人士交易

本公司之一間同系附屬公司就發展上海之物業 — 恒隆廣場，向本公司之附屬公司注入資金作為資本投資。於二零零八年六月三十日之款項為二億零六百萬元 (二零零七年：二億零八百七十萬元)。

董事及主要管理層酬金已於附註4及26(b)披露。

28 財務風險管理目標及政策

利率、流動資金、信貸及貨幣風險來自本集團之正常業務。本集團之財務風險管理政策及慣例如下。

(a) 利率風險

本集團之利率風險來自現金、銀行存款及浮息借貸。本集團對於利率風險管理之政策包括監察利率變動，以及於有利定價機會來臨時替換及訂立新銀行融資。

27 RELATED PARTY TRANSACTIONS

A fellow subsidiary of the Company contributed funds as capital investment to a subsidiary of the Company for the development of Plaza 66, a property in Shanghai. The amount outstanding at 30 June 2008 was \$206.0 million (2007: \$208.7 million).

Emoluments to directors and key management has been disclosed in notes 4 and 26(b).

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to interest rate, liquidity, credit and currency risks arises in the normal course of the Group's business. The Group's financial risk management policies and practices are described below.

(a) Interest rate risk

The Group's interest rate risk arises from cash and deposits with banks and borrowings issued at floating rates. The Group's policy on interest rate risk management involves monitoring of interest rate movements and replacing and entering into new bank facilities when favourable pricing opportunities arise.

28 財務風險管理目標及政策 (續)

(a) 利率風險 (續)

計息財務資產及負債之利率於附註17、18、19及23(b)予以披露。

根據年終進行之模擬分析，如所有其他變數維持不變，市場利率較年結日適用之利率增加一百個基點之影響將減少本集團之溢利及權益三百九十萬元（二零零七年：八百萬元）。

此分析乃根據假設情況而進行，因為實際上，市場利率很少單獨改變，故此不應被視作未來溢利或虧損之預測。這分析假定以下各項：

- 市場利率變化會影響浮息金融工具之利息收入或支出；及
- 所有其他財務資產及負債維持不變。

(b) 流動資金風險

本集團在集團層面集中管理本公司及其附屬公司之流動資金風險。本集團監察現時及預期流動資金需求，以及定期監察是否符合借款契約規定，確保其維持充裕之現金儲備及自主要銀行取得充足而穩定之資金來源，以應付其流動資金需求。

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Interest rate risk (Continued)

The interest rates of interest-bearing financial assets and liabilities are disclosed in notes 17, 18, 19 and 23(b).

Based on the simulations performed at year end, the impact of a 100 basis-point increase in market interest rates from the rates applicable at the year end date, with all other variables held constant, would have decreased both the profit and equity of the Group by \$3.9 million (2007: \$8.0 million).

This analysis is based on a hypothetical situation, as in practice market interest rates rarely change in isolation, and should not be considered a projection of likely future profits or losses. The analysis assumes the following:

- changes in market interest rates affect the interest income or expense of floating rate financial instruments; and
- all other financial assets and liabilities are held constant.

(b) Liquidity risk

The Group manages centrally the liquidity risk of the Company and its subsidiaries at the Group level. The Group monitors the current and expected liquidity requirements and its compliance with lending covenants regularly, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major banks to meet its liquidity requirements.

		合約未折現現金流量 Contractual undiscounted cash flow					
		賬面值 Carrying amount	總計 Total	一年內 Within 1 year	一至兩年內 Between 1 and 2 years	二至五年內 Between 2 and 5 years	五年以上 Over 5 years
以港幣百萬元計算	in HK\$ million						
銀行貸款	Bank loans	4,419.2	4,869.8	116.4	116.4	4,637.0	—
浮息票據	Floating rate notes	1,500.0	1,558.1	38.7	1,519.4	—	—
非流動融資 租約承擔	Non-current finance lease obligations	393.0	441.5	—	130.0	311.5	—
應付賬款及其他 應付款	Trade and other payables	1,726.0	1,757.2	1,118.0	361.8	277.4	—
於二零零八年 六月三十日	At 30 June 2008	8,038.2	8,626.6	1,273.1	2,127.6	5,225.9	—

28 財務風險管理目標及政策 (續)

(b) 流動資金風險 (續)

		合約未折現現金流量 Contractual undiscounted cash flow					
		賬面值 Carrying amount	總計 Total	一年內 Within 1 year	一至兩年內 Between 1 and 2 years	二至五年內 Between 2 and 5 years	五年以上 Over 5 years
以港幣百萬元計算 in HK\$ million							
銀行貸款	Bank loans	4,781.8	5,990.7	247.8	247.8	5,495.1	–
浮息票據	Floating rate notes	1,500.0	1,677.3	70.9	1,606.4	–	–
非流動融資 租約承擔	Non-current finance lease obligations	487.1	566.8	–	125.3	406.7	34.8
應付賬款及其他 應付款	Trade and other payables	1,635.0	1,672.4	857.8	814.6	–	–
於二零零七年 六月三十日	At 30 June 2007	8,403.9	9,907.2	1,176.5	2,794.1	5,901.8	34.8

(c) 信貸風險

本集團之信貸風險主要由於應收賬款所致。本集團推行明確之信貸政策。本集團定期編製應收賬款之賬齡分析，並加以嚴格監察，將任何與該等應收款有關之信貸風險減至最低。

對信貸風險之承擔上限為綜合資產負債表內各財務資產之賬面值。本集團並無重大集中信貸風險。

(d) 貨幣風險

倘已確認資產及負債以非本集團有關個別公司功能貨幣之某種貨幣列值，則產生貨幣風險。為監察貨幣風險，本集團配合付款所用之相關貨幣，借入當地貨幣之貸款，以緩和匯率波動。

本集團之主要外匯風險為現金及銀行存款五億三千六百三十萬美元（二零零七年：三億九千四百一十萬美元），該等以有關個別公司之功能貨幣以外之貨幣列值。

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

(c) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group maintains a defined credit policy. An ageing analysis of trade receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet. There are no significant concentrations of credit risk within the Group.

(d) Currency risk

Currency risk arises when recognised assets and liabilities are denominated in a currency other than the functional currency of the Group's entities to which they relate. The Group monitors currency exposure by designating the borrowings in local currencies to match the corresponding payment currencies to mitigate exposure on exchange rate fluctuations.

The Group's major exposure to foreign currency is cash and deposits with bank of US\$536.3 million (2007: US\$394.1 million), which is denominated in a currency other than the functional currencies of entities which they relate.

28 財務風險管理目標及政策 (續)

(d) 貨幣風險 (續)

敏感度分析

於結算日，就本集團須為其持有之外幣金融工具可能出現之合理匯率變動而言，本集團之溢利和權益總額之概約變動如下：

- 人民幣兌美元匯率上升／下跌百分之十將不會導致本集團之溢利和權益總額造成重大影響。

敏感度分析包括集團公司之間之結餘，而該等結餘是以集團有關個別公司之功能貨幣以外之貨幣列值。

上述敏感度分析之釐定已假設匯率變動在結算日已經發生，並且應用在本集團各個別公司於該日已存在之金融工具之貨幣風險承擔，而所有其他變數（特別是利率）均維持不變。

就此而言，港幣與美元聯繫匯率假設不會很大程度地受美元兌其他貨幣之價值變動所影響。上述分析之結果總結了本集團各實體以相關功能貨幣（已為呈報目的而以結算日之現行匯率換算為港幣）計量之溢利和權益之影響。分析是以與二零零七年相同之基準進行。

(e) 公平值

倘非上市投資之公平值未能可靠計量，則按成本值扣除減值虧損列賬。

應收賬款及其他應收款、應付賬款及其他應付款、現金及銀行存款、銀行貸款及浮息票據之公平值被視為與彼等之賬面值相若。

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Currency risk (Continued)

Sensitivity analysis

The approximate changes in the Group's profit and total equity in response to reasonably possible changes in the foreign exchange rates in relation to financial instruments to which the Group has significant exposure at the balance sheet date are as follows:

- a 10% increase/decrease in the foreign exchange rate of Renminbi Yuan against United States Dollars would not have a material effect on the Group's profit and total equity.

The sensitivity analysis includes balances between group companies where the denomination is in a currency other than the functional currencies of the Group's entities to which they relate.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the Group's entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

In this respect, it is assumed that the pegged rate between the Hong Kong Dollars and the United States Dollars would be materially unaffected by any changes in movement in value of the United States Dollars against other currencies. Results of the analysis as presented above represent an aggregation of the effects on each of the Group entities' profit and equity measured in the respective functional currencies, translated into Hong Kong Dollars at exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2007.

(e) Fair value

Unlisted investments for which their fair values cannot be reliably measured are stated at cost less impairment losses.

The fair values of trade and other receivables, trade and other payables, cash and deposits with banks, bank loans and floating rate notes are considered to approximate their carrying amounts.

29 重要會計估計及判斷

估計不確定性之主要原因

附註26(b)載有與已授出股份期權公平值有關之假設及風險之資料。估計不確定性之其他主要原因如下：

(i) 投資物業之估值

於結算日，獨立合資格估值師按公開市值，參考租金淨值，並計入租約屆滿續租時租值升幅後之可能收益而進行之估值釐定。

於物業估值時採用之假設乃根據結算日之當時市況，並參考當時市場售價及適當之資本化率而作出。

(ii) 待售物業及發展中投資物業

管理層以最近期銷售交易及獨立物業估值師提供之市場調查報告等當時之市場數據釐定持作銷售物業之可變現淨值。

管理層對發展中投資物業之可收回金額作出之評估，須採用已調整風險貼現率，估計未來現金流量之現值，而有關現金流量將衍生自發展中投資物業。該等估計須涉及參照附近地點之最近租賃交易、市場推廣成本及落成物業之預期成本、法律與規管架構及一般市況，對預期租金作出判斷。

29 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Key sources of estimation uncertainty

Note 26(b) contains information about the assumptions and their risk relating to fair value of share options granted. Other key sources of estimation uncertainty are as follows:

(i) Valuation of investment properties

Investment properties of the Group are revalued as at the balance sheet date by independent qualified valuers, on an open market value basis with reference to the net rental income after taking into account reversionary income potential.

The assumptions adopted in the property valuations are based on the market conditions existing at the balance sheet date, with reference to current market sales prices and the appropriate capitalisation rate.

(ii) Properties for sale and investment properties under development

Management determines the net realisable value of properties held for sale by using the prevailing market data such as most recent sale transactions and market survey reports available from independent property valuers.

Management's assessments of the recoverable amount of investment properties under development requires the application of a risk-adjusted discount rate to estimate the present value of future cash flows to be derived from the investment properties under development. These estimates require judgment as to the anticipated rents by reference to recent leasing transactions in nearby locations, marketing costs and the expected costs to completion of the properties, the legal and regulatory framework and general market conditions.

30 最終控股公司

最終控股公司為在香港註冊成立之恒隆集團有限公司。

30 ULTIMATE HOLDING COMPANY

The ultimate holding company is Hang Lung Group Limited, a company incorporated in Hong Kong.

31 會計政策之未來變動

本集團並無提早採納下列由香港會計師公會頒佈惟尚未生效之新準則或詮釋。採納該等準則或詮釋將不會對本集團之會計政策造成重大變動。

31 FUTURE CHANGES IN ACCOUNTING POLICIES

The Group has not early applied the following new standards or interpretations which have been issued by the HKICPA but are not yet effective. The adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

於以下日期或以後開始
之會計期間生效
Effective for accounting periods
beginning on or after

HK(IFRIC)-12, 服務特許權安排 HK(IFRIC)-12, Service concession arrangements	二零零八年一月一日 1 January 2008
HK(IFRIC)-13, 客戶忠誠計劃 HK(IFRIC)-13, Customer loyalty programmes	二零零八年七月一日 1 July 2008
HK(IFRIC)-14, HKAS 19 – 界定福利資產限額、最低資金要求及兩者相互關係 HK(IFRIC)-14, HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction	二零零八年一月一日 1 January 2008
HKAS 1 (經重訂), 財務報表的呈報 HKAS 1 (Revised), Presentation of financial statements	二零零九年一月一日 1 January 2009
HKAS 23 (經重訂), 借貸支出 HKAS 23 (Revised), Borrowing costs	二零零九年一月一日 1 January 2009
HKFRS 8, 經營分部 HKFRS 8, Operating segments	二零零九年一月一日 1 January 2009

32 核准財務報表

董事局於二零零八年八月十三日核准並許可刊發財務報表。

32 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 13 August 2008.

33 主要附屬公司

於二零零八年六月三十日

33 PRINCIPAL SUBSIDIARIES

At 30 June 2008

公司 Company	已發行股本 (港元) Issued Share Capital (HK\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
Antonis Limited*	10,000	100	100	物業租賃 Property leasing	香港 Hong Kong
AP City Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
AP Joy Limited	2	100	—	物業發展及租賃 Property development & leasing	香港 Hong Kong
AP Properties Limited				物業發展及租賃 Property development & leasing	香港 Hong Kong
「A」股 ‘A’ shares	34	100	—		
「B」股 ‘B’ shares	6	100	—		
AP Star Limited*	2	100	—	控股投資 Investment holding	香港 Hong Kong
AP Success Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
AP Universal Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
AP Win Limited*	1,000,000	100	—	物業租賃 Property leasing	香港 Hong Kong
AP World Limited	2	100	100	物業發展 Property development	香港 Hong Kong
Bonna Estates Company Limited	1,000,000	100	100	物業租賃 Property leasing	香港 Hong Kong

33 主要附屬公司 (續)

33 PRINCIPAL SUBSIDIARIES (Continued)

公司 Company	已發行股本 (港元) Issued Share Capital (HK\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
基道企業有限公司* Caddo Enterprises, Limited*	4,000,000	100	—	物業租賃 Property leasing	香港 Hong Kong
嘉萬拿有限公司* Carmana Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Cititop Limited	2	100	—	物業發展及租賃 Property development & leasing	香港 Hong Kong
港邦發展有限公司 Country Bond Development Limited				控股投資 Investment holding	香港 Hong Kong
「A」股 ‘A’ shares	990	79.8	—		
「B」股 ‘B’ share	1	100	—		
Dokay Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
怡冠企業有限公司 Easegood Enterprises Limited	2	100	—	控股投資 Investment holding	香港 Hong Kong
Fu Yik Company Limited*	3	100	—	物業租賃 Property leasing	香港 Hong Kong
璧玉有限公司* Gala Ruby Limited*	2	100	100	控股投資 Investment holding	香港 Hong Kong
Gowily Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Grand Centre Limited	4	100	—	物業租賃 Property leasing	香港 Hong Kong
Grand Hotel Group Limited	10,200	100	—	服務式住宅經營及管理 Apartment operating & management	香港 Hong Kong

33 主要附屬公司 (續)

33 PRINCIPAL SUBSIDIARIES (Continued)

公司 Company	已發行股本 (港元) Issued Share Capital (HK\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
格蘭酒店集團有限公司 Grand Hotel Holdings Limited				控股投資 Investment holding	香港 Hong Kong
「A」股 'A' shares	62,163,123	100	—		
「B」股 'B' shares	6,000,000	100	—		
Hang Chui Company Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Hang Far Company Limited*	2	100	—	控股投資 Investment holding	香港 Hong Kong
恒快有限公司 Hang Fine Company Limited	200	100	—	物業租賃 Property leasing	香港 Hong Kong
Hang Kwok Company Limited*	10,000	100	—	物業租賃 Property leasing	香港 Hong Kong
Hang Lick Company Limited*	10,000	100	—	物業租賃 Property leasing	香港 Hong Kong
恒隆(行政)有限公司 Hang Lung (Administration) Limited	10,000	100	100	管理服務 Management services	香港 Hong Kong
恒隆(濟南)有限公司 Hang Lung (Jinan) Limited	1	100	—	控股投資 Investment holding	香港 Hong Kong
恒隆(遼寧)有限公司 Hang Lung (Liaoning) Limited	1	100	—	控股投資 Investment holding	香港 Hong Kong
恒隆(瀋陽)有限公司 Hang Lung (Shenyang) Limited	2	100	—	控股投資 Investment holding	香港 Hong Kong
恒隆(天津)有限公司 Hang Lung (Tianjin) Limited	2	100	—	控股投資 Investment holding	香港 Hong Kong
恒隆(無錫)有限公司 Hang Lung (Wuxi) Limited	1	100	—	控股投資 Investment holding	香港 Hong Kong

33 主要附屬公司 (續)

33 PRINCIPAL SUBSIDIARIES (Continued)

公司 Company	已發行股本 (港元) Issued Share Capital (HK\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
Hang Lung Park-In Limited	2	100	–	物業租賃 Property leasing	香港 Hong Kong
恒隆工程策劃有限公司* Hang Lung Project Management Limited*	10,000	100	100	物業發展策劃及管理 Project management	香港 Hong Kong
恒隆物業管理有限公司* Hang Lung Property Management Limited*	100,000	100	–	物業管理 Property management	香港 Hong Kong
恒隆地產代理有限公司* Hang Lung Real Estate Agency Limited*	2	100	100	物業代理 Property agencies	香港 Hong Kong
恒隆地產(中國)有限公司 HLP (China) Limited	2	100	100	控股投資 Investment holding	香港 Hong Kong
恒隆地產融資有限公司 HLP Treasury Limited	2	100	100	財務 Financial services	香港 Hong Kong
HLP Treasury Services Limited*	2	100	–	控股投資 Investment holding	香港 Hong Kong
HLP Fortune Limited	1	100	100	物業發展 Property development	香港 Hong Kong
Hoi Sang Limited*	2	100	–	控股投資 Investment holding	香港 Hong Kong
Levington Limited*	8	100	100	財務 Financial services	英屬維爾京群島 British Virgin Islands
樂古有限公司* Lockoo Limited*	1,000,002	100	–	物業發展 Property development	香港 Hong Kong
Magic Modern International Limited*	1	100	100	廣告 Advertising	香港 Hong Kong
Mansita Limited*	2	100	–	物業租賃 Property leasing	香港 Hong Kong

33 主要附屬公司 (續)

33 PRINCIPAL SUBSIDIARIES (Continued)

公司 Company	已發行股本 (港元) Issued Share Capital (HK\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
Modalton Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Monafat Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Ottringham Limited*	20	100	—	物業租賃 Property leasing	香港 Hong Kong
Palex Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Pocaliton Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Rago Star Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Riolo Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Ronhero Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Stocket Limited	2	100	100	物業租賃 Property leasing	香港 Hong Kong
Tegraton Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
偉聯置業有限公司* Wai Luen Investment Company, Limited*	100,000	100	—	物業租賃 Property leasing	香港 Hong Kong
Wililoy Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Yangli Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Zarat Limited*	2	100	—	物業租賃 Property leasing	香港 Hong Kong

33 主要附屬公司 (續)

33 PRINCIPAL SUBSIDIARIES (Continued)

中華人民共和國外商獨資企業 Wholly Foreign Owned Enterprises in The People's Republic of China	註冊資本 Registered Capital	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
遼寧恒隆地產有限公司 Liaoning Hang Lung Properties Limited	211,500,000美元 US\$211,500,000	100	—	物業發展 Property development	中華人民共和國 The People's Republic of China
山東恒隆地產有限公司 Shandong Hang Lung Properties Limited	99,990,000美元 US\$99,990,000	100	—	物業發展 Property development	中華人民共和國 The People's Republic of China
瀋陽恒隆地產有限公司 Shenyang Hang Lung Properties Limited	149,990,000美元 US\$149,990,000	100	—	物業發展 Property development	中華人民共和國 The People's Republic of China
無錫恒隆地產有限公司 Wuxi Hang Lung Properties Limited	807,500,000港元 HK\$807,500,000	100	—	物業發展 Property development	中華人民共和國 The People's Republic of China

中華人民共和國中外合資企業 Equity Joint Venture in The People's Republic of China	註冊資本 (美元) Registered Capital (US\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
上海恒邦房地產開發有限公司 Shanghai Hang Bond Property Development Co., Ltd.	167,004,736	82	—	物業發展及租賃 Property development & leasing	中華人民共和國 The People's Republic of China
上海港匯房地產開發有限公司 Shanghai Kong Hui Property Development Co., Ltd.	165,000,000	69.3#	—	物業發展及租賃 Property development & leasing	中華人民共和國 The People's Republic of China

* 非經畢馬威會計師事務所審核

* Not audited by KPMG

指本集團應佔附屬公司直接或間接持有物業之商場部份之權益

Represents the Group's attributable interest in the commercial portion of the properties held either directly or indirectly by the subsidiary

上表列出董事局認為對本集團之溢利及資產有重大影響之主要附屬公司。

The above list gives the principal subsidiaries of the Group which in the opinion of the directors, principally affect the profit and assets of the Group.

34 合營公司

於二零零八年六月三十日

34 JOINTLY CONTROLLED ENTITIES

At 30 June 2008

公司 Company	已發行股本 (港元) Issued Share Capital (HK\$)	集團所持 權益百分比 Held by The Group %	公司所持 權益百分比 Held by The Company %	業務 Activity	註冊成立 及營業地點 Place of Incorporation and Operations
港興企業有限公司 Country Link Enterprises Limited	5,000,000	36.8	—	控股投資 Investment holding	香港 Hong Kong
怡傑發展有限公司 Ease Smart Development Limited				控股投資 Investment holding	香港 Hong Kong
[A] 股 'A' share	1	—	—		
[B] 股 'B' share	1	100	—		
星際發展有限公司* Star Play Development Limited*	3	33.3	—	物業租賃 Property leasing	香港 Hong Kong

* 非經畢馬威會計師事務所審核

* Not audited by KPMG

十年財務概覽

TEN-YEAR FINANCIAL SUMMARY

以港幣百萬元計算		in HK\$ million									
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
總資產	Total assets	84,341	69,244	60,366	53,096	47,226	40,800	39,458	40,546	37,912	35,414
投資物業	Investment properties	59,085	47,153	39,590	36,032	30,562	27,172	24,986	25,024	23,048	21,750
待售物業	Properties for sale										
— 已建成	— Completed	6,774	9,501	10,159	10,693	7,005	—	—	—	—	—
— 發展中	— Under development	43	41	—	—	5,018	10,775	8,490	7,290	3,787	2,541
現金及銀行存款	Cash and deposits with banks	10,578	6,994	5,984	3,206	1,063	1,104	3,146	3,725	4,854	5,461
總負債	Total liabilities	15,691	13,407	16,077	11,841	15,273	14,889	12,884	12,302	9,365	8,274
銀行貸款	Bank loans	4,419	4,782	8,454	4,113	9,593	7,874	6,372	8,952	5,027	5,010
浮息票據	Floating rate notes	1,500	1,500	1,500	1,500	540	540	540	540	540	—
可換股債券	Convertible bonds	—	—	—	—	—	3,414	3,390	—	—	—
股東權益	Shareholders' equity	66,377	54,277	43,246	40,288	31,019	24,633	26,112	27,857	28,229	26,872
資產淨值 (包括少數股東權益)	Net assets (including minority interests)	68,651	55,838	44,289	41,255	31,954	25,911	26,574	28,244	28,547	27,141
營業額	Turnover	10,080	4,389	3,657	6,955	4,533	2,143	2,383	2,523	1,846	2,245
股東應佔純利	Net profit attributable to shareholders	13,159	6,371	4,403	6,813	4,616	875	1,207	1,384	1,218	1,896
基本純利 (附註 1)	Underlying net profit (Note 1)	5,123	2,048	1,627	2,516	2,065	875	1,207	1,384	1,218	1,896
股息	Dividends	2,736	2,320	1,900	1,843	1,439	1,156	1,156	1,156	1,041	985
每股資料	Per share data										
盈利	Earnings										
— 基本	— Basic	\$3.18	\$1.60	\$1.19	\$1.94	\$1.53	\$0.30	\$0.42	\$0.48	\$0.42	\$0.66
— 攤薄	— Diluted	\$3.15	\$1.58	\$1.18	\$1.92	\$1.52	\$0.30	\$0.42	N/A	N/A	\$0.65
基本盈利 (附註 1)	Underlying earnings (Note 1)										
— 基本	— Basic	\$1.24	\$0.51	\$0.44	\$0.72	\$0.69	\$0.30	\$0.42	\$0.48	\$0.42	\$0.66
— 攤薄	— Diluted	\$1.23	\$0.51	\$0.44	\$0.71	\$0.68	\$0.30	\$0.42	N/A	N/A	\$0.65
股息	Dividends										
— 中期	— Interim	15¢	13¢	13¢	13¢	11¢	11¢	11¢	11¢	10¢	14¢
— 末期	— Final	51¢	43¢	38¢	37¢	33¢	29¢	29¢	29¢	26¢	20¢
— 全年	— Total for the year	66¢	56¢	51¢	50¢	44¢	40¢	40¢	40¢	36¢	34¢
股東權益 (附註 3)	Shareholders' equity (Note 3)	\$16.0	\$13.1	\$11.6	\$10.9	\$9.4	\$8.5	\$9.0	\$9.6	\$9.8	\$9.3
資產淨值 (包括少數股東權益) (附註 3)	Net assets (including minority interests) (Note 3)	\$16.6	\$13.5	\$11.9	\$11.2	\$9.7	\$9.0	\$9.2	\$9.8	\$9.9	\$9.4
負債率 (附註 2)	Gearing ratio (Note 2)	0%	0%	9%	7%	24%	31%	23%	19%	5%	2%
派息比率	Pay-out ratio	21%	35%	43%	26%	29%	132%	96%	84%	86%	51%
基本派息比率 (附註 1)	Underlying pay-out ratio (Note 1)	53%	109%	116%	70%	64%	132%	96%	84%	86%	51%
已發行股數 (百萬)	Number of shares issued (in million)	4,145	4,143	3,732	3,683	3,300	2,889	2,889	2,891	2,891	2,894

附註：

Notes:

- 為加強對本集團營運業績的理解，上述之基本純利、每股盈利及派息比率均已撇除投資物業之公平值變動及其相關遞延稅項的影響。
To facilitate better understanding of the Group's operational results, the underlying net profit, earnings per share and pay-out ratio are presented by excluding the effect of changes in fair value of investment properties and their related deferred tax.
- 負債率為淨債項與股權加淨債項之比較。淨債項指銀行貸款、可換股債券、浮息票據及融資租約承擔，減現金及銀行存款。股權則包括股東權益及少數股東權益。
Gearing ratio represents net debt over equity plus net debt. Net debt represents bank loans, convertible bonds, floating rate notes and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and minority interests.
- 根據於結算日之股東權益／資產淨值除已發行股數。
Based on shareholders' equity/net assets divided by number of shares issued on the balance sheet date.

公司資料

CORPORATE INFORMATION

董事

陳啟宗(主席)
殷尚賢(副主席)*
袁偉良(董事總經理)
夏佳理 CVO、金紫荊星章、OBE、太平紳士*
鄭漢鈞 金紫荊星章、OBE、太平紳士*
陳樂怡*
廖柏偉 銀紫荊星章、太平紳士*
何潮輝*
吳士元
高伯道

* 獨立非執行董事

審核委員會

鄭漢鈞 金紫荊星章、OBE、太平紳士(主席)
陳樂怡
廖柏偉 銀紫荊星章、太平紳士
何潮輝

提名及薪酬委員會

廖柏偉 銀紫荊星章、太平紳士(主席)
夏佳理 CVO、金紫荊星章、OBE、太平紳士
鄭漢鈞 金紫荊星章、OBE、太平紳士
陳樂怡
何潮輝

授權代表

吳士元
李蕙蘭

公司秘書

李蕙蘭

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核數師

畢馬威會計師事務所
執業會計師

Directors

Ronnie C. Chan (Chairman)
S.S. Yin (Vice Chairman)*
Nelson W.L. Yuen (Managing Director)
Ronald J. Arculli, CVO, GBS, OBE, JP*
H.K. Cheng, GBS, OBE, JP*
Laura L.Y. Chen*
P.W. Liu, SBS, JP*
Dominic C.F. Ho*
Terry S. Ng
William P.Y. Ko

* Independent Non-Executive Director

Audit Committee

H.K. Cheng, GBS, OBE, JP (Chairman)
Laura L.Y. Chen
P.W. Liu, SBS, JP
Dominic C.F. Ho

Nomination and Remuneration Committee

P.W. Liu, SBS, JP (Chairman)
Ronald J. Arculli, CVO, GBS, OBE, JP
H.K. Cheng, GBS, OBE, JP
Laura L.Y. Chen
Dominic C.F. Ho

Authorised Representatives

Terry S. Ng
Velencia Lee

Company Secretary

Velencia Lee

Registered Office

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4 Des Voeux Road Central, Hong Kong
Tel : 2879 0111
Fax : 2868 6086

Internet Address

Website : <http://www.hanglung.com>
Email address : HLPproperties@hanglung.com

Auditors

KPMG
Certified Public Accountants

上市資料 LISTING INFORMATION

於二零零八年六月三十日 At 30 June 2008

4,145,112,670股每股面值港幣1.00元之股份在香港聯合交易所有限公司上市

4,145,112,670 shares of HK\$1.00 each listed on The Stock Exchange of Hong Kong Limited

股份代號

香港聯合交易所
路透社
彭博

Stock Code

Hong Kong Stock Exchange 00101
Reuters 0101.HK
Bloomberg 101 HK

每手買賣單位(股份)

Board Lot Size (Share)

 1,000

美國預託證券

第一級保薦(櫃台交易)
證券識別統一號碼/票據代號
預託證券對股份之比率
存託銀行: 紐約銀行
網址:

American Depositary Receipt

Sponsored Level-1 (Over the Counter)
CUSIP Number/Ticker Symbol 41043M104/HLPPY
ADR: Underlying Share Ratio 1:5
Depository Bank: The Bank of New York
Website: <http://www.adrbny.com>

股票過戶及登記處

香港中央證券登記有限公司
香港皇后大道東一百八十三號
合和中心十七樓
電話:
傳真:

Share Registrars

Computershare Hong Kong Investor Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong
Telephone: 2862 8628
Fax: 2529 6087

投資者關係聯絡

吳士元 執行董事
李蕙蘭 公司秘書
電郵地址:

Investor Relations Contacts

Terry S. Ng *Executive Director*
Velencia Lee *Company Secretary*
Email address: ir@hanglung.com

股份資料 Share Information

	股價 Price			總成交額 Total Trading Volume	股價 Price			總成交額 Total Trading Volume
	最高 High	最低 Low	股份數目(千股) No. of Shares ('000)		最高 High	最低 Low	股份數目(千股) No. of Shares ('000)	
	港幣 HK\$	港幣 HK\$		港幣 HK\$	港幣 HK\$			
2007								
第三季 Third quarter	35.70	21.80	867,655	第三季 Third quarter	17.50	13.30	308,216	
第四季 Fourth quarter	39.35	29.50	701,493	第四季 Fourth quarter	19.54	16.14	967,860	
2008				2007				
第一季 First quarter	35.45	22.95	658,731	第一季 First quarter	24.00	18.00	589,292	
第二季 Second quarter	33.90	23.80	504,195	第二季 Second quarter	28.65	20.90	462,533	
於二零零八年六月三十日之股價: Share Price as at 30 June 2008:	港幣 25.00 元 HK\$25.00			於二零零七年六月三十日之股價: Share Price as at 30 June 2007:	港幣 26.95 元 HK\$26.95			
於二零零八年六月三十日之市值: Market Capitalisation as at 30 June 2008:	港幣 1,036.3 億元 HK\$103.63 billion			於二零零七年六月三十日之市值: Market Capitalisation as at 30 June 2007:	港幣 1,116.5 億元 HK\$111.65 billion			

股份代號
101 HK
Stock Code

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