

創新地標
A new Landmark







瀋陽皇城恒隆廣場今年盛大開幕，標誌著集團正式「開展新天」。隨著集團進入黃金發展年代，旗下世界級項目在內地主要城市一一落成，勢必成為熠熠生輝的獨特地標。率先落成的皇城恒隆廣場，以巧奪天工的筆觸用心營造，擁有我們引以為傲的素質；匠心獨運的設計、卓爾不群的建築和卓越的功能，成就集團首個「創新地標」。這座集藝術和宮殿氣派於一身的瑰麗建築精品，不僅成為瀋陽市的新亮點，也令瀋陽市民的生活煥發更多姿采。

The grand opening of Palace 66 in Shenyang this year marks the first page of an exciting new chapter for the Group. As the Group embarks upon its golden era of growth, we are here to make our unique mark with each of our world-class properties that we are set to complete in leading cities on the Mainland. Palace 66, the first of our many new landmarks, displays the same strokes of genius in design, architectural distinction and functional excellence - - qualities that the Group has long been proud to call our own. With its meticulous attention to detail, fine art and palatial concepts, Palace 66 will not only be the new icon for Shenyang but also a magnificent lifestyle center for the city to enjoy.

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。

恒隆地產是一家重視質量的頂級地產發展商，在香港和內地備受尊崇。

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。

我們在香港和內地之政策，乃不斷地檢討及在有需要時優化租戶組合，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 on the Mainland with a recognized 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 Hong Kong and on the Mainland, 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 on the Mainland 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.

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財務摘要

FINANCIAL HIGHLIGHTS

業績

Results

以港幣百萬元計算

in HK\$ million

2010

2009

		2010	2009
營業額	Turnover		
物業租賃	Property leasing		
香港	Hong Kong	2,615	2,474
中國內地	Mainland China	1,931	1,688
物業銷售	Property sales	7,511	11
營業額總計	Total turnover	12,057	4,173
股東應佔純利	Net profit attributable to shareholders	22,256	4,130
股息	Dividends	2,951	2,736
每股資料	Per share data		
盈利	Earnings	\$ 5.37	\$1.00
股息	Dividends		
中期	Interim	\$ 0.17	\$0.15
末期	Final	\$ 0.54	\$0.51
總計	Total	\$ 0.71	\$0.66
股東權益	Shareholders' equity	\$ 21.1	\$16.4
資產淨值	Net assets	\$ 22.3	\$17.2
股東權益	Shareholders' equity	87,944	68,038
派息比率	Pay-out ratio	13%	66%
負債率 附註 1	Gearing ratio Note 1	N/A	N/A

基本業績

Underlying Results

以港幣百萬元計算

in HK\$ million

2010

2009

		2010	2009
股東應佔基本純利 附註 2	Underlying net profit attributable to shareholders Note 2	6,674	2,388
每股盈利 附註 3	Earnings per share Note 3	\$ 1.61	\$0.58
派息比率 附註 3	Pay-out ratio Note 3	44%	114%

附註：

- 負債率為淨債項與股權加淨債項之比較。淨債項指銀行貸款及融資租約承擔，扣除現金及銀行存款。股權則包括股東權益及非控股權益。
- 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及發展中投資物業公平值之變動並扣除相關遞延稅項及非控股權益於收益表中入賬。
- 有關計算乃根據股東應佔基本純利計算。

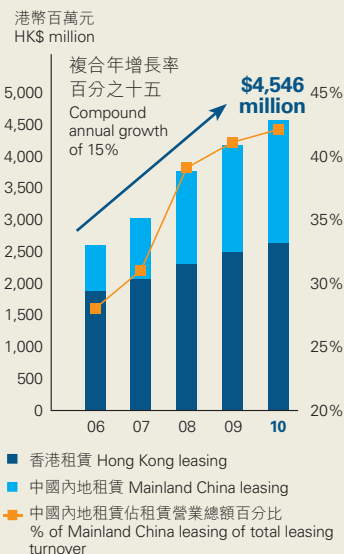
Notes:

- Gearing ratio represents net debt over equity plus net debt. Net debt represents bank loans and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and non-controlling interests.
- To facilitate better understanding of the Group's operational results, the underlying net profit attributable to shareholders 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 investment properties under development net of related deferred tax and non-controlling interests be accounted for in the income statement.
- The relevant calculations are based on the underlying net profit attributable to shareholders.

租金收入及利潤持續增長 Continuous Rental Income and Profit Growth

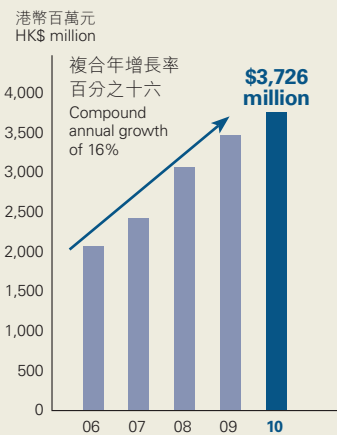
租賃營業額 Rental Turnover

截至六月三十日止年度
For the years ended 30 June



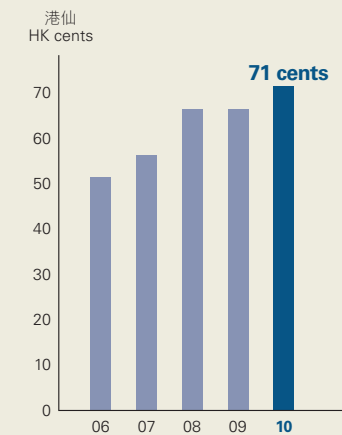
租賃溢利 Rental Profit

截至六月三十日止年度
For the years ended 30 June



每股總股息 Total Dividends per Share

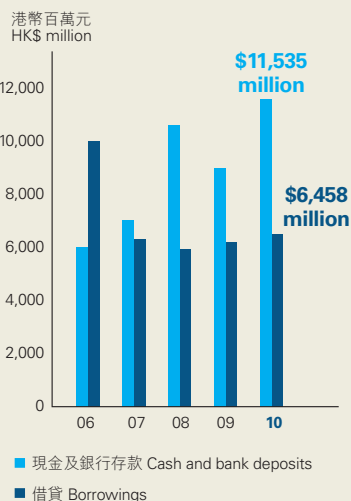
截至六月三十日止年度
For the years ended 30 June



一如既往 實力雄厚 Persistent Financial Strengths

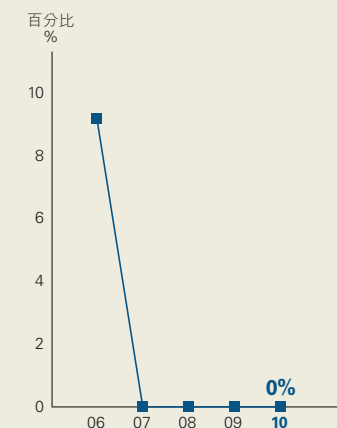
現金及借貸 Cash and Borrowings

於六月三十日
At 30 June



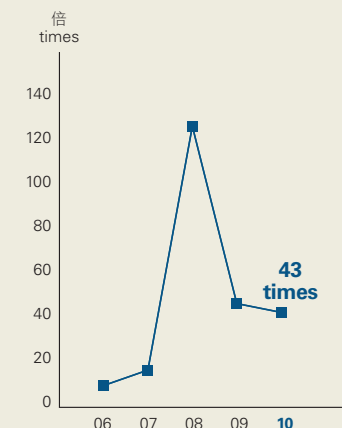
負債率^{附註 1} Gearing Ratio^{Note 1}

於六月三十日
At 30 June



盈利對利息倍數^{附註 2} Interest Cover^{Note 2}

截至六月三十日止年度
For the years ended 30 June



附註：

- 負債率為淨債項與股權加淨債項之比較。淨債項指銀行貸款及融資租約承擔，扣除現金及銀行存款。股權則包括股東權益及非控股權益。
- 盈利對利息倍數指未計入投資物業之公平值變動及利息收入的營業溢利除以利息資本化前的淨利息開支。

Notes:

- Gearing ratio represents net debt over equity plus net debt. Net debt represents bank loans and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and non-controlling interests.
- Interest cover represents operating profit before changes in fair value of investment properties and interest income divided by net interest expenses before interest capitalization.

董事長致股東函

CHAIRMAN'S LETTER TO SHAREHOLDERS

業績及股息

截至二零一零年六月三十日止，年度之營業額近去年之三倍，達至港幣一百二十億五千七百萬元。股東應佔純利增加逾四倍至港幣二百二十二億五千六百萬元。每股盈利之升幅相若，升至港幣五元三角七仙。

倘扣除重估收益、相關之遞延稅項及少數股東權益，基本純利上升近兩倍至港幣六十六億七千四百萬元。每股基本盈利之升幅相若，升至港幣一元六角一仙。

董事局建議派發末期股息每股港幣五角四仙，較去年增加百分之六。如獲股東批准，全年度每股股息總額將為港幣七角一仙，較去年增加百分之八。

欣逢母公司恒隆集團有限公司(前稱恒隆有限公司)成立五十周年之際，吾等作為其主要附屬公司，在股東應佔純利及派發股息(如獲股東批准)方面皆創新高，令人欣喜。

業務回顧

本財政年度兩大重點，乃年初時成功銷售香港之落成單位，以及年結時瀋陽皇城恒隆廣場開幕。前者乃過去正確決定之進一步收成，後者則標誌著本公司進入新紀元。

大量銷售豪宅之最近期機會可追溯至去年八月。吾等把握良機售出君臨天下四百二十五個園景單位，銷售收入約達港幣七十五億元，所得溢利接近港幣五十三億元。邊際利潤高達七成，乃該項目之前所未見，並有可能是香港同類產品中最高者。事實上，在此數月後能售出如此大量單位之項目絕無僅有，可見吾等已汲納市場當時之大部分需求。

現時無法預測下一個最佳機會何時來臨，去年八月前之對上一次乃二零零七年十月，即相隔近兩年。管理層相信，牛市總有一天會重臨，尤其是對吾等物業組合內之豪宅而言。

Results & Dividend

For the year ended 30 June 2010, turnover nearly tripled to HK\$12,057 million. Net profit attributable to shareholders jumped more than fourfold to HK\$22,256 million. Earnings per share rose likewise to HK\$5.37.

When excluding revaluation gain with related deferred taxes and minority interests, the underlying net profit advanced nearly two times to HK\$6,674 million. Underlying earnings per share similarly increased to HK\$1.61.

The Board recommends a final dividend of HK54 cents per share which is 6% higher than last year. If approved by shareholders, total dividends for the full year will be HK71 cents per share, an increase of 8% compared to that of the year before.

It is gratifying that at this 50th year of our parent Hang Lung Group Limited (originally called Hang Lung Development Company Limited), we as its primary subsidiary should reach new heights in both net profit attributable to shareholders as well as dividend, if approved.

Business Review

The two highlights of this fiscal year were the successful sales of completed Hong Kong apartments at the beginning and the opening of Palace 66 in Shenyang towards the very end. The former is a further reaping of correct decisions made in the past and the latter signals a new era for the Company.

The latest opportunity to sell luxury condos in quantity came last August. We took advantage of it and parted with 425 garden-facing units at The HarbourSide. We sold about HK\$7.5 billion worth and reaped almost HK\$5.3 billion in profit. This margin of 70% was never achieved before for this development and was probably the highest in Hong Kong for similar products. The fact that there were few, if any, projects which sold as much in the following few months seemed to indicate that we had absorbed most of the market demand for the time being.

It is impossible to predict when the next big opportunity will come. The time prior to last August was almost two years before in October of 2007. Management believes that the bull market will one day return especially for luxury apartments like those in our portfolio.

陳啟宗 董事長
Ronnie C. Chan Chairman



最近一份報告估計，香港約兩成高檔樓房已由邊境以北之國內同胞購入。(就吾等上一批售出之單位而言，該百分比遠遠較低，此乃由於吾等在市場未有準備下突然宣布發售，售樓計劃約在二十四小時內敲定，四百二十五個單位幾乎在一星期內售罄。因此，潛在內地買家未有足夠時間反應。)彼等之購買力只能以巨大來形容，尤其是以相對較小的香港豪宅市場而言。此乃吾等過去數年並不急於出售之其中一個原因。此外，邊際利潤日益遞增，亦證明吾等之決定正確。

售樓利潤甚為可喜之同時，本人對集團首個在上海以外之內地購物中心開幕更感興奮。瀋陽皇城恒隆廣場揭開新時代之序幕，此後吾等每年將有一個或多個新的世界級商業綜合大樓落成。即使吾等不再增購土地，雖然此乃極不可能之事，此勢頭仍可持續多年。

此座奪得設計大獎的商場之落成，本身已饒具意義——此乃吾等團隊在上海以外成功執行之一項龐大建設項目；更重要的是，此項目可提供理想的財務回報。初步跡象顯示，與上海項目約十年前開業時相比，該項目之首年表現會稍勝一籌。管理層相信，在上海經歷之租金快速增長將可重演。開業約十

A recent report estimates that about 20% of Hong Kong's high-end housing is already purchased by our fellow Chinese north of the border. (For our latest batch, the percentage was far lower since we had to surprise the market by suddenly announcing the sales. It took about 24 hours to launch the campaign and almost all of the 425 units were sold within one week. As such, potential Mainland purchasers were not given enough time to respond.) Their purchasing power can only be described as enormous especially in relation to the relatively small Hong Kong luxury sector. This was one reason we did not rush to sell in the past several years, and progressively higher profit margins achieved were a confirmation that our decision was correct.

Inasmuch as the developmental profit is gratifying, I am even more excited about the opening of our first shopping center on the Mainland outside of Shanghai. Shenyang Palace 66 heralds an era where we will open one or more new world-class commercial complexes each year. Even if we do not buy more land, which is highly unlikely, this streak will still continue for many years.

The completion of this design-award-winning mall is in itself meaningful -- our team has successfully executed a sizable construction project outside of Shanghai. Of more importance will be the delivery of satisfactory financial return. Initial indication is that first year performance will be slightly better than that of our Shanghai developments when they first opened some ten years ago. Management is hopeful that the rapid growth in rent

董事長致股東函 CHAIRMAN'S LETTER TO SHAREHOLDERS

年後，現時恒隆廣場和港匯廣場按歷史成本計算，每年無槓桿總收益率約達百分之三十一，這幾乎是其開業時同比數字之八倍。

倘非數項因素影響，瀋陽皇城恒隆廣場之初期收益率料會更佳。首先，自從五年前購入該幅土地以來，建築成本已大幅上升。全國各地基建項目急劇增加，一個接一個城市大興土木，這在人類歷史上是前所未見的。與北京奧運的相關建設及二零零八年五月四川大地震後的重建，為材料和勞工成本增添巨大壓力。由於工人被調往該兩個地區，故吾等處於勞工非常緊絀之情況。

以下資料可進一步闡明：在二零零五年至二零零八年四年間，即瀋陽皇城恒隆廣場批出建造合約時，中國的消費者物價指數上升了百分之十四，而政府的全國建築安裝工程造價指數上升了百分之二十二。然而，後者在以瀋陽為省會之遼寧省之同比指數竟躍升了百分之二十八！這正正是消費物價指數升幅的兩倍，並較該行業之全國平均數高出兩成七。在較成熟的北京、上海和廣州市場，其同比數字分別為百分之十六、百分之十七及百分之十六。因此，吾等已為瀋陽市和中國東北地區加快的經濟增長付出代價。幸好，吾等在遼寧省擁有項目之兩個城市—瀋陽和大連，其本地生產總值升幅分別達百分之十四點一及百分之十五點一，較全國平均升幅百分之八點七，幾乎高出七成，而該兩個城市之零售額升幅亦顯著高於全國平均數。

其次，人民幣在過去五年已升值約百分之二十，兌換成港幣之建築成本升幅更高。此乃其將進一步上升之兆頭。吾等正採取可行措施以避過風險，皆因吾等未來數年須支付甚多建築費。可予補償之因素是，一俟吾等之物業落成後，其收取之人民幣租金可兌換成更多港元。

experienced in Shanghai will be repeated. A decade or so after inauguration, Plaza 66 and The Grand Gateway are now commanding approximately 31% unleveraged annual gross yield on historic costs. That is almost eight times the equivalent number at the opening.

The expected starting yield of Palace 66 would have been even better if not for several factors. First, construction cost since the purchase of the land five years ago has gone up tremendously. The extraordinarily rapid increase in infrastructure developments all over the country and the explosion of new building activities in city after city were unprecedented in human history. Construction relating to the Beijing Olympics and reconstruction after the May 2008 Sichuan earthquake added tremendous pressure to both material and especially labor costs. Workers were simply siphoned off to those two regions leaving us in a very difficult position.

To illustrate: during the four years between 2005 and 2008 when construction contracts for Shenyang Palace 66 were awarded, China's CPI (Consumer Price Index) increased by 14%, while the government's Construction and Building Services Installation Index nationwide rose by 22%, whereas the equivalent latter number for Liaoning Province where Shenyang is the capital city leapt by 28%! This was exactly twice the pace of CPI growth and 27% more than the national average for the industry. The comparable figures for the more matured markets of Beijing, Shanghai and Guangzhou were respectively 16%, 17% and 16%. As such, we are paying for the faster economic growth of Shenyang and of the Northeastern region of the country. Fortunately, the rise in GDP for our two cities in Liaoning province, Shenyang and Dalian, respectively at 14.1% and 15.1%, is almost 70% faster than the national average of 8.7%. Increase in retail sales for the two metropolises is also substantially higher than that of the country as a whole.

Secondly, in the past five years, the Renminbi has appreciated by about 20% and construction costs were translated into that much more in our home currency. The omen is that it will rise even further and we are taking measures, to the extent possible, to protect ourselves. For in the coming years, we will have many construction bills to settle. The compensating factor is that once completed, our properties which collect rents in Renminbi will convert into more Hong Kong dollars.

第三，與設計及其他方面問題有關。鑑於皇城恒隆廣場乃吾等繼上海後之首個內地項目，吾等希望確保其最高質量。該項目之原先設計乃屬港匯廣場之檔次，於其開始施工後，吾等決定把其升格至與上海恒隆廣場看齊，此乃就其長期競爭能力作出之考慮。由於該項目鄰近瀋陽故宮，瀋陽市政府在批出建築合同後，要求吾等減建一層。吾等並遇上兩個非常嚴寒之冬季，以致必須完全停工。綜合上述原因及商業理由，吾等在最後階段決定加快建設速度，導致勞工成本大幅增加。

無論如何，皇城恒隆廣場現已落成。與吾等在內地之大多數競爭對手不同，該項目於開幕時已全部租出，且於六月二十六日舉行開幕典禮時，幾乎所有租戶均已為開業準備就緒。無論從人流或銷售額來看，初步反應都是良好的，但本人在報捷前欲進一步觀察。以往之經驗顯示，任何商場在最初數年內，均須就租戶組合以至實質細節作出許多調整，方能達至最佳的業務狀況。此乃吾等業務之性質使然。

尚有其他令人鼓舞之消息值得匯報。恒隆可能是目前唯一一家地產公司，於內地的所有在建項目均獲美國綠色建築協會之「能源及環境設計先鋒獎」金獎預認證。就新落成的皇城恒隆廣場而言，此項目實際上已取得該項金獎認證，也許是中國獲此殊榮的首個購物中心。

除可持續發展外，吾等項目之建築設計，在中國亦可謂無與倫比。像上海恒隆廣場一樣，吾等許多新項目如瀋陽皇城恒隆廣場、濟南恒隆廣場及天津恒隆廣場等，均囊括多個國際大獎。今年初，天津恒隆廣場進一步獲紐約市之美國建築師聯合會頒予獎項，這也是在內地運作的香港企業之一項突破。

在剛過去之財政年度內，租金收入上升百分之九。香港之升幅為百分之六，上海為百分之十四。香港方面，商舖和辦公室租金收入

Thirdly, there were a host of design-related issues. With Palace 66 being our first Mainland project after Shanghai, we want to ensure the highest quality. Originally designed to the standard of The Grand Gateway, we decided, after construction commenced, to upgrade it to be more akin to Plaza 66 in Shanghai. That is for long-term competitiveness considerations. Because of its proximity to the Qing Dynasty Palace, the Shenyang government requested that we eliminate one floor after the construction contract was awarded. We also encountered two very severe winters where building work had to be halted altogether. For the above-mentioned and for commercial reasons, we decided to speed up construction towards the last stretch which added a lot to labor cost.

Whatever the case, Palace 66 is now completed. Unlike most of our competitors on the Mainland, at the opening we were fully leased and almost all tenants were ready for business on 26 June when the ceremony was held. Initial response -- both pedestrian traffic and sales volume -- was favorable although I would like to observe further before declaring victory. Previous experiences show that in the first few years of any mall, many adjustments from tenant mix to physical details will have to be made in order to arrive at an optimal state of affairs. Such is the nature of the business.

There is other encouraging news worth reporting. So far Hang Lung may well be the only real estate company where all the projects under construction on the Mainland have received gold precertification of the LEED standard (Leadership in Energy and Environmental Design) of the U.S. Green Building Council. In the case of the newly completed Palace 66, it has in fact obtained the actual gold certificate, perhaps the first shopping center in China to be so honored.

Besides sustainable development, our building designs are also virtually unmatched in China. Like Shanghai Plaza 66, many of our new projects such as Palace 66 in Shenyang, Parc 66 in Jinan, and Riverside 66 in Tianjin have garnered international awards. Earlier this year, the last named was further recognized by The American Institute of Architects, or AIA, in New York City. That too was a breakthrough for Hong Kong firms operating on the Mainland.

For the past fiscal year, rental income rose by 9%. For Hong Kong it was 6%, and Shanghai, 14%. In our home city, both retail and offices held steady while the residential sector, albeit improved from

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保持穩定，而住宅租金收入雖有所改善，但仍然疲弱。上海方面，辦公室租金收入大致與去年相若；令吾等高興者乃商場收入錄得強勁增長——港匯廣場上升百分之十九，恒隆廣場上升百分之三十，合計上升百分之二十四。一年前，本人預計該座高檔購物商場會因經濟不景而放緩增長。事實恰恰相反，予吾等意外驚喜。

毫無疑問，中國之復甦速度較世界其他主要經濟體系為快，即使是出口方面亦顯著回升。在國內，政府大力鼓勵個人消費，故消費佔國內生產總值之比例將與日俱增。此對吾等之商場業務定必有利。再者，此乃長期而非僅為週期性之趨勢。

中國房地產市場經歷了一些頗令人難以置信之歲月。正如本人過往指出，由於政府策略上之失誤，土地和房屋價格在去年被推高至前所未見的水平。現在，北京正採取果斷措施冷卻房地價。交易宗數大幅萎縮，價格開始下跌。與二零零七年時不同，其時高樓價驅使一些發展商轉往商業物業，今趟這個可能性較小。該等發展商於二零零八年下半年時瀕臨破產，同時於二零零九年支付了高昂的土地價格，故其中部分發展商之財力已被削弱。去年單位銷情暢旺，但在過去數月交投量已近乎消失。面對眾多不確定因素，彼等有可能採取保守態度。

就吾等而言，集團在二零零五年和二零零六年悄悄地以低價「撿」走了所有最好的商業土地交易。至二零零七年和二零零八年時，集團由於經濟過熱而完全離場。其後市場暴挫，但熊市為時不超過六個月。幸運的是，當住宅土地在二零零九年大幅上升時，商業用地基本上未被波及。對集團而言此乃美事，吾等於該年五月恢復買地，並完成了兩項購置。集團未有完成更多交易之唯一原因，乃吾等堅持要待所有基本問題解決後才落實交易。現時集團仍在數個城市進行談判，沒有遇上激烈競爭。本人期望可於未來十二個月內作出一項或更多之公佈。

before, was still weak. In Shanghai, office rent basically kept pace with that of last year. To our delight, increase in retail rent was strong -- 19% for The Grand Gateway and 30% for Plaza 66 giving a blended rate of 24%. A year ago I anticipated slower growth in the higher-end mall due to economic lethargy. The opposite happened, which was a pleasant surprise.

There is no question that China has recovered faster than other major economies in the world. Even export has picked up considerably. Domestically the government has strongly encouraged personal consumption which will account for an increasingly higher percentage of GDP. That must be good for our retail business. Moreover, this is a secular trend and not merely a cyclical one.

China's residential real estate market has gone through some rather incredible times. As I had previously reported, tactical missteps on the part of the government had driven prices of both land and housing last year to heights never seen before. Now Beijing is taking determined measures to cool them. Transaction volume has shrunk significantly and prices are beginning to fall. Unlike 2007 when high home price had driven some developers to the commercial sector, this is less likely this time. Their near bankruptcy in the second half of 2008 and the exorbitant land prices paid in 2009 have left some developers in a financially weakened position. Apartments were sold briskly last year but for the past few months, volume had all but disappeared. In face of many uncertainties, they will likely take a conservative stance.

For us, we went from quietly "stealing" all the best commercial land deals in 2005 and 2006 to being totally shut out of the market due to overheating in 2007 and 2008. The crash came but the bear market lasted not much more than six months. Fortunately when the residential sector rose sharply in 2009, commercial land was virtually left untouched. For us that was perfect and we resumed acquisitions consummating in the two purchases in May that year. The only reason for our not completing more transactions was our insistence on resolving all essential issues before committing. Negotiations on several cities are progressing and there is no serious competition. I am hopeful that one or more announcements will be made in the coming twelve months.

過去一年，集團投放不少資源並努力專注於四個在建項目之建築。每個城市的情況皆不盡相同，吾等就此作出了妥善的調整。按預期之落成時間排列，該等項目依次為濟南恒隆廣場、瀋陽市府恒隆廣場之購物商場、無錫恒隆廣場之購物商場及其中一幢辦公樓，以及天津恒隆廣場。大連恒隆廣場之土地清拆工作亦已順利完成，事實上，這個巨大的購物中心有可能趕及天津項目，同樣於二零一五年左右啟業。天津是吾等唯一遇上延誤的城市，有待市政府交付一幅在地塊中間約佔一成面積之小段土地。除此段土地外，整幅地正進行地基工程。

策略性計劃

去年本人開始討論策略性計劃時，指出了一個發人深省的事實：儘管集團可出租面積自一九九七年以來增加了約百分之二十四（而非過往所述的百分之十九），但集團在香港之總租金收入，到該年仍稍低於一九九七年之水平。過去十二個月乃吾等首次突破十三年前錄得之高峰。吾等幸好在六、七年前向內地二線城市進軍，讓本人提供進一步數據以說明這一點。

在二零零零年開始的十年裏，本集團香港租金收入之複合年增長率為百分之三點六。由於一九九七年七月爆發亞洲金融危機，故該期間之首兩年錄得負增長。縱使只計算自二零零二年市場見底以來之八年，複合年增長率亦僅為百分之五點五。同期集團在上海之首個十年裏，儘管從一個甚低之基數起步，吾等仍取得高達百分之四十一點三之複合年增長率。

展望下個十年，可穩妥假設吾等之香港物業組合每年租金增長將僅約百分之五；對於成熟市場而言，此等增長已相當卓越。如本人兩年前所解釋，大型收購機會幾乎並不存在。這些事實清楚告訴我們，大幅度提高香港租金收入是不可能的。

幸好吾等約十八年前進入上海市場，並作出明智投資。然而，該城市亦開始變為成熟的租賃市場。未來數年，當地新商業物業之供

In the past year, much effort has been devoted to building out the four developments under construction. Local conditions differ from city to city and we are adjusting well to each. In the order of expected completion, they are Jinan Parc 66, the mall at Shenyang Forum 66, the retail space at Wuxi Centre 66 followed by one of its office towers, and Tianjin Riverside 66. Land clearance at Dalian Olympia 66 has also been uneventful. This huge shopping center may in fact catch up with the one in Tianjin and both should be ready for business around 2015. Tianjin is the only city where we are experiencing delay. The city government has yet to turn over a small sliver of land in the middle of the piece which accounts for approximately 10% of the site. Substructure work is in progress except this strip.

Strategic Initiative

Last year I began the discussion on Strategic Initiatives with a sobering fact: that in spite of an increase of some 24% (and not 19% as previously reported) in leasable space since 1997, total rent received in Hong Kong that year was still slightly below that of 1997. The past 12 months were the first time that we had exceeded the height recorded 13 years ago. Let me supply further data to bring out a point: it was fortuitous that we have branched out to second tier cities six or seven years ago.

For the decade beginning in 2000, our Hong Kong rental revenue had a compounded annual growth rate (CAGR) of 3.6%. The first two years saw negative growth as a result of the Asian Financial Crisis which began in July 1997. But even considering only the eight years since 2002 when the market had bottomed, the CAGR was merely 5.5%. Over the same period in Shanghai which was our first 10 years there, we achieved a CAGR of 41.3%, albeit from a very low base.

Looking ahead into the next decade, it is safe to assume that our Hong Kong portfolio will barely see rent increases of say 5% per annum. For a matured market, this is already quite respectable. As explained two years ago, sizable acquisition opportunities almost do not exist. These facts clearly tell us that it is impossible to significantly raise rental income in Hong Kong.

Fortunately we entered the Shanghai market some 18 years ago and invested wisely. However, even that city is beginning to mature as a rental market. Fresh supplies of commercial space in

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應將甚多。無論購買現有之建築物，抑或購置吾等滿意之土地進行興建，均為昂貴之舉。基於集團兩個項目在地點、規模及設計方面之質量，彼等應可保持競爭力。但倘新物業不斷出現，回報早晚會被拖低。在二零零八年之前，吾等從未有一年其租金增長少於百分之十九點三，過去兩年卻分別只錄得百分之十六及百分之十四點四。

所有事實印證了，吾等在二零零三／二零零四年度開始進軍其他城市並由天津入手之決定是正確的。為持續增加營業額和純利，吾等必須每年均增加一定數量的物業面積以促進租金快速增長。因此，吾等於二零零五年至二零零九年間，在上海以外五個城市購置了七幅具發展潛力的土地。

倘把上海視為內地策略之第一期，則該七幅土地可被視為第二期。就現時而言，本人欲讓管理層專注於成功興建和租賃現有之項目。當辦妥了該七個項目之首兩個——即上月開幕的瀋陽皇城恒隆廣場及明年九月開幕的濟南恒隆廣場後，吾等便可充分展示該策略之成效，而屆時亦是宣佈第三期策略之理想時機。事實上，管理層已在執行有關計劃，但也許稍後才說實一點更為謹慎。畢竟，吾等必須小心考慮所有可能性，不應過度作出承諾。

現階段只須說，以吾等之雄厚財力，吾等可做的遠比現時所做的為多。內地市場這麼巨大，吾等沒有任何理由停止拓展，此乃說不通的！

要進一步增長，集團需要資金。過去數年，吾等一直處於淨現金狀況。吾等在香港之待出售住宅物業市值高達港幣二百億元。由於第二期餘下之六個新項目（不包括已開幕之皇城恒隆廣場）需要超過港幣三百億元進行施工，吾等早晚需要舉債。但由於該六個項目其中兩個（瀋陽市府恒隆廣場及無錫恒隆廣場）規模頗大，可能需十至十五年分階段完成，故應可控制每年之資本支出。此外，目前集團每年租金收入為港幣四十五億元，

the coming years will be enormous. Purchasing existing buildings or buying land satisfactory to us to build upon are both expensive undertakings. Because of the quality of our two developments in terms of location, size and design, we should remain highly competitive. But if new space keeps coming, then return will sooner or later be driven lower. Prior to 2008, we never had a year where rental increase was less than 19.3%; the past two years only recorded 16% and 14.4% respectively.

All that validates our decision in 2003/2004 to enter other cities starting with Tianjin. In order to continually expand both top and bottom lines, we must be able to meaningfully add space each year which will yield fast rental growth. Such is the promise of the five cities (beyond Shanghai) where we have bought seven pieces of land between 2005 and 2009.

If Shanghai is considered Phase 1 of our Mainland strategy, then these seven would be Phase 2. For now, I like to focus management on successfully constructing and leasing the developments on hand. After so doing for the first two of the seven -- Shenyang Palace 66 which opened last month and Jinan Parc 66 in September next year -- then we will have adequately demonstrated the validity of the strategy. That would be the auspicious time to announce Phase 3. Management is in fact already executing that plan, but it is perhaps prudent to quantify things later. After all, we must carefully consider all possibilities and should not over-promise.

Suffice it to say that given our unmatched financial position, we can do much more than what is on our plate today. The Mainland market is enormous, and there is no reason whatsoever for us to stop expanding. It would have been unconscionable!

To further grow, we will need finances. In the past few years we have been in a net cash position. We have as much as HK\$20 billion worth of housing in Hong Kong to be sold. Since the six remaining new projects of Phase 2 (excluding Palace 66 which is already opened) will require well over HK\$30 billion to construct, sooner or later we will have to take on some debt. But because two of the six (Shenyang Forum 66 and Wuxi Centre 66) are enormous and will likely take 10 to 15 years to build out in phases, annual capital expenditure will be manageable. Moreover, the present HK\$4.5 billion annual rents should increase nicely over

應可隨著時間遞增，故在可見未來，集團整體財務狀況應可保持穩健。當進入第三期時，集團將謹慎地舉債供進一步購置土地及進行建設。此舉於來年是否有需要，將取決於吾等出售香港住宅單位所得之收益。

吾等最少還有另外三個籌集新資金之渠道。首先，吾等可在市況暢旺時在資本市場集資。自一九九二年以來，吾等七次集資合共取得港幣二百四十億元，無論在時間、規模及價格方面均獲市場認同。其次，吾等可出售收益較低及增長緩慢之香港投資物業，把資金用於潛在回報更高的內地項目。最後，吾等可把邁向成熟的內地租賃物業證券化。三者可任意配搭，故資金不應成為擴展內地業務之障礙。市場素知吾等乃精明的財務運作者，吾等將竭盡全力保持此聲譽。

順帶一提，吾等近十年來均沒有在香港動用大量資金，亦即吾等連一幅土地亦沒有購入。吾等並非看淡這個城市，只是認為其風險回報率不佳；須動用龐大資金，但利潤卻有限，除非地價大跌才會吸引吾等重返。正因吾等不在這裏買地，故可保留現金用於內地更為有利可圖之機會。

未來數年，吾等將進行更多項目，均以大型購物商場為中心。就此而言，吾等可被視為消費概念公司。目前，中國內部有巨大壓力促使平民工資提升。這現象將繼續下去，對集團之業務定必有利好作用。

為掌握此利好環境帶來之最大機遇，吾等多年來制訂出現有策略——打造世界級綜合商業物業並長期持有。要找到另一個具同樣吸引力的商業模式並不容易，且看以下與其相關之七大可取之處。

首先，此模式可提供相當高的投資回報。如前所述，按無槓桿投資成本計算，上海租金總收益率約為百分之三十一。以合理的負債率推算，該數字接近百分之五十。這意味著投資資金在不到兩年時間內便可全部回本。

time, and so our overall financial position should remain healthy in the foreseeable future. We will cautiously leverage up as we enter Phase 3 for further land acquisitions and construction. Whether the need exists in the coming year will depend on how much we will receive from the sales of Hong Kong apartments.

There are at least three other avenues for fresh funds. First, we can tap the capital markets when conditions are auspicious. Since 1992, we had done it seven times and collected a total of HK\$24 billion. Their timing, size and pricing were all deemed favorable by the market. Secondly we can sell low yielding and slow growing Hong Kong investment properties and deploy the money in Mainland projects with potentially higher returns. Finally, we can monetize our Mainland rental properties as they become mature. Given any combination of the three, capital funding should not be an impediment to expansion. We are known to the market as shrewd financial operators and will do our best to maintain that reputation.

While on this topic, I may add that we have not deployed serious capital in Hong Kong for close to a decade, i.e. we have not bought a single piece of land. We are not bearish about the city; it is just that the risk-reward ratio was in our opinion unfavorable. It takes a lot of capital to produce limited profit. Only a major downturn in land prices will tempt us to return. By not buying here, we have conserved cash for what promises to be much more lucrative Mainland opportunities.

In the coming years, we will take on more projects. A sizable mall will always be at the center and in that sense, we can be considered a consumer spending company. At present, there is tremendous pressure inside China to raise the average man's salary. This phenomenon will continue and must be positive for our business.

To take maximum advantage of this favorable environment, we have over the years devised the present strategy -- build world-class commercial complexes for long-term hold. It is difficult to find another business model which is as attractive. Consider the following seven highly desirable characteristics associated with it.

First, it is possible to have rather high return on investment. As mentioned earlier, our gross yield from Shanghai rental on unleveraged investment cost stands at approximately 31%. Given reasonable gearing, the number approaches 50%. That means all invested dollars will be recouped in less than two years.

如此高之數字當然不是在首天便出現。事實上，投資週期這麼長，紀律或財力不足者絕難模仿。從物色到完成購置土地，一般需時最少兩至三年，再加施工期三至四年。一旦商場準備好開業，預期最初之收益率約為百分之四至百分之五。然後，大約需要九年或三份三年租約，方可令租金收益率達至百分之三十的水平。就吾等迄今所見，如此曲折之過程足以嚇退潛在模仿者或阻止任何嘗試者。

其次，此項收入之質量甚佳。一旦租出後，租金便是經常性的，不會輕易消失。反觀「建設及銷售」策略所得之收入往往大幅波動。故像吾等之公司，應享有遠遠較高之市盈率，而事實亦的確如此。

第三，市場碩大無朋。集團甚為成功之上海項目絕非無以為繼，吾等可在許多大城市進行複製，瀋陽皇城恒隆廣場僅為開始。吾等選出了七十五個城市，並已完成研究當中近一半。迄今吾等僅在六個城市擁有項目。由於中國正出現人類有史以來最大規模的城市化，故更多的城市可成為吾等之目標。

第四，吾等之業務模式甚具防守力。正如本人兩年前所撰述，一旦在黃金地點建立了面積和設計均得宜的一流商場，吾等之競爭地位便幾乎無懈可擊。此乃為何先行者優勢對吾等甚為重要。確立了這個優勢，唯一能打敗吾等者乃吾等自身。只要提高警惕，吾等應可穩佔優勢。

第五，吾等之策略概念甚為簡單，但執行上極為困難。本人相信簡約之美——轉動部件越少，出錯機會越少。此乃為何吾等多年來能以少於二千名員工經營這麼龐大之機構。彼等只有三分之一或約七百人為辦公室員工，當中約百分之十為行政人員，擁有股份期權，屬本公司之股東。（總員工人數近期有所增加，並將會隨著集團在內地開設新的綜合物業而繼續攀升。為保持最高水準，每個商場將需要超過三百名員工運作，大部分為保安及維修人員。）

Such a high figure of course does not happen on day one. In fact the investment period is long such that the less disciplined or less financially endowed will not be able to imitate. It usually takes at least two to three years from the identification of a plot of land to acquisition, and construction will add another three to four years. Once the mall is ready for business, the expected initial yield is about 4-5%. Then it takes about nine years or three 3-year lease terms to build up the rental income to the 30% level. What we have witnessed so far is that this tortuous process is sufficient to scare off potential copy cats or stop those who attempt.

Secondly, the quality of income is excellent. Once leased, rent is recurrent and will not easily disappear. Compared to the highly volatile revenue of the build-and-sell strategy, companies like ours should command a much higher price-earning-ratio. That has indeed been the case.

Thirdly, the market is humongous. Our highly successful developments in Shanghai are by no means one-off situations. They can be duplicated in many metropolises, and Shenyang Palace 66 is just the beginning. We have identified 75 cities of which almost half have been studied. So far, we only have projects in six of them. As China is now undergoing the biggest urbanization mankind has seen, more cities may yet show up on our screen.

Fourthly, our business model is very defensible. As I wrote two years ago, once we build the best mall at a top location and of the right size and design, then our competitive position is almost unassailable. This is why first-mover advantage is critical to us. Once that is established, the only one that can defeat us will be ourselves. As long as we are vigilant, we should be safe.

Fifthly, the concept of our strategy is extraordinarily simple, although its execution is extremely difficult. I believe in parsimony -- the fewer moving parts, the less chance there is for things to go wrong. This was why for years we were able to run such a sizable organization with less than 2,000 staff. Of those, only one third or about 700 were office workers. About 10% of them are executives who have stock options and so are part owners of the Company. (Total staff count has gone up recently and will continue to climb as we open new complexes on the Mainland. In order to maintain the highest standard, each mall will require over 300 staff to run. Most of them are security and maintenance personnel.)

執行上之巨大困難不僅涉及硬技巧，更大程度上牽涉到貫通整個機構的思維。例如，本人在過去撰文提及吾等之業務需要「紀律」方能成功，此乃源自某種企業文化而形成的正確思維。倘缺乏這些質素，吾等之策略永不可能落實。本人稍後會再論述此點。

在此只須說，簡單概念意味著吾等業務之門檻不太高，但執行上的困難卻使得通往成功之路設有幾乎無法逾越之障礙。此解釋了為何中國滿目皆是大大小小門羅雀的購物商場。事實上，本人雖走遍中國各地，卻難以找到一座整體素質與吾等接近之商場。其中有一些財務上表現之所以好，純然因為缺乏具威脅的競爭之故。

倘可以的話，避開競爭總是較面對競爭來得明智。當不得不面對競爭時，吾等應找出突顯自己的方法使競爭對手束手無策。此舉可令吾等脫穎而出，實質上置吾等於無競爭之地。這正是吾等之經驗，也是吾等策略之第六個優點，讓本人闡釋如下：

由於中國有這麼多充滿經濟活力和龐大人口之城市，吾等可前往那些極少或毫無競爭對手之地方。無論如何，由於吾等通常早於其他人進入市場，故很少遇上競爭對手。然而，吾等不能絕對肯定無人競投吾等屬意之土地。而即使無人競爭，吾等仍須說服賣方即市政府接受吾等之條件，例如財務安排及其他細節。

吾等在上海之往績更成為吾等之有力武器。吾等興建並持有在上海甚至可能在全國課稅金額(包括所有稅種)最高之商業物業。根據政府數字，在某些年度裏，吾等兩個項目一年繳納的稅款合共達三十億元人民幣，其中大部分來自吾等之租戶，部分來自本集團。此數字可令任何市領導垂涎，再加上吾等卓越之建築設計，及可容許長期持有物業之財務實力，通常已足以使吾等成為市政府垂青之土地買家。倘確有競爭對手，面對吾等卓越無比的往績，彼等亦束手無策。

The tremendous difficulties in execution relate not just to hard skills but even more to the mindset that permeates an organization. For example, I have in the past written about “discipline” that is required to succeed in our business. It comes from a certain corporate culture which produces the right mindset. Without these qualities, one can never implement our strategy. I will return to this point later.

Suffice it to say here that the conceptual simplicity means that the barrier to entering our business is not too high. The difficulties in execution however present an almost insurmountable impediment to success. This explains why China is full of failed shopping malls of all sizes. In fact, having traveled the country far and wide, I can hardly find one that approaches our overall quality. Some of them have financially performed well merely because of the lack of worthy competition.

If possible, it is always wiser to avoid competition than to confront it. When forced to face it, we should find a way to differentiate ourselves that will render competitors ineffective. That way we will stand out, thus virtually putting us in a position of having no competition. This is exactly our experience and is the sixth favorable characteristics of our strategy. Let me elaborate.

Because there are so many economically vibrant cities in China each having a huge population, we can go for the ones with few or no competitors. We usually enter markets ahead of others anyway, so we seldom encounter any of them. However, we can never be sure that no one at all is competing for the land that we want. And even if there is none, we still need to convince the seller, i.e. the municipal government, that they should meet our terms, financial-wise and on other specifics.

An effective tool is our track record in Shanghai. We have built and still own complexes that generate the highest tax revenue (including all types of taxes) of any commercial property in the city and likely in the whole country. According to government figures, there were years when our two developments annually contributed a total of RMB3 billion of tax dollars -- most of them by our tenants and some by us. Such a figure will make any municipal leader salivate. That together with our superior building design and financial strength to hold for the long-term are usually sufficient to make us the land purchaser of choice to the municipal government. And if there are actual competitors out there, they are rendered ineffective in the face of our unmatched track record.

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最後，如有任何地產業務模式能就未來業務作出預測的話，吾等之模式必為其一。一旦購入合適的地塊後，僅有兩項主要變數須要操心——設計與興建，以及租金收入之預測。

吾等富經驗及穩定之管理團隊，很大程度上可降低前者之風險，皆因吾等知道如何做好設計和施工。另一方面，租金收入可由吾等卓越的物業管理團隊運籌帷幄。然而，同樣關鍵者乃國家社會穩定，而這取決於政府處理經濟事務的方式及地緣政治。這兩方面顯然並非吾等所能控制，此乃為何本人會花大量時間作出了解。但在常情下，即國內外均沒有災難性動盪之情況下，吾等之租金收入或多或少可以預測。管理層已作出嘗試，初步結果令人甚為鼓舞。

預期可以是一片美好的，但必須妥當執行方能令預測變成實質利潤。這是許多公司失蹄之處，彼等以為只需硬技巧便可成功；本人並不相信如此。此等技巧是需要的，但還不足夠。對業務和其組成環節抱有正確思維，縱非更重要亦是同等重要。

舉例而言，發展過程包括兩項主要步驟——購置土地和興建。對兩者之適當態度和理解為何？如何看待兩者之關係？倘無正確視野，縱然擁有最好的業務模式，仍可能以失敗告終。

許多發展商主要依賴土地升值來玩地產遊戲。對彼等而言，關鍵在於觀準市場時機購置土地，或所謂低買高賣。因此，在專業和管理技巧之力臻完善方面，沒有給予足夠的重視，其實此舉本身已可創造價值。依本人之想法，此等參與者是投機者也是發展商。其思維是危險的，即使成功亦難以持續。

恒隆對地產發展的看法截然不同。無可否認，吾等亦捕捉市場時機，而事實上做得比大部分人好。然而，對吾等而言，此純為謹

Finally, to the extent that the future of any real estate business model is predictable, ours must be one. Once the right pieces of land are purchased, then there are only two major variables to worry about -- design and construction, and rental income projections.

Our experienced and stable management team mitigates to a large measure the former risk -- we know how to design well and construct correctly. Rental income, on the other hand, will be in the hands of our property management team which is excellent. Nevertheless, just as critical is the social stability of the country, which depends on the way economic affairs are handled by the government and on geopolitics. These two areas are obviously beyond our control. This is why I devote considerable time to understanding them. But given a plausible scenario, namely, the absence of catastrophic dislocations whether domestic or international, our rental income stream can be more or less projected. That has been attempted by your management, and preliminary results have been very encouraging.

Anticipation can be nice but one must be able to execute in order to convert projections to actual profit. This is where many companies stumble. They think that hard skills are all they need to succeed. I do not believe so. They are necessary but not sufficient. Just as critical if not more is a proper mindset towards the business and its component parts.

For example, there are two main steps to the developmental process -- buying land and constructing buildings. What is an appropriate attitude and understanding regarding these two? How do we see their relationship? Without the right view, one may still fail, having the best business model notwithstanding.

Many developers play the real estate game mainly relying on the appreciation of land price. To them the key is to correctly time the market for land purchase, or if you will, to buy low and sell high. As a result, not sufficient attention is paid to perfecting professional and managerial skills, the exercise of which alone creates value. To my mind, such players are as much speculators as they are developers. Such a mindset is dangerous and any success, if it comes, cannot be sustainable.

At Hang Lung we view real estate development very differently. There is no denying that we too time the market and have in fact done it better than most. Yet to us, that is simply prudence, for why

慎之舉，那會有人高買低賣呢！？吾等對創造價值及捕捉市場時機，投放同樣重大之注意力和努力，務求以吾等之專才、經驗和努力創造成果。

在香港，土地往往佔項目總成本七成至八成甚至更多。因此，最重要的決定是：在適當的時候購買土地，並抓緊有利時機銷售物業（許多發展商忘記或忽視此點）。其他改善盈利的途徑變得不甚重要，因其最多只佔總開支兩成至三成。習慣了這種市場的人士可能變得較懶惰—只要正確買地，你便可賺錢。至少這是彼等之想法。

當這些發展商進入內地市場時，彼等將苦不堪言。在那裏，土地只佔項目成本約三成。（就吾等之新項目而言，平均遠低於兩成。）倘按本人形容，則知識或管理資本乃更為重要。例子包括設計風格和施工專才，箇中成功有賴創意和良好的作業系統等重要質素。即使正確買地，亦非純粹涉及適時入市。選擇地塊並非如人們所想那般簡單。例如，每塊地之相關發展條件便至為重要，可決定項目之成敗，這在大型高檔商業物業尤其真確。

此也許解釋了為何許多香港發展商對北上發展項目感到不太愜意。另一方面，內地企業整體上仍未有足夠專才可發展豪華商場和寫字樓。這給予吾等一個契機，而吾等定必充分把握。吾等假設值得重視之競爭對手終會出現，但在彼等來臨前，吾等在中國市場將繼續傲視同儕。

吾欲藉此機會消除外界對吾等之策略存有之一項誤解。某些市場人士以為恒隆只發展最高檔的購物中心。吾等確有此類項目，也做得很好，但吾等尚有其他檔次的項目。無可否認，上海恒隆廣場甚為成功，其名字已成為品牌，是奢侈品與高檔時尚服飾的代名詞，令恒隆聞名全國。吾等還把上海恒隆廣場的英文名字「Plaza 66」中的「66」用於所有

should anyone buy high and sell low!? Our attention and efforts are as much on creating value as on market timing. We strive to bring knowhow, experience and hard work to bear.

In Hong Kong, land often accounts for 70% to 80% if not more of total project cost. Consequently, buying land at the right time -- and also selling buildings at the propitious moment which many developers forget or ignore -- are the most important decisions. Other avenues to improve profitability become insignificant for they at most account for 20-30% of total expenditure. People who are accustomed to such markets may become rather lazy -- just buy land correctly and you will make money. At least that is what they think.

Such developers will have a hard time when they enter Mainland markets. There, land cost only accounts for roughly 30% of the development. (For our new projects, the average is well below 20%.) Intellectual or managerial capital, if I may so describe it, is far more crucial. Examples include design flair and construction expertise where creativity and good operating systems are essential qualities for success. Even buying land correctly does not entail only calling the market. The choice of plots is not as simple as one thinks. For example, developmental terms associated with each piece are of utmost importance. They will predetermine the success or failure of the project. This is especially true of large high-end commercial complexes.

Perhaps that explains why many Hong Kong developers are not so comfortable with such projects up north. On the other hand, Mainland companies are on the whole not yet sophisticated enough for luxury malls and offices. That gives us a window of opportunity which we shall exploit as much as possible. Until worthy competitors arrive and we assume that they will, we shall continue to be a rather unique player in the China market.

It will be useful at this point to dispel a misunderstanding of our strategy. Some in the market think that Hang Lung only develops the highest-end shopping centers. That we do and have done it well, but we also do something else. There is no denying that Plaza 66 in Shanghai has been so successful that it has become a brand. It is synonymous with luxury and high fashion and has made Hang Lung well known nationwide. We have even used "66" in the English names of our new developments. (The number originates from the

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新項目上。(使用「66」的原因乃恒隆廣場之第一幢摩天大廈共有六十六層，為全國首屈一指的寫字樓，而地址又是1266號。)

然而，作為實事求是的商人，吾等是務實和審慎的。吾等經常保持清醒，堅拒被成功沖昏頭腦。在喜愛高檔商場之聲望及其較高單位租金之同時，吾等亦喜愛像港匯廣場般中高檔次的物業。倘把所有商場按其銷售商品之昂貴和奢侈程度來評分，並以五級為最尊貴，那麼上海恒隆廣場肯定是第「五」級，而港匯廣場則穩奪第「四」級。吾等不單發展第五級物業，在某些方面吾等更喜愛第四級。吾等不應自我局限於單一類項目。且讓本人解釋。

在所有人之中，吾等應最深明高檔時裝市場之潛力，這市場歷來存在。在中國，隨著財富由一線城市擴散至二線城市，富裕一族對奢侈品需求與日俱增。直至不久之前，二線城市之有錢人仍須到一線城市購物，但吾等認為此現象沒有理由繼續下去；吾等只需跟隨國際頂級品牌進入新市場。正如本人以往撰述，吾等只是集大成者，為各品牌及其顧客提供世界級的商場，就是那麼簡單。

然而，吾等自問：當第五級物業例如上海恒隆廣場取得成功後，吾等如何進一步改善其營業額和利潤？唯一辦法是吸引更多合適的購物人士光臨。社會上總會有某百分比的人口嗜愛奢侈品牌，而這個數字在可見未來將會增加。然而，這個市場並非無限，也無從預測民眾會否有一天改變品味和購物習慣。

另一方面，不妨想一想第四級物業例如港匯廣場之運作機制。有能力在此購物之人數遠高於追逐奢侈品牌一族。彼等乃正向上游進軍之中上階層，人數正急速上升。彼等由於日益講究，故對高水平之商場、環境及服務有需求。然而今天在全國任何地方，有質量之商場可謂寥寥可數。假以時日，當中部分人會累積到足夠財富光顧諸如上海恒隆廣場等第五級商場。吾等之第四級商場可為彼等培養出更高品味。

facts that the first skyscraper in Plaza 66 -- chosen as the number one office tower in all of China -- has 66 floors and its street number is 1266.)

However, as hard-nosed businessmen, we are pragmatic and cautious. We should always keep our heads cool and refuse to be carried away by our own successes. While appreciating the prestige and high unit rent of top-end malls, we also love the slightly lower price-point facilities such as The Grand Gateway. If all shopping centers are graded according to expensiveness and luxuriousness of goods sold and that level 5 is the most pricey, then Plaza 66 is certainly a "5" while The Grand Gateway would be a solid "4." We do not only build level 5's; in some ways we like level 4's even better. We should not limit ourselves to one product type. Let me explain.

Of all people we should know the potential of the deluxe fashion market. There will always be such a niche which will only grow in China as wealth is spread from the top cities to the second tier ones. Until not too long ago, the wealthy in the latter had to travel to the former to shop. There is no reason why that should continue. All we do is to follow top international brands and enter the new markets. As previously written, we are just the aggregator that provides world-class retail space for them and for their shoppers. It is really that simple.

However, we ask ourselves one question: once a level 5 facility succeeds such as Shanghai Plaza 66, how do we further improve the top and bottom lines? All that can be done is to bring in more of the right kind of shoppers. There will always be a percentage of population who crave the luxury brands and this number will increase in the foreseeable future. Nevertheless, such a market is not indefinite in size. It is also impossible to predict if one day there may not be a change in taste and hence shopping habits of the populace.

On the other hand, consider the dynamics of the level 4's such as The Grand Gateway. Those who can afford to shop therein are much greater in number than the luxury brand seekers. They are the upwardly mobile upper middle class whose quantity is rapidly rising throughout the country. They are becoming increasingly discerning and so demand high-caliber buildings, ambience and service. Yet today there are hardly any quality malls anywhere in the country. In time some of them will amass enough wealth to frequent the level 5's, or the likes of Plaza 66. Our level 4 shopping centers will prime them for even higher tastes.

從商場經營者之角度來看，相對於第五級商場之單一方式，第四級商場有兩個途徑可增加租金收入。吾等可以吸引更多購物人士，但亦可找更豪華之商店取代現有租戶，後者由於其利潤較高故有能力支付更多租金。當港匯廣場於十年前首次開業時，吾等能吸引到一家香港品牌已屬幸運，皆因當時並無任何國際品牌在當地駐足。今天，彼等已成為大多數，佔港匯廣場四百四十八間店舖之近七成五。如此的租戶升級在上海恒隆廣場幾乎是不可能的。根據一項研究，上海恒隆廣場比全國任何一家商場已擁有最多世界100頂級奢侈品牌商店。

與此同時，港匯廣場在增加人流方面有喜訊。當其於一九九九年開業時，下蓋只有一條地鐵線，現已有兩條，到二零一三年將增至三條。這一點很重要，皆因約三分之二購物人士乃通過地鐵進入吾等之物業。現時每個週末均有超過五十萬人前往本商場，預期數目將進一步增加。鑑於其規模優勢及具吸引力和功能之設計，港匯廣場乃至其他屬此類模式之商場應可享有光明前景。

所有一切均說明，集團將繼續發展兩類產品。吾等會興建一座「恒隆廣場」還是一座「港匯廣場」，須視乎城市和地點而定。例如，新開業的瀋陽皇城恒隆廣場是第四級（雖則其施工近乎第五級），而計劃於二零一二年於同一城市開業的市府恒隆廣場將是第五級。然而，吾等所有第四級商場在設計時均備有可升級之靈活性。隨著當地居民愈見富裕，升級之需求將愈見明顯。港匯廣場是一個好例子，其正循此方向遞進。

吾等之組合尚包括另一類購物中心。倘該商場特別大，例如超過十五萬平方米時，其設計可包含兩個部分：第四級設施和第五級設施，至少這會是首一、兩層之情況。明年開業的濟南恒隆廣場及計劃於二零一五年開業的大連恒隆廣場均為例子。

From the perspective of a mall operator, rents from the level 4's can increase in two ways against the one for level 5's. We can bring in more shoppers but we can also replace existing tenants with more luxurious shops. The latter is capable of paying more rent because of higher profit margin. When The Grand Gateway first opened a decade ago, we were lucky to have attracted one single Hong Kong name. There was no international brand whatsoever. Now they are the majority -- almost 75% of the 448 shops. This kind of tenant upgrade is almost impossible in Plaza 66. According to one study, Plaza 66 already has more of the world's top 100 luxury brands than any other mall in the entire country.

Coincidentally, there is good news from The Grand Gateway in terms of increase in foot traffic. Whereas there was only one subway line below when we opened in 1999, now we have two. By 2013, a third will be added. This is significant because approximately two-thirds of the shoppers enter our property through the underground. Already over 500,000 visitors frequent this mall each weekend and more can be expected. Given optimal size and attractive and functional design, the future of The Grand Gateway and indeed of other shopping centers of this mode should be bright.

All that is to say that we will continue to build both types of products. Depending on the city and the location, we will design a "Plaza 66" or a "The Grand Gateway." For example, the newly inaugurated Shenyang Palace 66 is a level 4 (albeit with close to level 5 finishings) while Forum 66 scheduled to open in 2012 in the same city will be a level 5. Nevertheless, all of our level 4 malls have designed into them the flexibility for upgrading. As the local citizens become more affluent, the need to move up will become obvious. The Grand Gateway is a case in point -- it is creeping up in that direction.

There is yet another type of shopping centers in our portfolio. In cases where the facility is particularly large, say over 150,000 square meters, the design may incorporate two sections -- a level 4 and a level 5 -- at least on the first one or two floors. Jinan Parc 66 opening next year and Dalian Olympia 66 scheduled for 2015 are examples.

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倘吾等之業務模式如此簡練，為何沒有更多模仿者？主要原因包括模仿者凍於冗長的籌備時間、本身財力薄弱，以及缺乏所需之技能。於研究吾等之運作後，少數人曾嘗試模仿，但很快便放棄。

在所有的有形或技術因素背後，還有另一個賴以成功之因素：在此方面付之闕如，乃該等嘗試者失敗告終之隱藏原因。然而，地產公司幾乎從不談論它，更往往對其視若無睹或恣意違反。這便是打造良好管治的基石——企業文化。在本節之餘下部分，本人將就此作出剖釋。

人們常說，地產業是一個企業家的行業，必須靈活地低買高賣。本人並不反對這個說法。事實上，吾等過去二十年之紀錄已充分證明吾等對此頗為擅長。無論在香港和上海買地和出售物業，以及在資本市場集資方面，吾等總能觀準時機。換句話說，吾等一直低買高賣。

然而，擁有企業家精神，與建立強大而穩妥的企業文化及執行良好管治應無任何衝突。本人認為，吾等在此等方面亦不遑多讓。當然，吾等仍未臻完善，必須進一步改進，但本人相信吾等與行內相比確勝一籌。去年十一月，香港董事學會與本地一所大學共同研究香港一百四十六家上市公司之管治。在十大最高得分的公司中，吾等之母公司恒隆集團是唯一一家上榜的地產公司。

(至於其餘九家公司，可概括歸納為五家公用事業和基建公司、三家銀行，以及一家政府監管機構。此項研究與其他商業機構例如商業雜誌舉辦的不同：彼等或許不夠持平。)

由於企業文化與管治是廣泛的課題，本人只能就部分較顯著之層面略談。首先，兩者是息息相關的。良好管治不僅是在評估和問卷調查上選擇答案。它必須植根於一個合適的文化。甚至可以說，健全的企業文化是良好管治的靈魂。

If our business model is so elegant, why are there not more imitators? Long lead time, weak financial position, and the lack of required skill set are among the chief reasons. After studying us, a few had attempted but all soon gave up.

There is still another critical success factor beyond all that is tangible or technical; the lack of it is a hidden cause for the failure of those who tried. Yet real estate companies almost never talk about it and more often than not disregard or violate it, that of corporate culture which undergirds good governance. I will devote the rest of this section to this.

It is often said that real estate is an entrepreneurial industry. One has to be nimble in order to buy low and sell high. I do not disagree. In fact our track record of the past two decades has amply demonstrated that we are quite good at it. Both in terms of buying land and selling properties in Hong Kong and Shanghai, and of tapping the capital market, we have always called the timing well. Or if you will, we consistently buy low and sell high.

However, being entrepreneurial should not in any way contradict with building a strong and appropriate corporate culture and exercising good governance. I like to think that we also excel in these areas. To be sure, we are far from perfect and so must improve further, but I trust that we compare favorably within our industry. Last November the Hong Kong Institute of Directors together with a local university studied the governance of 146 publicly listed companies in Hong Kong. Our parent Hang Lung Group was the only real estate firm among the ten best.

(Of the other nine, five can be generally grouped as utilities and infrastructure, three are banks, and one is a government regulated entity. This study differed from those organized by commercial enterprises such as business magazines which may not be objective.)

Since corporate culture and governance are broad issues, I can only touch upon certain salient aspects of each. To begin with, the two are intimately related. Good governance is not just a matter of checking off boxes in assessments and surveys. It must be embedded in a proper culture. One may even say that a healthy corporate culture is the soul of good governance.

近數年來，部分公司似乎學會了在機構內稍作微調，然後在問卷調查上選擇正確的答案。因此，彼等的評分頗佳。雖不能說彼等之管理層不誠實，但了解彼等之人士均知道，其管治充其量只稱得上薄弱。其所謂良好管治並非植根於一個確保優良行為操守之企業文化。時間終有一天會暴露其本來面目。

良好管治必須從最高層即董事局開始，其組成及功能同樣重要。例如，非執行董事與兼任高級管理人員之大股東家族成員有關係嗎？非執行董事真正獨立嗎？他們是真正獨立的獨立非執行董事嗎？亞洲大部分上市公司均有一名大股東，其當然可以有一名甚至多名代表列席董事局。但是，有足夠的獨立非執行董事來保障小股東的利益嗎？如果有，他們有否履行職責？

讓本人就這方面講述一個故事。在亞洲，普遍的做法是，員工薪酬由公司最高層，尤其彼亦為大股東之人士決定。這也是本集團在二零零三年前之做法。作為董事長兼大股東恒隆集團之代表，本人多年來均單獨作出此等決定。

本人自一九九一年起擔任董事長之十多年來，出於個人選擇，一直給予自己頗低薪酬，也無領取任何花紅。又本人於二零零零年為管理人員設立股份期權計劃，本人亦自願地把自己撇除在期權獲發者外。但到了二零零三年，本人認識到需要改善管治，故此向董事局提議成立一個僅由獨立非執行董事組成的提名及薪酬委員會。本人永遠不會忘記委員會正式成立那一天。本人知道將永遠放棄一項由本人完全行使的權力，心裏忐忑不安！恍如失去了部分的自己一樣。

如今七年已經過去，本人對此正確決定無半點疑問。這絕對與提名及薪酬委員會之有關議決無關。事實上，提名及薪酬委員會認

It seems likely that in recent years, some companies have learned to check off the right boxes in surveys after making minor adjustments within the organization. As a result, they fare well. One cannot say that they are dishonest, but anyone who knows them knows that their governance is at best weak. Their so-called good governance is not rooted in a corporate culture which ensures constant proper practices. Time will one day reveal their true color.

Good governance must start at the top -- the board of directors. Its composition and function are equally important. For example, how are the non-executive directors (NED) related to the majority shareholder family whose members also serve in senior management? How truly independent are the NED's, or are they really independent non-executive directors or INED's? Most Asian publicly listed companies have a major shareholder, and it is of course acceptable for him or her to have a representative or even representatives on the board. But are there enough INED's to protect the interests of the minority shareholders? If there are, are they doing their job?

Allow me to relate an anecdote in this regard. In Asia, it is common that the top person of a company, especially if he is also the major shareholder, would solely dictate staff compensation. That was also our practice before 2003. As chairman and representative of the major shareholder of Hang Lung Group, I for years alone made such determinations.

By choice, I for well over a decade since assuming the chairmanship in 1991 gave myself a rather low salary. I took no bonuses and voluntarily excluded myself from stock options which program I initiated for our executives in 2000. But by 2003, I recognized the need to improve governance in this regard and so proposed to the board the establishment of a Nomination and Remuneration Committee (NRC) comprising only INED's. I will never forget the day that the NRC was officially formed. Recognizing that a power which I solely exercised previously would forever be relinquished, I was viscerally moved! I felt that part of me was gone.

Now seven years have passed and there is no doubt in my mind that I made the right decision. It has nothing whatsoever to do with the fact that to my total surprise, the NRC did not deem it appropriate

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為，本人收取一個與工作性質和範圍不相稱的低工資、不領取年終獎金，以及不參與股份期權計劃，都是不恰當之舉。這完全出乎本人意料之外。無論如何，此項在二零零三年採取之行動，確實有助吾等成為更佳管治之公司。

正正基於良好管治，吾等於二零零八年底成了香港首家並也許是唯一一家主要上市地產公司，公開支持聯交所建議，把會計年度結束後與公佈業績日期之間的時差縮短。坦白說，本人感到費解，為何其他公司會作出反對，並且反對得如此強烈，當中也許還包括了一、兩家曾多次獲得所謂企業管治獎的公司。原因只能有兩個：管理不善和高級行政人員的個人財務利益作祟。兩者均與良好管治相違。

藉口林林總總。一些公司抱怨說，無法這麼快完成結賬。但倘規模遠遠更大及更複雜之西方公司，能符合例如紐約證券交易所般更嚴格之規則，為何吾等在香港做不到！？無能反映了管理不善和營運系統薄弱。為證明此乃可行之事，現時吾等必定在財政期結束後一個月內舉行董事局會議，以公佈中期和末期業績。坦白說，唯一困難是找一個所有董事均能出席的日期而已。

餘下的反對理由是高級管理人員可利用這段較長期間買賣公司股票。這也是壞的管治，皆因在此期間管理層擁有公眾投資者未知的資料。

在管治事宜上，西方較為先進。彼等在一些層面走得太遠，但在許多基本方面值得亞洲虛心學習。良好管治對管理可以是制肘，但亦是其保障。

本人欣然表示，本公司及母公司恒隆集團慶幸能擁有非常積極參與之董事局。董事多次向管理層提出正確的問題，並一直跟進直至有滿意答案或結果為止。彼等費心和積極地指導及監督兩家公司。作為行政人員之一，本人感激不已。

for me to receive a low salary not commensurate with the nature and scope of the job, to not receive year-end bonuses, or to not participate in the stock option scheme. That action back in 2003 has helped make us a better governed company.

It was also precisely for good governance that towards the end of 2008, we were the first and maybe the only major listed real estate company in Hong Kong to publicly support the Stock Exchange's proposal to shorten the period between fiscal year-end and public reporting. It frankly baffled me how other firms could object and object so vehemently -- perhaps including one or two which had repeatedly won the so-called corporate governance awards. There can only be two reasons -- poor management and financial self-interest on the part of senior executives. Both violate good governance.

Among the excuses, some companies complained that they could not close the books fast enough. But if much larger and complicated Western firms can comply with more stringent rules say of the New York Stock Exchange, why can we not in Hong Kong!? Inability must mean poor management and weak operating systems. To demonstrate that it can be done, we now regularly hold our board meeting for interim and final result announcement within one month of the financial period end. Frankly the only difficulty is to find a date that all directors can attend.

The only other reason for objection is that senior executives can use the longer period to buy and sell their own company shares. This too is bad governance, for during that period, management possesses information not known to the investment public.

In matters of governance, the West is more advanced. There are aspects where they have gone too far but in many more fundamental areas, Asia should humbly learn. Good governance can be a constraint to management, but is also its protection.

I would like to mention that this Company and its parent Hang Lung Group have been blessed with very active boards. Directors repeatedly raised the right issues with management and followed through until there were satisfactory answers or results. They are diligent and proactive in guiding as well as supervising the two entities. As one of the executives, I am grateful.

本人並不反對大股東兼任高級行政人員。事實上，本人曾公開就此作出辯護。若有妥善管治，此舉可給予公司極大優勢。以恒隆為例，本人之家族信託乃最終控股股東，但公司多年來一直採取專業管理，除本人外並無其他家族成員任職管理層。

現在讓本人轉談企業文化。本人從擔任董事長開始，在本人委任並已為集團服務多年之董事總經理袁偉良先生的協助下，致力建立一家共進的及透明度高的機構，這機構還須是精簡的和平實的。吾等把核心價值簡稱為SAIL—昭明(Simplicity)、權操(Authority)、誠信(Integrity)、忠貞(Loyalty)。吾等主張開放式溝通，珍惜團隊工作及不鼓勵辦公室政治。吾等確保每位員工均為公司之整體利益而非一己之私利而努力；一加一可大於二。吾等保持最少階層之組織架構；相信擁有少量能幹員工勝過有許多平庸之輩；鼓勵企業家精神，每個人都應知道本身職責，並有相應權力可主動行事。吾等屬意平等主義，不屑諛詞奉承之行為。吾等希望成為一家好學的公司，小心避免犯錯，但當犯錯後確保汲取教訓。吾等尊重所有員工，亦要求對方忠貞。最重要的是，在公司各階層均致力保持最高的道德標準。

以本人之意見，所有這些質素與吾等過去之成功息息相關。倘其付之闕如，則吾等沒能力執行集團之策略。本人兩年前在致股東函中曾提及箇中原因，在此本人將加以闡述。

當時本人指出，儘管地產業使用技術，但它並非高科技行業。反之，此行業要求大量經長年累積之經驗知識。無論員工多麼熟練或精明，沒有公司在發展過程中不會犯錯。錯誤是無可避免的，皆因沒有兩個項目是一式一樣，這在大型商業綜合項目方面尤其真確。關鍵在於從以往錯誤中學習及改進。在此過程中，公司將獲得富經驗的知識，有助於未來之成功。長期而言，誰較能保留這些知識的企業將是贏家。

I for one do not object to having the majority shareholder double up as a senior executive. In fact I have publicly spoken in its defense. With proven governance, it can give a company tremendous edge. In the case of Hang Lung, my family's trust is the ultimate controlling shareholder, but the Company has been for years professionally managed. There is hardly any family member other than myself in management.

Now let me turn to corporate culture. From the beginning of my chairmanship, I have, with the help of Mr. Nelson Yuen, our long serving managing director whom I early on appointed, strived to build an organization that is collegial and transparent, as well as lean and flat. We enshrine our core values in the acronym SAIL -- Simplicity, Authority, Integrity and Loyalty. We advocate open communications, treasure team work and discourage office politics. We make sure that everyone works for the overall good of the Company rather than for petty self interests. One plus one should be greater than two. We maintain minimal layers of organization; we prefer a few good staff to many mediocre ones. We encourage entrepreneurship; everyone should know his or her responsibilities and exercise initiatives with commensurate authority. Our atmosphere is egalitarian and we disdain sycophantic behavior. We want to be a learning entity; we are careful not to make mistakes but when we do, we make sure that we learn from them. We treat all staff with respect, and in return demand loyalty. And above all, we strive for the highest ethical standards at all levels of the Company.

All these qualities, as far as I am concerned, have much to do with our past successes. Without them, we would not have been able to execute our strategy. The reason was alluded to two years ago in my letter to shareholders. Here I will expound on it.

At that time I stated that real estate is not a high-tech business although we use technology. Instead, the industry demands much experiential knowledge accumulated through long years. No company, no matter how skillful or smart its staffs are, does not make mistakes in the developmental process. They are unavoidable because no two projects are identical. This is especially true of large commercial complexes. The key is to learn from previous errors and improve. In the process, the Company will gain experiential knowledge which will help it succeed in the future. An enterprise which is more capable of retaining such knowledge will be a winner in the longer term.

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然則甚麼決定公司能否學習？其文化是也。一家擁有適當文化之公司遠遠更能學習和改進，而其他公司甚至可能不知犯了錯，更遑論從中受益。

由於這些富經驗的知識存藏於個人內，保留富經驗之員工乃極為重要。此種蘊藏於機構內的記憶能保障公司不會重蹈覆轍。因此，高工資是必要的，但單是此舉並不足夠，皆因總會有其他人願意付更高薪。

良人賢才均渴望有自主權及歸屬感。彼等珍惜從中所得之滿足感，以及其努力可帶來明顯不同之認同感。此乃為何恒隆是香港設有股份期權計劃的極少數、如非唯一的大型地產公司之一。計劃涵蓋約七十名高級管理人員，每年允許授出的期權數額由提名及薪酬委員會嚴格控制，絕不容許在西方公司常見之過量情況，即管理層向自己授予大量期權。像吾等有大股東之情況下，必會提出反對以遏制股權被攤薄。

許多亞洲公司正正因為這項憂慮而不設立股份期權計劃。對吾等來說，透過在股市精明運作可稍為紓緩有關問題。雖然恒隆地產向行政人員授予股份期權，但母公司恒隆集團每隔一段時間便會趁好價購買恒隆地產之股票。

然而，縱使最好的期權方案仍不足夠：任何期權之價值均可用金錢量化，故可被比低。此時良好之企業文化便發揮作用。大部分傑出人才不只向錢看，亦希望獲得尊重。良禽擇木而棲，唯有具良好文化之公司方能使其共事一堂。

此外，發展過程涉及許多階段和組件。單單一個人要通曉所有竅門，縱非不可能亦屬困難之舉。因此，尤其在地產公司，獨腳戲是不容許的；團隊合作乃至關重要。若要一群

So what determines if a company can learn? Its culture. A firm with the right kind of culture is far more apt to learn and improve while others may not even know that mistakes are committed, let alone to benefit from them.

Since experiential knowledge is lodged inside the individuals, the ability to retain experienced staffs becomes paramount. Such institutional memory will safeguard the company from repeating the same errors. For this, high salary is a necessity but is not in itself sufficient. For there are always other people who are willing to pay more.

Good and decent people desire a sense of ownership. They cherish the satisfaction derived therefrom and the realization that their efforts will make a measurable difference. This is why Hang Lung is one of the very few, if not the only, of the major Hong Kong real estate firms that has an effective stock option scheme for our top 70 or so executives. The amount permitted to be issued each year is strictly controlled by the NRC. There is no allowance for the excesses commonly found in Western companies, namely management issuing an exorbitant number of options to itself. In cases like us where there is a major shareholder, he or she would certainly object in order to contain share dilution.

Many Asian companies do not have stock option plans precisely because of that worry. For us, the problem can be partially mitigated through shrewd operations in the stock market. While options for Hang Lung Properties stocks are issued to executives, our parent Hang Lung Group periodically purchases our shares when prices are favorable.

However, even the best option scheme is still not sufficient. The value of any option can be quantified in monetary terms and so can be bested. This is where a proper corporate culture comes in. Most of the outstanding individuals do not just want money; they want respect as well. They have choices on where they work and only companies with a propitious culture can bring and keep them together.

Moreover, the developmental process has many stages and components. It is difficult if not impossible for any single individual to master all the tricks. Consequently, in real estate companies in particular, silos should not be allowed; team work is critical. For

人協力同心地工作，必須盡量減少不必要的磨擦。唯有這樣，公司方能暢順有效地運作。所有此等質素均無法量化，但它們絕對是成功之關鍵。

本人堅信，平實的組織架構亦起著功用。瓶頸位減至最少，便能夠很快地作出決策。而倘員工彼此開心見誠，便可建立屏障，避免個人衝動和魯莽行事。

讓本人講述另一故事以茲說明。由於過去五年新項目激增，吾等聘請了許多新的管理人員。鑑於並非全部人員具實力留下來，故吾等實際上聘請了超過即時所需之數。

有一次，一名因此受聘之經理就手頭一項工作向上司請示。令其驚訝的是，彼被要求自行作出決定，儘管上司會作出監察。套用該經理自己的話：此乃一項挑戰，其前僱主從不會要求他負此責任。過往，彼向上司提交一份書面報告，上司再加上己見。數星期後，指令或會頒下來。此非恒隆之工作方式。吾等嘗試找到那些在專業和管理上均已具備才能之人士。由於吾等之文化，吾等可比競爭對手更快作出決定。與吾等交易之內地市領導可證明此點。此給予吾等另一項優勢。

企業文化必須從高層開始建立，否則不會有作用；無可避免地機構就是其領導人的反映。良好的文化亦必須不斷鞏固和加強，否則人的本性會註定該文化將隨著時間而湮滅。文化似乎無形無影，卻是一家機構的靈魂及其長期成功之所繫。也許其對那些在諸如香港般較小型和簡單的經濟體營運的公司不太重要。但在巨大和複雜的內地市場，沒有一家公司能夠不依靠企業文化而持續獲勝。毫無疑問，每家公司及每項策略均不盡相同，因此沒有一個文化能放之四海而皆準。然而，倘一家企業要長期成功，必須具備某些核心價值。吾等已具備這些價值，也必須繼續保持和優化它們。

groups of people to work synergistically, unnecessary friction must be minimized. Only so will a company operate smoothly and efficiently. All these qualities can hardly be quantified, but they are absolutely essential to success.

A flat organizational structure is also useful and I am a firm believer in it. With minimal bottleneck, decision making can be very fast. And if staffs are open and transparent to one another, the necessary safeguards from individual rash behavior and personal impulse will be in place.

Let me present another anecdote to illustrate. Because of the explosion of new projects in the past five years, we had to hire many new managerial staff. Recognizing that not all of them will be good enough to remain with us, we actually employ more than what we immediately need.

Once a manager so hired went to his superior for a decision on a task at hand. To his surprise, he was asked to make the decision himself, albeit under supervision. It was a challenge to him for in his own words, such a responsibility would never be required of him at his former employer. Previously he would have to submit a written report to his boss who would then add his own. A few weeks later, an edict might be handed down. Such is not how Hang Lung works. We try to find people who are at once competent professionally and managerially. Because of our culture, we probably make decisions much faster than our competitors. Mainland municipal leaders with whom we deal can attest to that. It gives us yet another edge.

Corporate culture must be built from the top; it will not work otherwise. Inevitably an institution is a reflection of its leaders. Good culture must also be constantly reaffirmed and strengthened. If not, human nature dictates that it will dissipate over time. As invisible and as intangible it may seem, culture is the soul of an organization and will determine its long term success. It is perhaps less critical to those operating in smaller and simpler economies such as Hong Kong. But for the Mainland market which is huge and complicated, no company can sustain a winning streak without it. No doubt every firm and strategy is different and so there is no single culture which is one-size-fits-all. Nevertheless there are core values which must be present if a business is to succeed in the long run. We have those values, and we must sustain and enhance them.

董事長致股東函 CHAIRMAN'S LETTER TO SHAREHOLDERS

過往數年，本人陳述了吾等賴以成功之多項因素。彼等均屬有形的策略和執行，其背後的功臣乃企業文化。這些皆體現了某些價值並帶來了良好管治。此等價值許多均為已故之陳曾熙先生於整整五十年前創立之母公司恒隆集團時，公開倡議或低調實行的。本人很感謝他精明地奠下了此道德基礎，恒隆到今天仍受用不已。

展望

自二零零八／零九年度爆發金融危機後，環球經濟至今仍然脆弱。結構性弱點充斥著美國，尤其在歐洲。概念上予人更脆弱感覺之中國經濟，卻展現出遠遠更佳之韌力。然而，任何人均不應低估中國在國內和國際上面對的重重挑戰。

一個較樂觀的看法說，中國在過去三十年來面對許多嚴峻的困難，仍能穩健地崛起及更加昌盛。吾等正面對的問題是：假設中國能在未來例如二十年內保持平穩，吾等豈能擔得起不參與這個市場嗎？作為一家以香港為基地之公司，坦白說吾等之策略性選擇甚少。如前所述，此乃由於香港，無論現在或可見將來，均非吾等理想之投資地方，故此吾等除北上外別無選擇。幸好，內地市場為那些洞悉先機者提供了最佳機會。事實上，很難想像還有比這更利好之環境。

過去數年，吾等在土地購置方面表現出色，今後定會再接再厲。主要障礙並非來自競爭；坦白說競爭幾近零。真正的障礙乃來自如何與賣方即市政府，消除有潛力項目之屏障。此過程非常繁瑣且規則不斷演變。吾等必須說服他們接受吾等之價格和發展條件，俾使吾等能建立世界級商業物業。鑑於此等優質設施在這些城市絕無僅有，故當地之建築法規往往不合時宜。要配合吾等之要求，即容許吾等興建頂級設施，當務之急是檢討及調整過時之法規。

舉一個簡單的例子，吾等堅持降低地積比率，亦即相對於地塊大小所計算之可建築面積。官員們常常感到困惑，皆因本土發展

In previous years, I have presented our many success factors. They all deal with strategies and execution which are tangible. Unseen behind them and which makes them work is a corporate culture. It embodies certain values and brings good governance. Many of those values were openly espoused or implicitly practiced by the late Mr. T.H. Chan who founded our parent Hang Lung Group exactly 50 years ago. I am thankful to him for the moral foundation which he had so ably laid. Hang Lung is still enjoying it today.

Prospects

In the aftermath of the 2008/09 financial debacle, the global economy is still tenuous. Systemic weaknesses abound in both the U.S. and Europe. The Chinese economy which is conceptually even more fragile has held up much better. Nevertheless, no one should underestimate the myriads of challenges, both domestic and international, facing the country.

A more optimistic view says that China has in the past 30 years faced many daunting troubles and has emerged stable and ever more prosperous. The question confronting us is: provided that the country can keep on an even keel say for the next two decades, can we afford not to be in that market? As a Hong Kong based company, frankly we have very few strategic options. Since our city, as explained earlier, is not at present and in the foreseeable future a desirable place to invest as far as we are concerned, we have no choice but to go north. Fortunately, the Mainland market offers the best opportunities to those who play their cards right. In fact it is hard to imagine a more auspicious environment.

In the past few years we had done well in land acquisitions and will do more of it. Barrier does not mainly come from competition; frankly there is very little of it. Rather it is to work with sellers, i.e. city governments, to remove impediments to potential projects. The process is very tedious and rules are constantly evolving. We must convince them to accept our price and developmental conditions that will allow us to build world-class commercial complexes. Since such high quality facilities are hardly existent in those municipalities, local building regulations are more often than not antiquated. To accommodate us, i.e. to allow top-class facilities to be built, outdated regulations must be reviewed and fine-tuned.

A simple case in point is that we insist on lower plot ratios, i.e. the building space allowed relative to the size of the land. Officials are often perplexed since local developers always ask for the highest

商總要求最高的地積比率。彼等皆錯誤地認為，建築面積越高便越賺錢。然而，倘地積比率過高，要發展世界級綜合物業縱非不可能亦定必困難。因此，吾等必須說服市領導人降低地積比，而這通常意味著其所得之土地售價會較低。較有心思的市長通常理解及接受吾等之理據，但本人斷不能說每位市長盡皆如是。

在更複雜之問題上，吾等往往須把官員邀往吾等已有項目之城市，讓當地官員向其解釋。此做法之額外好處是，他們通常在吾等缺席之情況下，可能會討論吾等之管理風格。此舉必然提升吾等之聲譽，並進一步增加吾等購置土地之機會。

因此，在一個接一個城市，吾等須就相關政府法規之許多方面進行教育。此乃疲乏之事，但當其成功時，吾等便可獲准興建吾等屬意兼具高財務回報潛力之世界級物業。此外，與政府官員詳盡講解後，他們清楚明白吾等之意思。這種開心見誠的會議，可消除在大部分其他人項目常見之潛在分歧，令施工期取得更快更暢順之進展。換句話說，吾等預先堵截所有潛在問題。這做法也許緩慢，但對吾等而言乃唯一途徑。本人希望，通過努力、毅力和一點運氣，吾等可取得更驕人的勝利。

探究為何競爭的存在是一件利好之事乃有趣之舉。就此，吾等須研究參與者是誰，及彼等各自之強項和弱點。

眾所周知，大型商場乃二次世界大戰後首見於美國之現代化表現，自此以後均為循序漸進之改善，最近落成之設施在外貌上與半世紀前的分別不太大。美國一些最好的大型商場也許坐落於拉斯維加斯，其內部是迷人的，但由於某些原因，其對外觀的重視程度較少。

可能由於大幅土地之供應有限，歐洲之商場通常並不壯觀。日本和南韓也曾作出嘗試，但真正脫穎而出者不多。迪拜一些商場令人頗為印象深刻。

possible. All of them mistakenly think that to build more is to make more money. Yet it is difficult if not impossible to develop world-class complexes if plot ratio is too high. So we must convince municipal leaders to lower it which often means lower land price received. The more thoughtful mayors usually understand and accept our argument, but I certainly cannot say that of everyone.

In more complicated issues, we often have to bring officials to meet their counterparts in cities where we already have projects and let the latter explain to them. A side benefit of this exercise is that in their discussions often in our absence, the topic of our management style may come up. Inevitably our reputation is enhanced in that process which increases our chance of land acquisition.

So city after city, we have to undergo this educational process on many aspects of related government regulations. It is tiring but when successful, we are allowed to build what we want -- world-class complexes with potentialities of high financial returns. Moreover, having gone through the process in detail with officials, they know exactly what we are trying to accomplish. Such a meeting of the mind will remove much of the possible disagreements which are so common in other people's projects. The construction phase will progress much faster and smoother. In other words, we are front-loading all potential problems. Slow as it may be, to us this is the only way to go. I am hopeful that through hard work, persistence and luck, we will score even more impressive wins.

It is interesting to examine why the competitive landscape is so favorable. For that we need to study who the players are and their respective strengths and weaknesses.

As we all know, large malls first found their modern expression in the United States soon after the Second World War. Since then, improvements have been incremental; recently built facilities do not look too different from those of a half a century ago. Some of the best in America are perhaps found in Las Vegas. Their interior is glamorous but for some reasons, less attention is paid to the exterior.

Possibly due to limited supply of bigger tracts of land, malls in Europe are usually not spectacular. Japan and South Korea have experimented somewhat but not many really stand out. Quite impressive are a few in Dubai.

董事長致股東函 CHAIRMAN'S LETTER TO SHAREHOLDERS

本人之品評標準乃地點、面積、規劃—外觀和內部設計、功能和美學—以及管理。最終之測試標準應包括財務收益，但此等數字並不齊備。此誠屬不幸，皆因作為商人，投資回報必然是吾等之首要考慮。

很少購物中心發展商是真正全球性的。美國公司有巨大的國內市場，故無需要前往海外；那些到海外者往往缺乏本土知識及堅持的決心。相反，來自較小國家如澳洲(以人口而論)之發展商因其國內市場有限而被迫前往海外，其中數家更取得了驕人成績。

那麼，誰在力爭中國內地巨大而正在發展的市場？基本上有三群人：本地人、香港人和外國人。直到數年前，國內公司無足夠財政資源以作長期持有物業，然而這卻是經營商場致勝之道。現在彼等部分公司特別是國有企業已具備這些資源，所欠缺者乃高檔商場所需之技巧和經驗。假以時日，有些公司會學得懂，成為值得重視的競爭對手。幸運的是，正如本人在前文解釋，先行者優勢可令吾等穩定保持領先地位。此乃為何這數年對吾等之遠期成功起著關鍵作用。

第二群參與者乃香港之主要發展商。彼等部分人對內地市場缺乏承諾，故不大可能會成功；縱使成功也不會是大勝。其他數家具有決心，但彼等大部分仍視內地為其本土以外之次要市場；欠缺專注可能導致彼等掌握不到內地所需的獨特專才。此外，很難看出彼等擁有明確策略。因此，吾等實不知道此撮人中到底誰是吾等之競爭對手。吾等能有把握地說，彼等極少為商用物業之專才。

然後還有一群外國參與者。彼等大部分是缺乏有關專才之金融操作者，雖則其振振有詞地辯稱是專家。彼等可能認為自己善於拿捏市場時機。此也許屬實，皆因彼等最近甫見勢頭不對便即撒離。其在過去數年是否獲利豐厚，實在惹人懷疑。然而，有少數外國參與者乃在海外業績彪炳的真正專業發展商。由於其本土市場已經飽和，其只能透過併購

My criteria for judgment are location, size, design -- exterior and interior, functionality and aesthetics -- as well as management. The ultimate test should include financial return, but those numbers are not readily available. This is unfortunate because as businessmen, return on investment must be top on our minds.

Few shopping center developers are truly global. American firms have a huge domestic market and so do not have the urge to go overseas. Those who do often lack local knowledge as well as the determination to persist. Rather, developers from smaller countries like Australia (population-wise) where the home market is limited, are forced to go abroad. Certain of them have scored impressive successes.

So who is tackling the huge developing market of Mainland China? Basically there are three groups -- local, Hong Kong and foreigners. Until a few years ago, domestic firms did not have the financial resources to hold for the long term which is imperative for the success of any mall. Now some of them do especially the state-owned enterprises. What they lack are skills and experience necessary for luxury malls. In time a few will learn and will become worthy competitors. Fortunately, as I have explained before, first-mover advantage will keep us ahead and safe. This is why these few years are critical to our longer term success.

The second group of players are major Hong Kong developers. Some of them lack commitment to the Mainland market and so are less likely to succeed. Even if they do, the win will not be big. Several others are determined, yet most of these still consider it secondary to their home market. The lack of focus might have caused them not to pick up the necessary expertise unique to the Mainland. Moreover, it is difficult to discern clear-cut strategies among them. As a result, we do not know who exactly from this group are our competitors. What we can safely say is that very few specialize in commercial properties.

Then there are a crowd of foreign players. Most of them are financial operators who lack expertise, their proclamation to the contrary notwithstanding. They may think that they are shrewd market timers. Perhaps they are, for they left town recently at the first sign of trouble. It was highly doubtful if in the past few years they had made much money. Nevertheless, in this category are a few truly professional developers with great track records overseas. Their home markets are already saturated and they can only grow through

來取得增長，故對世界上最大的發展中經濟體躍躍欲試。然而，彼等大部分均低估了困難所在，因而以撤退告終。

此乃競爭環境之實際情況，坦白說頗為利好。只要吾等謹慎和認真地執行既定策略，吾等應擁有光明的前景。少許折騰在所難免，但環境似乎容許一些犯錯的空間。

本人相信，未來十年或二十年，全球最好的購物中心大部分將建在中國；同時，其中至少一大部分亦會是恒隆之產品。美國和歐洲市場已經飽和，最樂觀地說其整體經濟亦已放緩。縱使有人嘗試在這些市場興建商場，也不容易取得融資。另一方面，迪拜經濟在過去一、兩年嚴重受挫，令人懷疑會否有新商場於可見將來在此冒起；畢竟，一個巨大的商場剛剛在此地開業，而生意並不可觀。其他地方之大部分主要發展商均處於類似困境。

唯有快速增長的經濟體系才能養活多個新商場。這情況出現在六十年代和七十年代的美國，現在輪到中國。在所有公司中，吾等處於最佳位置可從中受惠；本人敢說吾等是唯一一家建立了成功往績之公司。

雖然濟南恒隆廣場預計不會早於明年九月開業，但其預租工作已進行得如火如荼。由於吾等在興建和營運最佳地點和設計之商場方面聲譽卓越，故吸引了許多零售商於物業施工完成前已簽妥租約，這在業內並不常見。到目前為止，其超過兩成五之可出租面積已租出，並已收到相若的租賃按金。倘此數字於本曆年年底時達到七成至八成，本人不會感到驚訝。此巨大的購物中心面積超過十七萬平方米，較吾等迄今所建的任何商場均要大。因此，預租工作的成功令人甚感欣慰。初步跡象顯示，其租金水平按相若面積計算應比瀋陽皇城恒隆廣場高，但濟南恒隆廣場的總面積較瀋陽皇城恒隆廣場大五成，因此兩者的平均單位租金水平大致相若。

mergers and acquisitions. Consequently they are tempted to try the world's largest developing economy. However, most of them underestimated the difficulties and as a result, ended up retreating.

This is the competitive landscape which is frankly quite favorable. As long as we cautiously and diligently execute the stated strategy, our future should be bright. Hiccups are inevitable but the environment seems to provide some margin for error.

I believe that in the next decade or two, much of the best shopping centers in the world will be built in China. The fact that at least a substantial portion of them will be products of Hang Lung is coincidental. The U.S. and European markets are saturated already and their overall economies are slow at best. Even if someone would try to build, financing will not be easy. Dubai on the other hand has suffered serious economic setbacks in the past year or two. It is doubtful if there will be new malls rising in the near future. After all, a huge one has just opened and business is not spectacular. Most major developers elsewhere are in a similar dilemma.

It takes a fast growing economy to sustain many new malls. The United States experienced that in the 1960's and 1970's and now it is China's turn. Of all firms we are best positioned to benefit from it. I dare say that we are the only one which has built a successful track record.

Although Jinan Parc 66 will not open until September of next year at the earliest, pre-leasing has been ongoing in earnest. Our reputation for building and managing top-located and best-designed malls has attracted many retailers to sign up for space before construction is completed. This is unusual in the industry. So far over 25% of leasable area has been accounted for and for almost that much have lease deposits been received. It will not surprise me if we reach 70% to 80% by calendar year-end. This shopping center is huge at over 170,000 square meters; it is bigger than any we have done so far. Consequently, success in pre-leasing is particularly pleasing. Initial indication is that rents of similar space is higher than that of Shenyang Palace 66. But because Parc 66 is over 50% larger, overall average unit rent may be similar.

董事長致股東函 CHAIRMAN'S LETTER TO SHAREHOLDERS

由於濟南缺乏大型及高質素商場，兼且恒隆廣場處於心臟地區之獨特顯赫位置，因此該商場開放後料應很快便可成為全市之吸引重點。此乃吾等唯一一個由香港建築師設計之內地項目，並贏得多項國際大獎。本人明顯有所偏愛，但確實認為該項設計卓越不凡。

瀋陽市府恒隆廣場之商場預期於二零一二年開幕。作為一項以上海恒隆廣場為榜樣之第五級設施，其將有許多頂級奢侈品牌進駐。市內會有競爭對手，但吾等應可早於其他所有人開業。過去一、兩年間，一些發展商似乎已放緩或完全停止施工，但吾等則一直全速邁進。該項目之地點、規模、設計以及時機，應可奠定吾等作為市場領導者之地位。

瀋陽市府恒隆廣場之首幢辦公大樓暫停施工，待市政府官員解決高度限制問題方可進行。該城市有許多興建中之辦公樓項目，但吾等極可能會再次先拔頭籌。吾等之物業已完成地基工程，並可於短時間內開始興建上層建築。再加上其地點和設計確實無與倫比，故應甚具競爭能力。此將是瀋陽市乃至整個中國東北區最傑出之地標建築物。

就本財政年度而言，香港租金收入料將溫和上升，本人亦不預期上海租金將有大變。當地零售增長可能會放緩，但仍應有可取之表現。寫字樓租金仍將平滯，但最惡劣之時刻應已過去。

儘管瀋陽皇城恒隆廣場以理想租金全面租出，其在首數年不會對集團純利有可觀之貢獻。相對於租金收入而言，營運費用往往較高，需要一段時間逐漸減少，此正正是吾等在上海兩個商場於十年前之經驗。

在此期間，吾等將專注於在瀋陽之營銷活動。吾等無疑是當地最好的購物中心。該區傳統上並非高端消費者經常光臨之地，幸好一些與吾等走類似市場路線之新設施，將在未來約十四個月在吾等附近開業，故彼此可共同攜手提升整個地區的層次。此乃本人兩

Given the lack of shopping centers of size and quality, and given our uniquely prominent location at the heart of Jinan, Parc 66 should, once open, quickly become an attraction to the entire city. As our only Mainland development designed by a Hong Kong architect, it has already won international recognitions. I am obviously biased but nonetheless think that the design is outstanding.

The shopping center in Shenyang Forum 66 is scheduled to open in 2012. As a level 5 facility after the mode of Shanghai's Plaza 66, it will have many top luxury brands. There will be competition in the city but we should open ahead of all of them. In the past year or two, several developers seem to have slowed construction or have stopped altogether. But for us it has always been full steam ahead. Our location, size, design as well as timing should seal our position as a market leader.

Construction of the first office tower in Shenyang Forum 66 is on hold. City officials will have to sort out the height restriction issue before we can proceed. There are many office projects in the city but we will again likely be the first. We have already completed foundation work and can begin building the superstructure at short notice. Together with our location and design which are frankly the best, we should be very competitive. It will be the most outstanding landmark in Shenyang and indeed in the entire Northeastern China.

For the present fiscal year, rental income in Hong Kong is expected to rise moderately. Neither do I foresee dramatic changes in Shanghai. Retail growth there may slow down a bit but should nevertheless perform acceptably. Office rents will again stagnate although the worst should be behind us.

Despite the fact that Shenyang Palace 66 is fully leased at satisfactory rates, its contribution to the bottom line for the first few years will not be spectacular. Operating expenses are always high relative to rental income and will take time to taper off. That was exactly our experience with the two malls in Shanghai a decade ago.

In the meantime, our marketing campaign in Shenyang will become more focused. We are unquestionably the best shopping center in a district not traditionally frequented by high-end shoppers. Fortuitously, a few new facilities in similar market niches will open around us within the next 14 months or so. Together we will upgrade the entire district. This is another example of how, as I have written

年前論及競爭可有幫助之另一例子。鑑於彼等規模較小且設計平庸，當不會構成嚴重威脅。

本財政年度之業績，仍然會受到香港落成單位之銷情所影響。機會有可能出現，但現時無人可以肯定。吾等將一如既往，保持耐性及警覺性。一旦機會來臨，吾等定必準備就緒。

最後，本人須向全體股東作出一項重要公佈。本人過去二十年之夥伴、其中大部分時間出任集團董事總經理之袁偉良先生，已於兩星期前退休。當本人十八年前提議他由財務總監升任董事總經理時，他告訴我他將在六十歲退休；今年他年屆六十歲。正如本人在公司內外一再對人所言，偉良乃恒隆得以如此成功之重要原因之一。其誠信絕無疑問；其對業務瞭如指掌；其迅速直達問題根源之能力可謂無人能及；兼且其乃一位卓越之策略家。他並非本人認識之中最雄心勃勃的人，但肯定是最優秀的雄才之一。

本人並不希望偉良退休，但他不擬改變主意。幸好，公司仍有兩項令人感愜意的事情。首先，在董事局邀請下，偉良已同意繼續擔任本人之特別顧問。一俟其繼任人於六至十二個月內熟習後，偉良將重新加入董事局出任非執行董事。因此，其豐富經驗仍可為公司效勞。

同樣有幸者，乃吾等委任了一位能幹的繼任人陳南祿先生接任偉良之職。偉良，尤其是本人，已認識他數十年。股東們大都知道，他在太古集團包括香港的主要航空公司國泰航空在內，有一個極為成功的事業。南祿曾擔任國泰航空行政總裁，具有豐富和廣泛的商業經驗，其在中國內地駐職多年，對該市場甚為熟悉。他和藹可親，德高望重，處事精明果斷。環顧香港，很少有華人行政人員享有如此卓越的聲譽。其獲吾等之同僚熱烈歡迎，定可毫不費力融入吾等之文化。南祿於七月十五日出任董事總經理一職，即偉良正式退休後第二天。

two years ago, competition can be helpful. Given smaller size and mediocre design, they will not be a serious threat.

That which will swing the financial results of this fiscal year are again the prospects of selling completed apartments in Hong Kong. Opportunities may come, but no one can be sure at this time. We will as before exercise patience while constantly keeping our antennas up. Once they are here, we will be ready.

Finally, I need to make an important announcement to all shareholders. Mr. Nelson Yuen, my partner of the past 20 years and our Managing Director for almost that long, retired two weeks ago. He told me 18 years ago when I asked him to move from the Finance Director post to the managing directorship, that he would retire at age 60. This year he turns 60. As I have repeatedly told people inside and outside of the Company, Nelson is one of the key reasons Hang Lung is so successful. His integrity is beyond question; he knows the business intimately; he has the uncanny ability to get to the crux of issues quickly and is an excellent tactician. He is not the most ambitious man I know, but is certainly one of the finest.

I do not want to see Nelson retire, but he will not change his mind. Fortunately the Company is blessed with two things. First, at the Board's invitation, Nelson has agreed to remain as my special adviser. Once his successor is settled in say within six to 12 months, Nelson will rejoin the Board as a Non-Executive Director. As such, his wealth of experience will still be at the disposal of the Company.

We are equally blessed with the appointment of a competent successor to Nelson in the person of Mr. Philip Nan Lok Chen. Nelson, and especially I, have known him for decades. As many of you know, he has had an extraordinarily successful career with The Swire Group which includes Cathay Pacific Airways, Hong Kong's dominant airline. At one point the Chief Executive of Cathay, Philip has had rich and diverse business experiences and knows well mainland China where he has lived and worked for several years. He is affable, highly ethical, and has good judgments. Few Chinese executives in the whole of Hong Kong have enjoyed as excellent a reputation. He has been warmly received by our colleagues and will doubtless fit effortlessly into our culture. Philip took up the post of Managing Director on 15 July, the day after Nelson officially retired.

董事長致股東函 CHAIRMAN'S LETTER TO SHAREHOLDERS

過去一年乃恒隆和本人之重大時刻。董事局一致決定在公司以外物色新領導人，並一致決定委任南祿出任此職。本人堅信，吾等找到一個最能確保集團持續成功之解決方案。為此，本人感謝所有董事局全人。

本人對偉良當然寄予所有祝願，習俗上亦應祝偉良身體健康及退休生活愉快，但我不會在此公開表達，皆因他很快便會重返董事局。

今年二月，董事們委任姚子賢先生進入董事局。子賢現時負責項目策劃管理。他於一九八六年加盟恒隆，曾專責處理集團一些最重要的項目。他把其在香港之成功延伸到上海，近年更擴展到其他城市。子賢是一位穩重的管理人，專業能幹，對公司忠誠。本人熱烈歡迎他加入最高管理層。

負責集團租賃業務及投資者關係之原執行董事吳士元先生，已於七月二十一日正式辭任，正正是其和本人首次談論此必然情況之一星期後。本人祝他今後事業有成。

於結束前，本人應解釋為何董事局不在地產業界挑選新任董事總經理。這個問題在香港惹起了一些關注。可以肯定地說，地產業並非最複雜的行業，任何具備商業思維、良好判斷力及管理才能之人士當可勝任，其亦可容易地學懂行內的專門知識。畢竟，本公司的地產專家已比比皆是。吾等需要的是一位真正領袖及管理強人。這無疑正是南祿帶來的素質。

此外，香港地產業雖然在金額上相當大，但在頂級專才方面並不多。既然吾等過去十年之表現勝過每一家大型地產商，邏輯似乎表明，吾等不應把目光局限在業界內。

The past year has been a momentous one for Hang Lung and for me personally. It was your Board's unanimous decision to go outside of the Company for a new leader and Philip's appointment was likewise. I firmly believe that we have found a solution that will best ensure continued success. For that I want to thank all members of the Board.

I also understand that it is customary to wish Nelson good health and happiness in retirement. Of course all my best wishes go to him but I will not publicly express them here since he will soon rejoin the Board.

In February, your directors had elected Mr. Henry Yiu to the main Board. He is in charge of project construction. Henry joined Hang Lung in 1986 and has been responsible for some of our most significant developments. His success in Hong Kong was transplanted to Shanghai and more recently to other cities as well. A solid manager, Henry is professionally competent and company-wise, loyal. I warmly welcome him to the top management.

Mr. Terry Ng, former Executive Director in charge of our leasing business and investor relations has resigned officially on 21 July, exactly a week after he and I first spoke about that eventuality. I wish him success in his future endeavors.

Before closing, I should explain why the Board has chosen a new Managing Director not from the property sector. This question was raised by some in Hong Kong. To be sure, real estate is not the most complicated industry. Anyone with business sense, good judgment and managerial skills should be able to do the job. Industry-specific knowledge can easily be learned. After all, the Company is already full of property experts. What we need is a true leader and a strong manager. That beyond doubt is what Philip brings.

Moreover, the Hong Kong real estate sector while sizable in dollar amount is not that big in terms of the pool of top talents. Since we have outperformed every major player over the past decade, logic seems to indicate that we should not look within the circle.

在所有人當中，本人應最了解恒隆需要甚麼才能成為一家更佳的公司。本人的評價是，南祿的才能正好吻合。吾等並希望有一位不僅不會破壞集團之企業文化，更會使之強化的人。本人及董事局認為，吾等已找到了合適人選。

如上文所述，今年是恒隆五十周年——本人已故父親陳曾熙先生於一九六零年九月十三日創立恒隆集團，當時稱為恒隆有限公司。在首三十二年，吾等幾乎僅在香港經營。十八年前，吾等進軍上海後，開始有兩大重鎮。二零零五年，吾等進軍更多城市，並開始設立許多辦事處。隨著瀋陽皇城恒隆廣場於上月開幕，集團之業務進入另一階段。隨著吾等在其他城市開設更多物業，此進程將不斷持續。無需太久，吾等將成為一家真正的全國性公司。

一方面，南祿在管理世界上最賺錢之一的航空公司及其數十個營運地點之經驗，將可幫助吾等完成過渡。另一方面，吾等在過去數年一直為每一個部門招聘和培訓管理人員。吾等已有系統地作出部署，以便作出企業轉型。

在此過程中，吾等會一而再地返回基本元素，亦即吾等所珍惜的價值觀和企業文化；其不斷加強將有助確保吾等繼續取得成功。五年後，當恒隆五十五歲時，其將是一家截然不同的公司。有一點應可保持不變，此乃忠誠之股東可繼續享有理想的投資回報。

當吾等慶祝五十周年之際，本人可以有信心地說，集團正邁進一個黃金時期。但就現在而言，本人續感欣喜，並感謝公司現在和過去所有忠誠的員工，對恒隆之成功作出之貢獻。

董事長
陳啟宗

香港，二零一零年七月二十八日

Of all people, I like to think that I know what is required to make Hang Lung an even better company. My assessment is that Philip's skill set dovetails very well. We also want someone who will not only not destroy our corporate culture but will rather strengthen it. In my opinion and that of the Board, we have found the right person.

As mentioned earlier, this is the 50th year of Hang Lung -- my late father Mr. T.H. Chan founded Hang Lung Group, then called Hang Lung Development Company Limited, on 13 September 1960. For the first 32 years, we operated almost exclusively in Hong Kong. Eighteen years ago we began to have two foci with the addition of Shanghai. In 2005, more cities were added and we began to have many offices. With the inauguration of Shenyang Palace 66 last month, our operation has gone to another level of complication. This progression will continue as we open more facilities in other cities. Before long, we will be a truly national company.

On the one hand, Philip's experience running one of the world's most profitable airlines with dozens of locations, will help us make the transition. On the other, we have been hiring and training executives for each of our departments over the past several years. We have systematically prepared ourselves for the corporate transformation.

During that process, we will return again and again to the basics, that is, to the values and corporate culture that we treasure. Their strengthening will in turn help ensure our continued success. Five years later when Hang Lung turns 55, it will be a very different company. One thing that should remain unchanged is that our loyal shareholders should continue to enjoy satisfactory investment returns.

As we celebrate our jubilee, I can confidently say that a golden era is ahead of us. But for now, it remains my pleasant task to thank all loyal staff of the Company, present and past, who together have made Hang Lung successful.

Ronnie C. Chan

Chairman

Hong Kong, 28 July 2010

拓展內地市場

EXTENDING OUR REACH ON THE MAINLAND



市府恒隆廣場
Forum 66



皇城恒隆廣場
Palace 66



恒隆廣場
Riverside 66

上海、瀋陽、濟南、
無錫、天津、大連.....

都是我們積極打造優質商業項目之地

We are committed to developing
prime commercial projects in

**SHANGHAI, SHENYANG, JINAN,
WUXI, TIANJIN, DALIAN...**



恒隆廣場（一期及二期）
Centre 66 (Phases 1 & 2)



恒隆廣場
Olympia 66



恒隆廣場
Parc 66



恒隆廣場
Plaza 66



港匯廣場
The Grand Gateway

締造瀋陽創新地標

PALACE 66

A New Landmark In Shenyang



皇城恒隆廣場—創新地標

二零一零年六月二十六日，皇城恒隆廣場在瀋陽市盛大開幕，標誌著集團歷史上的新里程碑。此項出類拔萃的物業開業後，不僅成為集團在內地多項新投資物業中首個落成的地標項目，更穩居瀋陽市最宏麗獨特的地標購物中心之列。該項世界級購物商場兼時尚生活中心，坐落於三百年來一直是瀋陽市商貿樞紐的瀋河區中街路，擁有總樓面面積達十萬九千三百平方米之購物及消閒設施。

Palace 66 — A New Landmark

On 26 June 2010, we marked a cornerstone in the history of the Group with the grand opening of Palace 66 in Shenyang. This iconic development not only creates a new landmark for the Group as the first of our investment properties to come on stream in our expanded portfolio of properties on the Mainland, its opening also establishes a new landmark for the city as one of its largest and most unique shopping centers. This world-class shopping complex and lifestyle center, consisting of 109,300 square meters of quality shopping and leisure space, is located in the very heart of Shenyang, on Zhongjie Lu in the Shenhe commercial district, the hub of Shenyang's center of trade for the past 300 years.





◀ 瀋陽故宮的飛簷層疊壯觀，是皇城恒隆廣場的分層屋頂設計靈感來源。These sloping roofs of the Shenyang Imperial Palace were the inspiration behind the design of Palace 66's tiered roof.

遼寧交響樂團精采絕倫的演出為開幕典禮揭開序幕。The Liaoning Symphony Orchestra's spectacular performance unveiled the grand opening ceremony.



▶ 自動電梯經精心佈置連接各層，蜿蜒貫通整個商場，帶動人流。Banks of escalators are intelligently located to connect the various spaces and facilitate people flow and circulation.



▲ 董事長陳啟宗先生主持皇城恒隆廣場的開幕典禮。
Chairman Mr Ronnie C. Chan hosting Palace 66 grand opening ceremony.

項目毗鄰世界遺產瀋陽故宮，其建築設計反映區內的文化主題。建築特點是仿古飛簷的分層屋頂，與瀋陽故宮互相呼應，創造出平衡和對稱感。逾六十五米寬的宏偉中庭是項目的核心，自動電梯連接各層多元化優質店鋪設施，方便人潮川流不息。除這些設施外，商場並提供八百七十五個車位，方便公眾直達。

皇城恒隆廣場於開業時已全部租出，網羅近三百個國際和國內時尚品牌商戶，包括卡地亞(Cartier)、登喜路(Dunhill)、歐米茄(Omega)及施華洛世奇(Swarovski)；以及國際連鎖店如 i.t、Max & Co.及優衣庫(UNIQLO)等品牌。加上優質食府和休閒娛樂設施林立，提供超凡購物新體驗。

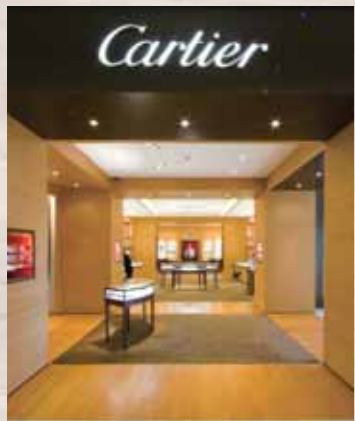


Situated right beside the Shenyang Imperial Palace, which has been designated as a world heritage site, its architectural design reflects the cultural theme of the area. The building is set back with tiered roofs while distinctive bays, much like the Imperial Palace, create a sense of balance and proportion. A grand atrium, more than 65 meters wide, forms the core of the development while the diverse and distinctive spaces throughout the multi-story complex are linked by banks of escalators which facilitate people flow and circulation. Extending these facilities, an 875-space car park also provides greater convenience and easy public access.

Fully leased upon its opening, Palace 66 offers a diverse mix of almost 300 local and international tenants, including some of the most well-known retail names in the world. With luxury brands such as Cartier, Dunhill, Omega and Swarovski supported by international chain stores such as i.t, Max & Co. and UNIQLO among many others, as well as a wide range of restaurants and lifestyle facilities, the mall offers visitors the ultimate shopping experience.

▲ 巨型的LED螢幕不停播放時尚資訊，為寬敞的商場中庭增添動感。The magnificent LED screen displays lifestyle information non-stop, turning the spacious atrium into a lively and dynamic space.





位於屋頂的遮陽設備為該項目自動阻擋過量的陽光及熱能。
Shading devices automatically shield the building from sunlight and excessive heat.

皇城恒隆廣場的正門入口位於中街路。
Palace 66's main entrance on Zhongjie Lu.



由國內外品牌組成的租戶組合，照顧顧客的全面需要，提供超凡的購物及生活體驗。
An all-encompassing tenant-mix consisting of local and international brands offers customers a superb shopping and lifestyle experience.

節能照明系統減低物業的耗電量。
Energy-efficient lighting reduces the property's electricity consumption.

該項物業在設計、開發和營運方面，均考慮了可持續發展與環境。其先進的環保設施包括高效節能建築外圍護；太陽能及地熱能之運用，以及能源和中水回收設施。

皇城恒隆廣場是內地首座落成後獲得美國綠色建築協會頒發「能源及環境設計先鋒獎—核心及外殼組別」金獎的購物商場。該項目早前亦榮獲「2007亞洲國際房地產大獎—未來項目組別」，表彰項目在區內的領先和創新地位。

Sustainability and the environment have also been taken into consideration in the building's design, development and operations. Innovative and environmentally-friendly design initiatives include its high-performance building envelope; the utilization of solar and geo-thermal energy as well as energy recovery and water recycling measures.

Palace 66 is the first completed shopping mall on the Mainland to have obtained the gold rating Certification under the Leadership in Energy and Environmental Design (LEED) for Core and Shell Development, issued by the U.S. Green Building Council. Palace 66 also won the MIPIM (Le Marché International des Professionnels de l'Immobilier) Asia Awards 2007 -- Futura Projects, recognizing the development's leadership and innovation within the region.

皇城恒隆廣場的高效節能建築外牆大大提高該物業的能源效益。
Palace 66's high performance building envelope significantly raises the building's energy efficiency.



管理層之討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS



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業務概覽及策略 BUSINESS OVERVIEW AND STRATEGIES

概覽

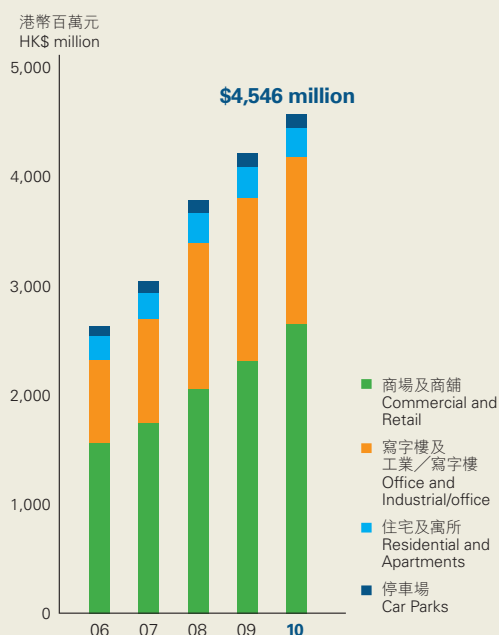
儘管金融海嘯後出現之金融困境對本集團二零零九／一零年度之業務續有影響，集團仍能趁本土物業銷售市場強勁復甦之際，售出旗下位於九龍站上蓋之豪宅項目君臨天下之多個園景單位。因此，集團於二零零九／一零財政年度業務之總營業額增長近兩倍，達港幣一百二十億五千七百萬元，其中物業銷售佔港幣七十五億一千一百萬元。由於去年並無重大物業銷售，故物業銷售額大幅增長百分之六百八十二。集團之商場及商舖租賃業務年內面對較具挑戰性之環境，其在二零零九年之大部分時間內相對上放緩，但在二零一零年上半年則有頗強勁之復甦。計入中國內地物業貢獻之港幣十九億三千一百萬元，租賃營業額較去年增加百分之九，達港幣四十五億四千六百萬元。

Overview

Though the difficult financial conditions experienced in the aftermath of the financial tsunami continued to affect our operations during 2009/10, the Group took advantage of the strong recovery in the local property sales market to sell a number of garden-facing apartments in The HarbourSide, our luxury residential development above Kowloon Station. Total turnover for our operations during 2009/10 therefore surged almost twofold to HK\$12,057 million, with property sales accounting for HK\$7,511 million. Since no major property sales took place in the previous year, this represented substantial growth of 682% for property sales. Our commercial and retail leasing operations experienced slightly more challenging times during the year, seeing a relative slowdown through much of 2009 to rebound fairly strongly in the first half of 2010. Together with a contribution of HK\$1,931 million from our Mainland properties, leasing turnover grew 9% over the previous year to reach HK\$4,546 million.

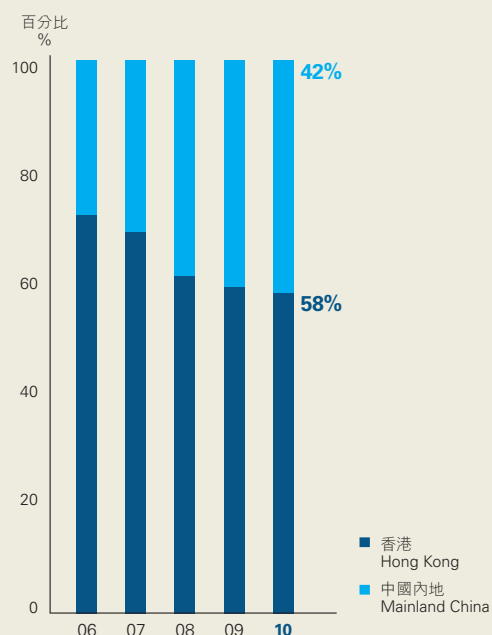
租金收入 Rental Revenue

截至六月三十日止年度
For the years ended 30 June



香港／中國內地租金收入分佈 Hong Kong/Mainland China Rental Income Split

截至六月三十日止年度
For the years ended 30 June



截至二零一零年六月三十日止年度之股東應佔純利亦飆升百分之四百三十九至港幣二百二十二億五千六百萬元。每股盈利增長百分之四百三十七，達港幣五元三角七仙。

年內，收益表錄得重估收益港幣二百一十二億三千四百萬元。根據現行會計準則之新規定，發展中之投資物業須進行估值。因此，該數字包括集團為旗下內地發展中之投資物業進行重估所錄得之港幣七十三億六千五百萬元之收益。

於二零零八年底因金融危機而陷於停頓之物業銷售市場，在二零零九年上半年開始復甦，並隨著時間遞進而日益茁壯。此增長乃由低利率及許多銀行提供進取的貸款政策所帶動。

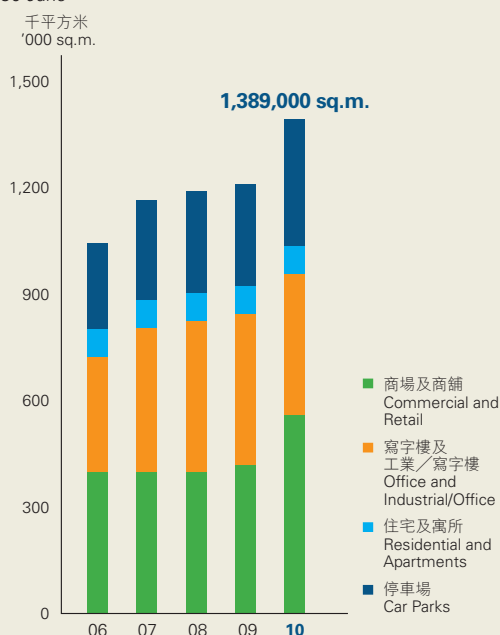
Net profit attributable to shareholders for the year ended 30 June 2010 also rose a significant 439% to HK\$22,256 million, while earnings per share grew 437% to HK\$5.37.

During the year, a revaluation gain of HK\$21,234 million was recorded in the income statement. New requirements under current accounting standards require the valuation of investment properties under development. This figure therefore includes the sum of HK\$7,365 million derived from the revaluation of our investment properties under development on the Mainland.

The financial crisis, which caused property sales to come to a virtual standstill at the end of 2008, began to recover in the first half of 2009, gaining increasing strength and momentum as the year progressed. This growth was fueled by low interest rates as well as the aggressive lending policy of many banks.

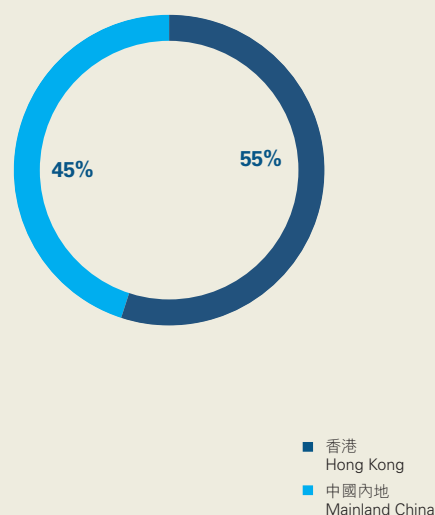
投資物業面積之業務分類 The Area of Investment Properties by Business Segment

於六月三十日
At 30 June



投資物業之地域分佈 Investment Properties by Geographical Location

於二零一零年六月三十日
At 30 June 2010



業務概覽及策略
BUSINESS OVERVIEW AND STRATEGIES

把握此浪良機，集團於二零零九年八月推售君臨天下園景住宅，售出四百二十五個單位，取得之平均售價超出市場預期。由於售價較預期為高，加上項目之成本基數低，故邊際利潤高達百分之七十，每平方呎平均售價約為港幣一萬四千五百元。透過精心計劃及密切監察市場，集團成功捕捉該線良機，運用銷售策略獲取最大的物業發展邊際利潤。集團進行銷售後之數月內，市場再無大宗豪宅銷售，可見吾等適時抓緊市場時機。

香港物業租賃市場較受窘於過山車般之零售市況，尤其是高檔市場於二零零八年底嚴重受創，加上H1N1流感於二零零九年大部分時間內肆虐全球，令該等租賃活動復甦需時較長。然而，二零一零年來臨帶來新的開始。不僅商舖租賃活動大幅反彈，寫字樓租金亦自此日益改善。儘管挑戰重重，集團仍能把旗下商舖租賃物業組合之租出率保持在約百分之九十七之水平；年內整體商舖物業租金收入增長百分之七，寫字樓和工業租金收入增長百分之八。

雖然上海亦受到二零零八年金融危機及二零零九年流感所留下之經濟困境影響，但集團兩個購物中心恒隆廣場和港匯廣場，仍有出乎意料之良好表現，其租金收入較去年顯著上升百分之二十四。然而，同期之寫字樓租金收入尚有突破空間，內地物業租賃之整體營業額增長百分之十四至港幣十九億三千一百萬元，佔集團整體租賃營業額百分之四十二。

集團本年度之盛事為皇城恒隆廣場開業。此乃集團兩項上海物業後首個在內地落成的世界級投資物業，於二零一零年六月二十六日正式開幕。皇城恒隆廣場所在地乃瀋陽市商貿樞紐舊城區之心臟，三百多年來一直是瀋陽市的主要商

Riding this wave of opportunity, we released our garden-facing apartments in The HarbourSide for sale in August 2009, selling 425 units with average sale prices which surpassed market expectations. These higher than expected prices together with the project's low cost base resulted in a profit margin of 70% with prices averaging about HK\$14,500 per square foot. With careful planning and our close scrutiny of the market, we were able to catch this window of opportunity, maximizing our property development margins in line with our sales strategies. We seem to have caught the market at just the right moment, as no major sales of luxury apartments have taken place in the months following our sales exercise.

The leasing market in Hong Kong suffered more of a roller coaster ride with the retail market, and the high-end market in particular, being hit hard at the end of 2008. Coupled with the H1N1 flu epidemic, which held the world in its grip through much of 2009, these activities have taken more time to recover. As 2010 dawned however, it brought about a new beginning -- not only have retail activities experienced a sharp rebound, office rentals have also shown an increasing improvement since then. Despite these challenges, we were able to maintain occupancies throughout our commercial leasing portfolio at around 97%, to achieve an overall increase of 7% in retail rentals and 8% in office and industrial rentals during the year.

Though Shanghai was no more immune to the economic woes left behind by the financial crisis of 2008 or the flu pandemic in 2009, our two shopping centers, Plaza 66 and The Grand Gateway, performed surprisingly well, growing rentals by an impressive 24% over the previous year. With office rentals however, struggling to show some growth during this time, the overall turnover for our Mainland property leasing grew a satisfactory 14% to HK\$1,931 million, accounting for 42% of our total rental turnover.

The highlight of our activities this year is the opening of Palace 66. The first of our world-class investment properties to be completed on the Mainland after our two properties in Shanghai, Palace 66 celebrated its official opening on 26 June 2010. Located in the heart of the Old Shenyang City District, the hub of the city's trade and commerce for the past 300 years, it remains Shenyang's primary

業和購物區。憑藉獨特設計和規劃，皇城恒隆廣場將迅速成為東北地區新的地標建築物和時尚生活中心。

此項成功僅代表我們拓展內地業務之開始。位於濟南的恒隆廣場計劃於明年開業，而其他四個全部以「恒隆廣場」命名的世界級商場物業均正施工，預計未來數年陸續落成。至於集團於二零零八／零九年度購入的兩幅大型土地，其中位於大連面積六點三公頃的較大地塊之土地清拆已接近完成，而位於無錫之地塊，集團之策略為先完成無錫的恒隆廣場(一期)，才在該幅新購入之毗鄰土地發展恒隆廣場(二期)，藉此打造出無錫市其中一幢最大和最顯赫的地標建築物。

展望

展望未來，我們將秉持其行之有效的一貫戰略。香港方面，我們繼續致力於最佳時機發售餘下物業。集團現仍持有君臨天下約二百八十個單位及浪澄灣逾一千二百個單位，定將悉力以赴重演過去甚為成功之銷售方式，在未來取得更高之邊際利潤。

內地方面，我們繼續執行擴展政策，審慎物色城市及適當土地供進一步增長。我們銳意保持過去五年創造之佳績，在內地新興城市尋找最佳和最核心的商業地塊，並堅守不以「市場摸頂」價購入之原則。由於我們擁有淨額現金，故享有優勢可掌握湧現之良機。循此目標努力，我們希望可在不久將來完成數項交易。

隨著寫字樓租金自二零一零年初回升，加上我們採用多元化策略配合市場需求，我們預期集團在香港的租賃業務將進一步改善。同時，我們預期隨著皇城恒隆廣場開展業務，內地零售租賃收入將可加速。

commercial and shopping district. With its unique design and planning, it will fast become the new landmark and lifestyle center for the northeastern region.

This success represents just the start of our expanded activities into the Mainland. The inauguration of Parc 66 in Jinan is planned next year, while the construction of four other world-class commercial properties, all under our prestigious "66" brand, are under construction and scheduled for roll-out over the next few years. With regard to the two major sites purchased in 2008/09, land clearance is about to finish at the larger 6.3 hectare site in Dalian. In Wuxi however, our strategy is to first complete Phase 1 of Centre 66. Phase 2, on the newly acquired site, will follow, capitalizing on its adjoining location to create one of the largest and most prominent landmarks in the city upon its completion.

Looking Forward

Moving forward, we will continue the strategies that have served us so ably in the past. In Hong Kong, we will continue our efforts to sell our remaining properties at the most opportune time. As we still hold some 280 units in The HarbourSide, as well as over 1,200 flats in The Long Beach, we will seek to replicate our very successful sales efforts in the past to yield yet higher profit margins in the future.

On the Mainland, we persist with our policy of expansion, carefully identifying cities and suitable land sites that will further our growth. Our aim is to maintain the track record we have established in the past five years, looking for the best, most central commercial sites in the up and coming cities on the Mainland, while resisting the temptation to buy at "top-of-the-market" prices. With our net cash position, we are well able to take advantage of the best opportunities as they arise. Working towards this end, we are hopeful that we will be able to close a couple of transactions in the near future.

With the upturn in office rentals in Hong Kong experienced since the beginning of 2010, together with our diverse strategies to cater for the needs of the market, we expect to see a further improvement in our leasing activities in Hong Kong. At the same time, we anticipate accelerated growth in retail rental income on the Mainland as operations at Palace 66 begin to take off.

香港一物業租賃 HONG KONG — PROPERTY LEASING

由於爆發金融危機，二零零八／零九年度下半年租賃需求放緩之情況，延伸至二零零九／一零年度上半年，對集團之商場及商舖、寫字樓及工業／寫字樓物業之表現帶來影響。然而，隨著零售市場於二零一零年初復甦，加上集團之整體租賃物業組合具有韌力，故集團年內之整體租金收入增至港幣二十六億一千五百萬元，較二零零八／零九年度上升百分之六，溢利亦增加百分之四至港幣二十億九千七百萬元。兩者均創集團香港租賃物業組合之新高。

商場及商舖

二零零九／一零年度開始時，集團之商場及商舖物業租賃業務面對困境。首先，經濟衰退對商舖尤其高檔商場的業務帶來沉重打擊。當二零零九年五月H1N1流感爆發時，情況進一步惡化；零售、消閒和其他生活活動進一步萎縮。

In the wake of the financial crisis, the slowdown in leasing demand experienced in the latter half of 2008/09 carried over into the first half of 2009/10, affecting the performance both of our commercial and retail as well as our office and industrial/office sectors. However, with the rebound in the retail market in early 2010 together with the overall resilience of our leasing portfolio, total rental turnover increased to HK\$2,615 million during the year, showing a positive growth of 6% over 2008/09 while profits grew 4% to HK\$2,097 million. Both were record highs for our portfolio in Hong Kong.

Commercial and Retail

The year 2009/10 started off on a difficult note for our property leasing activities in the commercial and retail sector. In the first instance, retail activities were particularly hard hit in the high-end market by the economic downturn. Matters were further exacerbated when the H1N1 virus broke out in May 2009, curtailing retail sales, leisure and other lifestyle activities even further. The negative impact of these

香港投資物業之按地域分析

Geographical Analysis of Hong Kong Investment Properties

於二零一零年六月三十日 At 30 June 2010

樓面面積* (千平方米)
Gross Floor Area* ('000 sq. m.)

		2010	2009
港島	Hong Kong Island		
中環及金鐘	Central and Admiralty	58	51
銅鑼灣及灣仔	Causeway Bay and Wanchai	112	112
康山及鯉魚涌	Kornhill and Quarry Bay	164	164
山頂及半山區	The Peak and Mid-Levels	47	47
港島南區	Hong Kong South	12	12
九龍	Kowloon		
旺角	Mongkok	140	148
尖沙咀及西九龍	Tsimshatsui and West Kowloon	89	89
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	96	93
長沙灣及葵涌	Cheung Sha Wan and Kwai Chung	52	52
總計	Total	770	768

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



此等挑戰在財政年度首季帶來最強烈的負面影響，但臨近二零零九年底時，隨著零售市場走出谷底及人們對H1N1流感之擔憂減少，該等負面影響亦逐漸消退。

踏入新一年情況轉順。隨著香港整體經濟復甦，我們於二零一零年首數月錄得強勁增長，其後此增長趨於穩定並進入整固期。因此，儘管該等物業於年初經歷艱難市況，其年內之租金收入仍上升百分之七至港幣十三億七千五百萬元，平均租出率為百分之九十七。

憑藉多元化的目標客戶、不同類型的行業及地利因素，我們的物業組合表現良好。集團大部分商舖物業均坐落於銅鑼灣和旺角區之心臟，兩者皆為香港最繁盛及最受歡迎的購物區，金融危機後遺症對彼等之影響相對較小。

我們為旗下物業進行之改善和增值計劃亦帶來成果。淘大商場及名店坊完成翻新後，其購物環境和設施質素均有改善，不僅有助彼等優化租戶組合，亦帶來可觀的租金增長。以淘大商場為例，翻新後不僅吸引了一系列新租戶，更令其較過去兩年之累計租金收入上升百分之二十一。同樣進行了翻新之銅鑼灣旗艦項目名店坊，其過去四年之累計租金增長達百分之五十二。

challenges was thus felt most strongly in the first quarter of the financial year, easing gradually as the retail market bottomed out and as fears of H1N1 receded towards the end of 2009.

The tide turned as the New Year dawned. In line with the rebound in the general economy in Hong Kong, we experienced strong growth in the first few months of 2010 followed by a period of consolidation as this growth stabilized. Despite the difficult market conditions experienced at the beginning of the year, rental growth in this sector rose a positive 7% to HK\$1,375 million with an average occupancy rate of 97%.

Our portfolio performed positively with its diverse target customers, business segments, as well as its geographical locations. With the great majority of our retail portfolio being located in the heart of Causeway Bay and Mongkok, two of Hong Kong's busiest and most popular shopping districts, the after-effects of the financial crisis had comparatively less impact.

Our efforts to improve and add value to our properties have also borne fruit. Renovations to upgrade the shopping environment and quality of our facilities both at Amoy Plaza and Fashion Walk have not only enhanced the tenant mix, but have also brought in measurable returns in rental growth. The renovations in Amoy Plaza, for instance, not only drew in a range of new tenants but also raised rental income by 21% cumulatively in the past two years. Similar upgrading work carried out at our Causeway Bay flagship development, Fashion Walk, has resulted in a cumulative rental increment of 52% over the past four years.

香港一物業租賃
HONG KONG — PROPERTY LEASING

展望未來，我們將繼續採取這些策略，憑藉多元化組合來對應不同市場環節的需要，並藉此提升租金邊際利潤及把業務風險降至最小。就此而言，我們旗下多個項目，均根據所在地點和所屬市場環節而發揮特色。以山頂廣場為例，我們善用其位於香港旅遊熱點山頂之獨特地利，在重組租戶組合時引入更多本地品牌，令本地人士和遊客均感興趣。我們亦與相關品牌攜手合作，透過文化和藝術活動推廣山頂廣場。

名店坊續為顧客提供獨特的戶外時尚購物及餐飲經驗。其「街道式商場」配合世界最頂尖品牌之雙層旗艦店所營造之氣氛，結合「食街」露天餐飲大道，不僅深具特色亦令該地區之街頭生活更添姿采。加上去年完成翻新所帶來之裨益，名店坊租金收入升至港幣二億八千三百萬元，較二零零八／零九年度增長百分之十。

Looking forward, we will be maintaining these strategies, playing up our diversity to cater for the needs of different market segments, drive our rental margins upwards and minimize our business risk. Many of our developments thus have a unique flavor, based on their location and market segment. At The Peak Galleria, for example, we have taken full advantage of the complex's unique location at Hong Kong's signature tourist spot, the Peak, to reorganize the tenant mix to include more local brands to reflect Hong Kong's unique culture and taste, which will appeal to both locals and tourists alike.

At Fashion Walk, we continue to provide our customers with a unique outdoor lifestyle shopping and dining experience. The "street mall" ambience, featuring double-deck flagship stores of some of the world's most well-known brands, combined with its alfresco dining avenue "Food Street", is not only unique, it also contributes strongly to the street life in the area. Together with the enhancements brought about by the renovations completed in the previous year, rentals rose to HK\$283 million, 10% more than in 2008/09.

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 (%)	
		2010	2009	2010	2009	2010	2009
商場及商舖	Commercial and Retail	271	243	1,375	1,285	97	98
寫字樓及工業／寫字樓	Office and Industrial/Office	237	263	881	819	94	93
住宅及寓所	Residential and Apartments	79	79	257	274	73	73
停車場	Car Parks	183	183	102	96	N/A	N/A
總計	Total	770	768	2,615	2,474	92	92



1. 名店坊·銅鑼灣 Fashion Walk, Causeway Bay
2. 山頂廣場·山頂 The Peak Galleria, the Peak



香港 — 物業租賃
HONG KONG — PROPERTY LEASING

秉承多元化設施並配合區內顧客的需要，我們在旺角區之物業家樂坊、以及雅蘭中心一期及二期，繼續分別提供時尚潮流的日本和韓國時裝及多類型美食。該等物業不甚受金融危機之影響，業務如常運作，年內帶來之租金收入達港幣二億零五百萬元。

位於東九龍之淘大商場近年翻新後乘勝追擊，租金收入增長百分之八至港幣二億二千三百萬元。位於港島東之康怡廣場同樣表現理想，此購物商場之租金收入達港幣二億八千五百萬元，較去年增長百分之十四。

展望未來，我們正就今年初從市況飆升所得的增長作出整固，並因應環球和本地經濟之持續改善而訂立具體的工作和策略。倘購買意慾保持其過去六個月之同樣升勢，我們期望商場及商舖業務於二零一零年下半年有更佳表現。

Maintaining our diversity and catering for the needs of customers within the area, our properties in Mongkok -- Gala Place as well as One and Two Grand Tower -- continue to showcase the latest Japanese and Korean fashion trends and offer a wide array of dining options respectively. These properties saw little or no impact from the financial crisis. Business carried on as usual to bring in a rental income of HK\$205 million for the year.

Amoy Plaza in Kowloon East continues to ride the momentum after recent renovations, performing positively to see a rental rise of 8% in its rental income to HK\$223 million. Kornhill Plaza, our shopping complex in Island East, also performed satisfactorily, achieving a rental income of HK\$285 million, to show a growth of 14% over the previous year.

Looking ahead, we are currently consolidating the growth gained as a result of the market surge experienced earlier this year, crystallizing our efforts and strategies as the global and local economies continue to improve. If purchasing trends continue on the same upward path as experienced in the past six months, we expect to see improved performances for this sector in the second half of 2010.

焦點
IN FOCUS

為電動汽車充電
Battery Charging Station for Electric Vehicles

我們矢志把可持續發展納入旗下業務之每個層面，致力為顧客提供各項環保選擇。二零零九年十二月三十日，我們在山頂廣場開設了港島首家電動汽車電池充電站。

Committed to sustainability in every aspect of our operations, we seek to provide a range of environmentally-friendly options for customers. On 30 December 2009, we opened the first battery charging station for electric vehicles on Hong Kong Island at The Peak Galleria.



寫字樓及工業／寫字樓

相對於集團組合內之其他租賃物業而言，甲級及優質寫字樓較為倚重國際市場，故金融危機對其影響較大。其租金於二零零八年中升至高峰後持續下調，直至二零零九年第三季終於穩定，其後於二零一零年初輕微上揚。因此，該等物業之租出率得以維持在百分之九十四之水平；租金收入增長百分之八至港幣八億八千一百萬元。

儘管錄得增長，該等物業年內面對多項挑戰。首先，由於金融海嘯導致商企縮減業務和遷往租金較便宜的地區，故香港中環區許多甲級寫字樓均出現空置，需要時間消化；而九龍東亦推出大量新寫字樓。由於我們採取獨特市場策略，吸納多元環節的客戶為租戶，因此我們比起大部分同業能較佳地應對這些挑戰。我們擁有遠遠較為廣泛的租戶組合，非局限於所謂「火熱行業」之金融、保險和房地產業，故租出率保持在顯著高於市場的水平。

年內，集團位於中環之優質寫字樓，包括渣打銀行大廈、樂成行、都爹利街一號及印刷行等，在市場環境偏淡下表現仍較市場對手優勝。隨著市場於二零一零年下半年開始消化供應，我們預期此等物業將逐步改善表現，在二零一零年一月至十二月期間料有單位數字增長。

另一方面，我們預期集團位於旺角之寫字樓將有更強勁之表現。該等物業坐落於人口稠密之繁盛地區，租戶組合更為多元化；其大部分租戶均從事服務業，業務比起一般商業較為穩定。由於本土經濟持續改善，故我們預期該等物業之租金收入會上升。

Office and Industrial/Office

Due to their greater international exposure, rentals for Grade A and prime office space felt the effects of the financial crisis more keenly than other sectors of our leasing portfolio. Peaking in mid-2008, rentals in this sector continued their downward spiral, finally stabilizing in the third quarter of 2009, followed subsequently by a slight upturn at the beginning of 2010. As a result, we were able to achieve an average occupancy rate of 94%, translating into a growth of 8% in rental income to HK\$881 million.

Despite this growth, a number of challenges were experienced during the year. Firstly it took time for many Grade A premises in Hong Kong's Central district to absorb the vacancies which resulted from the financial tsunami as companies downsized their business and moved to regions which offer cheaper rental. A huge supply of new offices also came on stream in Kowloon East. Given our unique marketing strategies to target diversified client segments as tenants for our properties, we were better able to meet these challenges than most. Having a much wider tenant mix than the so-called "FIRE" sectors -- finance, insurance and real estate -- has enabled our occupancy rates to remain at significantly higher levels than the rest of the market.

During the year, our prime offices in Central -- Standard Chartered Bank Building, Baskerville House, 1 Duddell Street and Printing House -- outperformed the market competition despite the slow business environment. As the market begins to absorb supply in the second half of 2010, we expect this segment to further improve. We forecast some growth, albeit in the single digit level, for the January to December 2010 period.

We expect a stronger performance from our offices in the busy Mongkok area as the tenant mix is more diversified. The majority of these tenants are engaged in the servicing trades, which have seen relatively more stability as compared to the general business sector. We therefore expect rental income in this area to rise as the local economy continues to improve.

香港 — 物業租賃
HONG KONG — PROPERTY LEASING

1. 恒隆中心 · 銅鑼灣 Hang Lung Centre, Causeway Bay
2. 栢裕商業中心／家樂坊 · 旺角 Park-In Commercial Centre/Gala Place, Mongkok



該項「多元化策略」亦見諸港島東康怡廣場辦公大樓之「康怡教室」主題樓層。此項獨特構思為多類專業教育中心和補習社提供支援設施，滿足該區之需要。

住宅及服務式寓所

集團之住宅及服務式寓所租賃組合包括各類豪宅及服務式寓所。其兩個品牌項目：位於港島半山區上臨跑馬地擁有馬場遼闊景觀之御峯，以及坐落於香港南區陽光與海灘勝地之淺水灣包括四十五個家庭式別墅單位之濱景園，繼續深受專業人士和企業外籍人士歡迎。然而，金融危機後出現之經濟衰退，導致該兩項物業之租金收入下跌百分之七。

服務式寓所業務於二零零九／一零年度亦經歷了過山車般之市況，其業務於二零零九／一零年度下半年後期出乎意料地強勁反彈，彌補了二零零九／一零年上半年的虧損，租金收入跌幅收窄。整體而言，住宅及服務式寓所租賃組合之全年租金收入總額只下跌百分之六。

倘若經濟保持現時穩定趨勢至二零一零年，我們預期該項業務可持續復甦。

This “strategy of diversity” can also be seen in the “Learning Zone” in Kornhill Plaza Office Tower in Island East. This unique concept provides the facilities and support for a variety of professional education centers and tutoring groups, satisfying demand in the local community.

Residential and Serviced Apartments

Our residential and serviced apartments leasing portfolio consists of a mix of both luxury residential properties and serviced apartments. Our two signature properties in this portfolio -- The Summit in Hong Kong's popular Mid-levels section just above Happy Valley with its panoramic views of the racecourse; and Burnside Villa, consisting of 45 family-style garden homes located at Repulse Bay Beach on the sunny south-side of Hong Kong -- continue to attract both professional and corporate expatriates. However, the economic slowdown experienced in the aftermath of the financial crisis, led to a drop in income of 7% in these two properties.

Our serviced apartments on the other hand also experienced a roller coaster ride in 2009/10. An unexpectedly strong rebound in the latter half of 2009/10 has made up for previous losses in the first half of 2009/10 and lessened the reductions in rental income. Overall, the annual rental of our residential and serviced apartments leasing portfolio fell by just 6%.

If the economy continues to stabilize along present trends into 2010, we can expect a sustainable rebound in this business.



衛蘭軒行政客房
Executive room
of The Wesley

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

香港物業市場於二零零九年首六個月強勁復甦後，在該年之餘下時間至二零一零年首季持續改善。一般住宅價格從二零零九年低位飆升近百分之四十，其中百分之十五之升幅乃於二零零九年七月後錄得。低利率及銀行進取的貸款政策，是今次地產升浪背後的主要動力。

由於物業市道飆升已逾一年，即使政府沒有推出預防樓市過熱措施，市道出現放緩或整固亦非意外。由於二零一零年大部分時間利率大有可能維持低企，我們並不預期樓價會大幅調整或投資者會「割價沽貨」。

Following the strong recovery in the first six months of 2009, the property market in Hong Kong continued to improve for the rest of the year and well into the first quarter of 2010. Price levels for general housing have soared almost 40% since the lows experienced in 2009 with 15% of this growth taking place after July 2009. Low interest rates and aggressive bank lending policies have been the major drivers behind this rising trend.

Since property market levels have risen so strongly for more than a year, it would come as no surprise if we were to see either a slowdown or a rationalization in the market, even without the government's cautionary measures. At the same time, we do not expect to see any significant price adjustments or "flat-dumping" by investors as interest rates are likely to remain low for most of 2010.

焦點 IN FOCUS

高透明度 High Level of Transparency

我們確保業務具透明度，保證客戶在任何時候均獲完善資訊。早於市場透明度成為今天企業關注點前，我們的售樓書包括浪澄灣、君臨天下及碧海藍天已獲得香港測量師學會的認可，並詳盡提供單位規格及所有必需的相關資料。

We ensure transparency in our operations, guaranteeing that our customers are properly informed at all times. Well before market transparency became the important corporate concern that it is today, our sales brochures for The Long Beach, The HarbourSide and AquaMarine had already won recognition from The Hong Kong Institute of Surveyors, for providing sufficient amounts of detail on apartment specifications as well as all other necessary and relevant information.





君臨天下

此豪宅項目包括三幢樓高八十層之豪宅大廈，巍峨矗立於九龍站上蓋。住戶不僅享有周遭方便的交通服務，也享有一級的零售和社區設施，以及西九龍新興地區綠翠盎然的怡人環境。

掌握二零零九年物業銷售市場飆升的良機，我們於該年第三季推售君臨天下園景單位，在熱烈之市場反應下，集團合共售出四百二十五個園景單位，錄得銷售收入逾港幣七十五億元。每平方呎平均售價約為港幣一萬四千五百元，複式單位每平方呎平均售價達港幣二萬二千元。邊際利潤高達百分之七十，甚為理想。

如今回望，我們相信集團於二零零九年第三季進行銷售之時機已屬最佳。我們很有可能等待另一個市場升浪才推售項目餘下的二百八十四個單位。我們目前的計劃是在未來數年分階段進行有關推售。

浪澄灣

這個享有遼闊海景及世界級康樂設施之高檔項目，於二零零七年發售時，六百個單位在兩星期內全數售出。鑑於市道放緩，我們把進一步銷售押後，並在本財政年度擱置了原定之第二輪發售計劃。雖然今年初之價格已回復到二零零七年的水平，但我們選擇稍等以求於最佳時機進行第二輪發售。我們將於未來數年當市場復甦時，把此項目餘下之五幢住宅大廈共一千二百三十四個未售單位分批发售。

The HarbourSide

This luxury residential development consists of three 80-story towers. Rising above Kowloon Station, residents not only benefit from the convenient transport services in the area, they also enjoy the first-class retail and community facilities, as well as the green and very pleasant surroundings in this emerging district in West Kowloon.

Making the most of the soaring property sales market in 2009, we launched the sale of our garden-view units in The HarbourSide in the third quarter of 2009. Response was enthusiastic with a total of 425 garden-view units being sold to bring in sales proceeds of over HK\$7.5 billion. The average price level achieved was about HK\$14,500 per square foot, with duplexes achieving HK\$22,000 per square foot. This translated into a highly satisfactory profit margin of 70%.

In hindsight, we believe that our sales exercise in the third quarter of 2009 could not have been more timely. It very much looks like we will have to wait for another favorable surge in the market to release the development's remaining 284 units. The existing plan is that this will possibly be done in phases over the next few years.

The Long Beach

In 2007, with its tremendous harbor views and world-class recreational facilities, 600 units in this high-end development were sold in just two weeks. With the slowdown in the market, further sales were postponed and plans to market the second phase of the project were shelved during the current fiscal year. Though price levels recovered earlier this year to reach 2007 levels, we are choosing to wait a little longer for the best opportunity to release phase two for sale. The remaining five blocks, consisting of 1,234 unsold units, will be released in separate batches over the next few years to come as the market picks up.

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

浪澄灣 · 西九龍 The Long Beach, West Kowloon



其他物業及項目

由於碧海藍天和君逸山項目僅餘少量未售單位，我們預期可透過本地地產代理在市場內出售，目標是於下個財政年度減少這些未售單位的數目。

位於香港跑馬地幽雅之藍塘道之發展中豪宅項目現正如期施工。該項目之地盤面積為七千八百五十平方米，預期於二零一二年落成後之總樓面面積約為八千平方米。

Other Properties and Projects

With only a few unsold units left in our AquaMarine and Carmel-on-the-Hill developments, we expect to market the remaining units through local estate agents, with a view to reducing the number of unsold units in the coming fiscal year.

The luxury development being built on the 7,850 square-meter site on Hong Kong's tranquil Blue Pool Road in Happy Valley is proceeding on schedule. Upon its projected completion in 2012, it will consist of approximately 8,000 square meters of total gross floor area.



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

二零零九／一零年度內，儘管經濟危機帶來影響並導致上海市寫字樓租賃市場放緩，但我們在內地兩個品牌項目恒隆廣場及港匯廣場續有理想表現。兩者合共之租金收入上升百分之十四至港幣十九億三千一百萬元，經營溢利上升百分之十四至港幣十六億二千九百萬元，佔集團租賃溢利總額百分之四十四。單以彼等之商場計算，表現更為可觀，租賃溢利較去年上升百分之三十。

展望未來，隨著瀋陽的皇城恒隆廣場於二零一零年六月落成，這些數字將進一步增長。皇城恒隆廣場標誌著我們擴展內地業務之開始，這是因為我們還有五項物業正在發展中，將為我們的內地業務揭開一個全新的時代。

恒隆廣場

年內，恒隆廣場憑著其現代化建築、優雅空間及當代設計，繼續穩居上海優質購物熱點之列。

項目位於上海心臟最繁盛的購物街之一南京西路，以卓越的管理吸引了世界最知名的尊貴品牌在此開業，如香奈兒(Chanel)、路易威登(Louis Vuitton)、愛馬仕(Hermès)、Celine、Prada及Dior等；以至世界頂級珠寶和手錶製造商，如海瑞溫斯頓(Harry Winston)、蒂芙尼(Tiffany)、卡地亞(Cartier)、寶詩龍(Boucheron)、芝柏(Girard-Perregaux)、綽美(Chaumet)及蕭邦(Chopard)等品牌。

路易威登把握2010年上海世界博覽會帶來的黃金商機，於恒隆廣場舉行百年世博回顧展，慶祝品牌長期參與世博的傳統；並在恒隆廣場開設了旗下第一家店內手工工作室。Dior也把握此機會，把恒隆廣場的旗艦店重新裝潢。

年內，恒隆廣場購物商場之租出率維持在百分之一百的水平，租金收入(不計停車場)達港幣五億一千三百萬元，較去年

In 2009/10, despite the effects of the economic crisis and the slow office leasing market in the city, our signature properties on the Mainland, Plaza 66 and The Grand Gateway, continued to perform well. Rental income grew on the Mainland a satisfactory 14% to HK\$1,931 million while operating profit grew 14% to HK\$1,629 million contributing 44% to our operating rental profits. Taken on its own, the retail sector performed even more positively, growing an impressive 30% over the previous year.

Looking forward, these figures will grow yet again with the completion of Palace 66 in Shenyang in June 2010. Palace 66 marks the start of our expansion on the Mainland as we still have a further five properties under development, signifying the beginning of a whole new era in our Mainland operations.

Plaza 66

During the year, Plaza 66 continued to consolidate its position as Shanghai's premier shopping destination with its modern architecture, elegant spaces and contemporary design.

Coupled with its exceptional management, outstanding location on Nanjing Xi Lu -- one of the busiest shopping streets in the heart of Shanghai -- Plaza 66 works hand-in-hand with the most well-known and acclaimed brands in the world -- from Chanel, Louis Vuitton and Hermès to Celine, Prada and Dior -- as well as the world's leading jewelers and watch makers -- Harry Winston and Tiffany, Cartier and Boucheron, Girard-Perregaux, Chaumet and Chopard.

Taking advantage of World Expo 2010, Louis Vuitton held a retrospective exhibition at Plaza 66 to celebrate its long tradition of participating in the event. It also opened its very first in-store Louis Vuitton Atelier in the mall. Dior also took advantage of this golden opportunity to refurbish its boutique at Plaza 66.

The shopping complex at Plaza 66 remained fully occupied during the year, to bring in a rental income, excluding car parks, of HK\$513 million, an increase of 32% over the previous year. Moving forward we expect



恒隆廣場 · 上海靜安區 Plaza 66, Jing'an District in Shanghai



上升百分之三十二。展望未來，我們預期有關數字將進一步增長，此乃由於恒隆廣場繼續採取措施例如設立鐘錶廊等來加強在最高檔產品市場的地位，以及輪候之租戶數目仍不斷增加所致。

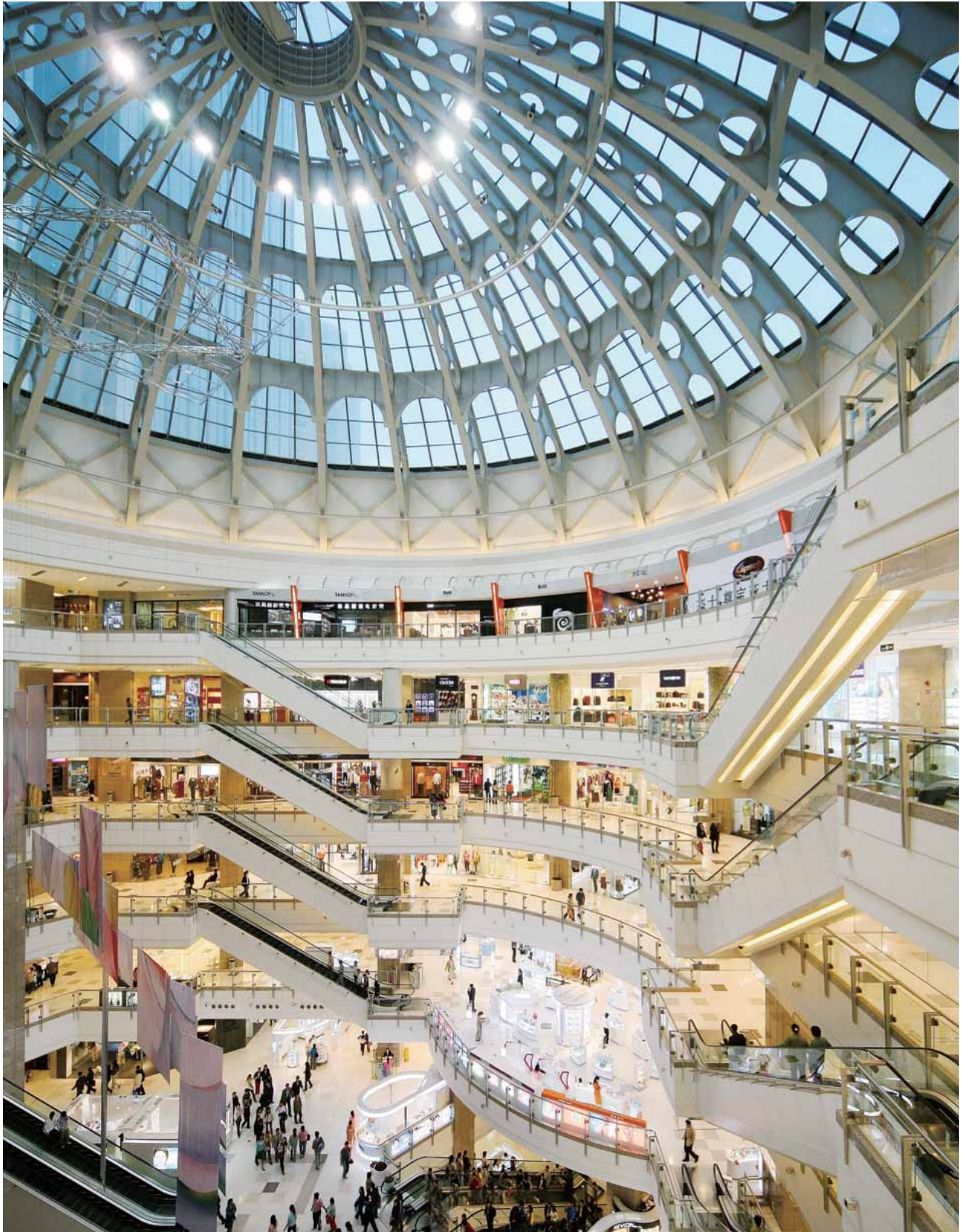
項目包括兩幢樓高六十六層之辦公大樓，為區內最高建築物，繼續深受跨國租戶歡迎。然而，由於較為倚重國際市場，此等辦公室設施年內比商場較程度上受到金融危機的影響。但儘管市道欠佳，該兩幢辦公大樓於二零一零年六月之租出率仍穩企於百分之九十八，其整個財政年度之租金收入（不計停車場）達港幣六億六千萬元。

these figures to show yet further gains as we continue to enhance our market positioning for the ultimate in luxury products, with initiatives such as our highly popular Watch Gallery, and as the tenant waiting list for space within the development continues to grow.

Rising 66 storeys as the tallest building in the surrounding area, the two office towers within the development continued to prove popular with multinational tenants. This greater exposure to the international market however meant that these office facilities felt the effects of the financial crisis more keenly than the retail sector during the year. Despite the adverse market however, we were able to achieve occupancy levels at around 98% as of June 2010 and bring in rental revenues, excluding car parks, of HK\$660 million for the 2009/10 financial year.

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

港匯廣場 · 上海徐匯區 The Grand Gateway, Xuhui District in Shanghai



港匯廣場

此項地標購物中心位於上海徐家匯商業區最大及最繁忙的地鐵站之上蓋，在上海市最時尚的熱點中繼續穩佔一席，例如作為二零一零年除夕倒數的最佳地方；港匯廣場亦獲選為十二個「上海世博會城市文化廣場」之一，於二零一零年五月至十月世博會舉行期間的每個週末，在正門廣場舉行「周周演」多元化文藝表演。

二零零九／一零年度內，它吸引了多名新租戶，包括世界領先品牌如阿瑪尼 (Armani)、巴寶莉 (Burberry)、托馬斯 (Thomas Pink) 及恩佐 (Enzo) 等。這些品牌不僅增加了港匯廣場租戶組合的多元性，亦令其擁有超過三十家享譽全球的知名品牌陣容。新翼之第三層已改建為「女士」服務區。連同佔地三千五百平方米、標誌著大都會生活的 Olé 精品超市及 Versus Versace 咖啡廳，令港匯廣場提供更多姿多采的時尚生活經驗。

二零零九／一零年度，港匯廣場購物商場之租金收入 (不計停車場) 穩健增長百分之二十至港幣七億二千六百萬元。

The Grand Gateway

This landmark shopping complex, located above Shanghai's largest and busiest metro station in the Xujiahui commercial district, continued to cement its role as one of the city's trendiest hotspots -- it was for instance seen as the most desirable location for the New Year's Eve countdown to 2010. It was also selected as one of Shanghai's 12 World Expo Cultural Plazas, where cultural performances are staged every weekend from May until October 2010 at the open plaza outside the main entrance of The Grand Gateway.

In 2009/10, it attracted a number of new tenants including world-leading brands such as Armani, Burberry, Thomas Pink and Enzo. Not only have these brands added to the diversity of our tenant portfolio, they bring the number of prominent brands within the complex to well over 30 of some of the most well-known names in the world. In the new wing, Level 3 has been modified to provide a "ladies" services section. Together with the opening of the cosmopolitan lifestyle supermarket, Olé, occupying 3,500 square meters, as well as a Versus Versace Caffé, they are greatly adding to the lifestyle experience at The Grand Gateway.

Rental income for the shopping arcade at The Grand Gateway in 2009/10, excluding car parks, therefore grew a healthy 20% to HK\$726 million.

中國內地投資物業之按類分析

Segmental Analysis of Mainland China Investment Properties

		總樓面面積* (千平方米) Total Gross Floor Area* ('000 sq. m.)	租金收入 (港幣百萬元) Rental Revenue (HK\$ million)	租出率 (百分比) Occupancy Rate (%)			
		2010	2009	2010	2009		
商場及商舖	Commercial and Retail	283	174	1,240	994	100	100
寫字樓	Office	160	160	660	663	95	97
停車場	Car Parks	176	104	31	31	N/A	N/A
總計	Total	619	438	1,931	1,688	98	99

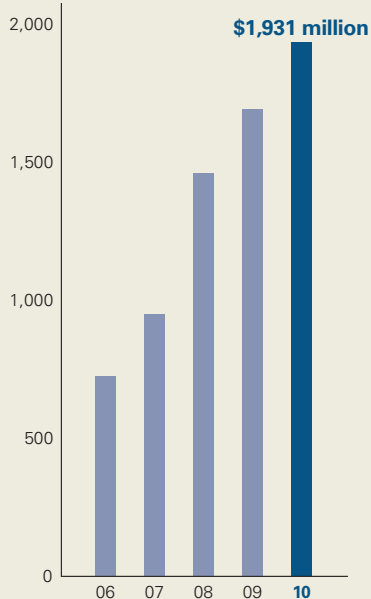
* 包括地面及地底之樓面面積
Including gross floor area above and below ground

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

中國內地租金收入
Mainland China Rental Revenue

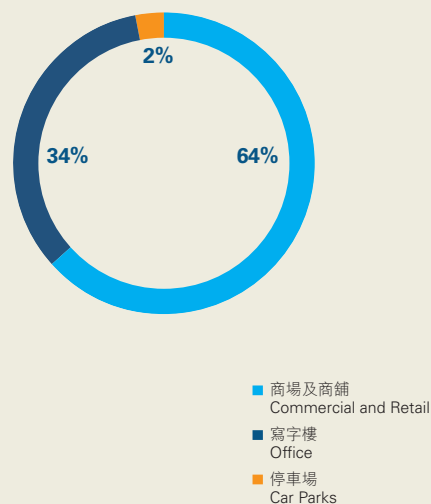
截至六月三十日止年度
For the years ended 30 June

港幣百萬元
HK\$ million



中國內地租金收入之業務分類
Mainland China Rental Revenue by Business Segment

截至二零一零年六月三十日止年度
For the year ended 30 June 2010



焦點
IN FOCUS

財務穩健
Track Record of Strong Finances

集團一直以來維持穩健的現金狀況，以致能成功實踐我們發展投資物業作長遠租賃的策略。上海的恒隆廣場及港匯廣場分別於二零零一及一九九九年開幕後，為我們帶來了可觀的租金收入。預期已於今年六月開幕的瀋陽皇城恒隆廣場，以及於未來數年落成的多個內地投資項目，包括二零一一年第三季開幕的濟南恒隆廣場，開始為我們的租金收入作出貢獻，我們的現金流將更加穩健。強健的淨現金狀況，讓我們靈活地計算最佳時機，以理想價錢推售住宅項目。

Our sustainable strong cash position has enabled the successful implementation of our strategies to create many investment developments for lease in the long term. Our Plaza 66 and The Grand Gateway in Shanghai have brought substantial rental income to us since their openings in 2001 and 1999 respectively. We expect that our cash flow will be further fueled when Palace 66 in Shenyang, which opened in June 2010, and other upcoming Mainland projects, including Parc 66 in Jinan scheduled to open in the third quarter of 2011, start contributing to our rental income. This strong net cash position gives us the flexibility to accurately time the sale of our residential developments at the right prices in the market.



由於歐洲各國的金融問題尚未解決，加上內地貨幣供應過多產生潛在影響，因此二零一零／一一年度之挑戰尚未浮現。然而，我們相信，憑藉我們與客戶多年來建立的信任並在改善設施方面不遺餘力，以及港匯廣場建立的領導優勢，均可令我們享有持續增長，並更具抗逆能力。

皇城恒隆廣場

作為購物商場兼時尚休閒生活中心之皇城恒隆廣場於二零零九／一零財政年度結束前數天開業，並已全部租出，擁有約三百個國內和國際時尚品牌為租戶。

With financial problems still being experienced in various European countries and the potential impact of the excessive money supply on the Mainland, the challenges of 2010/11 have yet to surface. We, however, believe that the trust established with our customers over the years, our constant efforts to upgrade our facilities, and the leadership trends established by The Grand Gateway will help to maintain our sustainable growth, with added resilience.

Palace 66

Designed both as a shopping mall as well as a lifestyle and leisure center, Palace 66 commenced operations a few days before the end of the current 2009/10 fiscal year. Fully leased, the property boasts a complementary mix of some 300 local and international tenants.

中國內地投資物業及發展中投資物業之按地域分析

Geographical Analysis of Mainland China Investment Properties and Investment Properties Under Development

於二零一零年六月三十日 At 30 June 2010

總樓面面積* (千平方米)
Total Gross Floor Area* ('000 sq. m.)

投資物業	Investment Properties	
上海	Shanghai	
徐匯區	Xuhui District	165
靜安區	Jing'an District	273
瀋陽	Shenyang	
瀋河區(中街路)	Shenhe District (Zhongjie Lu)	181
發展中投資物業	Investment Properties Under Development	
濟南	Jinan	171
瀋陽	Shenyang	
瀋河區(青年大街)	Shenhe District (Qingnian Da Jie)	842
無錫	Wuxi	
崇安區(人民中路)	Chong'an District (Renmin Zhong Lu)	264
崇安區(健康路)	Chong'an District (Jiankang Lu)	113
天津	Tianjin	153
大連	Dalian	222
總計	Total	2,384

* 包括地面及地底之樓面面積
Including gross floor area above and below ground

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



項目 Project	恒隆廣場 Parc 66
地點 Location	濟南市歷下區泉城路 Quancheng Lu, Lixia District, Jinan
主要用途 Main Usage	商業 Commercial
總樓面面積 Total Gross Floor Area	171,000平方米/sq. m.

項目內容 Project Descriptions

恒隆廣場位於濟南市被譽為「金街」之泉城路，此處自明代至今均為濟南市之政治、文化及商業核心。項目毗鄰世界著名地標泉城廣場、「天下第一泉」趵突泉、大明湖及千佛山，其世界級商場提供逾十七萬一千平方米之樓面面積。

恒隆廣場以四周之湖和泉為主題，集流麗的設計、起伏的屋脊、綠色的空間和富曲線美的外牆於一身，打造出濟南市之新地標。此創新的建築物勢必成為城中熱點，為顧客帶來嶄新的休閒和娛樂生活體驗。

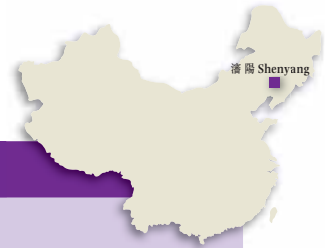
秉承集團業務之可持續發展理念，我們所有在內地之新發展項目均擁有最先進的可持續發展設施，並矢志取得由美國綠色建築協會頒發的國際公認「能源及環境設計先鋒獎——核心及外殼組別」金獎認證。濟南恒隆廣場已於二零零九年獲得該項金獎預認證，並與皇城恒隆廣場同獲國際房地產論壇及全球交易會頒發獎項，濟南恒隆廣場獲頒「2009 未來項目大獎——零售及消閒組別」。此外，該項目亦於財政年度內榮獲國際物業大獎頒發「國際商業物業大獎」組別的「2009 亞太區商業物業大獎——建築大獎(五星)」。

Parc 66 is located on Quancheng Lu, Jinan's "Golden Avenue", which has been the city's political, cultural and commercial hub since the Ming Dynasty. In the neighborhood of world-famous landmarks, including Quancheng Square, the "No. 1 Spring of the World" -- Baotu Spring, Daming Lake and Qianfo Mountain -- the development will offer an over 171,000 square-meter world-class shopping mall.

Taking its theme from the surrounding lakes and springs, Parc 66 embodies a fluid design, an undulating roof, green spaces and curved façades, creating a new landmark in the city. The innovative architecture will be a nexus for the community, bringing a new dimension in leisure and entertainment lifestyles to customers.

Grounding the concept of sustainability in our business operations, all of our new developments on the Mainland will incorporate cutting edge sustainability design features and aim to attain the internationally recognized "Certification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level" issued by the U.S. Green Building Council. As such, Parc 66 has already received its Gold Level Precertification in 2009. Like Palace 66, it has received a design award by Le Marché International des Professionnels de l'Immobilier (MIPIIM), in this instance the "MIPIIM Architectural Review Future Project Awards 2009 -- Retail & Leisure". It also won the International Property Awards' "Asia Pacific Commercial Property Awards 2009 -- The Architecture Award (Five Star)" during the financial year. Project completion is expected in 2011.





項目 Project	市府恒隆廣場 Forum 66
地點 Location	瀋陽市瀋河區青年大街 Qingnian Da Jie, Shenhe District, Shenyang
主要用途 Main Usage	商業、辦公樓、酒店及服務式寓所 Commercial, office, hotel and serviced apartments
總樓面面積 Total Gross Floor Area	842,400 平方米/sq. m.

項目內容 Project Descriptions

市府恒隆廣場乃集團最大的發展中項目，將興建樓面面積達八十四萬二千四百平方米之地標綜合大樓。項目坐落於貫通瀋陽市中心被稱為「金廊」之青年大街，興建中的地鐵將沿著「金廊」設站直達市府恒隆廣場。作為世界級商業綜合物業，項目置身於瀋陽市地標——遼寧大劇院、遼寧省博物館、市政府辦公樓及市政府廣場之交匯點，盡享黃金地利。

此乃本公司在瀋陽之第二項世界級商業項目，首個項目皇城恒隆廣場已於二零一零年六月開幕。市府恒隆廣場除設有頂級購物商場外，亦將提供酒店及服務式寓所以及樓高三百五十米之甲級辦公大樓，此為中國東北部其中一幢最高的寫字樓。

市府恒隆廣場於二零零八年取得美國綠色建築協會之「能源及環境設計先鋒獎——核心及外殼組別」金獎的預認證。項目預計於二零一二年起分期落成，最先落成的為購物商場。

As the largest of our current projects under development, this prime 842,400 square-meter landmark complex is located on Qingnian Da Jie, the "Golden Corridor" that runs through the center of the city. A new metro line is also being built along this "Golden Corridor," which will provide direct access from the station to our development. Situated in the midst of Shenyang's landmarks -- the Liaoning Grand Theater, the Museum of Liaoning Province, the Municipal Government Building, as well as City Plaza, Forum 66 will be a comprehensive world-class commercial development.

Forum 66 will be the second world-class commercial project in Shenyang for the Group after Palace 66, which was opened in June 2010. Apart from its premier shopping facilities, the development will offer a hotel and serviced apartments, as well as Grade A office towers rising some 350 meters to become one of the tallest office buildings in northeast China.

Forum 66 has already received the "Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level" issued by the U.S. Green Building Council in 2008. Project completion by phases is expected from 2012 onwards, with shopping facilities to come into light first.



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



項目 Project	恒隆廣場(一期) Centre 66 (Phase 1)
地點 Location	無錫市崇安區人民中路 Renmin Zhong Lu, Chong'an District, Wuxi
主要用途 Main Usage	商業及辦公樓 Commercial and office
總樓面面積 Total Gross Floor Area	263,800 平方米/sq. m.

項目內容 Project Descriptions

恒隆廣場(一期)位於無錫市之商業中心崇安區人民中路。興建中之地鐵一號及二號線將貫通中山路及人民中路，並於兩者之交匯點設站，以室內通道連接恒隆廣場一期及二期，有助促進項目的人流。項目一期總樓面面積達二十六萬三千八百平方米，包括一座購物商場及甲級辦公樓群。

恒隆廣場的購物商場及一期寫字樓於二零零九年七月獲美國綠色建築協會頒發「能源及環境設計先鋒獎—核心及外殼組別」金獎的預認證。項目預期於二零一三年起分期落成。

Phase 1 of Centre 66 is located in the very heart of the central business district in Wuxi. Situated right on Renmin Zhong Lu in Chong'an District, it will enjoy the busy traffic that the future Number 1 and 2 metro lines will bring. Running along Zhongshan Lu and Renmin Zhong Lu, the two metro lines will cross right underneath Centre 66, offering an indoor passageway connecting passengers to both of Phases 1 and 2. Phase 1 will offer 263,800 square meters of shopping mall and Grade A office towers.

Centre 66's shopping mall and Phase 1 office obtained the "Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level" issued by the U.S. Green Building Council in July 2009. Project completion by phases is expected from 2013 onwards.





項目 Project	恒隆廣場(二期) Centre 66 (Phase 2)
地點 Location	無錫市崇安區健康路 Jiankang Lu, Chong'an District, Wuxi
主要用途 Main Usage	商業、辦公樓、酒店及服務式寓所 Commercial, office, hotel and serviced apartments
總樓面面積 Total Gross Floor Area	113,000 平方米/sq. m.

項目內容 Project Descriptions

恒隆廣場(二期)坐落於健康路及後西溪交界，後者位於人民中路恒隆廣場(一期)南面，兩期項目之總樓面面積達三十七萬六千八百平方米。此大型綜合項目集世界級購物中心、甲級辦公樓群、酒店及服務式寓所於一身，將成為無錫市核心商業區的地標。

This development will be built at the intersection of Jiankang Lu and Houxi Xi. The latter is to the immediate south of Renmin Zhong Lu where the current Centre 66, Phase 1 development is located. Together with Phase 1, the total gross floor area of Centre 66 will amount to 376,800 square meters, forming a large scale mixed development comprising a world-class shopping mall, Grade A office towers, a hotel and serviced apartments, to become the landmark of the city's central business district.



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



項目 Project	恒隆廣場 Riverside 66
地點 Location	天津市和平區和平路 Heping Lu, Heping District, Tianjin
主要用途 Main Usage	商業 Commercial
總樓面面積 Total Gross Floor Area	152,800 平方米/sq. m.

項目內容 Project Descriptions

恒隆廣場位於天津市和平路，此路為「全國十大著名商業街」之一。項目提供十五萬二千八百平方米之頂級商舖面積，以修長的建築設計成為中國最長的購物商場之一。整體為玻璃結構外殼，從外可見一所所小型石箱式店舖，突顯物業的透明度，並提高其在周圍街道之間之觸目程度。

二零一零年三月，項目獲美國建築師聯合會紐約分會頒發「2010美國建築師聯合會紐約分會設計年獎(在建項目組別)」，我們可能是香港首家在內地營運的發展商獲此殊榮。項目亦於二零零九年九月獲美國綠色建築協會頒發「能源及環境設計先鋒獎—核心及外殼組別」金獎的預認證，並獲國際房地產論壇及全球交易會頒發「2007 未來項目大獎—零售及消閒組別」。項目預期於二零一五年落成。

Situated at Heping Lu in Tianjin, also known as one of the “10 Most Famous Commercial Streets in China”, Riverside 66 boasts 152,800 square meters of prime retail space. Its unique elongated architectural form will make it one of the longest shopping malls in China. Through its singular glass shell, a series of smaller scaled modular stone retail boxes can be viewed from the outside, promoting the property’s transparency and visibility to the surrounding streets.

In March 2010, the project’s outstanding design won the prestigious “2010 AIA New York Chapter’s Design Awards” under the unbuilt work category, from the American Institute of Architects (AIA) New York Chapter. We are probably the first Hong Kong developer operating on the Mainland to receive this renowned award. The project has also been awarded the “Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level” issued by the U.S. Green Building Council in September 2009. In addition, it received the “MIPIM Architectural Review Future Project Awards 2007 -- Retail and Leisure”. Project completion is expected in 2015.





項目 Project	恒隆廣場 Olympia 66
地點 Location	大連市西崗區五四路 Wusi Lu, Xigang District, Dalian
主要用途 Main Usage	商業 Commercial
總樓面面積 Total Gross Floor Area	221,900 平方米/sq. m.

項目內容 Project Descriptions

恒隆廣場位於大連市核心商業街之一的五四路，毗鄰奧林匹克廣場。項目將提供二十二萬一千九百平方米之購物、飲食及消閒設施。

項目以互相緊扣的建築元素為特色，突顯出卓越的前向景觀和充滿活力的相連中庭。在商場上蓋的室內廣場將以水晶天窗把所有設計元素統一起來。

恒隆廣場與我們其他內地發展項目同樣採用可持續設計，並矢志於二零一五年落成時取得「能源及環境設計先鋒獎——核心及外殼組別」金獎認證。項目預期於二零一零年動工。

Centrally located at Wusi Lu, one of the most prominent commercial avenues in Dalian and adjacent to the Olympic Square, Olympia 66 will offer 221,900 square meters of shopping, dining and entertainment space.

Characterized by the interlocking architectural elements, the development features sophisticated vistas and interconnected vibrant atrium spaces. The indoor plaza above the retail space will unite all elements of the design scheme under a crystalline skylight.

In line with our other project developments on the Mainland, Olympia 66 will employ sustainability design features aiming at achieving the “Certification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level” issued by the U.S. Green Building Council upon its completion, which is expected in 2015. Construction is anticipated to commence in 2010.



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



無錫恒隆廣場地塊位處城隍廟遺址，左圖為兩層高戲台的修復效果圖。

An artist's impression of the restored Inner Theatre of the Opera House in the Chenghuang Temple precinct in Centre 66 (left).

我們在發展現代建築的同時，亦著力保存歷史文化，天津恒隆廣場(下圖)是一個佳例。Heritage blends with contemporary architecture in our projects. Riverside 66 (below) is an example.



焦點
IN FOCUS

文物修復及保育 Heritage Restoration and Preservation

我們在內地新項目之可持續發展計劃，不僅包括環境設計特色，亦納入文化和社會發展。我們多走一步維護和修復項目地塊上之歷史建築物，盡可能地將其融入我們的項目設計。

無錫恒隆廣場分為兩期，中間由一個大型文化廣場連接，圍擁數座歷史建築物，包括一個建於一三六九年的明代城隍廟戲台，以及建於一九二三年的著名文學家錢鍾書的故居。數條通道及空間將在這些建築物中穿插，引領進入商場的人流來到各建築群，使歷史建築和新的城市空間之交匯對話。

天津恒隆廣場亦將修復建於一九二一年的浙江興業銀行大樓，把它融入項目之世界級購物商場設計。該座兩層高的銀行大廈的建築設計靈感源自復興主義，也是當時的華人建築師沈理源設計的少數建築物之一。天津恒隆廣場除了修復浙江興業銀行大樓的結構及保留其原貌，更精心挑選玻璃和其他輕型材料作為項目之建材，使項目設計與銀行大樓的傳統外觀和諧一致。

Our sustainability programs for the new projects on the Mainland not only encompass environmental design features but also cultural and community development. We walk the extra mile by restoring, preserving and indeed integrating the on-site historical buildings into our project designs wherever possible.

The two phases of Centre 66 in Wuxi are united by a large open landscape plaza that houses a cluster of historical buildings. Among the many preserved architectural gems are a Ming Dynasty Opera House, which was part of the Chenghuang Temple built in 1369, and the courtyard house of famous literary scholar Qian Zhongshu that dates back to 1923. A network of paths and spaces will be built to facilitate the flow of people from key intersections to these buildings, creating a dialogue between the historical buildings and the new urban space.

Riverside 66 in Tianjin will also restore and integrate the existing Zhejiang Xingye Bank Building, built in 1921, into its design as a world-class shopping complex. The architectural design of the two-story bank building drew inspiration from revivalism. It was also one of the very few properties built by Shen Liyuan, a Chinese architect, from that era. Apart from restoring the building's structure while retaining its authenticity, glass and other light building materials are carefully selected for Riverside 66 so that the development's design will be in harmony with the traditional look of the bank building.

集團主要物業

MAJOR GROUP PROPERTIES

A 主要發展中物業

Major Properties Under Development

於二零一零年六月三十日 At 30 June 2010

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	地基工程 Foundation	2012
濟南 JINAN						
恒隆廣場， 泉城路， 歷下區	Parc 66, Quancheng Lu, Lixia District	52,569	C	171,000	建築上蓋 Superstructure	2011
瀋陽 SHENYANG						
市府恒隆廣場， 青年大街， 瀋河區	Forum 66, Qingnian Da Jie, Shenhe District	92,065	C/H/O/S	842,400	建築上蓋 Superstructure	2012 起 onwards
無錫 WUXI						
恒隆廣場（一期）， 人民中路， 崇安區	Centre 66 (Phase 1), Renmin Zhong Lu, Chong'an District	37,324	C/O	263,800	地基工程 Foundation	2013 起 onwards
恒隆廣場（二期）， 健康路， 崇安區	Centre 66 (Phase 2), Jiankang Lu, Chong'an District	16,767	C/H/O/S	113,000	計劃中 Planning	不適用 N/A
天津 TIANJIN						
恒隆廣場， 和平路， 和平區	Riverside 66, Heping Lu, Heping District	44,277	C	152,800	地基工程 Foundation	2015
大連 DALIAN						
恒隆廣場， 五四路， 西崗區	Olympia 66, Wusi Lu, Xigang District	63,400	C	221,900	計劃中 Planning	2015

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

B 已建成待售物業
Properties Completed for Sale

於二零一零年六月三十日 At 30 June 2010

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	37,487	284	270
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	100,224	1,234	–
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	1,939	21	–
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

以上物業皆為集團全資擁有。

All the above properties are wholly owned by the Group.

C 主要投資物業 Major Investment Properties

於二零一零年六月三十日 At 30 June 2010

地點	Location	地契屆滿年期 Lease Expiry	樓面面積 (平方米) Gross Floor Area (sq. m.)			
			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	車位數目 No. of Carparking Spaces
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	2,340	6,616	–	–
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	7,303	–	–	–
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	8,777	22,131	–	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

集團主要物業
MAJOR GROUP PROPERTIES

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

於二零一零年六月三十日 At 30 June 2010

地點	Location	地契屆滿年期 Lease Expiry	樓面面積(平方米) Gross Floor Area (sq. m.)			
			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	車位數目 No. of Carparking Spaces
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	1,424	26,411	—	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	12,446	—	—	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	—	—

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

於二零一零年六月三十日 At 30 June 2010

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, KIL 9590	2044 *	7,454	30,205	–	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	9,139	17,941	–	–	
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	1,444	4,891	–	–	
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， 九龍內地段11152號	The Long Beach, 8 Hoi Fai Road, KIL 11152	2050	20,174	–	–	390	

集團主要物業
MAJOR GROUP PROPERTIES

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

於二零一零年六月三十日 At 30 June 2010

地點	Location	地契屆滿年期 Lease Expiry	樓面面積 (平方米) Gross Floor Area (sq. m.)			
			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	車位數目 No. of Carparking Spaces
香港(續)		HONG KONG (Continued)				
牛頭角及觀塘		NGAUTAU KOK AND KWUNTONG				
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	49,006	—	—	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	15,162	—	—	165
長沙灣及葵涌		CHEUNG SHAWAN 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

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

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

於二零一零年六月三十日 At 30 June 2010

地點	Location	地契屆滿年期 Lease Expiry	總樓面面積 [#] (平方米) Total 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		
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	120,000	–	–	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	53,600	159,700	–	804	
瀋陽	SHENYANG						
皇城恒隆廣場 中街路 128 號 瀋河區	Palace 66 128 Zhongjie Lu, Shenhe District	2057	109,300	–	–	875	

[#] 包括地面及地底之樓面面積
Including gross floor area above and below ground

財務回顧 FINANCIAL REVIEW

二零一零年度財務業績回顧

本年度之營業額增長近兩倍至港幣一百二十億五千七百萬元，主要受惠於出售君臨天下四百二十五個園景單位及金融危機後物業租賃業務之強勁表現。銷售君臨天下單位使物業銷售收入達至港幣七十五億一千一百萬元。

來自香港物業之租金收入增長百分之六至港幣二十六億一千五百萬元，內地物業租賃業務之收入則上升百分之十四至港幣十九億三千一百萬元。位於瀋陽之新購物商場皇城恒隆廣場於二零一零年六月二十六日開幕，對本年度之財務業績並無重大影響。

直接成本及營業費用大幅增加，乃由於銷售君臨天下單位所致。

Review of 2010 Financial Results

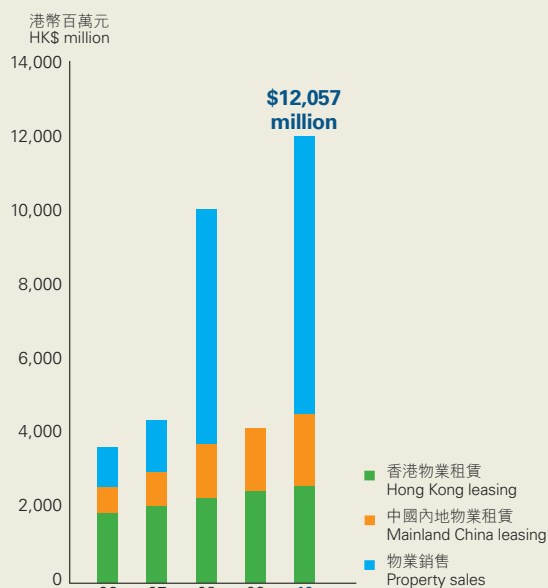
Turnover for the year increased almost twofold to HK\$12,057 million benefiting largely from the sale of 425 garden-view units of The HarbourSide and the strong performance of property leasing after the financial crisis. With the sales of The HarbourSide units, property sales revenue reached at HK\$7,511 million.

Rental income from Hong Kong properties grew by 6% to HK\$2,615 million and property leasing on the Mainland rose 14% to HK\$1,931 million. The opening of a new shopping mall in Shenyang, Palace 66 on 26 June 2010 had an insignificant effect on this year's financial results.

Substantial increases in direct costs and operating expenses were attributable to the sale of The HarbourSide units.

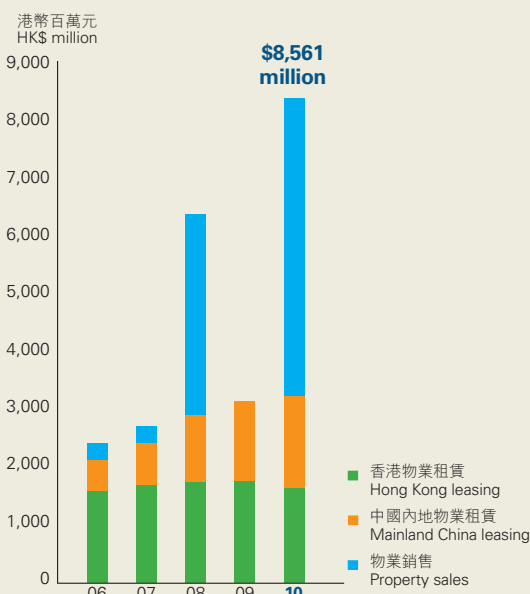
營業額 Turnover

截至六月三十日止年度
For the years ended 30 June



未計入投資物業之公平值變動的營業溢利 Operating Profit Before Change in Fair Value of Investment Properties

截至六月三十日止年度
For the years ended 30 June



來自物業租賃之營業溢利增加百分之八至港幣三十七億二千六百萬元。香港物業租賃之營業溢利錄得百分之四之增長，升至港幣二十億九千七百萬元。儘管上海寫字樓租賃市場競爭加劇，集團內地投資物業之整體溢利取得百分之十四之增長，升至港幣十六億二千九百萬元。

Operating profit from property leasing increased by 8% to HK\$3,726 million. Hong Kong property leasing recorded a 4% increase in operating profit to HK\$2,097 million. Our investment properties on the Mainland achieved an overall profit growth of 14% to HK\$1,629 million despite increasing competition in Shanghai's office sector.

連同物業銷售之可觀溢利港幣五十二億五千六百萬元，未計投資物業重估收益前之營業溢利增加一點七倍至港幣八十五億六千一百萬元。

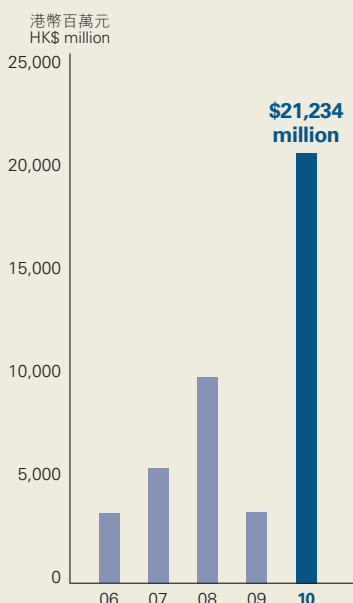
Together with a notable property sale profit of HK\$5,256 million, operating profit before the revaluation gains on investment properties increased 1.7 times to HK\$8,561 million.

受惠於經濟復甦，香港投資物業本年度錄得重估收益港幣七十七億二千萬元，去年度則有港幣九億二千一百萬元之虧損。

With the benefits of the economic recovery, Hong Kong investment properties recorded revaluation gains of HK\$7,720 million for the year against a loss of HK\$921 million the year before.

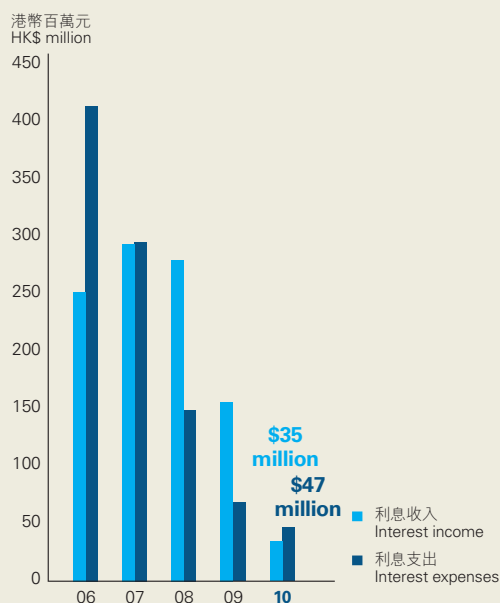
投資物業之公平值增加 Increase in Fair Value of Investment Properties

截至六月三十日止年度
For the years ended 30 June



利息收入及支出 Interest Income and Expenses

截至六月三十日止年度
For the years ended 30 June



財務回顧 FINANCIAL REVIEW

上海物業本年度錄得重估收益港幣六十一億四千九百萬元，反映恒隆廣場和港匯廣場之高租出率及租金攀升潛力。

為符合新會計準則，集團首次為旗下發展中物業進行重估值，並錄得重估收益港幣七十三億六千五百萬元。此為各項發展中物業自數年前項目開始至今之累計公平值收益。

整體而言，綜合收益表內錄得重估收益總額港幣二百一十二億三千四百萬元。

自二零零八年底爆發金融危機以來，利率一直處於歷史低位。因此，利息收入和支出均顯著下降，本年度錄得利息支出淨額港幣一千二百萬元。

稅項支出增加三點一倍至港幣六十二億六千二百萬元，主要由於物業銷售帶來可觀溢利。

由於物業租賃溢利持續增長及物業銷售提供貢獻，加上投資物業公平值回升，股東應佔溢利增加四點四倍至港幣二百二十二億五千六百萬元。因此，每股盈利增至港幣五元三角七仙。董事局建議派發末期股息每股港幣五角四仙，較二零零九年增加百分之六。

扣除物業重估及相關遞延稅項與非控股權益之影響後，股東應佔基本溢利上升一點八倍至港幣六十六億七千四百萬元。經調整之每股盈利由去年港幣五角八仙上升至港幣一元六角一仙。

二零一零年度財務狀況回顧

集團繼續採取謹慎方式管理財務，保持足夠流動資金以應付所有到期之財務承擔。集團資本甚為雄厚，資產淨值上升百分之三十至港幣九百二十六億二千六百萬元。

Our Shanghai properties recorded revaluation gains of HK\$6,149 million for the year reflecting the high occupancy and the rental reversionary potential of Plaza 66 and The Grand Gateway.

In compliance with the new accounting requirements, investment properties under development have been revalued for the first time. Accordingly, revaluation gains of HK\$7,365 million were recorded. These represented the cumulative gains in fair value of various properties under development since project commencement a few years ago.

In total, gross revaluation gains of HK\$21,234 million were posted in the consolidated income statement.

Interest rates have remained at historically low levels since the financial debacle in late 2008. Consequently, both interest income and expenses decreased considerably with net interest expenses of HK\$12 million recorded for the year.

Taxation charges increased 3.1 times to HK\$6,262 million, mainly attributable to the substantial profit generated from property sales.

With the continuous profit growth from property leasing, contribution from property sales and the rebound in fair value of investment properties, profit attributable to shareholders increased 4.4 times to HK\$22,256 million. Likewise, earnings per share increased to HK\$5.37. The Board has proposed a final dividend of HK54 cents per share, 6% higher than 2009.

Excluding the effects of property revaluation and related deferred taxation and non-controlling interests, underlying profit attributable to shareholders increased 1.8 times to HK\$6,674 million. The adjusted earnings per share rose to HK\$1.61 from HK58 cents in the past year.

Review of 2010 Financial Position

The Group continued to manage its financial affairs prudently by maintaining sufficient financial resources and liquidity to meet all obligations as they fall due. Our balance sheet remained very strong with net assets increasing by 30% to HK\$92,626 million.

投資物業增加百分之二十九至港幣八百零九億六千五百萬元，部分由於現有物業組合錄得重估收益，另一部分由於瀋陽的皇城恒隆廣場於二零一零年六月落成及開業所致。

Investment properties rose by 29% to HK\$80,965 million partly due to the revaluation gains on the existing portfolio and partly to the completion of Shenyang Palace 66 which opened in June 2010.

隨著集團就內地項目錄得首次重估收益及進一步為項目支付建築費用，發展中投資物業由港幣七十五億七千萬元增至港幣一百五十三億二千六百萬元。

With the first time revaluation gains and as further construction payments were made towards our projects on the Mainland, investment properties under development increased from HK\$7,570 million to HK\$15,326 million.

出售君臨天下四百二十五個單位後，可供銷售之已落成物業減少港幣十八億二千八百萬元至港幣五十八億五千五百萬元。

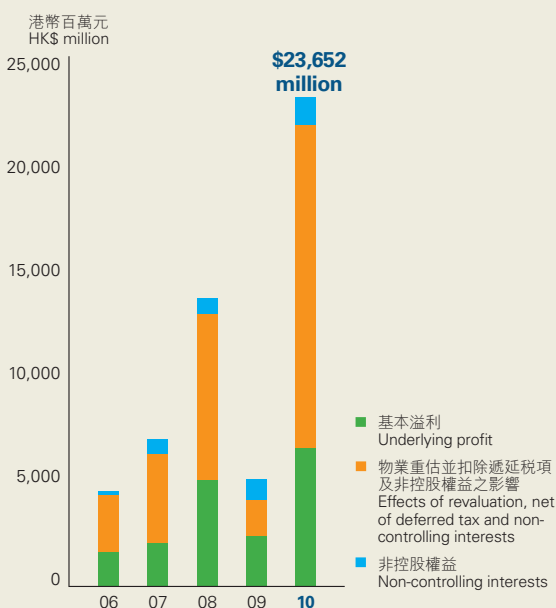
Following the sale of 425 units in The HarbourSide, completed properties available for sale decreased by HK\$1,828 million to HK\$5,855 million.

於二零一零年六月三十日，集團已作出但尚未在財務報表入賬之資本承擔為港幣二百零六億一千九百萬元，絕大部分涉及集團計劃於未來數年在內地落成之物業發展項目。

As at 30 June 2010, the Group had capital commitments amounting to HK\$20,619 million but not provided for in the financial statements. Those commitments predominantly related to the property development projects on the Mainland that are scheduled for completion over the next few years.

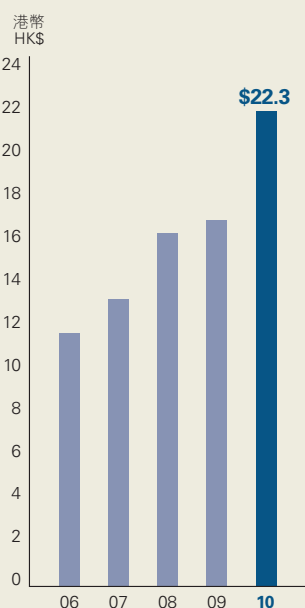
年度溢利 Profit for the Year

截至六月三十日止年度
For the years ended 30 June



每股資產淨值 Net Assets per Share

於六月三十日
At 30 June



財務回顧
FINANCIAL REVIEW

集團繼續保持審慎額度的流動資金及銀行信貸以應付未來承擔。於二零一零年六月三十日，集團擁有的現金和銀行存款為港幣一百一十五億三千五百萬元，以對應在內地各項目之注資規定及建築繳款承擔及其他營運資金需求。借貸總額為港幣六十四億五千八百萬元，全部借貸均為無抵押。上述之現金和銀行存款在扣除此等借貸後，集團於二零一零年六月三十日之現金淨額為港幣五十億七千七百萬元。掌握金融市場環境之改善，集團與銀行就各項備用信貸重新商定較佳之條款。因此，未動用之銀行承諾信貸總額由去年港幣一百七十二億元遞減至港幣一百三十二億零一百萬元。

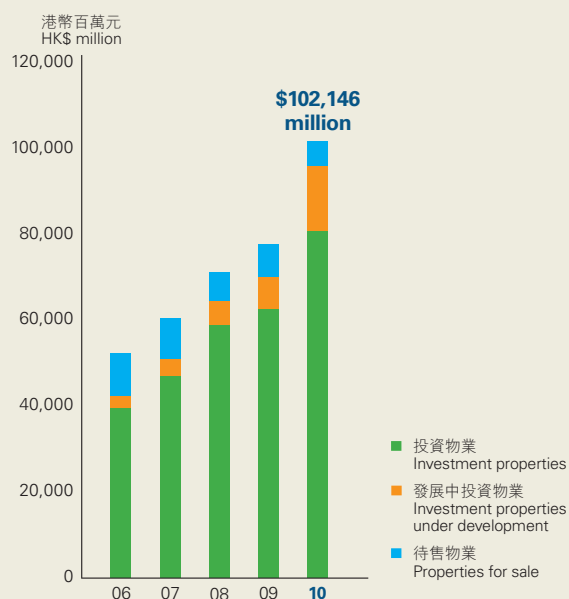
由於集團業務提供強大現金流，加上集團擁有充裕的財務資源，故我們足以應付市場之突發事件，並處於有利地位可掌握各項符合集團增長策略及具有吸引力的投資機會。

The Group continued to position itself with a prudent level of liquid funds and banking facilities to meet future commitments. As at 30 June 2010, the Group had cash and bank deposits of HK\$11,535 million to meet the stipulated equity injection requirements of various projects on the Mainland together with their construction payment schedules as well as to meet other working capital requirements. After netting off total borrowings, all unsecured, of HK\$6,458 million, the Group had net cash of HK\$5,077 million as at 30 June 2010. Taking advantage of the improved sentiment in the financial market, the Group re-negotiated better banking terms for various stand-by facilities. Consequently, the amount of undrawn banking facilities was purposely reduced to HK\$13,201 million from HK\$17,200 million in the previous year.

With our strong cash generation capabilities and ample financial resources, we are well-positioned to deal with unexpected market dislocation and/or to capture attractive investment opportunities that fit our growth strategy.

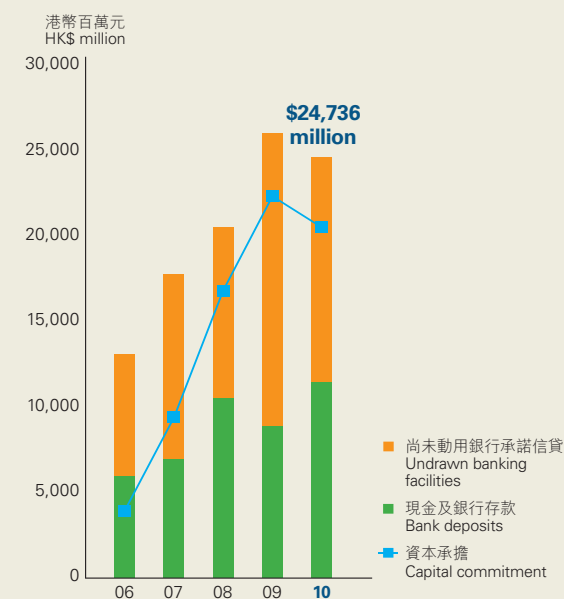
投資物業、發展中投資物業及待售物業
Investment Properties, Investment Properties Under Development and Properties for sale

於六月三十日
At 30 June



財務資源及資本承擔
Financing Resources and Capital Commitment

於六月三十日
At 30 June



風險管理 RISK MANAGEMENT

土地儲備購置及物業發展

本集團以長期擴展計劃為基礎，執行擴充土地儲備策略。每個發展項目或土地購置，均須就相關風險和回報等各方面作出周全評估，經董事局批准後方可進行。其他考慮及評估因素尚包括：相關之政府政策、當地政府之支持程度、各項經濟數據和周邊的基建配套設施等。

每個項目均由具備相關技能和經驗的專業團隊專責管理，並由高級管理層密切監察。所有項目均須定期審查進展，以便迅速作出決定。

財務風險

本集團之業務使我們面對各類財務風險。此等風險載於下文，並按管理層批准的集團財務政策進行管理。

(a) 利率及匯率

本集團大部分借貸均以浮動利率計息，故須面對利率變動之影響。本集團密切監察利率風險，於適當時會採用相關措施以管理風險，並小心策劃和管理貨幣資產和負債之到期日，盡量減少錯配和重新定價風險。本集團盡量合適地以內地現有的貨幣機制來管理其內地投資的匯率風險。由於港元與美元掛鈎，故我們認為美元存款的匯率風險不大。

(b) 現金管理、融資及流動資金

本集團之現金均由中央匯集管理，以取得規模效益。所有融資需求均於集團層面作出監控安排，以取得最優惠借貸條件及方便財務風險監控，目標是確保有足夠資金和銀行貸款來切合營運和投資需求。我們妥善分佈銀行貸款之到期日，把還款或再融資風險減至最少。

Land Bank Acquisition and Property Development

The Group's long-term expansion plan underpins our strategy to build up our land bank. Each development project or land acquisition requires Board approval after thorough evaluation of various aspects including the related risk and return. Consideration and assessment is given to other factors including the relevant government policy, level of local government support, various economic data and the adequacy of infrastructure development in the surrounding area.

Each project is managed by a designated professional team with relevant skills and experience. Projects are actively supervised by senior management with progress regularly reviewed so that decisions can be made promptly.

Treasury Risk

The Group's activities expose us to a variety of treasury risks. The various risks as stated below are managed in accordance with the Group's treasury policy approved by management.

(a) Interest Rate and Foreign Exchange

The Group is exposed to interest rate movement as most of our borrowings are issued at floating rates. Interest rate risks are closely monitored and the Group may adopt relevant measures in managing the risks if appropriate. Maturities of monetary assets and liabilities are carefully planned and managed to minimize mismatch and repricing risks. Exchange rate risks arising from the Group's investments on the Mainland are managed as much as feasible under the existing currency regime on the Mainland. Given that Hong Kong dollars are pegged to United States dollars, exchange rate risks relating to United States dollar deposits are not considered significant.

(b) Cash Management, Funding and Liquidity

The Group's cash is pooled and centrally managed in order to achieve economies of scale. All funding requirements are controlled and arranged at the corporate level in order to optimize borrowing terms and facilitate financial risk control. The objective is to ensure that sufficient funds and banking facilities are always in place to meet operation and investment requirements. Bank facility maturity dates are properly distributed to minimize repayment or refinancing risks.

風險管理 RISK MANAGEMENT

(c) 信貸／交易對手

本集團面對的信貸風險涉及應收租金、與物業銷售有關的應收分期付款、以及存放於銀行的盈餘現金等。我們對準租戶作出信用評估，收取租金按金，並密切監察未繳租金，從而管理應收租金的信貸風險。至於物業銷售方面，我們持有相關抵押，藉此保障應收之款項。盈餘資金只存放在擁有高度信貸評級和信譽良好的銀行，並限制在每家銀行的存款額，避免過量集中所帶來的風險。

(d) 使用衍生工具

衍生工具僅用於對沖金融風險，絕不容許投機性的衍生工具交易。

業務和經營風險

我們密切監察市場趨勢和營商環境，確保旗下物業保持競爭優勢，並定期為物業進行保養翻新及提升設施，保持物業之安全性和質量。我們已為物業購買充足保險，以確保意外及其他損失時獲得保障，並維持內部監控機制，以保護本集團之資產及防止不當行為發生。我們的獨立內部審計部定期進行審閱及檢測，以確保所有監控機制及政策均為充足無缺、符合成本效益及獲得妥善依循。我們設定有效備份程序，確保電腦資料不會遺失，並設有電腦系統獨立後備中心作為業務持續計劃的一部分。

(c) Credit/Counter-party

The Group's exposure to credit risks arise from rents receivable, instalments receivable relating to property sales and surplus cash placed with banks. Credit risks on rents receivable are managed through credit assessment of rents prospective tenants, payment of rental deposits and close monitoring of outstanding rentals. Receivables arising from property sales are protected from collateral on the relevant properties. Surplus funds will only be placed with reputable banks that have sound credit ratings with assigned exposure limits to mitigate concentration risk.

(d) Use of Derivatives

Derivative instruments may only be used for financial risk hedging purposes. Speculative derivative transactions are not allowed.

Business and Operational Risk

Market trends and business environments are closely monitored to ensure that our properties continue to maintain their competitive edge. Regular maintenance, renovation and upgrading of facilities are carried out to uphold the safety and quality of our properties. Adequate insurance covers are in place to protect our properties against accidental losses and other perils. We have established internal control systems to safeguard our assets and protect the Group from possible malpractices, if any. An independent internal audit team will carry out frequent reviews and tests to ensure that the internal control systems and policies are adequate, cost effective and complied with. Proper back-up procedures are established to safeguard against potential loss of computer data. A separate back-up site for our computer system is in place as part of the business continuity plan.

得獎項目摘要 AWARD HIGHLIGHTS



獎項 Award	項目／獲獎單位 Project/Awardee	頒獎機構 Award Organization	
2010			
四月 Apr	上海市節能技改示範項目 Leading Project in Advancement of Energy Saving Technologies in Shanghai	恒隆廣場 上海 Plaza 66 Shanghai	上海市經濟和信息化委員會 Shanghai Municipal Commission of Economy and Informatization
三月 Mar	2010美國建築師聯合會紐約分會設計年獎 (在建項目組別) 2010 AIA New York Chapter's Design Awards (Unbuilt Work Category)	恒隆廣場 天津 Riverside 66 Tianjin	美國建築師聯合會紐約分會 The American Institute of Architects (AIA) New York Chapter
二月 Feb	年報整體表現金獎(地產發展商組別) Gold Winner -- Annual Report Overall Presentation (Real Estate Developer Category)	恒隆地產 2008/09 年報 Hang Lung Properties Annual Report 2008/09	第二十三屆國際 MERCURY Awards 比賽 23 rd Annual International MERCURY Awards Competition
2009			
十二月 Dec	IR Magazine 香港及台灣投資者關係大獎 2009 — 投資者關係優秀證書 IR Magazine Hong Kong and Taiwan Awards 2009 -- Certificate of Excellence	恒隆地產 Hang Lung Properties	IR 雜誌 IR Magazine
十一月 Nov	十大最高企業管治得分公司 Ten Best Performing Companies in Corporate Governance Score	恒隆集團 Hang Lung Group	香港董事學會及香港浸會大學 The Hong Kong Institute of Directors and Hong Kong Baptist University
	2009年「最佳年報比賽」— 銅獎(工商企業組別) Bronze Award -- 2009 HKMA Best Annual Reports Awards (General Category)	恒隆地產 2007/08 年報 Hang Lung Properties Annual Report 2007/08	香港管理專業協會 The Hong Kong Management Association
十月 Oct	年報銀獎(房地產控股公司組別) Silver Winner -- Annual Reports (Real Estate Holding Co. Category)	恒隆地產 2007/08 年報 Hang Lung Properties Annual Report 2007/08	第二十屆國際 GALAXY Awards 比賽 20 th GALAXY Awards International Competition
九月 Sep	能源及環境設計先鋒獎 — 核心及外殼組別金獎 預認證 Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level	恒隆廣場 天津 Riverside 66 Tianjin	美國綠色建築協會 U.S. Green Building Council

得獎項目摘要
AWARD HIGHLIGHTS



	獎項 Award	項目／獲獎單位 Project/Awardee	頒獎機構 Award Organization
九月 Sep	中國購物中心二十年風雲榜 • 中國購物中心產業 功勳獎 China Shopping Center Bi-Decade Honors · Distinguished Project Award	港匯廣場 上海 The Grand Gateway Shanghai	中國購物中心產業資訊中心、中購 聯發展委員會及中國城市商業網 點建設管理聯合會學術委員會 Mall China Information Center, The Association of Mall China and The Academic Committee of China Federation of Urban Retail Network Construction Administration
七月 Jul	能源及環境設計先鋒獎 — 核心及外殼組別金獎 預認證 Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level	恒隆廣場(購物商場及 第一期辦公樓) 無錫 Centre 66 (Shopping mall and Phase 1 office) Wuxi	美國綠色建築協會 U.S. Green Building Council
	2009 亞太區商業物業大獎 — 建築大獎(五星) (國際商業物業大獎組別) Asia Pacific Commercial Property Awards 2009 -- The Architecture Award (Five Star) (International Commercial Property Awards Section)	恒隆廣場 濟南 Parc 66 Jinan	國際物業大獎 International Property Awards
六月 Jun	2009 企業管治年獎 — 亞洲最佳企業管治大獎 Corporate Governance Asia Recognition Awards 2009 -- The Best of Asia	恒隆地產 Hang Lung Properties	Corporate Governance Asia 雜誌 Corporate Governance Asia Magazine
三月 Mar	改革開放 30 年中國商業地產十大影響力公司獎項 30 years of Reform -- Top Ten Influential Chinese Real Estate Companies	恒隆地產 Hang Lung Properties	中國商業地產聯盟 The China Commercial Real Estate Association
	年報封面設計金獎 Gold Award -- Annual Report Cover Design	恒隆地產及恒隆集團 2007/08 年報 Hang Lung Properties & Hang Lung Group 2007/08 Annual Report	第二十二屆國際 MERCURY Awards 比賽 22 nd Annual International MERCURY Awards Competition
二月 Feb	2009 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 2009 -- Retail and Leisure Commended Certificate	恒隆廣場 濟南 Parc 66 Jinan	國際房地產交易會(巴黎) MIPIM (Paris)



	獎項 Award	項目／獲獎單位 Project/Awardee	頒獎機構 Award Organization
一月 Jan	能源及環境設計先鋒獎 — 核心及外殼組別金獎 預認證 Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level	恒隆廣場(購物商場) 濟南 Parc 66 (Shopping mall) Jinan	美國綠色建築協會 U.S. Green Building Council
2008			
十一月 Nov	2008 年度最佳年報 — 優異獎 2008 HKMA Best Annual Report Awards -- Honorable Mention	恒隆地產 2006/07 年報 Hang Lung Properties 2006/07 Annual Report	香港管理專業協會 The Hong Kong Management Association
	能源及環境設計先鋒獎 — 核心及外殼組別金獎 預認證 Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level	市府恒隆廣場(購物商場 及辦公樓) 瀋陽 Forum 66 (Shopping mall and office) Shenyang	美國綠色建築協會 U.S. Green Building Council
	2008 十大樓盤頒獎典禮 • 十大樓則大獎 • 十大樓書大獎 • 十大市場推廣大獎 • 五大會所設施大獎 Top Ten Property Marketing Award 2008 • Top Ten Property Layouts • Top Ten Property Sales Brochures • Top Ten Property Marketing • Top Five Clubhouse Facilities	浪澄灣 香港 The Long Beach Hong Kong	香港測量師協學會 The Hong Kong Institute of Surveyors
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 -- Asia's Best Companies for Corporate Governance	恒隆地產 Hang Lung Properties	Corporate Governance Asia 雜誌 Corporate Governance Asia Magazine
	年報整體表現銀獎 — 控股公司及物業發展 Silver Award -- Annual Report Overall Presentation: Holdings & Property Developments	恒隆地產 2006/07 年報 Hang Lung Properties 2006/07 Annual Report	第二十一屆國際 MERCURY Awards 比賽 21 st Annual International MERCURY Awards Competition
五月 May	能源及環境設計先鋒獎 — 核心及外殼組別金獎 預認證 Precertification under Leadership in Energy and Environmental Design (LEED) for Core and Shell Development Gold Level	皇城恒隆廣場(購物商場) 瀋陽 Palace 66 (Shopping mall) Shenyang	美國綠色建築協會 U.S. Green Building Council

得獎項目摘要
AWARD HIGHLIGHTS



	獎項 Award	項目／獲獎單位 Project/Awardee	頒獎機構 Award Organization
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	國際房地產論壇及全球交易會 (巴黎) MIPIM (Paris)
	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”	皇城恒隆廣場 瀋陽 Palace 66 Shenyang	國際房地產論壇及全球交易會 (巴黎) MIPIM (Paris)
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 2005/06 Annual Report	第二十一屆國際 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 – – Asia’s Best Companies for Corporate Governance	恒隆地產 Hang Lung Properties	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	恒隆廣場 天津 Riverside 66 Tianjin	國際房地產交易會(巴黎) MIPIM (Paris)
	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



	獎項 Award	項目／獲獎單位 Project/Awardee	頒獎機構 Award Organization
2006			
十一月 Nov	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 -- Honorable Mention -- Category of Club & Entertainment Space	浪澄灣會所 香港 The Long Beach Club House Hong Kong	香港室內設計協會 The Hong Kong Interior Design Association
	亞太室內設計雙年大獎賽 — 會所組別優異獎 Asia Pacific Interior Design Biennial Award -- Honorable Mention -- Club Category	浪澄灣會所 香港 The Long Beach Club House Hong Kong	國際室內建築師與設計師理事會 International Council of Interior Architects and Designers
	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 IStructE Structural Awards 2006 -- Category of Commercial or Retail Structures	港匯廣場 上海 The Grand Gateway Shanghai	英國結構工程師學會 Institution of Structural Engineers UK
六月 Jun	2006年度亞洲商業地產代表作 Asia Commercial Real Estate Representative 2006	恒隆廣場 上海 Plaza 66 Shanghai	聯合國人居環境發展促進會 國際房地產商協會 法國建築設計師協會 亞洲房地產峰會組織委員會 U.N. Renju Environment Development Promotion Association International Land Agent Association France Architectural Stylist Association Asia Real Estate Highest Leadership Conference Organizing Committee
三月 Mar	2006年《中國寫字樓100強》榮譽證書 Accredited Honorable 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

可持續發展報告

SUSTAINABILITY REPORT

在山頂廣場舉行的「環保探索」導覽旨在教育學生認識可持續發展及綠色生活。
The “Eco-Discovery Tour” held at The Peak Galleria aims to educate students on sustainability and green living.



架構及承諾

集團董事長和高級管理人員均積極參與制定和落實集團的可持續發展策略。作為地產發展商，我們在服務的社區內肩負著獨特的角色和責任，因此我們的可持續政策目標是：

- 建造環保及可持續發展的環保物業，為業務所在地區之社群增值；
- 在業務所在地區和範疇內提倡綠色環境及措施；
- 確保員工享有互相尊重、和諧及安全的工作環境，為他們提供所需培訓和發展機會，務求集團成為理想僱主之選；及
- 向業務所在地區之社群提供捐助，及參與或贊助善事和義舉。

與持份者緊密聯繫

倘無持份者的參與，我們的可持續發展計劃斷難成事。這些計劃著重促進持份者對我們目標之理解及收集其意見，俾使我們能制定更佳策略及確保業務運作更盡心盡責。

Structure and Commitment

Our Chairman and senior management are actively engaged in determining and implementing our corporate strategies for sustainable development. In view of our unique role and responsibilities as a property developer in the communities that we serve, our sustainability policy aims to:

- build environmentally-friendly and sustainable buildings that will add value to the communities that we serve;
- promote a green environment both in our surroundings and our operational practices;
- be “the employer of choice” by ensuring a respectful, harmonious and safe work environment, which provides the necessary training and development opportunities for our people; and
- make a valid contribution to the communities that we serve, either through participating in, or sponsoring, worthwhile causes and initiatives.

Stakeholder Engagement

Our sustainability program would hardly be possible without engaging our stakeholders. Such engagement programs place a strong emphasis on improving stakeholders’ understanding of our goals and objectives, as well as collecting their feedback to better shape our strategies and ensure more responsive and responsible operations.

與持份者溝通方案
Our Stakeholder Engagement Program

持份者 Stakeholder	整體溝通 General Communications	面對面溝通 Face-to-face Communications
投資者及股東 Investors and Shareholders	<ul style="list-style-type: none"> • 常設與股東溝通渠道，包括通函、中期及年度報告、新聞稿、公布及會議通告。 • 積極回應投資者查詢。 • 集團網站提供詳盡適時的投資者資訊。 • 向投資機構發放集團最新信息。 • Maintain communication channels with shareholders, which include circulars, interim and annual reports, press releases, announcements and notices of meetings. • Actively respond to investors' enquiries. • Provide wide range of up-to-date investor information via corporate website. • Send Investor News to the investment community with the latest corporate updates. 	<ul style="list-style-type: none"> • 透過分析員簡報會、投資者會議及非交易的海外路演，與機構投資者及財務分析員保持對話。 • 參與投資者會議和論壇。 • 安排投資界造訪集團旗下物業。 • 在股東週年大會會晤股東。 • Maintain a constant dialogue with institutional investors and financial analysts through analyst briefings, investor meetings and overseas non-deal roadshows. • Attend investor conferences and forums. • Arrange property visits for the investment community. • Meet shareholders during annual general meeting.
政府 Government	<ul style="list-style-type: none"> • 於有需要時向政府有關機構發出切合時宜的通知。 • 作為香港地產建設商會的會員，就監管條例、指引及常規等，陳述地產發展商的意見。 • Issue timely notices to relevant government bodies where necessary. • Present property developers' perspective on regulations, guidelines and practices as member of Real Estate Developers' Association of Hong Kong (REDA). 	<ul style="list-style-type: none"> • 與省、市、區及特別行政區政府保持對話，理解地方規則。 • Maintain ongoing dialogue with provincial, municipal, district and special administrative region governments to enhance understanding in local regulations.
商業夥伴 Business Partners	<ul style="list-style-type: none"> • 作為氣候變化商界論壇的贊助會員，向政府反映業界對環境問題的見解、行動計劃、目標及期望。 • 透過香港地產建設商會，就地產業事宜與其他地產商溝通。 • Communicate industry perspectives, action plans, targets and expectations on environmental issues to government as patron member of Climate Change Business Forum (CCBF). • Communicate with other property developers on industrial issues through REDA. 	<ul style="list-style-type: none"> • 參加氣候變化商界論壇及香港地產建設商會的會議。 • Attend meetings with CCBF and REDA.

持份者 Stakeholder	整體溝通 General Communications	面對面溝通 Face-to-face Communications
顧客及租戶 Customers and Tenants	<ul style="list-style-type: none"> 「租戶網上系統」供租戶網上查閱最新賬戶通知，開創香港先河。 確保買家和物業管理公司於單位交吉時有妥善高效的溝通。 Provide latest circulars online through our "Tenants Logon System", the first of its kind in Hong Kong. Ensure efficient and effective communications between buyers and property management company when handing units over. 	<ul style="list-style-type: none"> 在各項物業設置地點便利的客戶服務櫃台。 高級管理人員與租戶定期開會。 住宅物業舉行特定康樂活動。 Locate easy-to-access customer desks in different properties. Hold regular meetings between senior management and tenants. Organize special recreational events in residential properties.
社區和非政府組織 The Community and Non-governmental Organizations (NGOs)	<ul style="list-style-type: none"> 就項目之設計、執行和評核，透過會議和調查等與社會和社區組織密切溝通。 Communicate closely with community and community organizations in design, execution and evaluation of projects through meetings, surveys, etc. 	<ul style="list-style-type: none"> 通過公司義工計劃，統籌和參與各項社區活動。 定期與非政府組織會面，討論企業社會責任的最新發展，以便公司制定長期進行的企業社會責任計劃。 Organize and participate in range of community events through corporate volunteer program. Meet with NGOs regularly to discuss latest corporate social responsibility (CSR) developments to shape the Group's CSR programs on an ongoing basis.
承包商、顧問及供應商 Contractors, Consultants and Suppliers	<ul style="list-style-type: none"> 與供應商和承包商積極溝通，使其清楚明白集團中央環保採購政策對有關業務的環保要求，例如：對採購和使用木材有關產品、循環再造產品、減少包裝、廢料產量及節能設備等的準則，以及遵從相關規例的要求。 妥善準備合同並確保供應商和承包商清楚了解內容，以避免任何混淆或爭議。 與信譽良好和穩健的供應商和承包商建立良好工作關係。 Communicate proactively with suppliers and contractors on our operational and environmental requirements, e.g. guidelines on purchase and use of timber-related products, recyclable products, minimal packaging and waste production, energy-efficient equipment, compliance with relevant regulations, etc. under Group's Central Environmental Purchasing Policy. Ensure contracts are clearly prepared and well communicated to suppliers and contractors to avoid any possible confusion or dispute. Foster good working relationship with reputable, competent suppliers and contractors. 	<ul style="list-style-type: none"> 與內部客戶、供應商、顧問及承包商定期舉行進度會議。 與供應商和承包商保持對話，並出席有關研討會以取得行業的最新資訊。 Attend and hold regular progress meetings with internal customers, suppliers, consultants and contractors. Keep an ongoing dialogue with suppliers and contractors; attend relevant seminars to gain up-to-date industry information.

持份者 Stakeholder	整體溝通 General Communications	面對面溝通 Face-to-face Communications
僱員 Employees	<ul style="list-style-type: none"> 透過恒隆康體會由下而上制定員工康體計劃。 透過全公司的調查收集員工對康體計劃的意見，以制定相關活動。 內部月刊《連繫恒隆》為香港和內地員工提供企業最新信息，並作為員工分享意見的平台。 評估培訓課程，以配合員工持續發展及成長需要。 Formulate staff well-being programs with a bottom-up approach through the Hang Lung Social Club Committee. Collect opinions on staff well-being programs through company-wide survey to develop related activities accordingly. Provide latest corporate information to staff in Hong Kong and the Mainland through monthly internal newsletter "Connections", which also serves as platform for employees' sharing and feedback. Evaluate feedback on training workshops to meet staff's needs for continuous growth and development. 	<ul style="list-style-type: none"> 落實內部紀律守則列明的開放式溝通，確保員工意見可直達主管或更高層的管理人員。 Ensure open communication with direct access for employees to supervisor or higher levels of management as enshrined in internal Code of Conduct.
傳媒 Media	<ul style="list-style-type: none"> 透過新聞稿、通告、公布及其他公司材料，主動與傳媒保持溝通。 Maintain proactive media program through press releases, notices, announcements and other collateral materials. 	<ul style="list-style-type: none"> 就業績公布及股東週年大會等安排會議、簡報會和媒體訪問，以促進與傳媒的雙向溝通。 Arrange meetings, formal briefings and media interviews for results announcements, annual general meetings, etc. to facilitate two-way communications with media.

人才為本

集團銳意建立一支專業及富有才幹的團隊，故提供完善和具競爭力的福利，以及多元化的發展和培訓計劃，從而吸引和挽留最佳人才，務求集團成為「理想僱主之選」。

集團之薪酬政策以論功行賞為原則，表現傑出之員工可獲加薪及於正常薪酬外獲酌情發放花紅。我們也是香港少數向董事和行政人員授予股份期權的公司之一，以鼓勵及獎賞他們對集團作出的貢獻。

Our People

Seeking to build a team of professional and committed talent, we aim to be "the employer of choice," offering a comprehensive and competitive package of benefits to attract and retain the best people, supported by a broad and diverse wellness and training program.

In line with our "pay for performance" principles, outstanding employees receive salary increments and discretionary bonuses on top of their regular package. We are also one of the few Hong Kong companies to grant share options to directors and executives as incentives and rewards for their contribution to the Group.

可持續發展報告 SUSTAINABILITY REPORT

2010年度週年晚宴以「我們的黃金時代」為題，回顧公司以往的發展，並展望未來的黃金時期。Under the theme "Our Golden Era", the annual dinner 2010 highlights our business development over the years as well as the golden age to come.



於二零一零年六月底，集團僱用合共二千三百二十四名員工，包括香港一千一百零二人及內地一千二百二十二人，員工之薪酬總額為港幣五億七千七百萬元。在香港的高級和中級管理人員中，女性員工佔百分之四十八。

員工安康

為促進員工取得工作與生活之健康平衡，我們矢志提供良好的康體活動及工作環境。

該等康體活動由恒隆康體會舉辦，目的是促進家庭生活質素、發揮員工潛力、增強團隊精神、提升企業公民意識及推廣環保教育。年內之主要活動包括環保教育之旅、恒隆跨部門足球隊、義工工作，以及員工和家眷參與的週年公司旅行，前往澳門及杭州等。週年晚宴也繼續是重點活動，以「我們的黃金時代」為主題，突顯集團多年來的業務發展及繼續而來的黃金時代。

2008及2009年度管理培訓生參加黃埔青少年軍校訓練，鍛鍊領導才能、團體合作精神及發掘自我潛能。2008 and 2009 management trainees participate in the training at the Whampoa Youth Military Training School, where they learn about leadership skills and teamwork, as well as discover their potential.



As at the end of June 2010, the Group had a total of 2,324 staff, consisting of 1,102 staff in Hong Kong and 1,222 on the Mainland, with total remuneration for the year amounting to HK\$577 million. Among the senior and middle management in Hong Kong, female employees contributed 48%.

Employee Wellness

Promoting a healthy work-life balance among our staff, we are committed to providing healthy surroundings hand-in-hand with a supportive environment in the workplace.

Such wellness programs are organized by the Hang Lung Social Club with the aim to foster a quality family life, unleash staff potential, enhance team spirit, develop greater corporate citizenship and promote environmental education. During the year, major activities included an environmental educational tour, a cross-departmental Hang Lung Soccer Team, volunteer work, annual company outings to Macau and Hangzhou for staff and families, etc. The Annual Dinner also continues to be a key highlight. Under the theme "Our Golden Era", the dinner this year highlighted our business development over the years as well as the continuing golden age to come.

促進健康與安全

我們秉持最高的職業健康和 safety 標準。年內，我們只錄得八宗工傷，每宗缺勤天數均逾七天。

在醫療和健康計劃方面，我們為行政人員引入「彈性健康檢查計劃」，讓他們可根據醫生的專業意見定出符合個人需要的健康檢查計劃。我們亦安排了一系列關於中藥的講座，介紹中藥材的各類特性和保健養生之道。此外，我們亦於內聯網中設立了健康頻道，提供健體與安康新知，從而在員工之間推廣安全文化及加強職業安全意識。

管理培訓生計劃

為培養一群具專業才幹的管理人才，以應付集團現今和未來的需要，我們繼續從本地和海外大學招募傑出的畢業生參加集團的「管理培訓生計劃」。培訓生在集團之香港和內地公司各部門輪崗，並參加集團各項培訓和發展計劃，如商務禮儀培訓、領袖訓練和個人發展計劃等。由二零零八／零九年度起，培訓生可自行選擇其副修的部門以度身訂造個人培訓計劃，從而在必修部門外提高其在興趣範疇內的技能和知識。

非文職僱員職業培訓課程

我們核心業務的其中一環，是為租戶和顧客提供專業的物業管理服務。因此，我們致力為香港前線非文職僱員度身訂造獨特的培訓課程。透過該計劃，員工可接觸各類不同物業的前線工作。此方法可令員工深入了解各項業務程序，全面掌握工作時面對客戶所需的技巧，在未來擔任更多元化和具挑戰性的職務，為顧客提供更卓越的客戶服務。

Towards Better Health and Safety

We are committed to ensuring the highest standards in occupational health and safety. During the year, we recorded only eight cases of work-related injuries, each leading to over seven days of absence from duty.

Regarding our medical and health programs, a Flexi Health Check Program was introduced for executive staff, under which they can personalize their health check plans with professional advice from doctors. A series of talks on Chinese medicine was also launched to introduce the different aspects of Chinese herbal medicines as well as ways to maintain a healthy life. We also operate a Health Channel on our Intranet to provide news on health and well-being, promote a culture of safety and reinforce occupational safety practices among our employees.

Management Trainee Program

Building a pool of talented and professional managers for our current and future needs, we continue to recruit outstanding graduates from both local and overseas universities to join our Management Trainee (MT) Program. Trainees are attached to various divisions and departments in our Hong Kong and Mainland operations. They also attend a range of training and development programs such as business etiquette training, leadership training and personal development programs, among others. Commencing in 2008/09, trainees can customize their own program by choosing from among "Elective" attachments to strengthen specific skills or to improve their knowledge in their interested areas on top of the compulsory "Cores."

Career Programs for Operational Staff

As part of our core business is the provision of professional property management services to tenants and customers alike, we are dedicated to offering a unique tailor-made training program for our frontline operational staff in Hong Kong. Through the program, staff will be given exposure to various frontline operations at different types of properties. Such a hands-on approach will equip our staff with thorough understanding of the operational procedures and comprehensive skill sets in handling customer-facing work, enabling them to fulfill more diverse and challenging roles in the long run, as well as providing superior customer services for our customers.

可持續發展報告 SUSTAINABILITY REPORT

員工及其家屬參加公司週年旅行到杭州遊覽。
Staff and their family members go on an annual company outing to Hangzhou.



集團管理層出席二零零八年度管理培訓生的畢業報告發表。
The senior management attends the presentation of a graduation project by the 2008 management trainees.



持續培訓及發展

我們致力促進分享知識和終身學習的文化，並於二零零九年推出「知識分享齊獻力，融滙貫通互得益」之培訓主題。二零零九／一零年度內，每名員工平均接受了三點三天培訓。

我們資助員工報讀外界進修課程，並提供一系列內部培訓計劃，例如關於最新保安條例的複修課程、處理投訴技巧工作坊、領袖才能、情緒智商與壓力管理等。我們亦於二零零九年在內聯網上推出「學問網」網上學習平台，提供優質的外界培訓課程資料，以配合員工的不同職務需要。該平台設有「藏書閣」，提供優質書籍借閱服務，涵蓋各類專業和消閒課題，藉此鼓勵員工持續進修。

加強灌輸集團的核心價值

我們非常重視員工對集團四大核心價值的理解，包括：昭明、權操、誠信、忠貞。為鼓勵及協助員工將核心價值應用到日常工作中，我們從香港和中國內地不同部門選出十四名代表擔任「核心價值大使」來分享其心得，並印成「核心價值日曆」在集團內部分發。

其他活動包括推廣「昭明電子感謝卡」來答謝那些協助簡化工作程序的員工，以及出版《SAIL號外》—「不能不說的權操奧秘」通訊來展示有效的授權如何有助員工更有效率和成功地完成工作。為加強公司恪守高水平專業道德的原則，我

Ongoing Training & Development

Committed to fostering a culture of knowledge sharing and life-long learning, we introduced the "Let's Share and Grow in a Knowledge-based Company" training theme in 2009. In 2009/10, each of our staff on average received 3.3 days of training.

We offer a range of in-house training programs in addition to subsidized external training courses, such as compulsory annual refresher training on the latest security regulations, as well as workshops on complaint handling skills, leadership skills, EQ and stress management. In 2009 we also introduced an e-learning platform on our intranet called "Learning Zone," offering a database of quality external training courses to fit staff's different vocational needs. It also features a "Reading Corner," which encourages continuous learning by providing book loan services on a selection of quality books covering professional and leisure topics.

Reinforcing Our Core Values — SAIL

We place strong emphasis on communicating with our staff our core SAIL values -- Simplicity, Authority, Integrity and Loyalty. To encourage and help our staff to apply such values in their everyday work, we have enlisted 14 representatives from different departments in Hong Kong and the Mainland to be "SAIL Stars" to share their SAIL winning tips, which were subsequently printed on a SAIL Calendar for distribution throughout the Group.

Other initiatives include developing a "Simplicity e-Thank you card" for staff to thank those who have helped to simplify working procedures and publishing the "SAIL -- Authority" newsletter to showcase how effective empowerment and delegation helped staff complete their work effectively and efficiently. In reinforcing the Group's commitment to a high standard of professional ethics, we

們與廉政公署(廉署)合作為香港所有管理及行政級別的員工舉辦了「防貪倡廉講座」，並根據廉署的指引為內地員工制定了「防貪倡廉」培訓資料，在內地辦事處推廣有關信息。

collaborated with the Independent Commission Against Corruption (ICAC) to organize seminars on “Professional Ethics and Corruption Prevention” to all executive and administrative staff in Hong Kong. An anti-corruption training kit, based on guidelines provided by the ICAC, is also used to promote this message in our offices on the Mainland.

焦點 IN FOCUS

四大核心價值 Our SAIL Values

我們的核心價值說明了集團文化的精髓，並為員工就履行職責設定了共同的範疇和目標：

昭明代表努力不懈地簡化工作程序，從而精簡企業架構、增加透明度及促進管理層與其他員工的雙向溝通。

權操代表向不同層面的員工授權，讓他們就其工作作出適當和必要的決定及自主。

誠信指集團矢志保持高標準的企業管治及專業道德。

忠貞強調的是對集團的共同歸屬感和忠誠。這種團隊精神能激勵員工為公司爭取最佳利益。

Our SAIL values speak of the essence of the Group’s culture, establishing common ground as well as shared goals among our staff in the performance of their duties:

Simplicity signifies continuous effort to simplify work procedures and therefore a lean corporate structure, enhancing transparency and two-way communication between the management and other staff.

Authority represents the empowerment of different levels of staff, allowing them to make the appropriate and necessary decisions and take ownership of their work.

Integrity refers to the Group’s commitment to high standards in corporate governance and professional ethics.

Loyalty is essentially a shared sense of belonging and faithfulness to the Group. Such team spirit encourages staff to strive for the Group’s best interests.



可持續發展報告 SUSTAINABILITY REPORT

另一個成功的「環保探索」活動為教導商場顧客如何在家中種植蔬菜。

Another successful “Eco-Discovery” event is teaching mall visitors how to plant and grow vegetables at home.



環保管理專責小組參觀山頂廣場了解該物業的最新環保措施。

Environmental Project Team members visit The Peak Galleria to learn about the property's latest environmental measures.



保護環境

作為香港和內地的主要物業發展商，集團採取可持續方式建築和管理物業，並把業務運作對環境的影響減至最小。

正當我們編制本年報時，剛開業的物業項目瀋陽皇城恒隆廣場於二零一零年六月二十八日，取得「能源及環境設計先鋒獎—核心及外殼組別」金獎認證，是內地首個取得該項榮譽的購物商場。該項國際公認基準由美國綠色建築協會頒發，這令我們在環保方面的領導地位更加鞏固。

可持續發展建築

我們是內地規劃和興建可持續發展物業的先鋒，早於可持續發展成為今天廣受關注的議題前，我們已一直堅持旗下所有內地新發展項目—瀋陽皇城恒隆廣場、濟南恒隆廣場、瀋陽市府恒隆廣場、無錫恒隆廣場、天津恒隆廣場及大連恒隆廣場—均須設定減排目標及擁有各項先進的可持續發展設計。我們共有六名員工考獲LEED專業認證，協助推動可持續的物業發展。隨著皇城恒隆廣場於最近開業，我們的願景開始成為事實。

Environmental Protection

As a major property developer both in Hong Kong and on the Mainland, we strive to minimize the impact of our operations on the environment by building and managing our properties in a sustainable manner.

Cementing our leadership on the environmental front, and while in the process of producing this annual report, Palace 66, our recently launched property in Shenyang, obtained its gold rating in the internationally acclaimed Leadership in Energy and Environmental Design (LEED) Certification for Core and Shell Development, issued by the U.S. Green Building Council on 28 June 2010. It is the first shopping mall on the Mainland to receive this prestigious recognition.

Building for Sustainability

Pioneering in the planning and building of sustainable property developments on the Mainland well before sustainability became the major topic of concern that it is today, we have long been committed to have all our new Mainland developments, Palace 66, Parc 66, Forum 66, Centre 66, Riverside 66 and Olympia 66, be set with reduction targets and designed with a wide range of advanced sustainability features. A total of 6 staff members have been qualified as the LEED Accredited Professionals who help promote sustainability in our project developments. With the recent opening of Palace 66, our vision has begun to turn into reality.

瀋陽皇城恒隆廣場的光伏面板可把太陽能轉為電力。
Photovoltaic panels at Palace 66 turn solar energy into electricity.



皇城恒隆廣場利用自動感應水龍頭節約用水。
Palace 66 utilizes automatic faucet sensors to save water consumption.



- 建築物外牆

我們旗下所有新發展項目，均安裝高效節能玻璃幕牆。這項先進的建築物外牆設施採用尖端技術，以優良的絕緣材料和反射熱能裝置來覆蓋建築物，藉此減低外界溫度帶來的影響，從而減少物業在製冷和供暖時所需的電力。部分項目如皇城恒隆廣場，還採用了外部遮陽設備和陽光反射指數甚高的鋁製屋頂塗料，故能進一步減少建築物的受熱量。

綜合這些主要環保裝置和其他節能措施的成效，我們預期內地新發展項目可節省百分之十四至百分之二十一之電力。就皇城恒隆廣場而言，估計每年可減省百分之二十一之能源使用量。這等於每年可節省七百萬千瓦時的電力，相當於一千五百四十五個香港家庭每年的用電量。以碳排放量來計算，每年排放到大氣層的二氧化碳會減少六千三百噸。

- 再生能源

我們在內地的所有新發展項目均設有光伏面板，可把太陽能轉為電力。位於瀋陽的皇城恒隆廣場和市府恒隆廣場，以及天津的恒隆廣場均將採用地源水熱泵，於夏季抽取建築物的熱能並散發到地表，至冬季時則把地表的熱能散發到建築物。

倘把這些系統的價值量化，單是皇城恒隆廣場每年產生的再生能源，已足以為一千八百枝T8熒光燈提供一天電力，可照明兩萬平方米的地庫停車場，即約五百個停車位。

- Building Envelopes

One of the most advanced features that we have adopted for all our new developments is their high performance low emissivity glazing façades. At the forefront of the latest technology, these high performance building envelopes, with their improved insulation and heat reflectance abilities, shield the structure from external temperatures to reduce the electricity needed in the heating and cooling of the property. Projects such as Palace 66 also employ external shading devices and high solar reflectance index aluminum roof coatings to further reduce heat transfer to the building.

Combining the benefits of these major green initiatives and other energy-saving measures, we expect to save between 14% to 21% in electricity in our new developments on the Mainland. As in the case of Palace 66, it is estimated that a 21% saving in its annual energy consumption will be achieved. This translates into a saving of seven million kWh of electricity every year, equivalent to the annual consumption of 1,545 Hong Kong households. In carbon emission terms, it means that 6,300 tons less carbon dioxide is being released into the atmosphere annually.

- Renewable Energy

All of our new developments on the Mainland are equipped with photovoltaic panels which turn solar energy into electricity. Besides, Palace 66, Forum 66 and Riverside 66 will be equipped with ground source water heat pumps which extract and dissipate heat energy from the building to the ground in summer and vice versa in winter.

Demonstrating the value of these systems, the annual renewable energy generated at Palace 66 alone will be sufficient to power the lighting for 1,800 T8 fluorescent tubes covering an area of 20,000 square meters of basement car parking, consisting of about 500 parking spaces for a day.

- 回收和循環再用

為配合上述節能措施，我們為內地新發展項目採用多項回收和循環再用計劃。例如，該等新項目全部安裝送風系統熱回收裝置，把廢氣系統輸出的能源回收，用於預冷或預熱進入空調系統前的新鮮空氣。

各新項目亦會安裝中水回收再用系統，收集污水經處理後再用於灌溉和其他非飲用途徑。配合其他節水衛生裝置例如自動感應水龍頭等，我們相信內地新發展項目可節省百分之三十至百分之四十用水量。

皇城恒隆廣場料可節省用水百分之四十，相當於每年節省用水一千三百萬美國加侖或四萬九千二百一十立方米，足以供應二千四百六十萬人一天之食水，或注滿二十個奧林匹克標準泳池。

在建築廢料管理方面，我們的新項目地盤平均有百分之七十六的建築廢料會被回收。以皇城恒隆廣場為例，由認可回收商循環再用或回收的廢料超過百分之八十，相等多於四百一十五萬公斤廢料。

- 營運層面的可持續發展

於採購建築物料時，我們的指引和監察系統規定，建築物料最低限度必須有百分之二十為循環再造物料，這在旗下內地項目而言主要為結構鋼和鋼筋。該目標亦延伸至施工過程中使用的材料最低限度必須有百分之二十為當地生產的材料，通常為水泥。這些當地生產的材料，必須在項目工地的五百英哩範圍內開採、回收或製造。透過縮減運輸路程，我們可減少燃料和燃油消耗，從而減少碳排放。

- Recycling and Recovery

Hand-in-hand with these energy saving initiatives, we have also adopted a comprehensive recycling and recovery program for our new developments on the Mainland. In all our new projects, for instance, air-side heat recovery systems will recover energy from exhaust air systems to pre-cool or pre-heat the fresh air before it enters the buildings' air-conditioning systems.

Centralized water recycling and re-use systems will also be installed at the new properties to collect, treat and supply recycled water for irrigation and other non-drinking purposes. Together with the use of water saving sanitary fixtures, such as automatic faucet sensors, we believe we will be able to reduce the use of water at our new developments on the Mainland by a significant 30% to 40%.

Water-saving measures at Palace 66 are expected to reduce water consumption by an estimated 40%, translating into 13,000,000 U.S. gallons or 49,210 cubic meters a year. This is sufficient to supply the drinking water for 24.6 million people for a day or fill 20 Olympic standard swimming pools.

In the management of construction waste, an average of 76% of all construction waste at our new project sites is recycled. In Palace 66, for example, certified recyclers have reused or recycled over 80%, representing over 4,150,000 kg, of the development's waste materials.

- Sustainability on an Operational Level

In sourcing our building materials, we set guidelines and ongoing monitoring systems on using at least 20% of our construction requirements from recycled materials, with the major items being the use of structure steel and reinforcement steel in our buildings on the Mainland. This target extends to the use of at least 20% in locally produced materials, usually concrete, in the construction process. These locally produced materials should be extracted, harvested, recovered or manufactured within 500 miles of the project site. The shortened delivery distance will reduce the consumption of diesel and gasoline and in turn reduce our carbon footprint.

皇城恒隆廣場使用節能照明。
Palace 66 utilizes energy efficient lighting.



皇城恒隆廣場停車場的通風系統能監測空氣中的一氧化碳以自動調節室內通風。

The ventilation systems at Palace 66's car park can automatically adjust the indoor ventilation by monitoring the amount of carbon monoxide in air.



在日常營運層面，我們所有內地新項目均會採用高效節能照明系統。同時，為確保所有新發展項目的室內空氣質素，以及盡量減少通風系統的閒置時間，我們會安裝一氧化碳感應器。倘感應器偵測到一氧化碳濃度升高，便會自動調節通風系統，以改善室內空氣流通及空氣質素。

為改善室外空氣質素及為租戶和購物人士提供舒適健康的環境，我們撥出項目地塊平均百分之十七的面積作為綠化空間。

- 國際認可和認證

為求集團的可持續發展達至國際最高標準，我們致力為所有新發展項目取得由美國綠色建築協會頒發的「能源及環境設計先鋒獎—核心及外殼組別」金獎認證，可能是內地唯一以此為目標的發展商。該批新項目更以超越「能源及環境設計先鋒獎」的要求為目標。我們欣然報告，集團所有發展中項目均已取得核心及外殼組別的金獎預認證，而於二零一零年六月底開幕的皇城恒隆廣場，更成為了內地首個正式獲得金獎認證的購物商場。

In terms of our daily operations, all the lighting in our new projects will consist of high efficiency lighting. At the same time, ensuring the quality of the indoor air in all our new developments and minimizing the idle time of ventilation systems, carbon monoxide sensors are being installed. These sensors adjust the indoor ventilation automatically to improve airflow and air quality if high concentrations of carbon monoxide are detected.

Seeking to improve external air quality while also providing tenants and shoppers with more pleasant and healthier surroundings, we also allocate an average of 17% of a project's site area for the development of greenery spaces.

- International Benchmarks and Certification

Seeking to benchmark our commitment to sustainability against the highest international standards, we might be the only property developer on the Mainland to set our sights on achieving gold rating under the LEED core and shell certification issued by the U.S. Green Building Council for all our new developments. In fact, the sustainable design of these new developments aims at surpassing LEED's requirements. We are delighted to be able to report our successes in this direction: all our projects under development have already obtained their gold LEED precertifications for core and shell development, while Palace 66, which opened at the end of June 2010, became the first shopping complex on the Mainland to attain its official gold level certification.

我們內地新項目的環保設施
Green Features of our New Projects on the Mainland

類別 Category	主要環保設施 Key Green Features	瀋陽皇城 恒隆廣場 Palace 66, Shenyang	濟南 恒隆廣場 Parc 66, Jinan	天津 恒隆廣場 Riverside 66, Tianjin	無錫 恒隆廣場 Centre 66, Wuxi	瀋陽市府 恒隆廣場 Forum 66, Shenyang	
建築物外牆 Building envelopes	高效節能雙層玻璃幕牆 High performance low-e double glazing	✓	✓	✓	✓	✓	
再生能源 Renewable energy	光伏面板 Photovoltaic panels	✓	✓	✓	✓	✓	
	地源水熱泵 Geothermal heat pumps	✓	-	✓	-	✓	
回收及循環再用 Recycling and recovery	熱回收系統 Heat recovery systems	✓	✓	✓	✓	✓	
	水循環再用系統 Water recycling systems	✓	✓	✓*	✓	✓	
	節水衛生裝置 Water saving sanitary fixtures	✓	✓	✓	✓	✓	
營運層面的 可持續發展 Sustainability on an operational level	高效節能照明 Energy efficient lighting	使用日光 Use of daylight	✓	✓	✓	✓	✓
		高效節能照明系統 High-efficiency lighting	✓	✓	✓	✓	✓
		照明控制器，包括日光感應器、移動感應器和電腦控制開關 Lighting controls including daylight sensors, occupancy sensors and programmed switches	✓	✓	✓	✓	✓
	空調系統 Air conditioning systems	高性能機組 High Performance chillers	✓	✓	✓	✓	✓
		冰蓄冷系統 Ice storage systems	-	✓	✓	✓	-
	室內空氣質素 Indoor air quality	低排放物料 Low emitting materials	✓	✓	✓	✓	✓
		按需要調控的通風系統 Demand control ventilation	✓	✓	✓	✓	✓
		高效能過濾器 High performance filters	✓	✓	✓	✓	✓

*註：天津恒隆廣場使用市內中水，並非自行循環使用中水或收集回來之雨水。

*Note: Instead of recycling the property's own grey water or collected rainwater, Riverside 66 in Tianjin will be using municipal grey water.

可持續管理

由於我們的投資物業組合強大，故本公司極為重視旗下香港和內地物業的可持續管理。由四十個部門代表組成的環保管理專責小組讓同事參與環保事務。

- 香港

我們的香港投資物業組合採取了多項環保措施，力求向社會各界傳遞環保訊息。其中山頂廣場已成為我們戮力實現可持續物業管理的典範，並獲香港環保卓越計劃界別卓越獎頒發「物業管理優異獎」，這項由政府牽頭的認可制度旨在鼓勵企業和機構採用環保管理措施。

節約能源

在二零零九／一零年度，我們繼續推行節能計劃，節省了一百一十八萬千瓦時電力。過去逾五年，我們的香港投資物業在持續節能下，節省了約四千五百萬千瓦時的能源用量，相當於減少了三萬三千七百噸二氧化碳排放或拯救了約十萬一千二百五十株樹。

透過實行各項節能計劃，我們取得上述佳績。這些計劃包括旗下所有物業均使用節能照明系統，以及一半物業採用效能更佳的水冷式空調來取代風冷式空調。於二零零九年，淘大商場及康怡廣場完成安裝水冷式製冷機組。我們將繼續物色適宜改用水冷式製冷機組的投資物業。我們並把旗下購物商場及寫字樓的室溫分別保持在攝氏二十三度至二十三點五度及攝氏二十五度至二十五點五度，從而提升能源效益。因此，我們所有香港的主要投資物業均獲香港環保卓越計劃頒發節能標誌。

為進一步推動集團全人循此方向努力，我們於二零一零年二月舉行內部「節能比賽」，鼓勵前線員工重視可持續發展及尋

Managing for Sustainability

Given our strong investment property portfolio, the Group has placed a significant emphasis on managing our properties in both Hong Kong and on the Mainland in a sustainable manner. An Environmental Project Team (EPT) consisting of 40 cross-departmental representatives was set up to engage staff from different levels in our environmental efforts.

- In Hong Kong

A wide range of green measures has been implemented in our investment property portfolio in Hong Kong with an aim to spread the environmental message to the community. In particular, The Peak Galleria has become a showpiece of our commitment towards sustainable property management and was awarded the Certificate of Merit under the category of property management by the Hong Kong Awards for Environmental Excellence (HKAEE) Sectoral Awards, a government-led recognition scheme that encourages businesses and organizations to adopt green management practices.

Conserving Energy Resources

In 2009/10, we continued with our energy reduction program and achieved a saving of 1.18 million kWh of electricity. Over the past five years, such continual efforts have saved approximately 45 million kWh in energy consumption of our investment properties in Hong Kong, translating into a reduction of 33,700 tonnes in carbon dioxide emissions or the saving of 101,250 trees.

These savings have been made possible by a variety of programs, including the use of energy efficient lighting in all of our properties as well as the replacement of air-cooled air-conditioning systems with more efficient water-cooled versions in half of our properties. In 2009, we completed the installation of water-cooled chiller plants at Amoy Plaza and Kornhill Plaza. We will continue to identify investment properties where such chiller plants can be used. We have also been able to maximize energy efficiencies by maintaining the indoor temperatures of our shopping malls within a range of 23 to 23.5 degrees Celsius and our offices between 25 to 25.5 degrees Celsius. As such, all our major investment properties in Hong Kong have received "Energywi\$e Labels" issued by the HKAEE.

Further driving our group-wide efforts in this direction, an internal "Energy Saving Competition" was launched in February 2010 to promote sustainability and look for innovative energy saving ideas

山頂廣場之太陽能發電系統。
The solar panel renewable energy system at The Peak Galleria.



找創新的節能構思。比賽將於二零一零年九月結束並嘉許提出出色構思的員工。

除此之外，我們的環保管理專責小組於山頂廣場自行設計及建造太陽能板系統，採用可再生的太陽能。

為進一步鼓勵市民使用比傳統汽油和柴油燃料更環保的替代品，山頂廣場於二零零九年十二月開始提供港島首個電動汽車電池充電站。

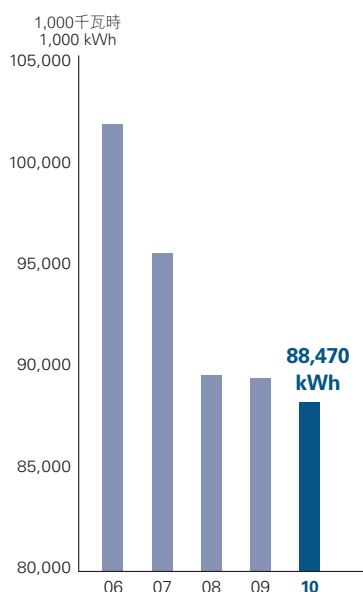
among our frontline staff. This competition will come to an end in September 2010 and staff with outstanding ideas will be rewarded.

In addition, our EPT has self-designed and built a solar panel system at The Peak Galleria to harness the renewable solar energy.

To further encourage members of the public to adopt more environmentally-friendly energy alternatives than traditional gasoline and diesel fuels, The Peak Galleria became the first property on Hong Kong Island to provide a battery charging station for electric vehicles in December 2009.

所有香港投資物業每年用電量
Annual Electricity Consumption by
All Investment Properties in Hong Kong

截至六月三十日止年度
For the years ended 30 June



山頂廣場榮獲香港環保卓越計劃界別卓越獎頒發「物業管理優異獎」。
The Peak Galleria was awarded the Certificate of Merit under the category of property management by the Hong Kong Awards for Environmental Excellence Sectoral Awards.

位於上海的恒隆廣場是其中一個參加“Green is All Around”計劃的物業。 Plaza 66, Shanghai, is one of the Group's properties participating in the “Green is All Around” campaign.



恒隆廣場地庫使用節能照明，減低物業的耗電量。 The basement of Plaza 66 utilizes energy-efficient lighting, reducing the property's electricity consumption.



節約用水

我們的節約用水計劃包括技術方案及循環再用措施。到目前為止，集團已於旗下物業超過百分之六十的洗手間水龍頭安裝紅外線感應器。年內，我們的環保管理專責小組為山頂廣場開發了一項「雨水收集系統」，把雨水收集及消毒供洗手間沖廁及其他非飲用用途。

為進一步提高用水效率，我們現正檢討山頂廣場的戶外自動灌溉系統，設法在多雨天氣時盡量減少使用新鮮水灌溉花園。

廢物管理及減少用紙

年內，我們管理的所有物業繼續實施廢物分類及循環再造計劃，回收了三十一萬二千一百公斤紙張及五萬六千五百公斤其他廢棄物供循環再造。銷售該等回收物料所得收益撥入「環保基金」，用以支持我們其他環保措施。

此外，我們也與香港特別行政區之環境保護署(環保署)緊密合作推行廢物分類計劃。例如，我們參加「少棄置，多珍惜」減廢大行動之“Green Reminders Program”，檢討我們的循環再用策略及加強客戶認識回收設施。該行動於二零一零年五月舉行直至年底結束。集團的淘大商場也加入了環保署之「廚餘循環再造合作計劃」，以推廣減少製造廚餘及對於未能避免的廚餘進行源頭分類及回收再造。

Saving Water

Our water saving program encompasses technical solutions as well as recycling initiatives. By now, 60% of all water faucets in our properties in Hong Kong work on infrared sensors. During the year, our EPT creatively developed a “Rainwater Collection System” at The Peak Galleria, collecting and sterilizing rainwater for flushing toilets and for other non-drinking purposes.

To further enhance our water efficiency, we are currently reviewing The Peak Galleria's automatic outdoor irrigation system, seeking to minimize the use of fresh water for the irrigation of the gardens during rainy weather.

Waste Management and Reduced Use of Paper

During the year, we continued with our ongoing waste separation and recycling program at all of our managed properties. As such, 312,100 kg of paper and 56,500 kg of other wastes were recycled. Revenues generated from the sale of the recycled waste have been pooled into an “Environmental Fund”, which will be used to support our other green initiatives.

In addition, we are working closely with the Environmental Protection Department (EPD) of the Hong Kong Special Administrative Region on various waste separation campaigns. For instance, we have participated in the “Green Reminders Program”, under the “Minimizing Waste, Maximizing Future” waste reduction campaign, to review our recycling strategy and help raise customer awareness of these recycling facilities. Launched in May 2010, the campaign will continue until the end of 2010. Our Amoy Plaza has also joined in EPD's “Food Waste Recycling Partnership Scheme” to promote the reduction of food waste as well as the source separation of unavoidable food waste for subsequent collection and treatment.

內部方面，我們亦引進電子薪酬報稅表，進一步減少用紙。員工現可進入自助服務系統，查閱和下載電子薪酬報稅表。

進一步綠化旗下項目

我們深諳綠化的種種好處，故於二零零九年推行了名為“Green is All Around”的計劃，使旗下香港投資物業組合大部分的戶外地方均有植物覆蓋。這項計劃在山頂廣場自行設計的綠茵平台特別明顯。該項傑出設施不僅體現了四周翠綠環境之美，更令山頂廣場室溫顯著降低了攝氏三度，令其減少空調需求從而減低用電量。年內，綠茵平台、栢裕商業中心及樂基中心，均引入垂直綠化新概念，在其建築物之垂直表面進行綠化。

- 內地

作為上海兩項主要地標商業建築物，恒隆廣場和港匯廣場均採用可持續管理及重視環保，故該兩項物業均持續優化其資源和設施，並致力提升節能和廢物管理。我們的目標是以身作則，鼓勵其他商界人士攜手合作，履行商界的企業義務和社會責任。

恒隆廣場以「發展能源效益和保持低碳排放量」為基本方針，採用了二十項節能措施，箇中之重點為使用節能空調系統及環保節能照明。此外，該物業為所有員工提供培訓以提高環保意識，並於年內邀請了上海理工大學就其碳排放量進行專業和全面的審核，所得資料分析將可確保恒隆廣場持續發展，並有助其制定行動計劃以進一步減少碳足跡。鑑於這些措施和成果，恒隆廣場榮獲上海市經濟和信息化委員會頒發「上海市節能技改

Internally, we strive to reduce our paper consumption through the introduction of an electronic Tax Return. Staff can now view and download their electronic Tax Return through the Employee Self Service System.

The Greater Greening of our Developments

Committed to the many benefits of greenery, we launched a “Green is All Around” campaign in 2009, under which the majority of the outdoor areas of our investment property portfolio in Hong Kong are covered in vegetation. This commitment is particularly visible at our self-designed Green Terrace at The Peak Galleria. This showpiece not only demonstrates the lush beauty of green surroundings, but has also lowered indoor temperatures at The Peak Galleria by a significant 3 degrees Celsius, reducing the demand for air-conditioning and thus the consumption of electricity. Vertical greening, a new concept enabling the growth of vegetation on vertical surfaces, was also implemented at the Green Terrace, the Park-In Commercial Centre and Stanhope House during the year.

- On the Mainland

As two of Shanghai’s leading commercial landmarks, both Plaza 66 and The Grand Gateway are managed with sustainable practices and the preservation of the environment in mind. Both properties thus continue to optimize their resources and facilities while maximizing their energy saving and waste management objectives. Our aim is to lead by example, encouraging others in the business sector to work with us in meeting and fulfilling the industry’s corporate obligations and social responsibilities.

Building on its underlying approach to “develop energy-efficient ways and maintain low carbon emissions”, Plaza 66 has developed 20 energy-saving initiatives, focusing on the use of energy-saving air-conditioning systems as well as green and energy-efficient lighting. Hand-in-hand with these measures, the property also provides training for all staff to build awareness and has invited the University of Shanghai for Science and Technology to conduct a professional and comprehensive audit on the building’s carbon emissions during the year. Analysis of the information gained will ensure Plaza 66’s sustainable development and help formulate an action plan to further reduce its carbon footprint. These activities and achievements have won us the Shanghai Municipal Commission of Economy and

公司簽署《哥本哈根氣候變化問題公報》，支持各國及企業就處理氣候變化問題達成共識。

We sign the Copenhagen Communiqué in support of reaching a credible deal among countries and corporations.



山頂廣場頂層的綠茵平台為顧客提供舒適怡人的休憩環境。

The Green Terrace at the rooftop of The Peak Galleria provides a pleasant recreational environment for mall visitors.



示範項目」稱號。由於我們是十五個獲嘉獎者中唯一的非內地機構，我們感到份外光榮。

Informatization's "Leading Project in the Advancement of Energy Saving Technologies in Shanghai" award. We are doubly honored by the award as we were the only organization not from the Mainland to receive this recognition among the 15 award recipients.

年內，港匯廣場亦完成十六項節能措施。重點為提高各種設施和設備的能源效益及使用更多節能照明，目標是節省五百萬千瓦時的電力。徐匯區人民政府稱譽港匯廣場為節能領導者，連續第三年把其命名為「節能標杆企業」。

During the year, The Grand Gateway also completed 16 energy saving initiatives. Focusing primarily on improving energy efficiencies for its various facilities and equipment together with the use of more energy-efficient lighting, its target is to save five million kWh of electricity. Citing The Grand Gateway as a leader in the field of energy saving, it was named as a "Model Enterprise in Energy Saving" by the Xuhui District People's Government, for the third year running.

繼續落實環保承諾

在企業層面方面，我們除採取可持續建築和管理外，並參與多項環保計劃和活動。例如，為落實我們循此方向作出的承諾，我們簽署了《哥本哈根氣候變化問題公報》，此為全球性的倡議計劃，提倡於二零零九年十二月在哥本哈根舉行的「聯合國氣候變化會議」，就氣候變化問題達成實際可行的協議。我們也是香港「氣候變化商界論壇」的主要贊助人，致力向商界推廣現今環保事項的潛在風險與機遇。我們並參加了環境保護署舉辦的「減碳約章」，成為「碳審計•綠色機構」，致力減少溫室氣體的排放。二零零九年和二零一零年，我們旗下香港和內地多項物業均有參與全球性環保活動「地球一小時」，身體力行關燈一小時對抗氣候變化。我們亦透過贊助，支持相關組織如世界自然基金會和珍古德協會的工作。

Continuing Our Environmental Commitment

On a corporate level, we engage in a number of activities and events apart from our approach of building and managing for sustainability. Reinforcing our commitment in this direction, for instance, we signed the Copenhagen Communiqué, a global initiative aiming to reach a credible deal at the "United Nations Climate Change Conference in Copenhagen," in December 2009. We are also a major patron of the Climate Change Business Forum in Hong Kong, seeking to spread the word on environmental issues together with the potential risks and opportunities involved. As one of Hong Kong's "Carbon Audit • Green Partners" under the Environmental Protection Department's "Carbon Reduction Charter," we have also pledged to carry out activities to reduce our greenhouse gas emissions. In both 2009 and 2010, we joined the worldwide awareness campaign "Earth Hour," turning off the lights in a number of our properties both in Hong Kong and on the Mainland to help fight climate change. We also support the work of relevant organizations such as World Wide Fund for Nature (WWF) and the Jane Goodall Institute through sponsorships.

可持續發展報告 SUSTAINABILITY REPORT

視障人士福音中心是其中一個受惠於我們場地贊助計劃的機構。
Christian Ministry to Visually Impaired Persons is one of the beneficiaries of our venue sponsorship program.



恒隆房地產研究中心於二零一零年四月二十三日在北京清華大學成立。
The Hang Lung Center for Real Estate was established on 23 April 2010 at Tsinghua University, Beijing.



社會投資

我們的社會投資項目涵蓋多項社會需要，特別注重金融、教育、藝術和文化所需。年內，我們按照一貫策略和政策，向多個慈善機構和非牟利組織合共作出港幣四千二百萬元的捐助。同時，集團旗下商場為多家慈善機構合共三十八項活動提供場地贊助，籌得善款總額約達港幣一百二十四萬元。這些機構包括：世界自然基金會、香港樂施會和聯合國兒童基金會等。我們並於中秋節及聖誕節向麥當勞叔叔之家慈善基金捐贈食物籃及月餅。

北京清華大學恒隆房地產研究中心

二零一零年四月二十三日，北京清華大學恒隆房地產研究中心開幕，為集團的社會投資計劃樹立重大里程碑。該中心由清華大學土木水利學院、經濟管理學院和建築學院聯合建設。集團捐款港幣三千萬元，在清華大學教育基金會設立「恒隆房地產研究基金」，以支持中心開展學術研究工作。

Community Investment

Our community investment program covers a wide spectrum of social needs with a particular focus on financial, education, artistic and cultural needs. During the year, in accordance with our community strategies and policies, we donated a total of HK\$42 million to various charitable causes and non-profit organizations. At the same time, our shopping malls provided venue sponsorships for a total of 38 events, raising funds of approximately HK\$1.24 million for numerous charities, including programs for the World Wide Fund, Oxfam Hong Kong and UNICEF among others. We also donated food baskets and mooncakes to Ronald McDonald House Charities at both the Mid-Autumn Festival and Christmas.

The Hang Lung Center for Real Estate, Tsinghua University, Beijing

On 23 April 2010, we celebrated a major milestone in our community investment program with the opening of the Hang Lung Center for Real Estate at Tsinghua University in Beijing. With a donation of HK\$30 million, the Hang Lung Real Estate Research Fund under the Tsinghua University Education Foundation was established, supporting the Center in its role as a research institute jointly developed by Tsinghua's School of Civil Engineering, School of Economics and Management and School of Architecture.

環保管理專責小組成員向學生講解廢物分類的流程及成效。
An Environmental Project Team member explains to students the operational procedures and benefits of waste separation.



山頂廣場之香港廊是推廣本地文化的平台。
The Peak Galleria's Hong Kong Gallery serves as a platform to promote local culture.



集團在董事長陳啟宗先生的帶領下，一直積極支持教育。清華大學恒隆房地產研究中心充分發揮清華大學多學科綜合優勢，在各院系現有房地產教學研究隊伍的基礎上，面向世界吸引國際領先學者加入，在房地產及相關的住房政策與住房保障、土地管理、城市發展等領域，建設具國際水準的教學研究團隊，為政府管理提供研究服務，促進內地城市可持續發展和房地產市場平穩健康發展。

二零一零年度「恒隆數學獎」

我們已開始籌備今年舉行的「恒隆數學獎」。比賽於二零一零年二月截止登記，共有來自五十六間中學合共一百零二支隊伍報名參加，打破了歷屆紀錄，較上屆二零零八年度參賽隊伍增加百分之三十二。

「恒隆數學獎」由集團董事長陳啟宗先生與世界知名數學家丘成桐教授於二零零四年創立；丘教授為一九八二年菲爾茲獎得主，現任教於哈佛大學。此項比賽旨在促進香港青少年的智力發展，其獨特之處不僅在於開啟青少年在數學和科學的創造力，更鼓勵學生之間的合作及對社會作出更大貢獻。參賽學生並非回答一套數學問題，而是以一年時間設計和研究其自定數學課題，然後向由著名學者組成的學術委員會提交報告，入圍隊伍將獲邀就其研究報告公開作出闡述及答辯。

Under the guidance and leadership of our Chairman Mr Ronnie C. Chan, we have long had a tradition of supporting education. This development will continue our tradition of supporting real estate studies at the University by leveraging Tsinghua's multi-disciplinary strengths and distinguished faculty to attract scholars of international standing to build a world-class academic team in the areas of housing policy and security, land management and urban development. In addition, the Center will provide research backup to the government in the formulation of policy, ensuring sustainable urban development and healthy growth of the market on the Mainland.

Hang Lung Mathematics Award 2010

Arrangements have commenced for our Hang Lung Mathematics Award, which is taking place once again this year. With registration ended in February 2010, a total of 102 teams from 56 secondary schools have registered for the event, a record high, marking an increase of 32% over the last event in 2008.

First founded in 2004 by our Chairman, Mr Ronnie C. Chan, together with world renowned mathematician and 1982 Fields Medalist, Professor Shing-tung Yau of Harvard University, this unique competition seeks to promote intellectual discovery among Hong Kong's youth, aiming to not only stimulate mathematical and scientific creativity but also cooperation among students, as well as making a greater contribution to society. Rather than answering a set of questions, students are given a year to design and research their own mathematical projects. A report on the findings is then submitted to the Scientific Committee comprising leading academics. Finalist teams are then invited to attend an oral defense to present their research report.

山頂廣場—與社群互動的平台 THE PEAK GALLERIA: A PLATFORM TO ENGAGE THE COMMUNITY

憑著山頂之地利，山頂廣場吸引大量遊客及其他訪港旅客。因此，我們把握機會以此為平台，向本地及國際社群推動環保及文化發展。

實質行動推廣環保教育

我們的環保管理專責小組於二零零九年首次推出「環保探索」系列，以創新和有趣的方式宣揚環保訊息，在二零零九／一零年度內已成功吸引了七百四十七人參加。主打項目為獨特的「環保探索」之旅，透過開放山頂廣場予本地學生來介紹集團多項可持續發展措施，如港島首個電動車充電站、風力渦輪機、太陽能板、日光感應調控帆布、環保廊、廢物回收設施、一氧化碳感應調控通風系統、雨水收集系統及光感應照明等。

此外，該小組與租戶、社區團體和其他業務夥伴合作進行多項創新計劃；略舉數例，如向參加租戶收集鞋盒，再用以創造巨大的動物模型，以及教導商場顧客如何在家裏種植蔬菜等。

推動本土文化

山頂廣場於二零一零年推出「香港廊」作為本地居民和外國遊客可參與的藝術文化和展覽活動場地。首個在此舉行的展覽為「香港電影•金像獎回顧」，展出了香港電影金像獎精選的得獎電影海報和劇照。在展覽期間，山頂廣場亦把其屋頂綠茵平台變身為露天電影院，播放關於香港文化和歷史的影片。配合「香港廊」的構思，山頂廣場開放綠茵平台作為舞台，支持本地表演團體發揮才藝演出。

In view of its location on the Peak, The Peak Galleria attracts huge numbers of local residents and visitors to Hong Kong. We have therefore taken the opportunity to reach out to the local and international community in terms of environmental and cultural development.

Promoting Green Education Initiatives

Our Environmental Project Team (EPT) first launched its “Eco-Discovery” series in 2009 to spread the environmental message in an innovative and fun way, and has successfully reached out to 747 participants during 2009/10. Its signature “Eco-Discovery Tour” is unique in itself as it opens up The Peak Galleria, introducing local students to the many sustainable features in our operations such as the first Electric Vehicle Charging Station on Hong Kong Island, a wind turbine, solar panels, a sunlight sensor canvas, the Green Gallery, waste recycling facilities, a carbon monoxide sensor ventilation system, a rainwater collection system as well as photo-sensor lighting.

In addition, EPT also partnered with tenants, community groups and other business associates in a wide range of innovative programs, such as building gigantic animal sculptures with recycled shoeboxes collected from participating tenants, teaching The Peak Galleria’s visitors how to plant and grow vegetables at home, to name just a few.

Promoting Local Culture

The Peak Galleria launched a “Hong Kong Gallery” earlier in 2010 to serve as an exhibition venue for arts and cultural events both for local residents and foreign tourists. The first exhibition held at the venue was the “Hong Kong Film Awards Review Since 1982” which showcased selected posters and photographs of award winners of the Hong Kong Film Awards. During the exhibition period, The Peak Galleria also turned its rooftop Green Terrace into an outdoor cinema, playing movies that feature Hong Kong’s culture and history. In line with the aspirations of the Hong Kong Gallery, The Peak Galleria supports the development of local performing groups with the opening up of its Green Terrace as a stage for their talents.

「恒善隆情知識創明天計劃」為貧困學童提供功課輔導。
"Knowledge Builds a Better Tomorrow" aims to help underprivileged children with their studies.



環保管理專責小組和租戶合作回收廢棄鞋盒，與學生創作了巨型動物模型。
The Environmental Project Team partners with tenants to collect shoeboxes and work with students to turn them into gigantic animal sculptures.



員工義工計劃

為回饋客戶和社會多年來的鼎力支持，我們增設渠道讓員工參與社會服務，貢獻社會。二零零九年十二月，在恒隆康體會的帶領下，由員工主導的首支義工隊正式成立，實踐集團就企業公民責任作出的承諾。義工隊夥拍成長希望基金會，推出首個名為「恒善隆情知識創明天」的義工計劃，幫助貧困兒童學習。

在二零一零年一月至四月，三十三位義工貢獻了逾一百三十小時的工餘時間為學童輔導功課，並與他們分享關於醫療保健、節約能源及全球變暖等課題的專業知識。

邁向未來

展望未來，可持續發展將繼續成為我們每項工作的重要元素。我們相信，我們多年來建立的穩固基礎和高標準，將可提供與日俱增的動力，推動我們的業務、環境及世界持續發展。

Staff Volunteering Program

Seeking to return some of the tremendous support that we have received from our customers and the community over the years, we encourage our staff to take part in community service to contribute to the society. A part of this commitment to corporate citizenship became hard fact with the formal debut of a staff-initiated volunteer team under the leadership of the Hang Lung Social Club in December 2009. In partnership with The Changing Young Lives Foundation, the team launched its first volunteering program under the name "Knowledge Builds a Better Tomorrow" to help underprivileged children with their studies.

From January to April 2010, 33 volunteers contributed over 130 service hours after work to run tutorial classes helping the children with their homework and sharing their knowledge and expertise on specific topics such as health care, energy saving, global warming, etc.

The Way Forward

Looking forward we will continue to focus on sustainability as a key component in everything that we do. We believe that the strong foundations established over the years together with the high standards achieved, will provide increasing thrust for the ongoing sustainability of our business, our environment and our world.

財務日誌 FINANCIAL CALENDAR

1月 JAN

公布中期業績
Interim Results announced

二零一零年一月二十七日
27 January 2010

3月 MAR

派發中期股息
Interim Dividend paid

二零一零年三月四日
4 March 2010

7月 JUL

公布全年業績
Annual Results announced

二零一零年七月二十八日
28 July 2010

10月 OCT

截止辦理股份過戶
Latest time to lodge transfer

二零一零年十月十五日
下午四時三十分
4:30 p.m. on 15 October 2010

暫停辦理股份過戶登記
(就末期股息而言)
Share Register closed
(for final dividend)

二零一零年十月十八日至二十日
(首尾兩天包括在內)
18 to 20 October 2010
(both days inclusive)

股東週年大會
(細節請參閱本年報隨附之
股東週年大會通告)
Annual General Meeting
(Details are set out in the
Notice of Annual General
Meeting accompanying this
Annual Report)

二零一零年十月二十日
上午十時正
假座註冊辦事處
10:00 a.m. on 20 October 2010
at Registered Office

11月 NOV

建議派發末期股息
Proposed Final Dividend
payable

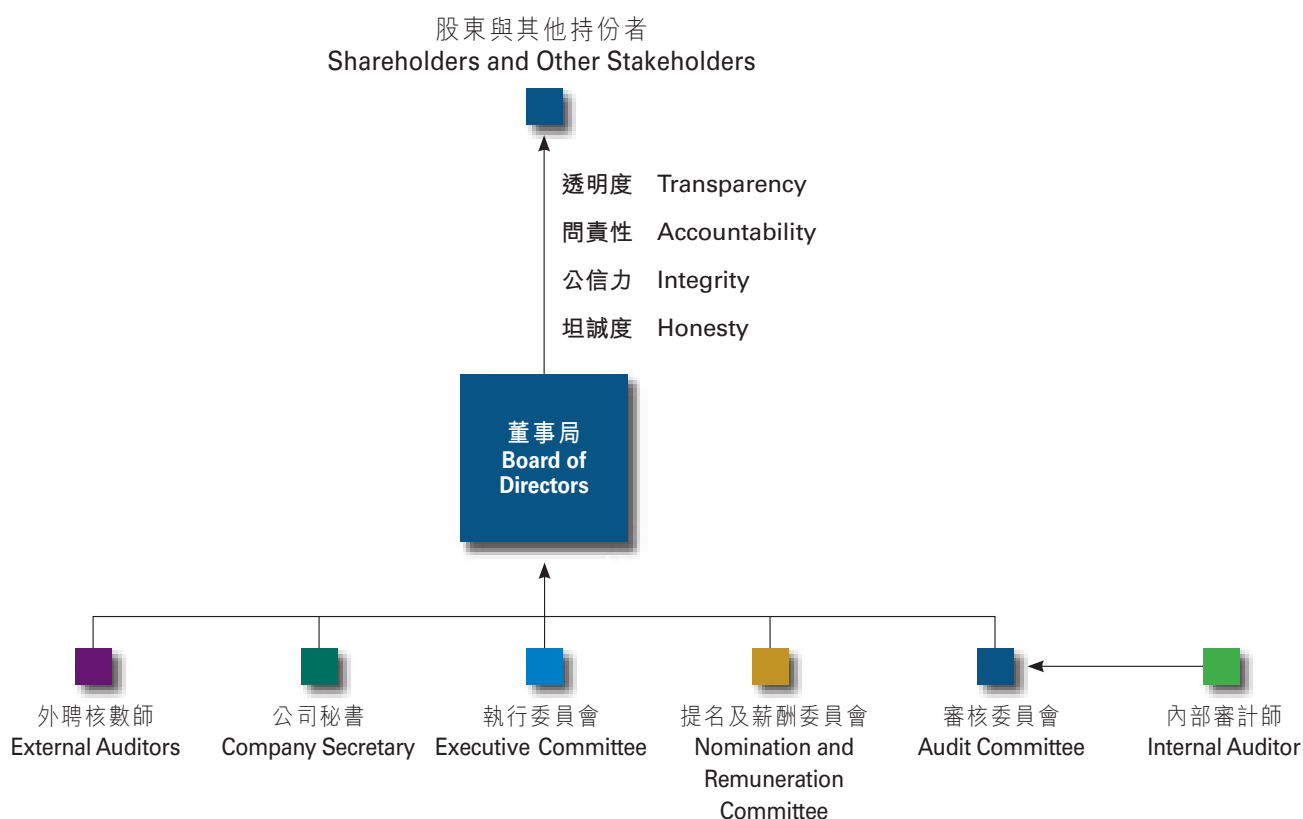
二零一零年十一月一日
1 November 2010

企業管治 CORPORATE GOVERNANCE

恒隆地產一直以來把持份者的權益放於首位，作為一家有承擔的商業機構，我們透過卓越的董事局、良好的內部監控系統及有效的風險管理，努力達致最高質素的企業管治。

We are committed to the primacy of our stakeholders' benefits. As a responsible business corporation, we strive to best fulfill the highest standards of corporate governance with a qualified board, sound internal control systems and effective risk management.

企業管治架構 Corporate Governance Structure



良好的企業管治乃企業成功必不可少的因素，因此我們把良好企業管治的主要原則，透過以身作則的領導方式、適切的培訓及有效的內部監控，致力融入企業文化。這些主要原則包括：著重對所有持份者提供透明度及問責性、維持高質素誠信標準以及通過卓越管治常規建立信心的體制。

As good corporate governance is essential to corporate success, we instill the core principles of good corporate governance into our corporate culture through leadership by example, training and effective internal controls. These principles include an emphasis on transparency and accountability to all stakeholders, maintaining high standards of integrity and establishing trust through sound governance practices.

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。

Throughout the year, we complied with all 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 is 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	<p>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。於定期董事局會議舉行日期最少十四天前，已向董事發出會議通告。</p> <p>➢ 於二零零九/一零年度，董事局舉行了五次定期會議；及</p> <p>➢ 另於有需要時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)。</p> <p>二零零九/一零年度董事出席各類會議的記錄如下：</p>	<p>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. Notice is given to Directors at least 14 days before a regular Board Meeting.</p> <p>➢ Five regular Board Meetings were held in 2009/10; and</p> <p>➢ 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.</p> <p>Details of Directors' attendance records in 2009/10 were as follows:</p>
<p>舉行/出席會議 Meetings Held/Attended</p> <p>獨立非執行董事 Independent Non-Executive Directors</p> <p>殷尚賢 S.S. Yin 夏佳理 R.J. Arculli 鄭漢鈞 H.K. Cheng 陳樂怡 Laura Chen 廖柏偉 P.W. Liu 何潮輝 Dominic Ho</p> <p>執行董事 Executive Directors</p> <p>陳啟宗 Ronnie Chan 袁偉良 Nelson Yuen 吳士元 Terry Ng 高伯適 William Ko 姚子賢* Henry Yiu*</p> <p> ■ 董事局會議 Board Meetings ■ 審核委員會會議 Audit Committee Meetings ■ 提名及薪酬委員會會議 Nomination & Remuneration Committee Meetings ■ 股東週年大會 Annual General Meeting □ 出席董事 Director attended * 於二零一零年二月九日獲委任 Appointed on 9 February 2010 </p>		

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>所有董事均可向董事長或公司秘書提出在董事局會議之議程內列入商討事項。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。</p> <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，向董事長及董事局提供意見。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>根據本公司之組織章程細則，任何涉及董事或其任何聯繫人之重大利益的任何合約或安排時，有關董事不得參加表決或計算在會議法定人數以內。</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"> 董事局於二零零九／一零年度舉行了五次會議。 	<p>All Directors can give notice to the Chairman or the Company Secretary if they intend to include matters in the agenda for Board Meetings. Procedures have also been agreed by the Board to enable Directors to seek independent professional advice at the Company's expense.</p> <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>Under the Company's Articles of Association, a Director shall not vote or be counted in the quorum in respect of any contract or arrangement in which he/she or any of his/her associates is/are materially interested.</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 from corporate activities.</p> <p>EXCEEDING REQUIREMENT:</p> <ul style="list-style-type: none"> Five Board Meetings were held in 2009/10.
守則編號 Code Number	守則條文	Code Provision
A.2	<p>董事長及行政總裁</p> <p>董事長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>董事長</p> <p>董事長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； 董事局及時就所有重要的適當事項進行討論； 公司建立良好之企業管治常規和程序；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至整個董事局。 <p>董事長最少每年一次與獨立非執行董事會面，執行董事不會列席。董事長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>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 meetings with the Independent Non-Executive Directors without the Executive Directors being 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>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>董事長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>董事總經理(行政總裁) 董事總經理陳南祿先生於二零一零年七月十五日繼承袁偉良先生出任本公司之行政總裁。董事總經理與董事長肩負不同職責。</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，並致力維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律及規定。 <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>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 Directors and Non-Executive Directors.</p> <p>Managing Director (Chief Executive Officer) The Managing Director, Mr Philip N.L. Chen (who succeeded Mr Nelson W.L. Yuen on 15 July 2010), 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 operational performance; and ➢ ensuring the adequacy of financial and internal control systems and the 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 organization 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，以使董事局上有強大的獨立元素，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 independent element on the Board which can effectively exercise independent judgment.</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、陳南祿先生、高伯適先生及姚子賢先生；及 ➢ 六名獨立非執行董事，分別為殷尚賢先生、夏佳理先生、鄭漢鈞博士、陳樂怡女士、廖柏偉教授及何潮輝先生。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 Philip N.L. Chen, Mr William P.Y. Ko and Mr Henry T.Y. Yiu; and ➢ six Independent Non-Executive Directors, namely, Mr S.S. Yin, Mr Ronald J. Arculli, Dr H.K. Cheng, Ms Laura L.Y. Chen, Prof 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.

下表列出本公司之現時董事局以及各委員會成員：

The following chart illustrates the current 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 (董事長)	Ronnie C. Chan (Chairman)
殷尚賢 (副董事長)*	S.S. Yin (Vice Chairman)*
陳南祿 (董事總經理)	Philip N.L. Chen (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*
高伯適	William P.Y. Ko
姚子賢	Henry T.Y. Yiu

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)
陳南祿
Philip N.L. Chen
高伯適
William P.Y. Ko
姚子賢
Henry T.Y. Yiu

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

備註：Remarks:

1. 姚子賢先生於二零一零年二月九日獲委任為執行董事及執行委員會成員。
Mr Henry T.Y. Yiu was appointed as an Executive Director and a member of the Executive Committee on 9 February 2010.
2. 袁偉良先生於二零一零年七月十四日退休，不再出任董事總經理及執行委員會成員。
Mr Nelson W.L. Yuen retired as the Managing Director on 14 July 2010 and hence ceased to be a member of the Executive Committee.
3. 陳南祿先生繼承袁偉良先生出任董事總經理及執行委員會成員，由二零一零年七月十五日起生效。
Mr Philip N.L. Chen succeeded Mr Nelson W.L. Yuen as the Managing Director and a member of the Executive Committee on 15 July 2010.
4. 吳士元先生於二零一零年七月二十一日辭任執行董事，不再出任執行委員會成員。
Mr Terry S. Ng resigned as an Executive Director and hence ceased to be a member of the Executive Committee on 21 July 2010.

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
✓✓ 符合守則條文 Comply with Requirement	<p>遵照本公司之組織章程細則，董事人數三分之一須於股東週年大會（「週年大會」）輪值告退後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個人詳細履歷，均會載於股東大會通告內。</p> <p>獨立非執行董事之委任有指定任期，彼等之任期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。</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，以及我們向股東提議就獨立非執行董事之重選投贊成票。</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>	<p>In accordance with our Articles of Association, one-third of the Directors are required to 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 being accompanied by detailed biography will be stated in the notice of general meeting.</p> <p>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.</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 favor 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 consider the Independent Non-Executive Directors are still independent.</p>
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
✓✓ 符合守則條文 Comply with Requirement	<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瞭解，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>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 organizations and other significant commitments.</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<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律及規定。 <p>本公司之企業操守準則(「操守準則」)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」)所規定的董事進行證券交易標準的行為守則。本公司已向所有董事作出特定查詢，確認已遵守守則及操守準則所規定的董事進行證券交易標準。</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>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”). The Company has made specific enquiry to all Directors and 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	<p>資料提供及使用</p> <p>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。</p>	<p>Supply of and Access to Information</p> <p>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.</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>董事局或各委員會的全部會議文件，至少於計劃舉行會議日期的三天前分別交予所有董事或委員會成員。</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 or Committee members at least three days before the intended date of a Board Meeting or Committee meeting respectively.</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 are also invited to join 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 are 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	<p>薪酬及披露的水平及組成</p> <p>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。</p>	<p>The Level and Make-up of Remuneration and Disclosure</p> <p>There should be a formal and transparent procedure for setting policy on Executive Directors' remuneration and for fixing the remuneration packages for all Directors.</p>
合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
<p>✓</p> <p>超越守則條文但偏離建議最佳常規 Exceeding requirement with a deviation from Recommended Best Practice</p>	<p>提名及薪酬委員會</p> <p>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，分別為廖柏偉教授(委員會主席)、夏佳理先生、鄭漢鈞博士、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。於二零零九/一零年度內，委員會舉行了三次會議，以審閱(其中包括)董事局之成員架構及董事薪酬。</p> <p>委員會之職權範圍(已載於本公司的網頁供瀏覽)包括不低於上市規則所規定之具體職責。</p> <p>本年度內，委員會已履行的主要職責如下：</p> <p>(a) 檢討董事局之架構、規模及成員(包括董事之技能、知識和經驗)；</p> <p>(b) 就本公司有關董事和高級管理人員之薪酬政策及架構，向董事局提出建議；</p> <p>(c) 釐定所有執行董事和高級管理人員之特定薪酬待遇，包括非金錢利益、退休金權利及賠償金額；及</p>	<p>Nomination and Remuneration Committee</p> <p>A Nomination and Remuneration Committee, set up in 2003, now constitutes five Independent Non-Executive Directors, namely Prof P.W. Liu (Chairman of the Committee), Mr Ronald J. Arculli, Dr 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 three times in 2009/10 to review, inter alia, the composition of Board members and Directors' remuneration.</p> <p>Its terms of reference, which are accessible to all via our website, have included, as a minimum, the specific duties as stipulated in the Listing Rules.</p> <p>The major work performed by the Committee during the year included the following:</p> <p>(a) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;</p> <p>(b) made recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management;</p> <p>(c) determined the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments; and</p>

(d) 就獨立非執行董事之酬金向董事局提出建議。

董事和高級管理人員之薪酬待遇(包括酌定花紅及股份期權)，乃基於以下準則：

- 個人表現；
- 技能和知識；
- 對本集團事務之參與程度；
- 達成之業務目標；及
- 本集團之表現及盈利。

委員會並考慮各項因素，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、以及與表現掛鈎之薪酬安排是否可取。

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薪酬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。委員會可諮詢董事長及董事總經理(行政總裁)就其對其他執行董事薪酬之意見，並可在有需要時徵詢專業意見。

超越守則條文：

- 提名及薪酬委員會之所有成員均為獨立非執行董事。

偏離建議最佳常規：

- 披露高級管理人員之薪酬待遇。

披露高級管理人員薪酬的建議最佳常規並不適合，故未被採納。我們只具名披露每名董事的薪酬。

(d) made recommendations to the Board on the remuneration of Independent Non-Executive Directors.

The remuneration package of Directors and senior management, including discretionary bonus and share options, is based on the following criteria:

- their individual performance;
- skill and knowledge;
- involvement in the Group's affairs;
- their achievement of business targets; and
- performance and profitability of the Group.

The Committee also considers 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.

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 Managing Director (the Chief Executive Officer) about their proposals relating to the remuneration of other Executive Directors and have access to professional advice if considered necessary.

EXCEEDING REQUIREMENT:

- **The Nomination and Remuneration Committee comprises only Independent Non-Executive Directors.**

DEVIATION FROM RECOMMENDED BEST PRACTICE:

- **Disclosure of remuneration payable to members of senior management.**

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.

C 問責及核數 Accountability and Audit

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、情況及前景作出平衡、清晰及全面之評核。	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。外聘核數師，畢馬威會計師事務所已在本公司財務報表的獨立核數師報告中就他們的申報責任作出聲明。</p> <p>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平衡、清晰及明白之評審。</p> <p>超越守則條文：</p> <ul style="list-style-type: none"> 於財政期結束後一個月內公布中期和末期業績。 <p>偏離建議最佳常規：</p> <ul style="list-style-type: none"> 編製季度財務報表。 <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; judgments and estimates made are prudent and reasonable. A statement by the external auditors, KPMG, about their reporting responsibilities is included in the Independent Auditor's Report on the Company's financial statements.</p> <p>The Directors endeavor 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 interim and final results within one month of the financial period end. <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。操守準則詳述本集團之經營業務宗旨，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>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>

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。年度及中期預算案的所有資本及收入項目編製後，均須先獲高級管理人員批准方可採納。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，並不時檢討及更新內部監控以面對未來的挑戰。

我們採取極審慎的措施處理股價敏感資料。此等資料僅為須知人士所悉。

本公司設有內部審計部，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。

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。

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準則供所有董事及員工依從。

截至二零一零年六月三十日止之財政年度內，董事已就本公司及其附屬公司之所有主要監控機制作出審閱，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。亦審議本公司在會計及財務匯報職能方面的資源，員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足。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。

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 senior management 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.

We take extreme precautions in handling price-sensitive information. Such information is restricted to a need-to-know basis.

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 program 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 his internal audit reviews and findings with the management and obtains management's responses on various issues. Internal audit reports are prepared for the Audit Committee every quarter.

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.

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.

The Directors 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 2010 and were satisfied that an effective and adequate internal control system had been in operation. Considerations are also given to the adequacy of resources, qualifications and experience of the staff of the Company's accounting and financial reporting function, and their training programs and budget. 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.

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<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在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>超越守則條文：</p> <ul style="list-style-type: none"> • 我們設有內部審計部，該部門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匯報。 	<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> <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，分別為鄭漢鈞博士（委員會主席）、陳樂怡女士、廖柏偉教授及何潮輝先生。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，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）。於二零零九／一零年度內，審核委員會舉行了兩次會議。</p> <p>審核委員會之職權範圍（已載於本公司的網頁供瀏覽）包括上市規則所規定之具體職責。</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, Dr H.K. Cheng (Chairman of the Committee), Ms Laura L.Y. Chen, Prof P.W. Liu and Mr Dominic C.F. Ho. Meetings are held at least two times a year 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 auditors (in the absence of management) as and when required. The Audit Committee held two meetings in 2009/10.</p> <p>Its terms of reference, which are accessible to all via our website, have included the duties stipulated in the Listing Rules.</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。

本年度內，審核委員會履行了(其中包括)以下之職責：

- 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；
- 審批二零零九／一零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，包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足。

超越守則條文：

- **審核委員會所有成員均為獨立非執行董事。**

The Committee is authorized 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.

During the year, the Audit Committee has performed, inter alia, the following:

- reviewed and obtained explanation from management and the external auditors on the interim (unaudited) and annual results, including causes of changes from the previous period, effects 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;
- held meetings with the external auditors in the absence of management to discuss any audit issues;
- held meetings with the Internal Auditor in private to discuss internal audit issues;
- approved the internal audit program for 2009/10; and
- carried out an annual review of the internal control system of the Company including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.

EXCEEDING REQUIREMENT:

- **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。董事局已給予管理層清晰指引，明確界定哪些事項須先獲董事局批准，方可代表本公司作出決定。董事局授權管理層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規則。本公司定期審閱此等安排，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，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。	An Executive Committee, Audit Committee, and Nomination and Remuneration Committee were formed in 1989, 1999 and 2003 respectively. Information on the 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, 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 endeavor 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。董事長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個營業日寄予股東。董事長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。</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)，本公司董事須就此召開股東特別大會。</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 shareholders. The Chairmen 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 20 clear business days before the meeting. Each separate issue is proposed by a separate resolution by the Chairman. The meeting enjoys strong participation from shareholders.</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 本公司應確保股東熟悉以投票方式進行表決的詳細程序。	Voting by Poll The Company should ensure that shareholders are familiar with the detailed procedure for conducting a poll.
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(「二零零九年週年大會」)於二零零九年十月二十日在本公司之註冊辦事處舉行。合共有一百三十一位股東親身或委派代表出席大會。會上，董事長要求以投票方式表決每項決議案，及已向股東提供以投票方式進行表決的詳細程序。所有於二零零九年週年大會上提呈的決議案，其中包括財務報表之採納、董事及核數師之重選及連任、及再次給予一般授權均以投票方式表決，投票表決結果於同日傍晚在本公司及聯交所之網頁刊登。</p>	<p>Our last AGM was held on 20 October 2009 ("2009 AGM") at our registered office. The meeting was attended by 131 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 were provided with detailed procedures for conducting a poll. All resolutions tabled at the 2009 AGM, inter alia, adoption of the financial statements, re-elected Directors, re-appointed auditors and renewed general mandates were voted on by poll, and the results of poll voting were posted on the websites of our Company and of the Stock Exchange in the evening on the same day.</p>

合規狀況 Compliance Status	企業管治常規	Corporate Governance Practices
	<p>董事局確認毋須於二零一零年十月二十日舉行之週年大會（「二零一零年週年大會」）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二零一一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，分別約於二零一一年一月底、二零一一年七月底、以及二零一一年十月舉行。</p>	<p>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 20 October 2010 ("2010 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 2011 and the AGM, are expected to be held at around late January 2011, late July 2011 and in October 2011 respectively.</p>

F 自願性披露 Voluntary Disclosure

F1	核數師酬金	Auditors' Remuneration									
	<p>二零零九年週年大會上，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，直至二零一零年週年大會為止。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，付予外聘核數師服務之總酬金如下：</p>	<p>KPMG was re-appointed as our external auditors by shareholders at the 2009 AGM until the conclusion of the 2010 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 services provided by the external auditors is as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 20%; text-align: center;">2010 HK\$M</th> <th style="width: 20%; text-align: center;">2009 HK\$M</th> </tr> </thead> <tbody> <tr> <td>法定核數服務</td> <td style="text-align: center;">5</td> <td style="text-align: center;">5</td> </tr> <tr> <td>稅務及其他服務</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> </tbody> </table>		2010 HK\$M	2009 HK\$M	法定核數服務	5	5	稅務及其他服務	1	2
	2010 HK\$M	2009 HK\$M									
法定核數服務	5	5									
稅務及其他服務	1	2									
F2	操守準則	Code of Conduct									
	<p>本公司自一九九四年起採納企業操守準則，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； ➢ 處理利益衝突情況； ➢ 處理保密資料／公司財產； ➢ 使用資訊和通訊系統； ➢ 遵守操守準則；及 ➢ 進行本公司股份之交易。 <p>操守準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>We have adopted a corporate Code of Conduct since 1994 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 situations of conflicts of interests; ➢ 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>									

F2

操守準則**Code of Conduct**

為監察及貫徹操守準則之遵從，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正及有效率之處理。

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。

In order to monitor and enforce the compliance of the Code of Conduct, functional managers are responsible for ensuring their subordinates fully understand 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.

Also, all employees who are above a designated level are required to complete and sign a Statement of Interest annually declaring their interests, 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.

F3

董事及高級管理人員持有之權益**Interests of Directors and Senior Management**

於二零一零年六月三十日，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：

Details of Directors' interests in shares of the Company and our listed parent company, Hang Lung Group Limited ("HLG") as at 30 June 2010 are as follows:

董事姓名	Name of Directors	本公司 The Company		恒隆集團 HLG	
		股份數目 No. of Shares	根據期權 可認購之股數 No. of Shares under Option	股份數目 No. of Shares	根據期權 可認購之股數 No. of Shares under Option
陳啟宗	Ronnie C. Chan	-	32,070,000	-	11,790,000
殷尚賢	S.S. Yin	-	-	-	-
袁偉良	Nelson W.L. Yuen	7,126,000	30,120,000	-	5,500,000
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	100,000	-	-	-
何潮輝	Dominic C.F. Ho	-	-	-	-
吳士元	Terry S. Ng	-	23,800,000	-	3,088,000
高伯適	William P.Y. Ko	-	22,730,000	30,000	994,000
姚子賢	Henry T.Y. Yiu	-	4,600,000	170,000	50,000

於二零一零年六月三十日，高級管理人員合共持有一千五百三十萬股本公司之股份期權，約佔本公司已發行股本百分之零點三七。彼等亦持有六十萬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零四。

The share options held by senior management as at 30 June 2010 totalled 15.3 million shares, representing approximately 0.37% of the issued share capital of the Company. They also held share options of HLG totalling 0.6 million shares, representing approximately 0.04% of the issued share capital of that company.

F.4

股東資料

Shareholder Information

於二零一零年六月三十日，公眾（即吾等母公司恒隆集團以外之股東）持有十九億七千三百四十九萬五千一百股本公司股份，佔本公司已發行股本百分之四十七點四，市值為港幣五百九十五億零一百萬元。

As at 30 June 2010, 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 1,973,495,100 (47.4% of total issued share capital), with market capitalization of HK\$59,501 million.

於二零一零年六月三十日之股東所屬地詳情如下：

Details of holders of Shares by domicile as at 30 June 2010 are as follows:

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	3,012	94.30	4,120,840,179	99.08
中國內地	Mainland China	61	1.91	4,425,132	0.11
澳門	Macau	6	0.19	376,923	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	42	1.32	2,457,760	0.06
東南亞	South East Asia	45	1.41	2,705,917	0.06
英國	United Kingdom	10	0.31	17,585	0.00
其他	Others	6	0.19	28,338,712	0.68
總計	TOTAL	3,194	100.00	4,159,167,670	100.00

於二零一零年六月三十日之股東持股量組別詳情如下：

Details of holders of Shares by holding range as at 30 June 2010 are as follows:

持股量組別	Holding Range	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	1,439	45.05	686,491	0.02
1,001-5,000 股	1,001-5,000 shares	795	24.89	2,192,587	0.05
5,001-10,000 股	5,001-10,000 shares	364	11.40	3,021,597	0.07
10,001-100,000 股	10,001-100,000 shares	493	15.44	17,303,966	0.42
100,000 股以上	Over 100,000 shares	103	3.22	4,135,963,029	99.44
總計	TOTAL	3,194	100.00	4,159,167,670	100.00

* 包括三百四十二名參與中央結算及交收系統之人士，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二十七億五千八百九十八萬七千九百零四股股份

* incorporating, in their respective shareholdings range, 342 participants of Central Clearing and Settlement System holding a total of 2,758,987,904 Shares registered in the name of HKSCC Nominees Limited

F5

透明度及披露**Transparency and Disclosure**

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。

任何人士均可登上本公司之網頁查閱本公司之資料，包括董事局屬下委員會的職權範圍，而有關職權範圍亦可供索閱。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、公司大事紀要及常見問題等。

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 enquiries and proposals received from shareholders, investors, media or the public are responded to by Executive Directors, Company Secretary or appropriate members of senior management.

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 leasing, latest issued capital, updated substantial shareholders' interests in shares, major corporate events and frequently asked questions.

前景

隨著營商環境的變更及監管改革的發展，企業管治常規不斷在發展。我們會定期跟進最新的企業管治發展及就本公司的企業管治常規進行檢討，務求進一步強化我們的企業管治水平，與國際性的最佳管治常規看齊。

Moving Forward

Corporate governance practices keep evolving in light of the changing business environment and developing regulatory reforms. We constantly keep track of the latest corporate governance developments and review our practices to strengthen our corporate governance standards and align ourselves with international best practices.

董事簡介

PROFILE OF THE DIRECTORS

陳啟宗先生

董事長

陳先生現年六十歲，於一九七二年加盟本集團，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董事長。彼亦為恒隆集團有限公司之董事長。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，及中國國務院相關之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，包括香港科技大學、美國南加州大學及清華大學等。陳先生持有美國南加州大學工商管理學碩士。

殷尚賢先生

副董事長（獨立非執行董事）

殷先生現年七十九歲，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董事長。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董事長。

袁偉良先生

董事總經理（於二零一零年七月十四日退休）

袁先生現年五十九歲，於一九七八年加盟本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。

Mr Ronnie Chichung Chan

Chairman

Aged 60, 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 the Hong Kong University of Science and Technology, the University of Southern California, USA, where he received his MBA, and the Tsinghua University.

Mr Shang Shing Yin

Vice Chairman (Independent Non-Executive Director)

Aged 79, 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.

Mr Nelson Wai Leung Yuen

Managing Director (Retired on 14 July 2010)

Aged 59, 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 practiced 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 of The Real Estate Developers Association of Hong Kong.

陳南祿先生

董事總經理

陳先生現年五十四歲，於二零一零年七月加盟本公司及其上市控股公司恒隆集團有限公司出任董事總經理。陳先生擁有逾三十年的管理經驗，期間主要任職於航空界，不論在香港、中國內地以及世界各地，都具備豐富經驗。陳先生一九七七年畢業於香港大學取得文學士學位，其後取得該大學的工商管理碩士學位。加盟本集團前，他曾為太古股份有限公司、國泰航空有限公司及中國國際航空股份有限公司之董事。

夏佳理先生

大紫荊勳賢、CVO、
金紫荊星章、OBE、太平紳士
獨立非執行董事

夏先生現年七十一歲，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，他曾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，亦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。夏先生為香港交易及結算所有限公司之獨立非執行主席、南華早報集團有限公司之獨立非執行董事，以及香港興業國際集團有限公司、香港電燈集團有限公司、和記港陸有限公司、信和酒店(集團)有限公司、信和置業有限公司及尖沙咀置業集團有限公司之非執行董事。

Mr Philip Nan Lok Chen

Managing Director

Aged 54, Mr Chen joined the Company and its listed holding company, Hang Lung Group Limited, as Managing Director in July 2010. Mr Chen has more than 30 years of management experience, mostly in the aviation industry, acquiring a wealth of experience in Hong Kong, mainland China and beyond. Mr Chen graduated from the University of Hong Kong in 1977 with a Bachelor of Arts degree and holds a Master's degree in Business Administration from the same university. Prior to joining the Group, he was a director of Swire Pacific Limited, Cathay Pacific Airways Limited and Air China Limited.

Mr Ronald Joseph Arculli

GBM, CVO, GBS, OBE, JP
Independent Non-Executive Director

Aged 71, 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. He 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. Mr Arculli is the Independent Non-Executive Chairman of Hong Kong Exchanges and Clearing Limited, an Independent Non-Executive Director of SCMP Group Limited and a Non-Executive Director of HKR International Limited, Hongkong Electric Holdings Limited, Hutchison Harbour Ring Limited, Sino Hotels (Holdings) Limited, Sino Land Company Limited and Tsim Sha Tsui Properties Limited.

董事簡介 PROFILE OF THE DIRECTORS

鄭漢鈞博士 金紫荊星章、OBE、太平紳士 獨立非執行董事

鄭博士現年八十三歲，於一九九三年加盟本集團。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院士、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、澳洲工程師學會榮譽資深會員，以及香港建築物條例之認可人士及香港註冊結構工程師，國家一級註冊結構工程師資格。鄭博士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。

陳樂怡女士 獨立非執行董事

陳女士現年六十二歲，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。陳女士為香港擇善基金會之執行主席。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。

Dr Hon Kwan Cheng GBS, OBE, JP Independent Non-Executive Director

Aged 83, Dr Cheng joined the Group 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, Honorary Fellow of The Institution of Engineers, Australia, and an Authorized Person and Registered Structural Engineer in Hong Kong, State Class 1 Registered Structural Engineer qualification. 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.

Ms Laura Lok Yee Chen Independent Non-Executive Director

Aged 62, 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. She is the Executive Chair of Hong Kong based ZeShan Foundation. 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 organizations. 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

廖教授現年六十二歲，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，為前任香港中文大學副校長，現為經濟學系講座教授及全球經濟及金融研究所所長。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，現為臨時最低工資委員會、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、香港特別行政區區議會議員薪津獨立委員會，及航空發展諮詢委員會之成員，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之非執行董事。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 62, 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 Director of Institute of Global Economics and Finance and was formerly 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 Provisional Minimum Wage Commission, the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR, the Independent Commission on Remuneration for the Members of the District Councils 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.

董事簡介 PROFILE OF THE DIRECTORS

何潮輝先生

獨立非執行董事

何先生現年五十九歲，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（中國／香港特別行政區）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。何先生曾擔任香港廉政公署防止貪污諮詢委員會委員，以及香港保險業諮詢委員會成員。何先生亦為Singapore Telecommunications Limited之非執行及獨立董事。

吳士元先生

執行董事（於二零一零年七月二十一日辭任）

吳先生現年五十歲，於二零零一年加盟本集團出任執行董事。作為租務及物業管理董事，他曾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，吳先生曾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。

Mr Dominic Chiu Fai Ho

Independent Non-Executive Director

Aged 59, Mr Ho joined the Board as an Independent Non-Executive Director in April 2008. Mr Ho retired as co-chairman of KPMG, China and HKSAR 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 was a past member of the Corruption Prevention Advisory Committee of Independent Commission Against Corruption and of the Insurance Advisory Committee, both in Hong Kong. Mr Ho is also the Non-Executive and Independent Director of Singapore Telecommunications Limited.

Mr Terry Szeyuen Ng

Executive Director (Resigned on 21 July 2010)

Aged 50, Mr Ng joined the Group as an Executive Director in 2001. As Director of Leasing and Management, Mr Ng oversaw 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.

高伯適先生

執行董事

高先生現年五十一歲，於一九九四年加盟本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，負責香港及中國內地之物業發展及項目策劃管理。彼亦於二零一零年二月獲委任為其控股公司恒隆集團有限公司之執行董事。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。加盟本集團前，高先生曾在英國、美國及香港從事建築實務。

姚子賢先生

執行董事

姚先生現年五十六歲，於二零一零年二月獲委任為執行董事。彼於一九八六年加盟本集團，並於二零零六年晉升為高級經理—工程策劃（中國）。姚先生於二零零七年獲委任為總經理—濟南，並於二零零九年晉升為助理董事—項目發展，負責中國內地之物業發展及項目策劃管理。彼擁有逾二十年項目策劃經驗。

Mr William Pak Yau Ko

Executive Director

Aged 51, 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 mainland China. He was also appointed Executive Director of its holding company, Hang Lung Group Limited, in February 2010. 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 practiced architecture in the United Kingdom, United States and Hong Kong.

Mr Henry Tze Yin Yiu

Executive Director

Aged 56, Mr Yiu was appointed Executive Director in February 2010. He joined the Group in 1986 and was promoted to Senior Manager – Project Development (China) in 2006. Mr Yiu was appointed General Manager – Jinan in 2007 and was promoted to Assistant Director – Project Development in 2009, responsible for property development and project management in mainland China. He possesses over 20 years of experience in project management.

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 — 財務及行政

李女士現年四十五歲，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。

張錦齡先生

助理董事 — 租務及物業管理

張先生現年五十四歲，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。

何孝昌先生

助理董事 — 財務及行政

何先生現年五十歲，於二零零八年加盟集團出任助理董事，管理集團所有財務事宜包括司庫、財務策劃和監控。何先生曾在英國、澳洲及香港之大型機構擔任要職，並擁有逾二十年財務管理經驗。彼持有澳洲墨爾本大學工商管理碩士學位、英國伯明翰大學商業（會計）學士學位。何先生分別於一九八六年及一九八七年註冊成為英格蘭及澳洲的特許會計師。

Ms Velencia Lee

Company Secretary

Assistant Director — Finance & Administration

Aged 45, 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 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.

Mr Henry Kam Ling Cheung

Assistant Director — Leasing & Management

Aged 54, 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.

Mr Hau Cheong Ho

Assistant Director — Finance & Administration

Aged 50, Mr Ho joined the Group in 2008 as Assistant Director, with responsibility for all the financial affairs of the Group including treasury, financial planning and control. He possesses over 20 years of financial management experience, having previously held a range of senior positions with major corporations in the UK, Australia and Hong Kong. He holds an MBA from The University of Melbourne, Australia and a Bachelor of Commerce degree in Accounting from The University of Birmingham, UK. Mr Ho qualified as a chartered accountant in England in 1986 and Australia in 1987.

呂奕亮先生

助理董事 — 項目發展

呂先生現年四十九歲，於二零一零年八月加盟集團出任助理董事—項目發展。呂先生曾於著名地產發展商及著名的顧問公司任職，擁有逾二十五年之建築設計和項目管理的經驗。彼亦於亞太區具有物業發展及物業管理的經驗。呂先生持有澳洲紐卡斯大學建築學理學學士及建築學學士學位。彼為新加坡註冊建築師、英國皇家建築師協會及新加坡建築師協會之會員。

何馨光先生

助理董事 — 租務及物業管理（中國）

何先生現年五十九歲，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。

王裕強先生

助理董事

王先生現年五十五歲，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。王先生於二零零九年晉升為助理董事。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 Gavin Yee Liang Lu

Assistant Director — Project Development

Aged 49, Mr Lu joined the Group as Assistant Director – – Project Development in August 2010. Mr Lu possesses over 25 years of experience in architectural design and project management with major property developers and leading consultants. He has extensive exposure in property development and property management in the Asia Pacific region. Mr Lu has a Bachelor of Science degree in Architecture and a Bachelor of Architecture degree from The University of Newcastle, Australia. He is a Registered Architect in Singapore, a Member of The Royal Institute of British Architects and a Member of Singapore Institute of Architects.

Mr Roy Poon Kwong Ho

Assistant Director — Leasing & Management (China)

Aged 59, 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.

Mr William Yu Qiang Wang

Assistant Director

Aged 55, Mr Wang joined The Grand Gateway, Shanghai in 1993 as Deputy General Manager. He was appointed Director of Shanghai Kong Hui Property Development Co., Ltd. in 2003, and was nominated Board Chairman and General Manager in 2005. Mr Wang was promoted to Assistant Director in 2009. He 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.

高級行政人員簡介 PROFILE OF SENIOR EXECUTIVES

黎鎮昌先生

高級經理 — 內部審計

黎先生現年五十三歲，於一九八八年加盟集團為總會計主任。彼於一九九二年出任 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註冊會計師。

黎莆琳女士

高級經理 — 租務及物業管理

黎女士現年五十六歲，於一九九五年加盟集團出任集團事務經理。彼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。

林珩女士

高級經理 — 集團傳訊

林女士現年四十歲，於二零零九年加盟集團出任高級經理 — 集團傳訊。彼擁有逾十四年公共關係及集團傳訊的經驗。林女士持有美國西雅圖大學公共行政碩士學位及美國華盛頓大學傳訊學學士學位。

林紹和先生

高級經理 — 項目發展

林先生現年五十歲，於二零零七年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顧問公司之機電設計和項目管理的經驗。彼亦具有於國內發展項目之工程策劃經驗。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 Desmond Chun Cheong Lai

Senior Manager — Internal Audit

Aged 53, Mr Lai joined the Group in 1988 as Chief Accountant. 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 CPA of CPA Australia.

Ms Mina Pou Lam Lai

Senior Manager — Leasing & Management

Aged 56, Ms Lai joined the Group in 1995 as Corporate Services Manager. 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, UK.

Ms May Lam K.

Senior Manager — Corporate Communications

Aged 40, Ms Lam joined the Group as Senior Manager – Corporate Communications in 2009. Ms Lam possesses 14 years' experience in public relations and corporate communications. She holds a Master of Public Administration degree from the Seattle University, USA and a Bachelor of Arts degree in Communications from the University of Washington, USA.

Mr Shiu Wo Lam

Senior Manager — Project Development

Aged 50, Mr Lam joined the Group as Senior Manager – Project Development in 2007. Mr Lam possesses over 25 years of experience in mechanical and electrical design and project management with consultant firm. He also gained 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 The Chartered Institution of Building Services Engineers, UK, American Society of Heating, Refrigerating and Air Conditioning Engineers, Inc, USA and The Hong Kong Institution of Engineers.

李志敏先生

高級經理 — 財務

李先生現年五十一歲，於二零零八年加盟集團出任高級經理 — 財務。彼擁有逾二十六年財務管理經驗，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。

李志舜先生

高級經理 — 財務

李先生現年三十八歲，於二零零四年加盟集團出任經理 — 財務，並於二零一零年晉升為高級經理。李先生擁有豐富的司庫、財務及審計經驗。彼持有香港科技大學理學碩士（財務分析學）學位及工商管理學士（會計學）學位，並為香港會計師公會資深會員。

梁耀芝女士

人力資源及培訓主管

梁女士現年四十一歲，於二零一零年六月加盟集團出任人力資源及培訓主管。彼擁有逾十八年人力資源的經驗。梁女士持有澳洲麥克里大學管理學碩士學位 — 人力資源管理及美國華盛頓州立大學酒店及餐館行政文學士學位。

Mr Andrew Chee Man Lee

Senior Manager — Finance

Aged 51, Mr Lee joined the Group in 2008 as Senior Manager — Finance. He possesses over 26 years of experience in finance and has 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.

Mr Jimmy Chi Shun Lee

Senior Manager — Finance

Aged 38, Mr Lee joined the Group as Manager — Finance in 2004 and was promoted to Senior Manager in 2010. Mr Lee possesses extensive experience in treasury, finance and auditing field. He holds a Master of Science degree in Financial Analysis and a Bachelor of Business Administration degree in Accounting from The Hong Kong University of Science and Technology. He is also a Fellow of the Hong Kong Institute of Certified Public Accountants.

Ms Christina Yiu Chee Leung

Head of Human Resources and Training

Aged 41, Ms Leung joined the Group in June 2010 as Head of Human Resources and Training. She possesses over 18 years of experience in human resources. Ms Leung holds a Master of Management — Human Resources Management from Macquarie University, Australia and a Bachelor of Arts degree in Hotel & Restaurant Administration from Washington State University, USA.

高級行政人員簡介 PROFILE OF SENIOR EXECUTIVES

梁煥添先生

總經理 — 瀋陽及大連

梁先生現年四十三歲，於二零零七年三月加盟集團出任高級經理 — 項目發展。彼於二零零七年六月獲委任為總經理 — 瀋陽，並於二零一零年四月委任為總經理 — 大連。梁先生擁有逾十九年任職顧問公司及於國內發展項目之工程設計的經驗。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。

吳偉豪先生

高級經理 — 項目發展

吳先生現年四十五歲，於一九九五年加盟集團出任工程策劃經理，並於二零零七年晉升為高級經理。彼擁有逾二十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。

司徒永康先生

高級經理 — 項目發展

司徒先生現年四十一歲，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。彼於二零一零年六月獲委任為高級經理 — 項目發展。司徒先生擁有逾十八年項目發展、物業銷售及市務經驗。彼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研究文憑（房地產發展）。司徒先生為香港地產建設商會法律小組成員。

Mr Moses Woon Tim Leung

General Manager — Shenyang & Dalian

Aged 43, Mr Leung joined the Group as Senior Manager – Project Development in March 2007. He was appointed General Manager – Shenyang in June 2007 and General Manager – Dalian in April 2010. Mr Leung possesses over 19 years of experience in project design with various consultant firms and 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 Authorized Person under the Buildings Ordinance.

Mr Thomas Wai Ho Ng

Senior Manager — Project Development

Aged 45, Mr Ng joined the Group in 1995 as Project Manager and was promoted to Senior Manager in 2007. He possesses over 20 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.

Mr Eric Wing Hong Szeto

Senior Manager — Project Development

Aged 41, Mr Szeto joined the Group in 1992 and was promoted to Senior Manager – Marketing in 2004. He was appointed as Senior Manager – Project Development in June 2010. Mr Szeto possesses over 18 years' experience in project development and property sales and marketing. 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. Mr Szeto serves as a Member of the Legal Sub-Committee of The Real Estate Developers Association of Hong Kong.

田軍先生

總經理 — 無錫

田先生現年四十五歲，於二零零七年加盟集團出任總經理 — 無錫。彼擁有逾十九年任職顧問公司及發展商之項目設計及工程策劃的經驗，對國內的發展項目具管理經驗。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。

徐小惠女士

高級經理 — 租務及物業管理（中國）

徐女士現年三十八歲，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）。徐女士擁有逾十六年香港及中國內地物業發展、租務及物業管理之經驗。

黃慧中女士

高級經理 — 租務及物業管理

黃女士現年三十六歲，於二零零三年加盟集團，並於二零零五年晉升為經理。彼於二零一零年七月獲委任為高級經理 — 租務及物業管理。黃女士持有香港中文大學社會科學學士學位、香港大學理科碩士（房地產）學位及測量學研究文憑（房地產發展）。彼為英國皇家特許測量師學會專業會員及香港測量師學會會員。

Mr Oliver Chun Tien

General Manager — Wuxi

Aged 45, Mr Tien joined the Group as General Manager – – Wuxi in 2007. Mr Tien possesses over 19 years' experience in project design and management with various consultant firms and developers, including 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 Authorized Person under the Buildings Ordinance.

Ms Iris Siu Wai Tsui

Senior Manager — Leasing & Management (China)

Aged 38, 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 possesses over 16 years' experience in property development and leasing & management in Hong Kong and mainland China.

Ms Passy Wai Chung Wong

Senior Manager — Leasing & Management

Aged 36, Ms Wong joined the Group in 2003 and was promoted to Manager in 2005. In July 2010, she was appointed Senior Manager – – Leasing & Management. Ms Wong has a Bachelor of Social Science degree from The Chinese University of Hong Kong, a Master of Science degree in Real Estate and a Postgraduate Diploma in Surveying (Real Estate Development) from The University of Hong Kong. She is a Professional Member of The Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors.

高級行政人員簡介 PROFILE OF SENIOR EXECUTIVES

黃敬宜先生

高級經理 — 資訊科技

黃先生現年五十七歲，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。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。

殷錦輝先生

高級經理 — 租務及物業管理

殷先生現年四十八歲，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。

饒月娥女士

高級經理 — 租務及物業管理

饒女士現年四十七歲，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。

張雲女士

高級經理 — 法律及秘書

張女士現年三十五歲，於二零零八年加盟集團出任高級經理 — 法律及秘書。張女士擁有逾十二年內地法務經驗。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。

Mr Walter King Yee Wong

Senior Manager — Information Technology

Aged 57, 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. Mr Wong is a Fellow of The Association of Chartered Certified Accountants and a Member of the Hong Kong Institute of Certified Public Accountants.

Mr Ronald Kam Fai Yan

Senior Manager — Leasing & Management

Aged 48, 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.

Ms Cora Yuet Ngor Yiu

Senior Manager — Leasing & Management

Aged 47, 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.

Ms Yun Zhang

Senior Manager — Legal & Secretarial

Aged 35, Ms Zhang joined the Group in 2008 as Senior Manager — Legal & Secretarial. Ms Zhang possesses over 12 years of experience in the PRC legal field. 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二零一零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。

財政年度內按經營分部分析之本公司及其附屬公司（統稱「本集團」）之營業額及業績載於財務報表附註第三項內。

主要附屬公司及合營公司

主要附屬公司及合營公司，其營業及註冊地點、已發行股本／註冊資本等資料載於財務報表附註第三十四及三十五項內。

業績

本集團截至二零一零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一百五十六至二百一十八頁內。

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二百一十九頁內。

股息

董事現建議派發末期股息每股港幣五角四仙，連同於二零一零年三月四日已派發之中期股息每股港幣一角七仙，截至二零一零年六月三十日止年度之全年派息將合共為每股港幣七角一仙。擬派發之末期股息倘於二零一零年十月二十日舉行之股東週年大會中獲股東通過，將於二零一零年十一月一日派發予二零一零年十月二十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 2010.

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 operating segments during the financial year is set out in Note 3 on the Financial Statements.

Principal Subsidiaries and Jointly Controlled Entities

A list of principal subsidiaries and jointly controlled entities, together with their places of operations and incorporation and particulars of their issued share capital/registered capital, is set out in Notes 34 and 35 on the Financial Statements.

Financial Results

The profit of the Group for the year ended 30 June 2010, and the state of affairs of the Company and of the Group at that date are set out in the Financial Statements on pages 156 to 218.

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 219 of the annual report.

Dividends

The directors now recommend a final dividend of HK54 cents per share which, together with the interim dividend of HK17 cents per share paid on 4 March 2010, makes a total of HK71 cents per share in respect of the year ended 30 June 2010. The proposed final dividend, if approved by the shareholders at the Annual General Meeting on 20 October 2010, will be paid on 1 November 2010 to shareholders whose names appear on the Register of Members on 20 October 2010.

董事局報告 REPORT OF THE DIRECTORS

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四千二百萬元（二零零九年：港幣一千萬元）。

固定資產

年內固定資產之變動詳情載於財務報表附註第十項內。

銀行貸款

本集團於二零一零年六月三十日之銀行貸款情況載於財務報表附註第十八項內。

資本化之借貸支出

年內本集團資本化之借貸支出款項為港幣一億八千七百萬元（二零零九年：港幣一億五千三百萬元）。

集團主要物業

於二零一零年六月三十日本集團主要物業之詳情載於本年報第六十九至七十五頁內。

Major Suppliers and Customers

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

Reserves

Movements in the reserves of the Company and of the Group during the year are set out in Note 21 on the Financial Statements.

Donations

Donations made by the Group during the year amounted to HK\$42 million (2009: HK\$10 million).

Fixed Assets

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

Bank Loans

Particulars of bank loans of the Group as at 30 June 2010 are set out in Note 18 on the Financial Statements.

Borrowing Costs Capitalization

Borrowing costs capitalized by the Group during the year amounted to HK\$187 million (2009: HK\$153 million).

Major Group Properties

Details of major properties of the Group as at 30 June 2010 are set out on pages 69 to 75 of the annual report.

股本

於本年度內，根據本公司股份期權計劃行使股份期權而發行一千三百五十一萬九千股（二零零九年：五十三萬六千股）每股港幣一元之股份，總代價為港幣一億三千七百三十五萬五千八百八十元（二零零九年：港幣五百二十七萬八千五百元），從而增加了已發行及繳足股本。

於本報告日期，根據股份期權計劃而可予發行之股份總數為一億二千八百五十六萬六千三百九十股，佔本公司已發行股份百分之三點零九。每名參與人在任何十二個月內獲授的期權（包括已行使或未行使）予以行使時所發行及將發行之股份總數將不超過本公司已發行股份之百分之一。

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。

董事

於本報告日之本公司董事名單載於本年報第二百二十頁內，而彼等之簡歷載於本年報第一百三十三至一百三十五頁內。彼等之薪酬詳情載於財務報表附註第五項內。

袁偉良先生於二零一零年七月十四日退任為本公司及恒隆集團有限公司（其公眾上市控股公司）執行董事，吳士元先生則由二零一零年七月二十一日起辭任本公司及恒隆集團有限公司執行董事。

姚子賢先生及陳南祿先生分別於二零一零年二月九日及二零一零年七月十五日獲新委任為本公司之執行董事，故遵照本公司組織章程細則第九十四條規定於應屆股東週年大會告退，惟願膺選連任。

遵照本公司組織章程細則第一百零三及一百零四條規定，何潮輝先生、陳啟宗先生及高伯道先生於應屆股東週年大會輪值告退，惟願膺選連任。

Share Capital

During the year, the issued and fully paid share capital was increased by an issue of 13,519,000 (2009: 536,000) shares of HK\$1.00 each for total consideration of HK\$137,355,880 (2009: HK\$5,278,500) as a result of the exercise of share options under the Company's share option scheme.

As at the date of this report, the total number of shares available for issue under the share option scheme is 128,566,390 shares, representing 3.09% of the issued share capital of the Company. The total number of shares issued and to be issued upon exercise of options (including both exercised and outstanding) granted to each participant shall not exceed in any 12-month period 1% of shares of the Company in issue.

Details of movements in share capital of the Company during the year are set out in Note 20 on the Financial Statements.

Directors

The directors of the Company as at the date of this report are listed on page 220 and their brief biographical details are set out on pages 130 to 135 of the annual report. Details of their remuneration are set out in Note 5 on the Financial Statements.

Mr Nelson W.L. Yuen retired as executive director of the Company and Hang Lung Group Limited (its publicly listed holding company) on 14 July 2010 and Mr Terry S. Ng resigned as executive director of the Company and Hang Lung Group Limited with effect from 21 July 2010.

Mr Henry T.Y. Yiu and Mr Philip N.L. Chen, being executive directors of the Company newly appointed on 9 February 2010 and 15 July 2010 respectively, retire from the Board at the forthcoming Annual General Meeting in accordance with Article 94 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

In accordance with Articles 103 and 104 of the Company's Articles of Association, Mr Dominic C.F. Ho, Mr Ronnie C. Chan and Mr William P.Y. Ko retire from the Board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

董事之服務合約

獨立非執行董事之委任有指定任期（不超過三年），任職屆滿日期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。

陳南祿先生與本公司訂立了一項無固定任期之服務合約，該合約將持續至任何合約一方預先給予書面通知終止為止。若本公司於二零一二年七月三十一日或之前終止該合約，陳先生將獲發一筆不逾一年酬金之特惠款項。

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

董事之合約權益

於年內任何時間或年結日，概無任何本公司董事在本公司、其控股公司或其任何附屬公司之任何與本集團業務有關的重要合約中直接或間接擁有重大權益。

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.

Mr Philip N.L. Chen has entered into a service contract with the Company without a specific length of service, and which shall continue until terminated by either party giving prior notice in writing. Mr Chen will also be entitled to an ex-gratia payment of less than one year's emoluments if the contract is terminated by the Company on or before 31 July 2012.

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

Directors' Interests in Contracts

No contract of significance in relation to the Group's business 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.

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則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，各董事於二零一零年六月三十日持有本公司及其相聯法團(定義見證券條例)之股份、相關股份及債權證之權益或淡倉如下：

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

As at 30 June 2010, the interests or short positions of each of the directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers 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(好倉)			恒隆集團有限公司(好倉)		
				The Company (Long Position)			Hang Lung Group Limited (Long Position)		
				已發行股本之百分比	根據期權可認購之股數(附註1)		已發行股本之百分比	根據期權可認購之股數(附註2)	
				No. of Shares	% of Issued Capital	No. of Shares under Option (Note 1)	No. of Shares	% of Issued Capital	No. of Shares under Option (Note 2)
陳啟宗	個人	Ronnie C. Chan	Personal	-	-	32,070,000	-	-	11,790,000
殷尚賢	-	S.S. Yin	-	-	-	-	-	-	-
袁偉良	個人	Nelson W.L. Yuen	Personal	7,126,000	0.17	30,120,000	-	-	5,500,000
夏佳理	個人及公司	Ronald J. Arculli	Personal & Corporate	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	個人及家屬	P.W. Liu	Personal & Family	100,000	-	-	-	-	-
何潮輝	-	Dominic C.F. Ho	-	-	-	-	-	-	-
吳士元	個人	Terry S. Ng	Personal	-	-	23,800,000	-	-	3,088,000
高伯道	個人	William P.Y. Ko	Personal	-	-	22,730,000	30,000	-	994,000
姚子賢	個人	Henry T.Y. Yiu	Personal	-	-	4,600,000	170,000	0.01	50,000

董事局報告

REPORT OF THE DIRECTORS

附註
Notes

1. 根據本公司之股份期權計劃授出／行使的期權 Options granted/exercised under the Share Option Scheme of the Company

授出日期 Date Granted	姓名 Name	姓名 Name	根據期權可認購之股數 No. of Shares under Option			於30/6/2010 As at 30/6/2010	每股行使價 (港幣) Exercise Price per Share (HK\$)	歸屬日期 Vested Dates	到期日 Expiry Date
			於1/7/2009 As at 1/7/2009	年內授出 Granted during the Year	年內行使 Exercised during the Year				
20/5/2004	陳啟宗	Ronnie C. Chan	5,090,000	–	–	5,090,000	\$9.20	20/5/2005 : 25%	19/5/2014
	袁偉良	Nelson W.L. Yuen	7,126,000	–	(7,126,000)	–		20/5/2006 : 25%	
	吳士元	Terry S. Ng	3,239,000	–	(3,239,000)	–		20/5/2007 : 25%	
	高伯道	William P.Y. Ko	1,330,000	–	–	1,330,000		20/5/2008 : 25%	
	姚子賢	Henry T.Y. Yiu	200,000*	–	–	200,000		20/5/2008 : 25%	
1/9/2005	高伯道	William P.Y. Ko	500,000	–	–	500,000	\$12.35	1/9/2006 : 25% 1/9/2007 : 25% 1/9/2008 : 25% 1/9/2009 : 25%	31/8/2015
14/11/2006	姚子賢	Henry T.Y. Yiu	500,000*	–	–	500,000	\$16.75	14/11/2007 : 10% 14/11/2008 : 20% 14/11/2009 : 30% 14/11/2010 : 40%	13/11/2016
20/11/2006	陳啟宗	Ronnie C. Chan	2,000,000	–	–	2,000,000	\$17.14	20/11/2007 : 10%	19/11/2016
	袁偉良	Nelson W.L. Yuen	5,800,000	–	–	5,800,000		20/11/2008 : 20%	
	吳士元	Terry S. Ng	3,300,000	–	–	3,300,000		20/11/2009 : 30%	
	高伯道	William P.Y. Ko	3,700,000	–	–	3,700,000		20/11/2010 : 40%	
21/8/2007	陳啟宗	Ronnie C. Chan	3,640,000	–	–	3,640,000	\$25.00	21/8/2008 : 10%	20/8/2017
	袁偉良	Nelson W.L. Yuen	3,510,000	–	–	3,510,000		21/8/2009 : 20%	
	吳士元	Terry S. Ng	3,250,000	–	–	3,250,000		21/8/2010 : 30%	
	高伯道	William P.Y. Ko	2,600,000	–	–	2,600,000		21/8/2011 : 40%	
21/8/2007	陳啟宗	Ronnie C. Chan	5,600,000	–	–	5,600,000	\$25.00	21/8/2009 : 10%	20/8/2017
	袁偉良	Nelson W.L. Yuen	5,400,000	–	–	5,400,000		21/8/2010 : 20%	
	吳士元	Terry S. Ng	5,000,000	–	–	5,000,000		21/8/2011 : 30%	
	高伯道	William P.Y. Ko	4,000,000	–	–	4,000,000		21/8/2012 : 40%	
18/8/2008	姚子賢	Henry T.Y. Yiu	150,000*	–	–	150,000	\$23.72	18/8/2010 : 10% 18/8/2011 : 20% 18/8/2012 : 30% 18/8/2013 : 40%	17/8/2018
31/12/2008	陳啟宗	Ronnie C. Chan	9,240,000	–	–	9,240,000	\$17.36	31/12/2010 : 10%	30/12/2018
	袁偉良	Nelson W.L. Yuen	8,910,000	–	–	8,910,000		31/12/2011 : 20%	
	吳士元	Terry S. Ng	8,250,000	–	–	8,250,000		31/12/2012 : 30%	
	高伯道	William P.Y. Ko	6,600,000	–	–	6,600,000		31/12/2013 : 40%	
	姚子賢	Henry T.Y. Yiu	300,000*	–	–	300,000		31/12/2013 : 40%	
8/2/2010	陳啟宗	Ronnie C. Chan	–	6,500,000	–	6,500,000	\$26.46	8/2/2012 : 10%	7/2/2020
	袁偉良	Nelson W.L. Yuen	–	6,500,000	–	6,500,000		8/2/2013 : 20%	
	吳士元	Terry S. Ng	–	4,000,000	–	4,000,000		8/2/2014 : 30%	
	高伯道	William P.Y. Ko	–	4,000,000	–	4,000,000		8/2/2015 : 40%	
	姚子賢	Henry T.Y. Yiu	–	3,450,000*	–	3,450,000		8/2/2015 : 40%	

2. 根據恒隆集團有限公司之股份期權計劃授出／行使的期權
Options granted/exercised under the Share Option Scheme of Hang Lung Group Limited

授出日期 Date Granted	姓名 Name	姓名 Name	根據期權可認購之股數 No. of Shares under Option			每股行使價 (港幣) Exercise Price per Share (HK\$)	歸屬日期 Vested Dates	到期日 Expiry Date
			於1/7/2009 As at 1/7/2009	年內行使 Exercised during the Year	於30/6/2010 As at 30/6/2010			
24/2/2000	袁偉良	Nelson W.L. Yuen	2,500,000	(2,500,000)	–	\$6.12	24/2/2001 : 20%	23/2/2010
	高伯道	William P.Y. Ko	30,000	(30,000)	–		24/2/2002 : 30%	
							24/2/2003 : 50%	
1/11/2001	吳士元	Terry S. Ng	1,250,000	(1,250,000)	–	\$5.87	1/11/2002 : 20%	31/10/2011
							1/11/2003 : 30%	
							1/11/2004 : 50%	
20/5/2004	陳啟宗	Ronnie C. Chan	5,090,000	–	5,090,000	\$9.45	20/5/2005 : 25%	19/5/2014
	袁偉良	Nelson W.L. Yuen	3,000,000	–	3,000,000		20/5/2006 : 25%	
	吳士元	Terry S. Ng	1,388,000	–	1,388,000		20/5/2007 : 25%	
	高伯道	William P.Y. Ko	494,000	–	494,000		20/5/2008 : 25%	
	姚子賢	Henry T.Y. Yiu	50,000*	–	50,000			
20/11/2006	陳啟宗	Ronnie C. Chan	6,700,000	–	6,700,000	\$20.52	20/11/2007 : 10%	19/11/2016
	袁偉良	Nelson W.L. Yuen	2,500,000	–	2,500,000		20/11/2008 : 20%	
	吳士元	Terry S. Ng	1,700,000	–	1,700,000		20/11/2009 : 30%	
	高伯道	William P.Y. Ko	500,000	–	500,000		20/11/2010 : 40%	

* 此乃姚子賢先生於二零一零年二月九日(彼於當日獲委任為本公司董事)所持有之期權。
representing the outstanding share options held by Mr Henry T.Y. Yiu on 9 February 2010 as he was appointed as director of the Company on that date.

除以上所披露外，並無本公司董事或彼等之任何聯繫人於二零一零年六月三十日持有本公司或任何相聯法團之股份、相關股份或債權證之權益或淡倉。

Save as disclosed above, none of the directors of the Company or any of their associates had, as at 30 June 2010, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations.

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.

董事局報告
REPORT OF THE DIRECTORS

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二零一零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 2010, 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:

名稱	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	2,214,005,670	—	53.23	—
Cole Enterprises Holdings Limited	Cole Enterprises Holdings Limited	1	2,214,005,670	—	53.23	—
Merssion Limited	Merssion Limited	1	2,214,005,670	—	53.23	—
恒隆集團有限公司	Hang Lung Group Limited	2	2,185,672,570	—	52.55	—
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	—
JPMorgan Chase & Co.	JPMorgan Chase & Co.	4	248,175,610	1,558,694	5.98	0.04

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 被視為於恒隆集團有限公司（「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二十二億一千四百萬零五千六百七十股股份之數目內。
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 Hang Lung Group Limited ("HLGL") and its subsidiaries, which number of shares were included in the above-mentioned number of 2,214,005,670.
- 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五億六千三百八十三萬六千三百八十股股份中擁有權益。
HLGL was deemed to be interested in the shareholdings of its subsidiaries, namely 1,267,608,690 shares held by Prosperland Housing Limited, 354,227,500 shares held by Purotat Limited, and 563,836,380 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二十一億八千五百六十七萬二千五百七十股股份之數目內。
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 2,185,672,570 shares held by HLGL.
- 包括八千零九十五萬八千一百九十三股可供借出的股份。
It includes 80,958,193 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，於二零一零年六月三十日並無已知會本公司之其他權益。

關連人士交易

於二零零九年八月十四日及十七日，豐生國際香港有限公司及世鼎發展有限公司（統稱「第一項物業買方」）及袁偉良先生分別向本公司之附屬公司AP World Limited購入君臨天下若干個單位，代價分別為港幣四千零八十五萬元及港幣四千三百七十二萬元。第一項物業買方為本公司董事高伯道先生全部擁有之公司，袁偉良先生為當時本公司之董事。上述關連交易之詳情載於本公司與恒隆集團有限公司於二零零九年八月二十六日發出之聯合公布內。

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。除以上所述外，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重大部分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。

企業管治

本公司之企業管治原則及常規載於本年報第一百一十一至一百二十九頁之企業管治報告內。

Save as disclosed above, as at 30 June 2010, 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

On 14 and 17 August 2009, Link Fortune International Hong Kong Limited and Linkway Century Development Limited (collectively "First Property Purchasers") and Mr Nelson W.L. Yuen purchased from AP World Limited (subsidiary of the Company) several units of The HarbourSide at consideration of HK\$40,850,000 and HK\$43,720,000 respectively. The First Property Purchasers were wholly owned by Mr William P.Y. Ko, a director of the Company. Mr Nelson W.L. Yuen was the then director of the Company. Details of the above connected transactions can be found in the joint announcement of the Company and Hang Lung Group Limited dated 26 August 2009.

Details of the significant related party transactions undertaken in the usual course of business are set out in Note 27 on the Financial Statements. Save as disclosed, 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 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 111 to 129 of the annual report.

董事局報告
REPORT OF THE DIRECTORS

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
公司秘書
李蕙蘭

香港，二零一零年七月二十八日

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

Company Secretary

Hong Kong, 28 July 2010

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 (在香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第一百五十六頁至第二百一十八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二零一零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、綜合全面收益表、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。除此之外,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 156 to 218, which comprise the consolidated and company balance sheets as at 30 June 2010, and the consolidated income statement, the consolidated statement of comprehensive income, 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二零一零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

二零一零年七月二十八日

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 2010 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

28 July 2010

財務報表

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綜合收益表

CONSOLIDATED INCOME STATEMENT

截至二零一零年六月三十日止年度 For the year ended 30 June 2010

以港幣百萬元計算	in HK\$ million	附註 Note	2010	2009
營業額	Turnover	3(a)	12,057	4,173
其他收入	Other income		35	157
直接成本及營業費用	Direct costs and operating expenses		(3,075)	(729)
行政費用	Administrative expenses		(456)	(383)
未計入投資物業之公平值 變動的營業溢利	Operating profit before change in fair value of investment properties		8,561	3,218
投資物業之公平值增加	Increase in fair value of investment properties	10	21,234	3,523
已計入投資物業之公平值 變動的營業溢利	Operating profit after change in fair value of investment properties		29,795	6,741
財務費用	Finance costs	4	(47)	(69)
應佔合營公司溢利	Share of profits of jointly controlled entities	12	166	23
除稅前溢利	Profit before taxation	3(a) & 4	29,914	6,695
稅項	Taxation	6(a)	(6,262)	(1,513)
本年度溢利	Profit for the year		23,652	5,182
應佔純利：	Attributable to:			
股東	Shareholders	21	22,256	4,130
非控股權益	Non-controlling interests	22	1,396	1,052
			23,652	5,182
每股盈利	Earnings per share	9(a)		
基本	Basic		\$5.37	\$1.00
攤薄	Diluted		\$5.30	\$0.99

財務報表附註乃本財務報表之一部分。
年內股東應佔股息詳列於附註8。

The accompanying notes form part of these financial statements.
Details of dividends payable to equity shareholders of the Company
attributable to the profit for the year are set out in note 8.

綜合全面收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至二零一零年六月三十日止年度 For the year ended 30 June 2010

以港幣百萬元計算	in HK\$ million	附註 Note	2010	2009
本年度溢利	Profit for the year		23,652	5,182
其他全面收益	Other comprehensive income	6(d)		
換算海外附屬公司賬項產生之 匯兌差異	Exchange difference arising from translation of overseas subsidiaries		237	137
本年度全面收益總額	Total comprehensive income for the year		23,889	5,319
應佔全面收益總額：	Total comprehensive income attributable to:			
股東	Shareholders		22,463	4,273
非控股權益	Non-controlling interests		1,426	1,046
			23,889	5,319

財務報表附註乃本財務報表之一部分。 The accompanying notes form part of these financial statements.

資產負債表

BALANCE SHEETS

於二零一零年六月三十日 At 30 June 2010

		集團 Group		公司 Company		
以港幣百萬元計算	in HK\$ million	附註 Note	2010	2009	2010	2009
非流動資產	Non-current assets					
固定資產	Fixed assets					
投資物業	Investment properties		80,965	62,766	-	-
發展中投資物業	Investment properties under development		15,326	7,570	-	-
其他固定資產	Other fixed assets		163	124	-	-
			96,454	70,460	-	-
附屬公司權益	Interest in subsidiaries	10			-	-
		11	-	-	35,225	35,561
合營公司權益	Interest in jointly controlled entities	12	802	699	-	-
貸款及投資	Loans and investments	13	3	4	-	-
遞延稅項資產	Deferred tax assets	17(b)	25	45	-	-
			97,284	71,208	35,225	35,561
流動資產	Current assets					
現金及銀行存款	Cash and deposits with banks	23(b)	11,535	8,931	2	112
應收賬款及其他應收款	Trade and other receivables	14	1,494	686	2	1
待售物業	Properties for sale	15	5,855	7,683	-	-
			18,884	17,300	4	113
流動負債	Current liabilities					
銀行貸款	Bank loans	18	1,480	-	-	-
應付賬款及其他應付款	Trade and other payables	16	3,076	2,028	7	8
應付稅項	Taxation payable	17(a)	1,132	831	-	-
二零零九年到期之 浮息票據	Floating rate notes due 2009		-	1,500	-	-
			5,688	4,359	7	8
流動資產／(負債)淨值	Net current assets/(liabilities)		13,196	12,941	(3)	105
資產總值減流動負債	Total assets less current liabilities		110,480	84,149	35,222	35,666
非流動負債	Non-current liabilities					
銀行貸款	Bank loans	18	4,978	4,661	-	-
融資租約承擔	Finance lease obligations	19	168	287	-	-
應付附屬公司款項	Amounts due to subsidiaries	11	-	-	1,739	2,016
遞延稅項負債	Deferred tax liabilities	17(b)	12,708	7,871	-	-
			17,854	12,819	1,739	2,016
資產淨值	NET ASSETS		92,626	71,330	33,483	33,650
資本及儲備	Capital and reserves					
股本	Share capital	20	4,159	4,146	4,159	4,146
儲備	Reserves	21	83,785	63,892	29,324	29,504
股東權益	Shareholders' equity		87,944	68,038	33,483	33,650
非控股權益	Non-controlling interests	22	4,682	3,292	-	-
總權益	TOTAL EQUITY		92,626	71,330	33,483	33,650

陳啟宗
董事長

Ronnie C. Chan
Chairman

陳南祿
董事總經理

Philip N.L. Chen
Managing Director

財務報表附註乃本財務報表之一部分。

The accompanying notes form part of these financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一零年六月三十日止年度 For the year ended 30 June 2010

		股東權益 Shareholders' equity			非控股權益 Non-controlling interests	總額 Total	總權益 Total equity
		股本 (附註20) Share capital (Note 20)	其他儲備 (附註21) Other reserves (Note 21)	保留溢利 (附註21) Retained profits (Note 21)			
以港幣百萬元計算	in HK\$ million						
於二零零八年七月一日	At 1 July 2008	4,145	25,216	37,016	66,377	2,274	68,651
本年度全面收益總額	Total comprehensive income for the year	–	143	4,130	4,273	1,046	5,319
上年度末期股息	Final dividends in respect of previous year	–	–	(2,114)	(2,114)	–	(2,114)
本年度中期股息	Interim dividends in respect of current year	–	–	(622)	(622)	–	(622)
發行股份	Issue of shares	1	5	–	6	–	6
僱員股權費用	Employee share-based payments	–	107	11	118	–	118
已付非控股權益股息	Dividends paid to non-controlling interests	–	–	–	–	(3)	(3)
償還非控股權益款項	Repayment to non-controlling interests	–	–	–	–	(25)	(25)
於二零零九年六月三十日及二零零九年七月一日	At 30 June 2009 and 1 July 2009	4,146	25,471	38,421	68,038	3,292	71,330
本年度全面收益總額	Total comprehensive income for the year	–	207	22,256	22,463	1,426	23,889
上年度末期股息	Final dividends in respect of previous year	–	–	(2,115)	(2,115)	–	(2,115)
本年度中期股息	Interim dividends in respect of current year	–	–	(705)	(705)	–	(705)
發行股份	Issue of shares	13	124	–	137	–	137
僱員股權費用	Employee share-based payments	–	120	6	126	–	126
已付非控股權益股息	Dividends paid to non-controlling interests	–	–	–	–	(3)	(3)
償還非控股權益款項	Repayment to non-controlling interests	–	–	–	–	(33)	(33)
於二零一零年六月三十日	At 30 June 2010	4,159	25,922	57,863	87,944	4,682	92,626

財務報表附註乃本財務報表之一部分。 The accompanying notes form part of these financial statements.

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

截至二零一零年六月三十日止年度 For the year ended 30 June 2010

以港幣百萬元計算	in HK\$ million	附註 Note	2010	2009
經營活動	Operating activities			
來自經營業務之現金	Cash generated from operations	23(a)	10,054	3,709
已付稅項	Tax paid			
已付香港利得稅	Hong Kong Profits Tax paid		(764)	(193)
已付中國所得稅	China Income Tax paid		(367)	(281)
來自經營活動之現金淨額	Net cash generated from operating activities		8,923	3,235
投資活動	Investing activities			
購買固定資產	Purchase of fixed assets		(3,666)	(2,230)
已收利息	Interest received		55	148
已收合營公司股息	Dividends received from jointly controlled entities		36	36
合營公司還款／(墊支)	Repayment from/(Advance to) jointly controlled entities		27	(16)
非上市投資償還貸款	Repayment of advances to unlisted investments		1	1
銀行存款到期所得款項	Proceeds upon maturity of bank deposits		-	700
用於投資活動之現金淨額	Net cash used in investing activities		(3,547)	(1,361)
融資活動	Financing activities			
新增銀行貸款所得款項	Proceeds from new bank loans		6,456	341
償還銀行貸款	Repayment of bank loans		(4,676)	(101)
行使股份期權所得款項	Proceeds from exercise of share options		137	6
已付利息及其他借貸費用	Interest and other borrowing costs paid		(203)	(178)
已付融資租約費用	Finance lease charges paid		(24)	(31)
已付股息	Dividends paid		(2,820)	(2,736)
已付非控股權益股息	Dividends paid to non-controlling interests		(3)	(3)
償還非控股權益款項	Repayment to non-controlling interests		(33)	(25)
融資租約之資本部份	Capital element of finance lease		(106)	(94)
償還於二零零九年到期之浮息票據	Repayment of floating rate notes due 2009		(1,500)	-
用於融資活動之現金淨額	Net cash used in financing activities		(2,772)	(2,821)
現金及現金等價物之增加／(減少)	Increase/(Decrease) in cash and cash equivalents		2,604	(947)
於七月一日之現金及現金等價物	Cash and cash equivalents at 1 July		8,931	9,878
於六月三十日之現金及現金等價物，指現金及銀行存款	Cash and cash equivalents at 30 June, representing cash and deposits with banks	23(b)	11,535	8,931

財務報表附註乃本財務報表之一部分。

The accompanying 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及經修訂之HKFRSs。此等準則在本集團及本公司當前之會計期間開始生效或可供提前採用。首次採用此等變動所引致本集團當前和以往會計期間的會計政策變動已於本財務報表內反映，有關資料載列於附註2。

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

截至二零一零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，管理層須對影響政策之應用、資產負債及收支列報作出判斷、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。

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 and the Company. Note 2 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these 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 2010 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.

1 主要會計政策 (續)

(b) 財務報表編製基準 (續)

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。

管理層在應用HKFRSs時所作出對財務報表有重大影響的判斷及估計不確定性的主要原因於附註29論述。

(c) 附屬公司及非控股權益

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。

於附屬公司之投資自開始控制之日起至失去控制權當日已包括於綜合財務報表內。集團內部往來之結餘及交易，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。

非控股權益為非本集團直接或透過附屬公司間接擁有權益所佔之附屬公司的資產淨值部份。就此而言，本集團並未向該等權益持有人同意任何附加條款致使本集團整體須就此等權益承擔按財務負債定義的合約責任。於綜合資產負債表內，非控股權益與本公司股東權益分別於權益內呈列。非控股權益應佔本集團年內業績按非控股權益及股東權益應佔年內損益總額及全面收益總額的分配於綜合收益表及綜合全面收益表內呈列。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 29.

(c) Subsidiaries and non-controlling 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.

An investment in a subsidiary is consolidated in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Non-controlling interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

1 主要會計政策 (續)

(c) 附屬公司及非控股權益 (續)

當從非控股權益手中購入已取得控制權的現有附屬公司之權益時，以權益交易入賬，即新增投資的成本與當日收購的資產的賬面淨值，兩者之任何差額直接在權益中確認。

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。

(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，而本集團應佔合營公司於收購後及除稅後之其他全面收益於綜合全面收益表內確認。

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所轉讓資產已出現減值，則會即時在損益中確認該虧損。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Subsidiaries and non-controlling interests (Continued)

The acquisition of an additional non-controlling interest in an existing subsidiary after control has been obtained is accounted for as an equity transaction with any difference between the cost of the additional investment and the carrying amount of the net assets acquired at the date of exchange recognized directly in equity.

In the Company's balance sheet, investments in subsidiaries are stated at cost less any impairment losses.

(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, whereas the Group's share of the post-acquisition, post-tax items of the jointly controlled entities' other comprehensive income is recognized in the consolidated statement of comprehensive income.

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.

Unrealized 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 unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

1 主要會計政策 (續)

(d) 合營公司 (續)

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。

(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. 投資物業及發展中投資物業

投資物業是根據租賃權益擁有或持有，用作賺取租金收入及／或資本增值之土地及／或樓宇。當中包括現時持有但未確定將來用途之土地及仍在興建或發展中以供日後用作投資物業之物業。

投資物業於資產負債表中以公平值入賬，除非物業於結算日仍在興建或發展而物業的公平值在當時不能可靠計量。因公平值變動或報廢或出售投資物業所產生的任何收益或虧損將確認為損益。投資物業之租金收入如附註1(p)所述入賬。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(d) Jointly controlled entities (Continued)

In the Company's balance sheet, investments in jointly controlled entities are stated at cost less impairment losses.

(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 recognized 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 and investment properties under development

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated in the balance sheet at fair value, unless they are still in the course of construction or development at the balance sheet date and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognized in profit or loss. Rental income from investment properties is accounted for as described in note 1(p).

1 主要會計政策 (續)

(f) 物業 (續)

1. 投資物業及發展中投資物業 (續)

倘本集團根據營業租約持有一項物業權益以賺取租金收入及／或作資本增值，該權益則按不同的物業而分類及入賬為投資物業。任何已分類為投資物業的物業權益乃分類為猶如根據融資租約持有的權益，相同的會計政策亦適用於根據融資租約持有的其他投資物業的權益。應付租金如附註1(g)所述入賬。

2. 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之較低者入賬。成本包括土地購買成本、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。

3. 待售已建成物業

待售已建成物業皆列入流動資產內，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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Properties (Continued)

1. Investment properties and investment properties under development (Continued)

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease, and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 1(g).

2. Properties under development for sale

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

3. Completed properties for sale

Completed properties for sale are classified under current assets and stated at the lower of cost and net realizable value. Cost is determined by apportionment of the total development costs, including borrowing costs capitalized, attributable to unsold properties. Net realizable 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.

1 主要會計政策 (續)

(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
- 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。

(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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(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
- 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.

(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.

1 主要會計政策 (續)

(g) 其他固定資產 (續)

2. 租賃資產 (續)

(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。

(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值減其估計剩餘價值（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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Other fixed assets (Continued)

2. Leased assets (Continued)

(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 instalments 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 recognized 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.

(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

An 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.

1 主要會計政策 (續)

(i) 資產減值 (續)

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。
- 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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Impairment of assets (Continued)

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

- For current receivables carried at amortized cost, the impairment loss is recognized 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 recognized in prior years.
- For other non-current assets, the recoverable amount is the greater of its net selling price and value in use. An impairment loss is recognized 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 recognized in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognized. An impairment loss in respect of goodwill is not reversed.

(j) Trade and other receivables

Trade and other receivables are initially recognized at fair value and thereafter stated at amortized 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.

1 主要會計政策 (續)

(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。

(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綜合收益表內確認。

(n) 借貸成本

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之直接相關借貸成本資本化為該資產成本之一部分。其他借貸成本於產生期間列支。

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，作為合資格資產的成本之一部份。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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(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 recognized at fair value and thereafter stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Interest-bearing borrowings

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

(n) Borrowing costs

Borrowing costs that are directly 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 are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalization of borrowing costs as part of the cost 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. Capitalization 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.

1 主要會計政策 (續)

(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）初步確認為遞延收入，並列入應付賬款及其他應付款之內。遞延收入於擔保期內在損益中攤銷。

2. 其他撥備及或然負債

倘若本集團或本公司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（以較遲者為準）時確認，其時該物業擁有權之風險及回報已轉至買方。

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。所給予之租賃獎勵按其作為組成應收租賃淨付款總額之組成部分於損益中確認。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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(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 recognized as deferred income within trade and other payables. The deferred income is amortized in profit or loss over the term of the guarantee.

2. Other provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group or the Company 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 recognized in the income statement as follows:

1. Sale of properties

Revenue from sale of completed properties is recognized upon the later of the signing of sale and purchase agreements or the issue of occupation permit by the relevant government authorities, which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer.

2. Rental income

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

3. Interest income

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

1 主要會計政策 (續)

(p) 收入確認 (續)

4. 股息

股息於收款權確立時確認。

(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。除某些在其他全面收益確認或在權益內直接確認的項目之相關的稅項亦應分別記入其他全面收益或在權益內直接確認外，其他本年度稅項及遞延稅項資產及負債的變動則於綜合收益表確認。

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抵免的相關遞延稅項資產均予確認。確認遞延稅項資產及負債的有限特別情況，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，以及有關於附屬公司之投資之暫時差異（就可課稅差異而言，則本集團可控制撥回時間及差異於可見將來或不能撥回，或就可扣減差異而言，則除非差異可於未來撥回）。

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。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(p) Revenue recognition (Continued)

4. Dividends

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

(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 recognized in the consolidated income statement except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

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 utilized, are recognized. 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, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognized is measured based on the expected manner of realization 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.

1 主要會計政策 (續)

(q) 稅項 (續)

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。

因宣派股息所產生的額外所得稅於支付有關股息的責任確立時確認。

(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為港元。資產負債表之項目則按結算日之匯率換算為港元。所產生之匯兌差額於其他全面收益確認，以及於權益中之匯兌儲備累計。

於出售海外業務時，當出售損益確認時，該海外業務有關之累計匯兌差額將由權益項下重新分類至綜合收益表。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(q) Taxation (Continued)

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 utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

(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 recognized 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 recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to consolidated income statement when the profit or loss on disposal is recognized.

1 主要會計政策 (續)

(s) 關連人士

就本財務報表而言，本集團的關連人士是指：

- (i) 該人士有能力直接或間接透過一名或多名中介人控制本集團或對本集團的財務及經營決策作出重大影響，或與他人共同控制本集團；
- (ii) 本集團與該人士均受共同控制；
- (iii) 該人士為本集團的聯營公司或本集團為出資方的合營公司；
- (iv) 該人士為本集團或本集團母公司的主要管理人員或該等人士的近親家庭成員，或受該等人士控制、共同控制或有重大影響的實體；
- (v) 該人士為(i)所指該人士的近親家庭成員或受該等人士控制、共同控制或有重大影響的實體；或
- (vi) 該人士為就本集團或屬於本集團關連人士的任何實體的僱員利益而制定的退休福利計劃。

某一人士之近親家庭成員指在與實體交易時，預期可影響或受該個人影響的家庭成員。

(t) 分部報告

經營分部的呈報形式與提供予本集團的最高執行管理層供其分配資源、評估本集團不同業務或地域分佈的表現而作出的內部財務報告一致。就披露資料而言，可呈報分部可由一個或多個經營分部（該等分部因具備相類似的經濟特點及規管環境的性質而可予合併），或單一經營分部（因不能合併或超逾數量限額而單獨披露）組成。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(s) Related parties

For the purpose of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(t) Segment reporting

Operating segments are reported in a manner consistent with the Group's internal financial reporting to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations. For disclosure purpose, a reportable segment comprises either one or more operating segments which can be aggregated together because they share similar economic characteristics and nature of the regulatory environment, or single operating segments which are disclosable separately because they cannot be aggregated or they exceed quantitative thresholds.

1 主要會計政策 (續)

(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(包括於中國內地及香港根據有關法例應付之款項)乃於本集團僱員提供有關服務之年內計提。

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所產生調整會在檢討當年在綜合收益表中列支／計入(若原來之僱員支出符合確認為資產的資格除外)，並在僱員股份補償儲備作出相應調整。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(同時對僱員股份補償儲備作出相應調整)。

倘股份期權獲行使，則相關僱員股份補償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，則相關僱員股份補償儲備直接轉撥至保留溢利。

1 PRINCIPAL ACCOUNTING POLICIES (Continued)

(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 payables in Mainland China and Hong Kong under relevant legislation, are accrued in the year in which the associated services are rendered by employees of the Group.

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 resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the consolidated income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the employee share-based compensation reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the employee share-based compensation reserve).

At the time when the share options are exercised, the related employee share-based compensation 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 employee share-based compensation reserve is transferred directly to retained profits.

2 會計政策變動

本集團及本公司已採用下列由香港會計師公會頒佈於年內生效之新訂和經修訂之HKFRSs、HKFRSs之修訂本及詮釋編製本集團及本公司之財務報表。

(a) HKAS 1 (經重訂) – 財務報表的呈報

HKAS 1 (經重訂) 對呈報及披露帶來多項變動。尤其是本集團以兩項報表呈報期內所有確認的收入及支出：(i)期內確認為損益的收入及支出於綜合收益表內呈報、(ii)確認為權益的項目於綜合全面收益表內呈報。相應金額已重新編列以符合新的呈報方式。呈報方式的變動對任何在這報告期間所列報的損益、總收入及支出或資產淨額並無任何影響。

(b) HKAS 27 (經重訂) – 綜合及獨立財務報表

HKAS 27 (經重訂) 規定當從非控股權益(前稱「少數股東權益」)手中購入現有附屬公司之權益時，以權益交易入賬，即新增投資的成本與當日收購的資產的賬面淨值，兩者之任何差額直接在權益中確認。此外，如出售導致失去控制權，則出售所產生的收益或虧損須於收益表中確認。修訂前，此差額以商譽入賬或即時在損益中確認。

此外，HKAS 27 (經重訂) 規定即使歸屬於非控股權益之虧損超過其在該附屬公司對所有者權益所享有之份額，母公司之擁有人及非控股權益均應依照其所佔權益，將損益及每項全面收益分項歸屬。在往年，此虧損只在非控股權益有義務承擔及彌補該虧損時，才分配予非控股權益。

本集團及本公司對由二零零九年七月一日後發生之交易採用HKAS 27 (經重訂)。採用HKAS 27 (經重訂) 對本集團及本公司截至二零一零年六月三十日止年度之財務報表並無重大影響。

2 CHANGES IN ACCOUNTING POLICIES

The Group and the Company has adopted a number of new and revised HKFRSs, amendments to HKFRSs and interpretations which have been issued by the HKICPA and are effective in the current year. The following new and revised HKFRSs, amendments and interpretations are relevant to the financial statements of the Group and the Company.

(a) HKAS 1 (Revised) – Presentation of Financial Statements

HKAS 1 (Revised) has resulted in a number of changes in presentation and disclosure. In particular, the Group presents all items of income and expenses recognized in the period in two statements: (i) the consolidated income statement showing items of income and expense recognized as profit or loss for the period, (ii) the consolidated statement of comprehensive income for items recognized through equity. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on the reported profit or loss, total income and expense or net assets for any period presented.

(b) HKAS 27 (Revised) – Consolidated and Separate Financial Statements

HKAS 27 (Revised) requires that the acquisition of an additional non-controlling interest (previously known as minority interest) in an existing subsidiary is accounted for as an equity transaction with any difference between the cost of the additional investment and the carrying amount of the net assets acquired at the date of exchange recognized directly in equity. In addition, a gain or loss on disposal will be recognized in the income statement only if the disposal results in a loss of control. Previously, such difference was either accounted for as goodwill or recognized immediately in profit or loss.

In addition, HKAS 27 (Revised) requires profit or loss and each component of comprehensive income should be attributed to the owners of the parent and the non-controlling interest, according to their respective interests, even if the losses applicable to the non-controlling interest exceed the non-controlling shareholders' interest in the equity of a subsidiary. In prior years, such loss was only allocated to the non-controlling interest if there was a binding obligation for the non-controlling shareholders to make additional investment to cover the losses.

HKAS 27 (Revised) has been applied prospectively for the transactions after 1 July 2009 and the adoption of HKAS 27 (Revised) had no significant impact on the financial statements of the Group and the Company for the year ended 30 June 2010.

2 會計政策變動 (續)

(c) HKFRS 8 – 經營分部

根據HKFRS 8之規定，本集團須根據其主要營運決策者一向注重及管理集團的方式來披露分部資料，而每個須呈報分部的匯報金額，須為本集團主要營運決策者賴以評估分部表現及作出營運決定的數據。管理層已確定三個應列報的經營分部以計量表現及分配資源。三個分部分別是香港及中國內地的物業租賃，及香港的物業銷售。這與以往年度的分部資料的呈報基於將本集團的營運分拆為以相關活動性質及以地區劃分有所不同。採用HKFRS 8後，令分部資料的呈報形式與提供予本集團的最高管理層的內部財務報告更一致。相應金額已根據經修訂的分部資料一致的基準重新編列。

(d) HKFRSs之修訂(2008) – HKAS 40「投資物業」之修訂

HKAS 40「投資物業」修訂後，興建中的投資物業在公平值首次能夠作出可靠計量或物業落成當日的較早者，會以公平值計量。與所有以公平值列賬之其他投資物業所採用的政策一致，任何公平值變動將確認為損益。在此修訂以前，這類物業以成本計量，直至興建完工為止，完工後就以公平值列賬及其任何收益或虧損確認為損益。此修訂於生效之後始適用，以往期間之相應金額無須重列。採用此修訂後，截至二零一零年六月三十日止年度內，本公司股東應佔純利增加五十五億二千四百萬元，相等於發展中投資物業(之前以成本入賬)增加之公平值七十三億六千五百萬元及扣除相關遞延稅項十八億四千一百萬元。

2 CHANGES IN ACCOUNTING POLICIES (Continued)

(c) HKFRS 8 – Operating Segments

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision makers regard and manage the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision makers for assessing segment performance and making decisions on operations. Management has determined three reportable operating segments for the measurement of performance and the allocation of resources. The segments are property leasing in Hong Kong and Mainland China and property sales in Hong Kong. This differs from the presentation of segment information in prior years which was based on division of the Group's operations into segments by related activities and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a format that is more consistent with the internal reporting provided to the Group's top management. Corresponding amounts have been restated on a basis consistent with the revised segment information.

(d) Improvements to HKFRSs (2008) – Amendments to HKAS 40 Investment Property

As a result of the amendments to HKAS 40, investment property which is under construction is to be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any changes in fair values will be recognized in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Prior to this amendment, such property was carried at cost until the construction had been completed, at which time it would be stated at fair value with any gain or loss being recognized in profit or loss. This amendment has been applied prospectively and the corresponding amounts of prior periods have not been restated. As a result of this amendment, the net profit attributable to shareholders of the Company increased by \$5,524 million for the year ended 30 June 2010, representing the increase in fair value of \$7,365 million for investment properties under development previously carried at cost net of related deferred tax of \$1,841 million.

3 營業額及分部資料

本集團按其提供之服務及產品的性質來管理其業務。管理層已確定三個應列報的經營分部以計量表現及分配資源。三個分部分別是香港及中國內地的物業租賃，及香港的物業銷售。

物業租賃分部包括物業租賃營運。本集團之投資物業組合主要包括位於香港及中國內地的商舖、寫字樓、住宅、服務式寓所及停車場。物業銷售分部包括發展及銷售本集團位於香港之銷售物業。

管理層主要根據除稅前溢利來評估表現。

分部資產主要包括直接屬於每個分部的全部非流動資產及流動資產，惟合營公司權益、貸款及投資、遞延稅項資產和現金及銀行存款除外。分部資產包括以公平值列賬之投資物業，但分部溢利並不包括投資物業之公平值變動。本集團管理層以集團為基礎監控及管理本集團所有負債，因此並無呈列分部負債。

3 TURNOVER AND SEGMENT INFORMATION

The Group manages its businesses according to the nature of services and products provided. Management has determined three reportable operating segments for the measurement of performance and the allocation of resources. The segments are property leasing in Hong Kong and Mainland China and property sales in Hong Kong.

Property leasing segment includes property leasing operation. The Group's investment properties portfolio, which mainly consists of retail, office, residential, serviced apartments and carparks are primarily located in Hong Kong and Mainland China. Property sales segment includes development and sale of the Group's trading properties in Hong Kong.

Management evaluates performance primarily based on profit before taxation.

Segment assets principally comprise all non-current assets and current assets directly attributable to each segment with the exception of interest in jointly controlled entities, loans and investments, deferred tax assets and cash and deposits with banks. The investment properties of the Group are included in segment assets at their fair values whilst the change in fair value of investment properties is not included in segment profits. No segment liabilities analysis is presented as the Group monitors and manages its liabilities on a group basis.

3 營業額及分部資料 (續)

(a) 分部營業額及業績

3 TURNOVER AND SEGMENT INFORMATION

(Continued)

(a) Turnover and results by segments

		營業額 Turnover		除稅前溢利 Profit before taxation	
以港幣百萬元計算	in HK\$ million	2010	2009	2010	2009
分部	Segment				
物業租賃	Property leasing				
– 香港	– Hong Kong	2,615	2,474	2,097	2,017
– 中國內地	– Mainland China	1,931	1,688	1,629	1,424
		4,546	4,162	3,726	3,441
物業銷售	Property sales				
– 香港	– Hong Kong	7,511	11	5,256	3
分部總額	Segment total	12,057	4,173	8,982	3,444
其他收入	Other income			35	157
行政費用 (附註)	Administrative expenses (Note)			(456)	(383)
未計入投資物業之公平值 變動的營業溢利	Operating profit before change in fair value of investment properties			8,561	3,218
投資物業之公平值增加 /(減少)	Increase/(Decrease) in fair value of investment properties			21,234	3,523
– 於香港之物業租賃	– property leasing in Hong Kong			7,720	(921)
– 於中國內地之物業租賃	– property leasing in Mainland China			13,514	4,444
財務費用	Finance costs			(47)	(69)
應佔合營公司溢利	Share of profits of jointly controlled entities			166	23
除稅前溢利	Profit before taxation			29,914	6,695

附註：行政費用包括股權費用一億二千六百萬元（二零零九年：一億一千八百萬元）。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，本公司沒有因此產生現金流出。

Note: Administrative expenses included share-based payments of \$126 million (2009: \$118 million) representing the amortization of the fair value of options granted to employees over the vesting period and which do not involve any cash outflow for the Company.

3 營業額及分部資料 (續)

(b) 分部總資產

3 TURNOVER AND SEGMENT INFORMATION

(Continued)

(b) Total assets by segments

		總資產 Total assets	
以港幣百萬元計算	in HK\$ million	2010	2009
分部	Segment		
物業租賃	Property leasing		
– 香港	– Hong Kong	50,927	43,102
– 中國內地	– Mainland China	45,781	27,596
		96,708	70,698
物業銷售	Property sales		
– 香港	– Hong Kong	7,095	8,131
分部總額	Segment total	103,803	78,829
合營公司權益	Interest in jointly controlled entities	802	699
貸款及投資	Loans and investments	3	4
遞延稅項資產	Deferred tax assets	25	45
現金及銀行存款	Cash and deposits with banks	11,535	8,931
總資產	Total assets	116,168	88,508

4 除稅前溢利

4 PROFIT BEFORE TAXATION

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
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	113	160
須於五年後償還之銀行貸款利息	Interest on bank loans repayable over 5 years	2	–
融資租約費用	Finance lease charges	24	31
其他借貸支出	Other borrowing costs	95	31
借貸支出總額	Total borrowing costs	234	222
減：借貸支出资本化(附註)	Less: Borrowing costs capitalized (Note)	(187)	(153)
財務費用	Finance costs	47	69
已出售物業成本	Cost of properties sold	1,865	8
職工成本，包括僱員股權費用 一億二千六百萬(二零零九年： 一億一千八百萬元)	Staff costs, including employee share-based payments of \$126 million (2009: \$118 million)	577	512
折舊	Depreciation	23	13
營業租約費用，包括或然租金 二千八百萬元(二零零九年：三千萬元)	Operating lease charges, including contingent rentals of \$28 million (2009: \$30 million)	115	117
核數師酬金	Auditors' remuneration		
– 核數服務	– audit services	5	5
– 稅務及其他服務	– tax and other services	1	2
並已計入：	and after crediting:		
投資物業之租金收入總額，已扣除直接 支出八億二千萬元(二零零九年： 七億二千一百萬元)，包括 或然租金一億九千一百萬元 (二零零九年：一億七千九百萬元)	Gross rental income from investment properties less direct outgoings of \$820 million (2009: \$721 million), including contingent rentals of \$191 million (2009: \$179 million)	3,726	3,441
利息收入	Interest income	35	157

附註：發展中物業之借貸支出已按每年百分之二點三(二零零九年：百分之二點七)之平均率資本化。

Note: The borrowing costs have been capitalized at an average rate of 2.3% (2009: 2.7%) per annum for properties under development.

5 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、董事的個別表現，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。

5 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.

5 董事及高級管理層之酬金 (續)

(a) 董事酬金

董事酬金詳列如下：

5 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

(a) Directors' emoluments

Details of directors' emoluments are summarized below:

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	2010	2009
執行董事	Executive Directors						
陳啟宗	Ronnie C. Chan	0.3	20.1	10.2	2.0	32.6	27.5
袁偉良	Nelson W.L. Yuen	0.2	18.7	9.4	1.9	30.2	25.4
吳士元	Terry S. Ng	0.2	9.7	5.7	0.7	16.3	13.8
高伯道	William P.Y. Ko	0.2	8.6	5.1	0.9	14.8	12.4
姚子賢	Henry T.Y. Yiu	0.2	1.6	1.5	0.2	3.5	-
(於二零一零年二月九日 獲委任)	(Appointed on 9 February 2010)						
獨立非執行董事	Independent Non-Executive Directors						
殷尚賢	S.S. Yin	0.2	-	-	-	0.2	0.2
夏佳理	Ronald J. Arculli	0.3	-	-	-	0.3	0.3
鄭漢鈞	H.K. Cheng	0.3	-	-	-	0.3	0.3
陳樂怡	Laura L.Y. Chen	0.3	-	-	-	0.3	0.3
廖柏偉	P.W. Liu	0.3	-	-	-	0.3	0.3
何潮輝	Dominic C.F. Ho	0.3	-	-	-	0.3	0.3
二零一零年	2010	2.8	58.7	31.9	5.7	99.1	80.8
二零零九年	2009	2.6	55.7	17.2	5.3	80.8	

(b) 最高薪人士

在五名最高薪人士中，五名（二零零九年：四名）為董事，彼等之酬金於附註5(a)及附註26(b)披露。年內獲委任董事之酬金總額及其餘一名人士於二零零九年之酬金如下：

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, five (2009: four) are directors whose emoluments are disclosed in note 5(a) and note 26(b). The total emoluments of the director appointed during the year and the emoluments of the other individual for 2009 are as follows:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
袍金	Fees	0.2	-
薪金、津貼及實物利益	Salaries, allowances and benefits in kind	2.8	2.1
酌定花紅	Discretionary bonuses	2.1	0.6
本集團對退休金計劃之供款	Group's contributions to retirement scheme	0.3	0.2
		5.4	2.9

5 董事及高級管理層之酬金 (續)

- (c) 除以上酬金外，若干董事及僱員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於財務報表附註26(b)披露。
- (d) 截至二零一零年六月三十日及二零零九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。
- (e) 袁偉良先生於二零一零年七月十四日退休及陳南祿先生於二零一零年七月十五日獲委任為執行董事。
- (f) 吳士元先生於二零一零年七月二十一日辭去執行董事職務。

6 綜合收益表內之稅項

- (a) 綜合收益表內之稅項為：

5 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

- (c) In addition to the above emoluments, certain directors and employees 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 to the individuals are disclosed in note 26(b) to the financial statements.
- (d) During the years ended 30 June 2010 and 30 June 2009, there were no amounts paid to directors and senior executives above for compensation of loss of office and inducement for joining the Group.
- (e) Mr Nelson W.L. Yuen retired on 14 July 2010 and Mr Philip N.L. Chen was appointed as executive director on 15 July 2010.
- (f) Mr Terry S. Ng resigned as executive director with effect from 21 July 2010.

6 TAXATION IN THE CONSOLIDATED INCOME STATEMENT

- (a) Taxation in the consolidated income statement represents:

		集團 Group	
		2010	2009
以港幣百萬元計算	in HK\$ million		
本年稅項	Current tax		
香港利得稅	Hong Kong Profits Tax	1,024	200
過往年度之撥備少提	Underprovision in prior years	29	13
		1,053	213
中國所得稅	China Income Tax	379	263
		1,432	476
遞延稅項	Deferred tax		
投資物業之公平值變動	Change in fair value of investment properties	4,657	967
其他源自及撥回暫時性差額	Other origination and reversal of temporary differences	173	70
合計 (附註17(b))	Total (Note 17(b))	4,830	1,037
稅項支出總計	Total income tax expense	6,262	1,513

6 綜合收益表內之稅項 (續)

(a) (續)

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(二零零九年：百分之十六點五)計算。中國所得稅主要為中國企業所得稅按百分之二十五(二零零九年：百分之二十五)計算及中國預提所得稅按適用稅率計算。就香港公司從中國內地之外商投資企業獲取由二零零八年一月一日起產生之盈利所派發之股息均須按百分之五繳納預提所得稅。

(b) 截至二零一零年六月三十日止年度之應佔合營公司稅項三千二百萬元(二零零九年：五百萬元)已計入應佔合營公司溢利內。

(c) 稅項支出與除稅前溢利以適用稅率計算之調節：

6 TAXATION IN THE CONSOLIDATED INCOME STATEMENT (Continued)

(a) (Continued)

Provision for Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year. China Income Tax mainly represents China Corporate Income Tax calculated at 25% (2009: 25%) and China withholding income tax at the applicable rates. A withholding tax of 5% is levied on the Hong Kong companies in respect of dividend distributions arising from profits of foreign investment enterprises in Mainland China earned after 1 January 2008.

(b) Share of jointly controlled entities' taxation for the year ended 30 June 2010 of \$32 million (2009: \$5 million) is included in the share of profits of jointly controlled entities.

(c) Reconciliation between actual tax expense and profit before taxation at applicable tax rates:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
除稅前溢利	Profit before taxation	29,914	6,695
按除稅前溢利以適用稅率計算之稅項	Tax on profit before taxation at applicable rates	6,308	1,583
應佔合營公司溢利之稅項影響	Tax effect of share of profits of jointly controlled entities	(32)	(5)
非應課稅收入之稅項影響	Tax effect of non-taxable income	(6)	(28)
非扣減支出之稅項影響	Tax effect of non-deductible expenses	26	25
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 utilized and other deductible temporary differences	(89)	(78)
未確認之稅務虧損之稅項影響	Tax effect of unrecognized tax losses	26	3
過往年度之撥備少提	Underprovision in prior years	29	13
實際稅項支出	Actual tax expense	6,262	1,513

(d) 年內，在其他全面收益下所示的項目均無稅項影響。

(d) There is no tax effect relating to the component of the other comprehensive income for the year.

7 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二十三億九千萬(二零零九年：四十五億三千萬元)。

7 NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Net profit attributable to shareholders includes a profit of \$2,390 million (2009: \$4,530 million) which has been dealt with in the financial statements of the Company.

8 股息

(a) 本年度股息

8 DIVIDENDS

(a) Dividends attributable to the year

以港幣百萬元計算	in HK\$ million	2010	2009
已宣佈及已派中期股息每股十七仙 (二零零九年：十五仙)	Interim dividend declared and paid of 17 cents (2009: 15 cents) per share	705	622
於結算日後擬派末期股息每股五十四仙 (二零零九年：五十一仙)	Final dividend of 54 cents (2009: 51 cents) per share proposed after the balance sheet date	2,246	2,114
		2,951	2,736

於結算日後擬派之末期股息，並無確認為結算日之負債。

The final dividend proposed after the balance sheet date has not been recognized as a liability at the balance sheet date.

(b) 二零零九年財政年度之二十一億一千五百萬元末期股息於二零一零年財政年度批准及派發(二零零九年：二十一億一千四百萬元)。

(b) The final dividend of \$2,115 million for financial year 2009 was approved and paid in financial year 2010 (2009: \$2,114 million).

9 每股盈利

(a) 每股基本及攤薄盈利乃按以下數據計算：

9 EARNINGS PER SHARE

(a) The calculation of basic and diluted earnings per share is based on the following data:

以港幣百萬元計算	in HK\$ million	2010	2009
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)	22,256	4,130

		股份數目 Number of shares	
以百萬股計算	in million	2010	2009
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	4,148	4,145
具攤薄作用之潛在股份 之影響－股份期權	Effect of dilutive potential shares – share options	54	9
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	4,202	4,154

9 每股盈利 (續)

(b) 股東應佔基本純利 (不包括投資物業公平值變動，並扣除相關遞延稅項及非控股權益) 之計算如下：

9 EARNINGS PER SHARE (Continued)

(b) The underlying net profit attributable to shareholders which excluded changes in fair value of investment properties net of related deferred tax and non-controlling interests, is calculated as follows:

以港幣百萬元計算	in HK\$ million	2010	2009
股東應佔純利	Net profit attributable to shareholders	22,256	4,130
投資物業之公平值變動之影響	Effect of changes in fair value of investment properties	(21,234)	(3,523)
相關遞延稅項之影響	Effect of corresponding deferred tax	4,657	967
合營公司的投資物業之公平值變動並扣除相關遞延稅項之影響	Effect of change in fair value of investment properties net of related deferred tax of jointly controlled entities	(131)	7
非控股權益	Non-controlling interests	(16,708)	(2,549)
		1,126	807
		(15,582)	(1,742)
股東應佔基本純利	Underlying net profit attributable to shareholders	6,674	2,388

根據股東應佔基本純利計算之每股盈利為：

The earnings per share based on underlying net profit attributable to shareholders are:

		2010	2009
基本	Basic	\$1.61	\$0.58
攤薄	Diluted	\$1.59	\$0.57

財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

10 固定資產 — 集團

10 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：	Cost or valuation:				
於二零零八年七月一日	At 1 July 2008	59,086	5,657	128	64,871
匯兌調整(附註)	Exchange adjustment (Note)	–	117	–	117
添置	Additions	157	2,474	34	2,665
重新分類	Reclassification	–	(678)	–	(678)
出售	Disposals	–	–	(4)	(4)
公平值增加	Increase in fair value	3,523	–	–	3,523
於二零零九年六月三十日 及二零零九年七月一日	At 30 June 2009 and 1 July 2009	62,766	7,570	158	70,494
匯兌調整(附註)	Exchange adjustment (Note)	169	62	–	231
添置	Additions	142	4,348	62	4,552
出售	Disposals	–	–	(4)	(4)
公平值增加	Increase in fair value	13,869	7,365	–	21,234
轉入/(轉出)	Transfer	4,019	(4,019)	–	–
於二零一零年六月三十日	At 30 June 2010	80,965	15,326	216	96,507
累計折舊：	Accumulated depreciation:				
於二零零八年七月一日	At 1 July 2008	–	–	25	25
本年度折舊	Charge for the year	–	–	13	13
因出售撥回	Written back on disposals	–	–	(4)	(4)
於二零零九年六月三十日 及二零零九年七月一日	At 30 June 2009 and 1 July 2009	–	–	34	34
本年度折舊	Charge for the year	–	–	23	23
因出售撥回	Written back on disposals	–	–	(4)	(4)
於二零一零年六月三十日	At 30 June 2010	–	–	53	53
賬面淨值：	Net book value:				
於二零一零年六月三十日	At 30 June 2010	80,965	15,326	163	96,454
於二零零九年六月三十日	At 30 June 2009	62,766	7,570	124	70,460
固定資產於六月三十日之 成本值或估值如下：	Cost or valuation of the fixed assets at 30 June is made up as follows:				
二零一零年：	2010:				
估值	Valuation	80,965	15,326	–	96,291
成本值	Cost	–	–	216	216
		80,965	15,326	216	96,507
二零零九年：	2009:				
估值	Valuation	62,766	–	–	62,766
成本值	Cost	–	7,570	158	7,728
		62,766	7,570	158	70,494

附註：根據附註1(r)所載之本集團會計政策，本集團之中國內地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。有關固定資產之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 operations of the Group in Mainland China, including fixed assets, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The exchange difference relating to fixed assets has been dealt with in the exchange reserve.

10 固定資產 — 集團 (續)

物業之賬面淨值分析如下：

10 FIXED ASSETS – GROUP (Continued)

An analysis of net book value of properties is as follows:

		投資物業		發展中投資物業	
		Investment properties		Investment properties under development	
以港幣百萬元計算	in HK\$ million	2010	2009	2010	2009
香港長期地契	Long leases in Hong Kong	31,936	30,428	–	–
香港境外長期地契	Long leases outside Hong Kong	–	–	5,948	2,992
香港中期地契	Medium term leases in Hong Kong	18,695	12,313	–	–
香港境外中期地契	Medium term leases outside Hong Kong	30,274	19,937	9,378	4,578
香港短期地契	Short lease in Hong Kong	60	88	–	–
		80,965	62,766	15,326	7,570

(a) 本集團之投資物業及發展中投資物業均於二零一零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(「第一太平戴維斯」)之註冊專業測量師(產業測量)陳超國先生按市場價值基準進行估值。有關已完成之投資物業，第一太平戴維斯參照市場實況並考慮物業租金收益作出估值。對於發展中投資物業，第一太平戴維斯估值該等物業猶如已按照相關發展計劃完成興建並計入未來為完成發展所需的建築及其他相關成本，並參照可比較的市場買賣交易，如適用。年內，本集團錄得投資物業及發展中投資物業之公平值增加二百一十二億三千四百萬元，其中包括於中國內地之發展中物業的增值七十三億六千五百萬元。

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，其賬面淨值為五十四億三千三百萬元(二零零九年：四十四億三千九百萬元)。

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持有之土地及建築物一千五百萬元(二零零九年：一千五百萬元)以及香港境外以中期地契持有之土地及建築物九百萬元(二零零九年：一千八百萬元)及以長期地契持有之土地及建築物二千四百萬元(二零零九年：無)。

(a) The investment properties and investment properties under development of the Group were revalued as at 30 June 2010 by Mr Charles C.K. Chan, Registered Professional Surveyor (General Practice), of Savills Valuation and Professional Services Limited (“Savills”), on a market value basis. For the completed investment properties, Savills has valued such properties with reference to market evidence taking into account the rental income of the properties. For the investment properties under development, Savills has valued such properties as if they were completed in accordance with the relevant development plan allowing for any future construction and other relevant costs required for completion of the development, and where appropriate, by reference to the comparable market sale and purchase transactions. During the year, an increase in fair value of investment properties and those under development of \$21,234 million, including \$7,365 million contributed by properties under development in Mainland China, is recorded.

The net book value of investment properties of the Group includes an amount of \$5,433 million (2009: \$4,439 million) in respect of an asset held under a finance lease.

The net book value of other fixed assets of the Group included long leases of \$15 million (2009: \$15 million) in respect of land and building held in Hong Kong, and medium term leases of \$9 million (2009: \$18 million) and long leases of \$24 million (2009: \$Nil) in respect of land and buildings held outside Hong Kong respectively.

10 固定資產 — 集團 (續)

(a) (續)

物業租賃收益包括投資物業之租金收入總額四十五億四千六百萬元 (二零零九年：四十一億六千二百萬元)。

(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：

10 FIXED ASSETS – GROUP (Continued)

(a) (Continued)

Property leasing revenue includes gross rental income from investment properties of \$4,546 million (2009: \$4,162 million).

(b) The Group leases out its investment properties under operating leases and subleases under finance lease. Leases typically run for an initial period of two to five years, with some having the option to renew, at which time all terms are renegotiated. Long term leases contain rent review or adjustment clauses and the Group has a regular proportion of its leases up for renewal each year. Certain leases include contingent rentals calculated with reference to the revenue of tenants.

At 30 June, the Group's total future minimum lease income under non-cancellable operating leases were as follows:

以港幣百萬元計算	in HK\$ million	分租 Subleases	其他租約 Other leases	總計 Total
2010				
一年內	Within 1 year	365	3,626	3,991
一年後但五年內	After 1 year but within 5 years	283	5,047	5,330
五年後	After 5 years	–	553	553
		648	9,226	9,874

		2009		
以港幣百萬元計算	in HK\$ million	分租 Subleases	其他租約 Other leases	總計 Total
一年內	Within 1 year	357	3,087	3,444
一年後但五年內	After 1 year but within 5 years	559	3,047	3,606
五年後	After 5 years	–	203	203
		916	6,337	7,253

11 附屬公司權益

11 INTEREST IN SUBSIDIARIES

		公司 Company	
以港幣百萬元計算	in HK\$ million	2010	2009
非上市股份，成本值	Unlisted shares, at cost	8	8
應收附屬公司款項	Amounts due from subsidiaries	35,217	35,553
		35,225	35,561

主要附屬公司之詳細資料載於附註34。

Details of principal subsidiaries are set out in note 34.

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會收回／無需償還，故列作非流動資產／負債。

Amounts due from/to subsidiaries are unsecured, interest free 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.

12 合營公司權益

12 INTEREST IN JOINTLY CONTROLLED ENTITIES

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
應佔資產淨值－非上市股份	Share of net assets – unlisted shares	795	665
應收合營公司款項	Amount due from a jointly controlled entity	7	34
		802	699

應收合營公司款項均為無抵押、以市場利率計息及無固定還款期，而因預期該等款項不會於未來十二個月內收回，故列作非流動資產。

Amount due from a jointly controlled entity is unsecured, interest-bearing at market rate with no fixed terms of repayment and classified as non-current assets as it is not expected to be recoverable within the next twelve months.

合營公司之詳細資料載於附註35。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 are set out in note 35. 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	2010	2009
非流動資產	Non-current assets	1,003	844
流動資產	Current assets	25	11
非流動負債	Non-current liabilities	(205)	(169)
流動負債	Current liabilities	(28)	(21)
資產淨值	Net assets	795	665
營業額	Turnover	53	52
本年度溢利	Profit for the year	166	23

13 貸款及投資

13 LOANS AND INVESTMENTS

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
香港非上市投資	Unlisted investments in Hong Kong	–	–
貸款予非上市投資公司	Advances to unlisted investee companies	3	4
		3	4

由於非上市投資並無交投活躍市場以取得市場報價來釐定其公平值，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.

14 應收賬款及其他應收款

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：

14 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables with the following terms:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
現期及一個月內	Current and within 1 month	1,255	410
一至三個月	1 – 3 months	4	2
三個月以上	Over 3 months	1	54
		1,260	466

應收賬款之增加主要來自年內銷售「君臨天下」，並根據相關之買賣協議將於二零一零年七月及八月到期支付。

The majority of the increase in receivables related to the proceeds from the sale of The HarbourSide units during the year which are due for settlement in July and August 2010 in accordance with the respective sale and purchase agreements.

來自物業銷售的應收樓價乃按買賣協議的條款釐訂。租客除支付租賃按金外亦需預繳有關租賃物業的月租。本集團定期監察應收款項及作出密切跟進，以便把信貸風險減至最低。除本集團所發展之物業銷售外，本集團並無就此等餘額持有任何抵押品。於二零一零年及二零零九年六月三十日，呆壞賬債務餘額並不重大。

Proceeds from property sales are receivable pursuant to the terms of the sale and purchase agreements. In addition to the payment of rental deposits, tenants are required to pay monthly rents in respect of leased properties in advance. Receivables are regularly monitored and closely followed up to minimize any credit risk. Except for sale of properties developed by the Group, it does not hold any collateral over these balances. The balance of bad and doubtful debts as at 30 June 2010 and 2009 is insignificant.

15 待售物業

15 PROPERTIES FOR SALE

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
位於香港之發展中物業 — 長期地契	Properties under development for sale located in Hong Kong – long leases	800	760
位於香港之待售已建成 物業 — 中期地契	Completed properties for sale located in Hong Kong – medium term leases	5,055	6,923
		5,855	7,683

待售發展中物業預期在一年後變現。

The properties under development for sale are expected to be recovered after more than one year.

16 應付賬款及其他應付款

16 TRADE AND OTHER PAYABLES

		集團 Group		公司 Company	
以港幣百萬元計算	in HK\$ million	2010	2009	2010	2009
應付款及應計費用 (附註(a))	Creditors and accrued expenses (Note (a))	1,804	846	7	8
已收按金 (附註(b))	Deposits received (Note (b))	1,128	1,003	–	–
應付同系附屬公司款項 (附註(c))	Amounts due to fellow subsidiaries (Note (c))	144	179	–	–
		3,076	2,028	7	8

附註：

- (a) 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一億八千三百萬元 (二零零九年：六千八百萬元)。
- (b) 已收按金七億五千六百萬元 (二零零九年：八億四千三百萬元) 預期於一年內不會償付。
- (c) 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:

- (a) Creditors and accrued expenses include retention money payable of \$183 million (2009: \$68 million) which is not expected to be settled within one year.
- (b) Deposits received of \$756 million (2009: \$843 million) are not expected to be settled within one year.
- (c) 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:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
一個月內到期	Due within 1 month	1,451	594
三個月後到期	Due after 3 months	190	109
		1,641	703

17 於資產負債表上之稅項

(a) 本年稅項

17 TAXATION IN THE BALANCE SHEETS

(a) Current taxation

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
香港利得稅撥備	Provision for Hong Kong Profits Tax	1,024	200
中國所得稅撥備	Provision for China Income Tax	67	55
以往年度之應付香港利得稅	Hong Kong Profits Tax payable relating to prior years	41	576
		1,132	831

(b) 遞延稅項

(b) Deferred taxation

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
遞延稅項負債	Deferred tax liabilities	12,708	7,871
遞延稅項資產	Deferred tax assets	(25)	(45)
遞延稅項負債淨額	Net deferred tax liabilities	12,683	7,826

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) recognized 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:					
於二零零八年七月一日	At 1 July 2008	773	6,051	(12)	(23)	6,789
於綜合收益表內扣除／(撥入) (附註6(a))	Charged/(Credited) to consolidated income statement (Note 6(a))	80	967	(10)	-	1,037
於二零零九年六月三十日 及二零零九年七月一日	At 30 June 2009 and 1 July 2009	853	7,018	(22)	(23)	7,826
於儲備內扣除	Charged to reserve	1	26	-	-	27
於綜合收益表內扣除／(撥入) (附註6(a))	Charged/(Credited) to consolidated income statement (Note 6(a))	90	4,657	(3)	86	4,830
於二零一零年六月三十日	At 30 June 2010	944	11,701	(25)	63	12,683

17 於資產負債表上之稅項 (續)

(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三億七千四百萬元(二零零九年:三億零六百萬元)稅務虧損所產生的遞延稅項資產作出確認,因為於二零一零年六月三十日,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。

18 銀行貸款

於六月三十日無抵押銀行貸款之還款期如下:

17 TAXATION IN THE BALANCE SHEETS (Continued)

(c) Deferred tax assets not recognized

The Group has not recognized deferred tax assets in respect of tax losses of \$374 million (2009: \$306 million) sustained in the operations of certain subsidiaries as the availability of future taxable profits against which the assets can be utilized is not probable at 30 June 2010. The tax losses arising from Hong Kong operations do not expire under current tax legislation. The tax losses arising from the operations in Mainland China expire five years after the relevant accounting year end date.

18 BANK LOANS

At 30 June, bank loans were unsecured and repayable as follows:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
一年內或即期	Within 1 year or on demand	1,480	–
一年後但二年內	After 1 year but within 2 years	4,000	–
兩年後但五年內	After 2 years but within 5 years	802	4,694
五年以上	Over 5 years	214	–
		5,016	4,694
減: 未攤銷之財務費用	Less: unamortized front end fees	(38)	(33)
		4,978	4,661
		6,458	4,661

年內,所有銀行貸款均按零點四厘至五點九厘(二零零九年:零點四厘至六點八厘)年利率計息。

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。

於二零一零年六月三十日,本集團擁有一百三十二億零一百萬元(二零零九年:一百七十二億元)未動用的銀行承諾信貸。

All bank loans are interest-bearing at rates ranging from 0.4% to 5.9% (2009: 0.4% to 6.8%) per annum during the year.

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 certain required levels. During the year, all these covenants have been complied with by the Group.

At 30 June 2010, the Group had \$13,201 million (2009: \$17,200 million) committed undrawn banking facilities.

19 融資租約承擔

融資租約最少應付之租金總額及其現值如下：

19 FINANCE LEASE OBLIGATIONS

Total minimum lease payments under finance lease and their present values are as follows:

		集團 Group		
		最少應付 之租金額 之現值 Present value of minimum lease payments	將於未來 年度計入 之利息 費用 Interest expenses relating to future periods	最少應付 之租金 總額 Total minimum lease payments
以港幣百萬元計算	in HK\$ million	2010		
應付金額	Amounts payable			
一年內	Within 1 year	119	17	136
一年後但五年內	After 1 year but within 5 years	168	8	176
		287	25	312

		2009		
以港幣百萬元計算	in HK\$ million			
應付金額	Amounts payable			
一年內	Within 1 year	106	24	130
一年後但五年內	After 1 year but within 5 years	287	25	312
		393	49	442

融資租約承擔之實際年利率為七厘（二零零九年：七厘）。

The effective interest rate of the finance lease obligations is 7% (2009: 7%) per annum.

20 股本

20 SHARE CAPITAL

		2010		2009	
		股份數目 (百萬股) Number of shares (Million)	股本金額 (百萬元) Amount of share capital (\$Million)	股份數目 (百萬股) Number of shares (Million)	股本金額 (百萬元) Amount of share capital (\$Million)
法定 每股面值一元	Authorized Shares of \$1 each	6,000	6,000	6,000	6,000
已發行及繳足 於七月一日	Issued and fully paid At 1 July	4,146	4,146	4,145	4,145
根據股份期權計劃 發行之股份	Shares issued under share option scheme	13	13	1	1
於六月三十日	At 30 June	4,159	4,159	4,146	4,146

21 儲備

(a) 集團

截至二零一零年及二零零九年六月三十日止年度，本集團的儲備之變動詳情載於綜合權益變動表。

21 RESERVES

(a) The Group

Details of the movements in reserves of the Group during the year ended 30 June 2010 and 2009 are set out in the consolidated statement of changes in equity.

		其他儲備 Other reserves					總額 Total	保留溢利 Retained profits	總儲備 Total reserves
以港幣百萬元計算 in HK\$ million		股份溢價 Share premium	資本贖回 儲備 Capital redemption reserve	匯兌儲備 Exchange reserve	僱員股份 補償儲備 Employee share-based compensation reserve				
於二零零八年七月一日	At 1 July 2008	21,715	2,066	1,254	181	25,216	37,016	62,232	
本年度全面收益總額	Total comprehensive income for the year	-	-	143	-	143	4,130	4,273	
去年度末期股息	Final dividends in respect of previous year	-	-	-	-	-	(2,114)	(2,114)	
本年度中期股息	Interim dividends in respect of current year	-	-	-	-	-	(622)	(622)	
發行股份	Issue of shares	5	-	-	-	5	-	5	
僱員股權費用	Employee share-based payments	1	-	-	106	107	11	118	
於二零零九年六月三十日及 二零零九年七月一日	At 30 June 2009 and 1 July 2009	21,721	2,066	1,397	287	25,471	38,421	63,892	
本年度全面收益總額	Total comprehensive income for the year	-	-	207	-	207	22,256	22,463	
去年度末期股息	Final dividends in respect of previous year	-	-	-	-	-	(2,115)	(2,115)	
本年度中期股息	Interim dividends in respect of current year	-	-	-	-	-	(705)	(705)	
發行股份	Issue of shares	124	-	-	-	124	-	124	
僱員股權費用	Employee share-based payments	34	-	-	86	120	6	126	
於二零一零年六月三十日	At 30 June 2010	21,879	2,066	1,604	373	25,922	57,863	83,785	

財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

21 儲備 (續)
(b) 公司

21 RESERVES (Continued)
(b) The Company

		其他儲備 Other reserves						
		股份溢價	資本贖回 儲備	僱員股份 補償儲備		保留溢利	總儲備	
		Share	Capital	Employee	總額	Retained	Total	
以港幣百萬元計算	in HK\$ million	premium	redemption	share-based	Total	profits	reserves	
		reserve	reserve	reserve				
於二零零八年七月一日	At 1 July 2008	21,715	2,066	181	23,962	3,625	27,587	
本年度溢利	Profit for the year	-	-	-	-	4,530	4,530	
去年度末期股息	Final dividends in respect of previous year	-	-	-	-	(2,114)	(2,114)	
本年度中期股息	Interim dividends in respect of current year	-	-	-	-	(622)	(622)	
發行股份	Issue of shares	5	-	-	5	-	5	
僱員股權費用	Employee share-based payments	1	-	106	107	11	118	
於二零零九年六月三十日及 二零零九年七月一日	At 30 June 2009 and 1 July 2009	21,721	2,066	287	24,074	5,430	29,504	
本年度溢利	Profit for the year	-	-	-	-	2,390	2,390	
去年度末期股息	Final dividends in respect of previous year	-	-	-	-	(2,115)	(2,115)	
本年度中期股息	Interim dividends in respect of current year	-	-	-	-	(705)	(705)	
發行股份	Issue of shares	124	-	-	124	-	124	
僱員股權費用	Employee share-based payments	34	-	86	120	6	126	
於二零一零年六月三十日	At 30 June 2010	21,879	2,066	373	24,318	5,006	29,324	

本集團於二零一零年六月三十日的保留溢利包括八千六百萬元(二零零九年：三千三百萬元)的中國內地附屬公司之盈餘公積。

The retained profits for the Group at 30 June 2010 included \$86 million (2009: \$33 million) in respect of statutory reserves of the subsidiaries in Mainland China.

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。

The application of the share premium account and the 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).

於二零一零年六月三十日，本公司可供分派予股東之儲備金總額為五十億零六百萬元(二零零九年：五十四億三千萬元)。

The aggregate amount of the Company's reserves available for distribution to equity shareholders of the Company at 30 June 2010 was \$5,006 million (2009: \$5,430 million).

21 儲備 (續)

(b) 公司 (續)

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持份者提供利益，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。淨債項指銀行貸款及融資租約承擔，減現金及銀行存款。股權包括股東權益及非控股權益。

於二零一零年及二零零九年六月三十日，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。

22 非控股權益

非控股權益為外部股東於本集團（於六月三十日）非全資擁有的附屬公司的股本權益及應佔溢利或虧損。非全資擁有的附屬公司指於上海持有本集團的投資物業權益之公司。非控股權益之變動詳情載於綜合權益變動表。

21 RESERVES (Continued)

(b) The Company (Continued)

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 and finance lease obligations, less cash and deposits with banks. Equity comprises shareholders' equity and non-controlling interests.

The Group has a net cash position as at 30 June 2010 and 2009. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 NON-CONTROLLING INTERESTS

Non-controlling interests represent the equity interests and the share of profit or loss attributable to outside shareholders in respect of the subsidiaries not wholly-owned by the Group as at 30 June which hold the Group's interests in investment properties in Shanghai. Details of movement of non-controlling interests are set out in the consolidated statement of changes in equity.

23 綜合現金流量表附註

(a) 來自經營業務之現金

23 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

以港幣百萬元計算	in HK\$ million	2010	2009
除稅前溢利	Profit before taxation	29,914	6,695
調整：	Adjustments for:		
利息收入	Interest income	(35)	(157)
財務費用	Finance costs	47	69
折舊	Depreciation	23	13
投資物業之公平值之增加	Increase in fair value of investment properties	(21,234)	(3,523)
應佔合營公司溢利	Share of profits of jointly controlled entities	(166)	(23)
僱員股權費用	Employee share-based payments	126	118
待售物業之減少／(增加)	Decrease/(Increase) in properties for sale	1,798	(66)
應收賬款及其他應收款 之(增加)／減少	(Increase)/Decrease in trade and other receivables	(828)	583
應付款及應計費用 之增加／(減少)	Increase/(Decrease) in creditors and accrued expenses	319	(51)
已收按金之增加	Increase in deposits received	125	78
應付同系附屬公司款項 之減少	Decrease in amounts due to fellow subsidiaries	(35)	(27)
來自經營業務之現金	Cash generated from operations	10,054	3,709

(b) 於二零一零年六月三十日，本集團之現金及銀行存款為一百一十五億三千五百萬元（二零零九年：八十九億三千一百萬元），按平均利率每年零點三厘（二零零九年：一點六厘）計息，其地區及貨幣分佈如下：

(b) At 30 June 2010, the Group had cash and deposits with banks of \$11,535 million (2009: \$8,931 million) which were interest-bearing at an average rate of 0.3% (2009: 1.6%) per annum with geographical and currency distribution as follows:

		香港 Hong Kong	中國內地 Mainland China	總計 Total
		2010		
港元	Hong Kong Dollars	38%	21%	59%
美元	United States Dollars	13%	13%	26%
人民幣	Renminbi	–	15%	15%
		51%	49%	100%

		2009		
港元	Hong Kong Dollars	16%	10%	26%
美元	United States Dollars	34%	26%	60%
人民幣	Renminbi	–	14%	14%
		50%	50%	100%

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:

		公司 Company	
以港幣百萬元計算	in HK\$ million	2010	2009
就附屬公司所獲得之銀行 信貸而提供之擔保	Guarantees given to banks to secure credit facilities drawn by subsidiaries	6,522	6,194

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（二零零九年：無）。

The Company has not recognized 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 (2009: \$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：

25 COMMITMENTS

(a) At 30 June, capital commitments not provided for in the financial statements were as follows:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
已簽約	Contracted for	4,167	4,461
已授權但尚未簽約	Authorized but not contracted for	16,452	17,984
		20,619	22,445

上述承擔主要包括就本集團於中國內地多個城市發展之投資物業將產生之土地成本及建築相關成本。

The above commitments include mainly the land costs and construction related costs to be incurred in respect of the Group's development of its investment properties in 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:

		集團 Group	
以港幣百萬元計算	in HK\$ million	2010	2009
一年內	Within 1 year	92	92
一年後但五年內	After 1 year but within 5 years	46	138
		138	230

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一千九百萬元（二零零九年：一千九百萬元），而撥入儲備金之沒收供款金額總數為四十萬元（二零零九年：三十萬元）。

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三百萬元（二零零九年：二百萬元）。

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 \$19 million (2009: \$19 million) and forfeited sums credited to reserves amounted to \$0.4 million (2009: \$0.3 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 \$3 million (2009: \$2 million).

26 僱員福利 (續)

(a) 退休福利 (續)

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。

本公司在中國內地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。該等中國內地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內地附屬公司之所有現職及將來退休之僱員之退休福利責任。該等中國內地附屬公司於本年度內作出之供款總額為一千一百萬元（二零零九年：九百萬元）。

(b) 股份補償福利

本公司於二零零二年十一月二十二日採納股份期權計劃。此計劃授權本公司董事局（「董事局」）向被揀選人士（包括本集團內任何公司之僱員及董事）授予股份期權認購本公司之股份，作為彼等對本集團貢獻之鼓勵或獎賞。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緊接授予前五個營業日之平均收市價三者中之最高價。可接納期權之期間及其應付之款項、歸屬期、行使期及每份期權可認購股份之數目均由董事局於授予之時決定。此計劃於其採納日期起計十年內有效，並將於二零一二年十一月二十一日屆滿。

26 EMPLOYEE BENEFITS (Continued)

(a) Retirement benefits (Continued)

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.

Staff in the Company's subsidiaries operating in Mainland China, are members of a retirement benefits scheme (the "Mainland RB Scheme") operated by the local municipal government in Mainland China. The only obligation of the subsidiaries in Mainland China is to contribute a certain percentage of their payroll to the Mainland RB Scheme to fund the retirement benefits. The local municipal government in Mainland China undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries in Mainland China. Total contributions made by the subsidiaries in Mainland China for the year amounted to \$11 million (2009: \$9 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 is authorized to grant options to selected participants, including employees and directors of any company in the Group, to subscribe for shares of the Company as incentives or rewards for their contributions to the Group. 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 five business days immediately preceding the date of grant. The period open for acceptance of the option and amount payable thereon, 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. The scheme remains in force for a period of 10 years commencing on its adoption date and will expire on 21 November 2012.

26 僱員福利 (續)

(b) 股份補償福利 (續)

年內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 Date granted	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\$)
	於二零零九年 七月一日 尚未被行使 Outstanding on 1 July 2009	已授出 Granted	已行使 Exercised	已失效 Lapsed	於二零一零年 六月三十日 尚未被行使 Outstanding on 30 June 2010		
二零零四年五月二十日 20 May 2004	21,154,000	-	(11,759,000)	-	9,395,000	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
二零零五年九月一日至 二零零五年十一月一日 1 September 2005 to 1 November 2005	1,206,000	-	(400,000)	-	806,000	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	24,614,000	-	(1,150,000)	(330,000)	23,134,000	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 二零零八年十二月三十一日 3 July 2007 to 31 December 2008	80,770,000	-	(210,000)	(880,000)	79,680,000	二零零八年七月三日至 二零一八年十二月三十一日 3 July 2008 to 30 December 2018	17.36 – 27.90
二零零九年十一月三十日至 二零一零年六月一日 30 November 2009 to 1 June 2010	-	25,650,000	-	-	25,650,000	二零一一年十一月三十日至 二零二零年五月三十一日 30 November 2011 to 31 May 2020	26.46 – 28.88
總計Total	127,744,000	25,650,000	(13,519,000)	(1,210,000)	138,665,000		

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。年內並無股份期權被註銷。

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. No options were cancelled during the year.

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，於截至二零一零年六月三十日止年度確認之相關支出如下：

- (1) 陳啟宗先生：二千六百四十萬元（二零零九年：二千二百八十萬元）；
- (2) 袁偉良先生：二千七百九十萬元（二零零九年：二千六百萬）；
- (3) 吳士元先生：二千三百萬元（二零零九年：二千一百九十萬元）；
- (4) 高伯適先生：二千萬元（二零零九年：一千九百萬元）；及
- (5) 姚子賢先生：三百四十萬元，包括有關其出任本公司董事之費用三百萬元。

此外，截至二零零九年六月三十日止年度，第五名最高薪人士的股權費用為九十萬元。

- (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 recognized for the year ended 30 June 2010, estimated in accordance with the Group's accounting policy in note 1(u)(2) was as follows:

- (1) Mr Ronnie C. Chan, \$26.4 million (2009: \$22.8 million);
- (2) Mr Nelson W.L. Yuen, \$27.9 million (2009: \$26.0 million);
- (3) Mr Terry S. Ng, \$23.0 million (2009: \$21.9 million);
- (4) Mr William P.Y. Ko, \$20.0 million (2009: \$19.0 million); and
- (5) Mr Henry T.Y. Yiu, \$3.4 million, including the charge of \$3.0 million in relation to his employment as director of the Company.

In addition, the charge for share-based payments in relation to the individual with the fifth highest emoluments for the year ended 30 June 2009 amounted to \$0.9 million.

- (i) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		2010		2009	
		加權平均 行使價 (港元)	股份 期權數目	加權平均 行使價 (港元)	股份 期權數目
		Weighted average exercise price (HK\$)	Number of options	Weighted average exercise price (HK\$)	Number of options
於七月一日尚未被行使	Outstanding at 1 July	18.30	127,744,000	18.38	82,250,000
已授出	Granted	26.51	25,650,000	18.30	47,650,000
已行使	Exercised	10.16	(13,519,000)	9.85	(536,000)
已失效	Lapsed	20.32	(1,210,000)	24.71	(1,620,000)
於六月三十日尚未被行使	Outstanding at 30 June	15.84	138,665,000	18.30	127,744,000
於六月三十日可予行使	Exercisable at 30 June	16.22	30,161,400	13.63	35,417,700

本公司股份在緊接期權授出日期之前的收市價介乎二十五元九角五仙至二十七元六角（二零零九年：十七元二角二仙至二十五元）。

The closing prices of the shares immediately before the dates of grant range from \$25.95 to \$27.60 (2009: \$17.22 to \$25.00).

26 僱員福利 (續)

(b) 股份補償福利 (續)

於年內董事及僱員行使之股份期權在緊接期權行使日期之前的加權平均收市價分別為二十七元五角三仙(二零零九年：無)及二十八元四角二仙(二零零九年：二十元零六仙)。

於年內行使之股份期權行使當日之加權平均股價為二十七元九角一仙(二零零九年：二十元五角六仙)。

- (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七點六年(二零零九年：七點九年)。
- (iii) 年內授出之股份期權於授出日期採用「柏力克 — 舒爾斯」定價模式，經考慮授出期權之條款及條件而估計之每份股份期權之加權平均價值為八元四角。所採用之加權平均假設如下：

授出日期之股價	Share price at grant date	\$26.16
行使價	Exercise price	\$26.51
無風險利率	Risk-free interest rate	1.9%
預計年期(年)	Expected life (in years)	6
波幅	Volatility	0.4
預期每股股息	Expected dividend per share	\$0.68

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。

27 關連人士交易

(a) 本公司之一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。於二零一零年六月三十日之款項為一億四千四百萬元(二零零九年：一億七千九百萬元)。

(b) 截至二零一零年六月三十日止年度，本公司兩名董事簽訂買賣協議以總代價八千五百萬元購入本集團旗下住宅發展項目「君臨天下」之四個單位，價格及付款條款與提供予所有買家相同。於二零一零年六月三十日並無未償付之餘額。

(c) 董事及主要管理層酬金已於附註5及26(b)披露。

26 EMPLOYEE BENEFITS (Continued)

(b) Equity compensation benefits (Continued)

The weighted average closing prices of the shares immediately before the dates of exercise by the directors and the employees during the year were \$27.53 (2009: \$Nil) and \$28.42 (2009: \$20.06) respectively.

The weighted average share price at the dates of exercise for share options during the year was \$27.91 (2009: \$20.56).

- (ii) The weighted average remaining contractual life of options outstanding at the balance sheet date was 7.6 years (2009: 7.9 years).
- (iii) The weighted average value per share option granted during the year estimated at the date of grant using a Black-Scholes pricing model taking into account the terms and conditions upon which the options were granted was \$8.4. 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 RELATED PARTY TRANSACTIONS

(a) 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 2010 was \$144 million (2009: \$179 million).

(b) During the year ended 30 June 2010, two directors of the Company entered into the sale and purchase agreements to acquire four units of the Group's residential development, The HarbourSide, at a total consideration of \$85 million on the same pricing and payment terms offered to all purchasers. There was no outstanding balance at 30 June 2010.

(c) Emoluments to directors and key management has been disclosed in notes 5 and 26(b).

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。本集團有以下經管理層批准之政策及方法以管理該等風險。

(a) 利率風險

本集團之利率風險來自銀行存款及浮息借貸。本集團密切監察利率變動，以及於有利定價機會來臨時（如適用）以新銀行融資替換原有借貸。

計息財務資產及負債之利率於附註18、19及23(b)予以披露。

根據年終進行關於銀行存款及借貸之模擬分析，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增加本集團之除稅後溢利及總權益約五千萬元（二零零九年：減少四百萬元）。

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及銀行借貸之利息收入及支出；及
- 所有其他財務資產及負債維持不變。

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 has policies and practices approved by management as described below in managing these risks.

(a) Interest rate risk

The Group's interest rate risk arises primarily from deposits with banks and borrowings issued at floating rates. Interest rate trend and movements are closely monitored and, if appropriate, existing borrowings will be replaced with new bank facilities when favourable pricing opportunities arise.

The interest rates of interest-bearing financial assets and liabilities are disclosed in notes 18, 19 and 23(b).

Based on the simulations performed at year end in relation to the Group's bank deposits and borrowings, it was estimated that 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 increase the Group's profit after taxation and total equity by approximately \$50 million (2009: decrease by \$4 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 and interest expenses of floating rate financial instruments and bank borrowings; and
- all other financial assets and liabilities are held constant.

28 財務風險管理目標及政策 (續)

(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盈餘現金及流動資金風險，旨在確保其維持充裕之現金及穩定之銀行融資，以應付其全部資金之需求。本集團透過不同來源之穩定信貸額維持資金高度流動性，以掌握未能預見之機會及事項。

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk

The Group manages its surplus cash centrally and the liquidity risk of the Company and its subsidiaries at the corporate level. The objective is to ensure that an adequate amount of cash and committed bank facilities are available to meet all funding requirements. Significant flexibility is maintained through diverse sources of committed credit lines to respond to unforeseeable opportunities and events.

		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	6,458	6,847	1,579	4,088	909	271
非流動融資 租約承擔	Non-current finance lease obligations	168	176	–	141	35	–
應付賬款及其他應付款	Trade and other payables	3,076	3,093	2,154	544	260	135
於二零一零年六月三十日	At 30 June 2010	9,702	10,116	3,733	4,773	1,204	406

		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	4,661	4,891	58	58	4,775	–
浮息票據	Floating rate notes	1,500	1,505	1,505	–	–	–
非流動融資 租約承擔	Non-current finance lease obligations	287	312	–	136	176	–
應付賬款及其他應付款	Trade and other payables	2,028	2,052	1,141	329	582	–
於二零零九年六月三十日	At 30 June 2009	8,476	8,760	2,704	523	5,533	–

28 財務風險管理目標及政策 (續)

(c) 信貸風險

本集團之信貸風險主要來自應收賬款及存於信譽良好的銀行及金融機構之存款。

本集團推行明確之信貸政策，其中涵蓋對租戶之嚴謹信貸評估及對租賃按金的支付規定。除銷售本集團所發展之物業外，本集團並無就其應收款持有任何抵押品。本集團定期檢閱其應收款，並嚴格監控，藉以將任何相關之信貸風險減至最低。

本集團並無進行任何衍生工具交易。盈餘現金乃根據信貸評級及其他因素而預設之限額存放於聲譽良好之銀行及金融機構，以將集中信貸風險減至最低。

除本公司所作出之財務擔保外（如附註24所述），本集團並無提供其他擔保而導致本集團或本公司承擔任何重大信貸風險。

本集團並無重大集中信貸風險。

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。

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk

The Group's credit risk is primarily attributable to trade receivables and deposits held with reputable banks and financial institutions.

It maintains a defined credit policy including stringent credit evaluation on and payment of a rental deposit from tenants. Except for sale of properties developed by the Group, it does not hold any collateral over the receivables. Receivables are regularly reviewed and closely monitored to minimize any associated credit risk.

The Group does not engage in any derivative transactions. Surplus cash is placed with reputable banks and financial institutions in accordance with pre-determined limits based on credit ratings and other factors to minimize concentration risk.

Except for the financial guarantees given by the Company as set out in note 24, the Group does not provide any other guarantee which would expose the Group or the Company to material credit risk.

There are no significant concentrations of credit risk within the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet.

28 財務風險管理目標及政策 (續)

(d) 貨幣風險

倘已確認資產及負債以本集團有關個別公司功能貨幣以外之貨幣列值，則產生貨幣風險。本集團有若干美元銀行存款，金額達三億八千萬美元（二零零九年：六億八千八百萬美元）。鑒於港元與美元掛鈎，該等存款所引致之貨幣風險並不重大。

本集團亦透過其中國內地附屬公司在當地從事物業發展及投資，而該等附屬公司之淨資產承受外幣風險。本集團（於適用時）尋求以人民幣借貸對沖在中國內地之投資。

管理層估計，人民幣兌港元匯率升值／貶值百分之一將不會對本集團之溢利造成重大影響，惟本集團之權益將相應增加／減少三億五千萬美元（二零零九年：一億六千三百萬元）。

上述分析乃假設匯率變動於結算日已發生，而所有其他變數（特別是利率）保持不變。

(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、現金及銀行存款及銀行貸款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

Currency risk arises when recognized assets and liabilities are denominated in a currency other than the functional currency of the Group's entities to which they related. The Group maintains certain bank deposits denominated in United States dollars amounting to US\$380 million (2009: US\$688 million). Given that Hong Kong dollars are pegged to United States dollars, the resulting currency risk on such deposits is considered insignificant.

The Group also engaged in property development and investments in Mainland China through its local subsidiaries whose net assets are exposed to foreign currency risk. Where appropriate, the Group seeks to hedge investments in Mainland China through borrowings denominated in Renminbi.

Management estimated that a 1% appreciation/depreciation of Renminbi against Hong Kong dollar would not have a material effect on the Group's profit and the Group's equity would be increased/decreased by \$350 million (2009: \$163 million).

The above analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and that all other variables, in particular interest rates, remain constant.

(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 and bank loans 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：

(a) 投資物業之估值

於結算日，本集團之投資物業及發展中投資物業由獨立合資格估值師按公開市值進行重估。有關已完成之投資物業，估值師已參照市場實況並考慮物業租金收益作出估值。於物業估值時採用之假設乃根據結算日之當時市況，並參考於相同地點及狀態的同類型物業的當時市場售價及適當之資本化率而作出。對於發展中投資物業，估值師估值該等物業猶如已按照相關發展計劃完成興建並計入未來為完成發展所需的建築及其他相關成本，亦參照可比較的市場買賣交易，如適用。

(b) 待售物業

本集團參照獨立物業估值師提供之現行市場數據及市場調查報告，以估計未來銷售價減除銷售時產生之相關成本而釐定待售物業之可變現淨值。

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:

(a) Valuation of investment properties and investment properties under development

The investment properties and investment properties under development of the Group were revalued at balance sheet date by independent professionally qualified valuers on a market value basis. For the completed investment properties, the valuers have valued such properties with reference to market evidence taking into account the rental income of the properties. The assumptions adopted are based on the market conditions existing at the balance sheet date, with reference to current market sale prices for similar properties in the same location and condition and the appropriate capitalization rate. For the investment properties under development, the valuers have valued such properties as if they were completed in accordance with the relevant development plan allowing for any future construction and other relevant costs required for completion of the development, and where appropriate, by reference to the comparable market sale and purchase transactions.

(b) Properties held for sale

The Group determines the net realizable value of unsold properties based on estimation of future selling price less costs to be incurred in relation to the sale, with reference to the prevailing market data and market survey reports available from independent property valuers.

29 重要會計估計及判斷 (續)

估計不確定性之主要原因 (續)

(c) 資產減值

本集團定期進行減值測試，以確定商譽及其他可使用年期不確定之資產是否有任何減值跡象。其他資產之減值評估於有事件或情況之變動顯示有關資產之賬面值高於其可收回金額時進行。可收回金額以公平值減銷售成本或按使用價值計算法釐定（如適用）。該等計算方法需要使用估計數據。

(d) 所得稅

於日常業務過程中，由於若干交易及釐定最終稅項之計算方法未能確定而需要就所得稅撥備作出判斷。倘該等事項之最終稅項結果與最初記錄之金額不同，有關差額將會影響作出決定年度之所得稅及遞延稅項撥備。

(e) 遞延稅項資產確認

本集團資產負債表內之遞延稅項資產只會在未來應課稅溢利有可能用作抵銷暫時差異及未用稅項虧損可被使用時才會確認。本集團需作出判斷，或根據對未來財務表現、未來應課稅溢利金額及其變現時限之評估，來確認遞延稅項資產。

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。

29 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (Continued)

(c) Impairment of assets

The Group tests regularly whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is determined using fair value less costs to sell or value-in-use calculations as appropriate. These calculations require the use of estimates.

(d) Income taxes

There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and judgement is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

(e) Recognition of deferred tax assets

The amount of the deferred tax assets included in the balance sheet of the Group is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences and unused tax losses can be utilized. The recognition of deferred tax assets requires the Group to make judgements or based on the assessment of future financial performance, the amount of future taxable profits and the timing of when these will be realized.

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

本集團並無提早採用由香港會計師公會頒佈惟尚未生效之修訂、新準則或詮釋。採用以下修訂或準則並不會對本集團之會計政策帶來重大變動。

31 FUTURE CHANGES IN ACCOUNTING POLICIES

The Group has not early applied the following amendments, new standards or interpretations which have been issued by the HKICPA but are not yet effective. The adoption of the following amendments or standards 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
HKFRSs (修訂本) HKFRSs (Amendments)	HKFRSs之年度修訂 Annual Improvement to HKFRSs	二零一零年一月一日 1 January 2010
HKFRS 2 (修訂本) HKFRS 2 (Amendments)	股權費用 Share-based Payment	二零一零年一月一日 1 January 2010
HK(IFRIC) – Int 19 HK(IFRIC) – Int 19	以股本工具抵銷金融負債 Extinguishing Financial Liabilities with Equity Instruments	二零一零年七月一日 1 July 2010
HKAS 24 (經重訂) HKAS 24 (Revised)	關連人士披露 Related Party Disclosures	二零一一年一月一日 1 January 2011
HKFRS 8 (修訂本) HKFRS 8 (Amendment)	經營分部 Operating Segments	二零一一年一月一日 1 January 2011
HKFRS 9 HKFRS 9	金融工具 Financial Instruments	二零一三年一月一日 1 January 2013

32 比較數字

採用HKAS1 (經重訂)「財務報表的呈報」及HKFRS 8「經營分部」後，若干比較數字經已重新編列，以符合本年度的呈報形式。有關詳情已於附註2內詳述。

32 COMPARATIVE FIGURES

Subsequent to the application of HKAS 1 (Revised), Presentation of Financial Statements and HKFRS 8, Operating Segments, certain comparative figures have been reclassified to conform to current year's presentation. Further details of these developments are described in note 2.

33 核准財務報表

董事局於二零一零年七月二十八日核准並許可刊發財務報表。

33 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on 28 July 2010.

財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

34 主要附屬公司

於二零一零年六月三十日

34 PRINCIPAL SUBSIDIARIES

At 30 June 2010

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
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

34 主要附屬公司 (續)

於二零一零年六月三十日

34 PRINCIPAL SUBSIDIARIES (Continued)

At 30 June 2010

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
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

財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

34 主要附屬公司 (續)

於二零一零年六月三十日

34 PRINCIPAL SUBSIDIARIES (Continued)

At 30 June 2010

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 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(大連)有限公司 Hang Lung (Dalian) Limited	1	100	–	控股投資 Investment holding	香港 Hong Kong
恒隆(江蘇)有限公司 Hang Lung (Jiangsu) Limited	1	100	–	控股投資 Investment holding	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
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	工程項目管理 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

34 主要附屬公司 (續)

於二零一零年六月三十日

34 PRINCIPAL SUBSIDIARIES (Continued)

At 30 June 2010

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
HLP Fortune Limited	1	100	100	物業發展 Property development	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
Hoi Sang Limited*	2	100	—	控股投資 Investment holding	香港 Hong Kong
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
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

財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

34 主要附屬公司 (續)

於二零一零年六月三十日

34 PRINCIPAL SUBSIDIARIES (Continued)

At 30 June 2010

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
Rago Star Limited	2	100	—	物業租賃 Property leasing	香港 Hong Kong
Riokay 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

34 主要附屬公司 (續)

於二零一零年六月三十日

34 PRINCIPAL SUBSIDIARIES (Continued)

At 30 June 2010

中國內地外商獨資企業 Wholly Foreign Owned Enterprises in Mainland 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
大連恒隆地產有限公司 Dalian Hang Lung Properties Ltd.	1,542,000,000港元 HK\$1,542,000,000	100	-	物業發展 Property development	中國內地 Mainland China
遼寧恒隆地產有限公司 Liaoning Hang Lung Properties Ltd.	301,500,000美元 US\$301,500,000	100	-	物業發展 Property development	中國內地 Mainland China
山東恒隆地產有限公司 Shandong Hang Lung Properties Ltd.	255,000,000美元 US\$255,000,000	100	-	物業發展 Property development	中國內地 Mainland China
瀋陽恒隆地產有限公司 Shenyang Hang Lung Properties Ltd.	309,990,000美元 US\$309,990,000	100	-	物業發展 Property development	中國內地 Mainland China
天津恒隆地產有限公司 Tianjin Hang Lung Properties Ltd.	1,650,000,000港元 HK\$1,650,000,000	100	-	物業發展 Property development	中國內地 Mainland China
無錫恒隆地產有限公司 Wuxi Hang Lung Properties Ltd.	1,902,500,000港元 HK\$1,902,500,000	100	-	物業發展 Property development	中國內地 Mainland China
無錫恒穎地產有限公司 Wuxi Hang Ying Properties Ltd.	509,000,000港元 HK\$509,000,000	100	-	物業發展 Property development	中國內地 Mainland China

中國內地中外合資企業 Equity Joint Venture in Mainland 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 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	中國內地 Mainland 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	中國內地 Mainland 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.

財務報表附註
NOTES TO THE FINANCIAL STATEMENTS

35 合營公司

於二零一零年六月三十日

35 JOINTLY CONTROLLED ENTITIES

At 30 June 2010

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	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
總資產	Total assets	116,168	88,508	84,341	69,244	60,366	53,096	47,226	40,800	39,458	40,546
投資物業	Investment properties	80,965	62,766	59,085	47,153	39,590	36,032	30,562	27,172	24,986	25,024
待售物業	Properties for sale										
— 已建成	— Completed	5,055	6,923	6,774	9,501	10,159	10,693	7,005	—	—	—
— 發展中	— Under development	800	760	43	41	—	—	5,018	10,775	8,490	7,290
現金及銀行存款	Cash and deposits with banks	11,535	8,931	10,578	6,994	5,984	3,206	1,063	1,104	3,146	3,725
總負債	Total liabilities	23,542	17,178	15,691	13,407	16,077	11,841	15,273	14,889	12,884	12,302
銀行貸款	Bank loans	6,458	4,661	4,419	4,782	8,454	4,113	9,593	7,874	6,372	8,952
浮息票據	Floating rate notes	—	1,500	1,500	1,500	1,500	1,500	540	540	540	540
可換股債券	Convertible bonds	—	—	—	—	—	—	—	3,414	3,390	—
股東權益	Shareholders' equity	87,944	68,038	66,377	54,277	43,246	40,288	31,019	24,633	26,112	27,857
資產淨值 (包括非控股權益)	Net assets (including non-controlling interests)	92,626	71,330	68,651	55,838	44,289	41,255	31,954	25,911	26,574	28,244
營業額	Turnover	12,057	4,173	10,080	4,389	3,657	6,955	4,533	2,143	2,383	2,523
股東應佔純利	Net profit attributable to shareholders	22,256	4,130	13,159	6,371	4,403	6,813	4,616	875	1,207	1,384
基本純利 (附註1)	Underlying net profit (Note 1)	6,674	2,388	5,123	2,048	1,627	2,516	2,065	875	1,207	1,384
股息	Dividends	2,951	2,736	2,736	2,320	1,900	1,843	1,439	1,156	1,156	1,156
每股資料	Per share data										
盈利	Earnings										
— 基本	— Basic	\$5.37	\$1.00	\$3.18	\$1.60	\$1.19	\$1.94	\$1.53	\$0.30	\$0.42	\$0.48
— 攤薄	— Diluted	\$5.30	\$0.99	\$3.15	\$1.58	\$1.18	\$1.92	\$1.52	\$0.30	\$0.42	N/A
基本盈利 (附註1)	Underlying earnings (Note 1)										
— 基本	— Basic	\$1.61	\$0.58	\$1.24	\$0.51	\$0.44	\$0.72	\$0.69	\$0.30	\$0.42	\$0.48
— 攤薄	— Diluted	\$1.59	\$0.57	\$1.23	\$0.51	\$0.44	\$0.71	\$0.68	\$0.30	\$0.42	N/A
股息	Dividends										
— 中期	— Interim	17¢	15¢	15¢	13¢	13¢	13¢	11¢	11¢	11¢	11¢
— 末期	— Final	54¢	51¢	51¢	43¢	38¢	37¢	33¢	29¢	29¢	29¢
— 全年	— Total for the year	71¢	66¢	66¢	56¢	51¢	50¢	44¢	40¢	40¢	40¢
股東權益 (附註3)	Shareholders' equity (Note 3)	\$21.1	\$16.4	\$16.0	\$13.1	\$11.6	\$10.9	\$9.4	\$8.5	\$9.0	\$9.6
資產淨值 (包括非控股權益) (附註3)	Net assets (including non-controlling interests) (Note 3)	\$22.3	\$17.2	\$16.6	\$13.5	\$11.9	\$11.2	\$9.7	\$9.0	\$9.2	\$9.8
負債率 (附註2)	Gearing ratio (Note 2)	0%	0%	0%	0%	9%	7%	24%	31%	23%	19%
派息比率	Pay-out ratio	13%	66%	21%	35%	43%	26%	29%	132%	96%	84%
基本派息比率 (附註1)	Underlying pay-out ratio (Note 1)	44%	114%	53%	109%	116%	70%	64%	132%	96%	84%
已發行股數 (百萬)	Number of shares issued (in million)	4,159	4,146	4,145	4,143	3,732	3,683	3,300	2,889	2,889	2,891

附註：

- 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及發展中投資物業之公平值變動及其相關遞延稅項及非控股權益的影響。
- 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，扣除現金及銀行存款。股權則包括股東權益及非控股權益。
- 根據於結算日之股東權益／資產淨值除已發行股數。

Notes:

- 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 investment properties under development and their related deferred tax and non-controlling interests.
- 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 non-controlling interests.
- 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 (董事長)
殷尚賢 (副董事長)*
陳南祿 (董事總經理)
夏佳理 大紫荊勳賢、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*
高伯邁
姚子賢

* 獨立非執行董事

Directors

Ronnie C. Chan (Chairman)
S.S. Yin (Vice Chairman)*
Philip N.L. Chen (Managing Director)
Ronald J. Arculli, GBM, CVO, GBS, OBE, JP*
H.K. Cheng, GBS, OBE, JP*
Laura L.Y. Chen*
P.W. Liu, SBS, JP*
Dominic C.F. Ho*
William P.Y. Ko
Henry T.Y. Yiu

* Independent Non-Executive Director

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

Audit Committee

H.K. Cheng, GBS, OBE, JP (Chairman)
Laura L.Y. Chen
P.W. Liu, SBS, JP
Dominic C.F. Ho

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 大紫荊勳賢、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

Nomination and Remuneration Committee

P.W. Liu, SBS, JP (Chairman)
Ronald J. Arculli, GBM, CVO, GBS, OBE, JP
H.K. Cheng, GBS, OBE, JP
Laura L.Y. Chen
Dominic C.F. Ho

授權代表

陳南祿
李蕙蘭

Authorized Representatives

Philip N.L. Chen
Velencia Lee

公司秘書

李蕙蘭

Company Secretary

Velencia Lee

註冊辦事處

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核數師

畢馬威會計師事務所
執業會計師

Auditors

KPMG
Certified Public Accountants

上市資料

LISTING INFORMATION

於二零一零年六月三十日 At 30 June 2010

4,159,167,670 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

4,159,167,670 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 101HK

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: 紐約梅隆銀行
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 Mellon
Website : <http://www.adrbnymellon.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
Tel : 2862 8628
Fax : 2529 6087

投資者關係聯絡

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電郵地址:

Investor Relations Contact

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 股份數目(千股) No. of Shares ('000)	股價 Price			總成交額 Total Trading Volume 股份數目(千股) No. of Shares ('000)
最高 High 港幣 HK\$	最低 Low 港幣 HK\$			最高 High 港幣 HK\$	最低 Low 港幣 HK\$		

2009				2008			
第三季 Third quarter	29.00	22.00	466,923	第三季 Third quarter	26.80	16.24	535,148
第四季 Fourth quarter	32.95	27.00	418,858	第四季 Fourth quarter	19.68	11.90	601,347
2010				2009			
第一季 First quarter	32.55	25.35	370,365	第一季 First quarter	20.50	13.56	507,307
第二季 Second quarter	32.85	25.95	332,138	第二季 Second quarter	27.50	17.40	519,538

於二零一零年六月三十日之股價:
Share Price as at 30 June 2010:

港幣 30.15 元
HK\$30.15

於二零一零年六月三十日之市值:
Market Capitalization as at 30 June 2010:

港幣 1,254.0 億元
HK\$1254.0 billion

於二零零九年六月三十日之股價:
Share Price as at 30 June 2009:

港幣 25.65 元
HK\$25.65

於二零零九年六月三十日之市值:
Market Capitalization as at 30 June 2009:

港幣 1,063.4 億元
HK\$1063.4 billion



恒隆廣場，濟南歷下區
二零一一年隆重開幕

Parc 66, Lixia District in Jinan
Opening in 2011

股份代號

101 HK

Stock Code

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