

與四周景緻和諧融合，乃本集團旗下物業之設計特色。位於西九龍區的君臨天下，即將成為現代城市景觀的中心點。

When we design our properties, we look to optimise and integrate elements of the neighborhood. The HarbourSide in West Kowloon will sit comfortably in the midst of what soon will be a heartland of modern cityscape.

管理層之

討論及分析

Management Discussion and Analysis

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概覽

環球經濟疲弱、嚴重急性呼吸系統綜合症(沙士)爆發、以及沙士對香港經濟帶來之衝擊，均為二零零二至二零零三財政年度內，影響恒隆地產業務之主因。鑑於大眾對商業交易抱審慎態度，本集團之營業額下降百分之十點一至港幣二十一億四千二百五十萬元，主要由於本財政年度內，花園臺僅售出六個單位，銷量較去年度之二十七個單位減少所致。

為抵銷沙士對業務帶來之負面影響，本集團在營運、商業和推廣活動方面均推出新措施，因而錄得非經常性之支出。這些支出包括撥款供本集團之住宅及商場物業進行額外清潔工作、為其中一個商場之租戶提供體恤性免租、以及為商舖物業組合之租戶推出振興生意之新推廣活動等。

因此，普通股股東應佔純利減少百分之十六點三至港幣十億一千零十萬元。董事局建議派發末期股息每股普通股二角九仙，與上年度相同；全年度普通股股息為四角，亦與上年度相同。

香港物業市場於回顧年度內所面對之艱困，清楚反映了本集團之業績，無論一手和二手市場單位之售價，以至各類租賃物業之租金水平，均普遍下跌。可幸者，本集團年內來自香港之租金收入仍輕微上升，而上海兩個項目之租金收入更錄得頗佳之升幅。

OVERVIEW

The weak global economy, together with the outbreak of Severe Acute Respiratory Syndrome (SARS) and its effect on the Hong Kong economy, were the primary factors that influenced the operations of Hang Lung Properties during the 2002-2003 financial year. Turnover fell 10.1% to HK\$2,142.5 million as people adopted a cautious approach to business. The drop in turnover was mainly due to decreased sales of apartments at Garden Terrace where just six units were sold during the financial year, compared to 27 over the preceding year.

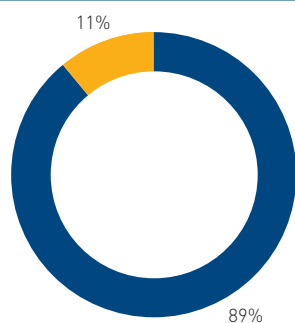
To offset the negative business impact of SARS we introduced new operational, commercial and promotional activities, which in turn resulted in extraordinary expenditure. This expenditure included the funding of additional cleaning operations in our residential and commercial properties, the sympathetic waiving of rentals in one shopping mall and the introduction of new promotional tools to regenerate business for tenants of our commercial portfolio.

As a result, net profit attributable to ordinary shareholders decreased 16.3% to HK\$1,010.1 million. The Directors propose a final dividend of 29 cents per ordinary share, which is the same as last year. The total ordinary dividend for the year is 40 cents per ordinary share, same as last year.

Hong Kong's property market during the year under review has faced difficulties that were clearly reflected in the Group's business results. Both the selling price of units in primary and secondary markets and the rental rates of all leasing properties have generally declined. Fortunately, our rental revenue in Hong Kong increased slightly during the year, whereas income from our two projects in Shanghai recorded a considerable growth.

可供發展之土地儲備
(於香港以供銷售)
Development Land Bank
(for sale in Hong Kong)

於二零零三年六月三十日
at 30 June 2003

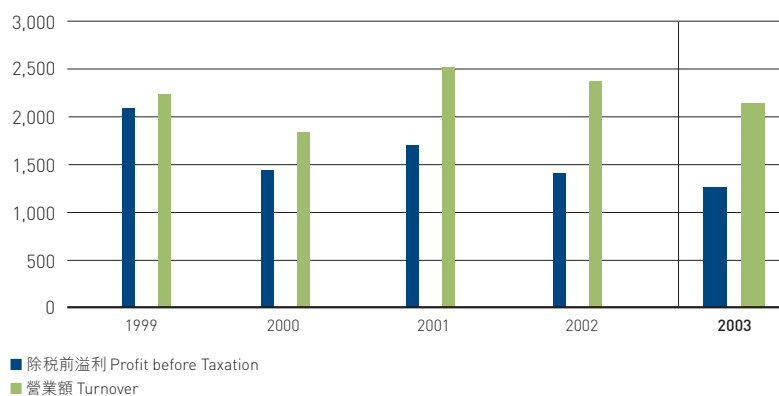


■ 住宅 Residential
■ 商舖/寫字樓 Commercial / Office

營業額及除稅前溢利
Turnover and Profit before Taxation

截至六月三十日止年度
for the year ended 30 June

(百萬元 \$Million)



集團表現 Group Performance

	2003 百萬元 \$Million	2002 百萬元 \$Million	變動 百萬元 \$Million	Change 百分率 %
營業額				
物業租賃				
香港	1,711.6	1,701.4	+10.2	+1
中國大陸	312.5	201.0	+111.5	+55
出售投資物業	118.4	480.8	-362.4	-75
	2,142.5	2,383.2	-240.7	-10
除稅前溢利				
物業租賃				
香港	1,284.0	1,358.6	-74.6	-5
中國大陸	242.4	169.6	+72.8	+43
出售投資物業	37.8	130.7	-92.9	-71
	1,564.2	1,658.9	-94.7	-6
其他收入	60.4	93.0	-32.6	-35
行政費用	(88.3)	(88.6)	0.3	0
財務費用	(272.2)	(256.9)	-15.3	6
	1,264.1	1,406.4	-142.3	-10
普通股股東應佔純利	1,010.1	1,207.0	-196.9	-16



雅蘭中心

雅蘭中心購物商場已投入服務，為繁盛之旺角街頭，揭開了新時尚的購物風采。
We have taken the retail trends of Mongkok's busy streets to new levels with the opening of the landmark Grand Tower Shopping Mall.



Trendy 時尚品味 taste



於二零零二年十月，本集團透過私有化計劃，向母公司恒隆集團有限公司收購其持有格蘭酒店集團有限公司之股權。格蘭酒店集團擁有康蘭酒店和雅蘭酒店，現已成為恒隆地產之全資附屬公司。本集團旗下投資物業之總樓面面積因而增加六萬五千二百七十五平方米，並享有來自康蘭居之額外租金收入。

年內，本集團之發展中項目均如期進行施工。無論新項目之建築工程或現有投資物業之改建工程，均取得良好進展，可確保其能迎合目標市場之需要。新市場推廣及銷售計劃將於二零零三年最後一季策動。

In October 2002, through privatization, we acquired the shareholding of our parent company, Hang Lung Group Limited in Grand Hotel Holdings Limited, which owned two hotel buildings, Grand Plaza Hotel and Grand Tower Hotel. Grand Hotel Holdings is now a wholly owned subsidiary of Hang Lung Properties. The total gross floor area of our investment properties has increased by 65,275 sq m, and we have since gained additional income from Grand Plaza Apartments.

Meanwhile, construction work on our properties under development has progressed on schedule. We have made good progress on our new developments and on the reconfiguration of existing investment properties to ensure that they meet the needs of their target markets. New marketing and sales programmes will be initiated in the last quarter of 2003.



物業發展 及銷售

香港

本集團四項優質住宅項目仍在施工，進度均符合預定落成日期。經沙士事件發生後，本集團已確保該等項目備有可助防止細菌和疾病傳播之設施，包括裝置新式管道／排水系統及紫外線空氣殺菌器，以消除現有排水系統內可能出現之潛在問題。本集團抱有信心，以該等單位之質素，當推出發售時可獲市場熱烈反應。

位於何文田迦密村街之**君逸山**正進行上蓋建築工程。該項目包括發展一幢樓高二十四層之住宅大廈，下設四層停車場及商場，將提供一百八十八個單位，每個單位之面積介乎五十五平方米至一百一十平方米。預期該項目可於二零零三年十月落成，現正設立示範單位，將於二零零三年第四季展開市場銷售。

君臨天下位於機場鐵路九龍站上蓋，包括三幢樓高八十層之住宅大廈，下設五層停車場。該項目可提供一千一百二十二個住宅單位，包括一千零六十二個標準單位、二十四個合併單位及三十六個複式單位，每個單位之面積介乎九十六平方米至二百七十二平方米，部份單位設有露台。該項目已於二零零三年七月獲發入伙紙，而本集團將於二零零三年最後一季展開該項目之市場推廣及銷售計劃。

PROPERTY DEVELOPMENT AND SALES

HONG KONG

Four prime residential developments are still under construction, and are on programme to meet their targeted completion dates. In the wake of the SARS outbreak, we have ensured that the provisions that will help prevent the spread of bacteria and disease are integrated into these developments. These include the installation of new piping/drainage systems and UVC in-duct air purifiers to overcome any potential problems that may be found in existing drainage systems. We are confident that the quality of units we are producing will receive a strong response from the market when they are launched.

Superstructure work at **Carmel-on-the-Hill** at Carmel Village Street, Ho Man Tin, is progressing. This 24-storey residential tower, which is built over a 4-storey car park and retail podium, will provide 188 units ranging in size from 55 sq m to 110 sq m. The work is expected to be completed by October 2003. Show flats are being constructed, and units will be put on sale in the fourth quarter of 2003.

The HarbourSide at the Airport Railway Kowloon Station consists of three blocks of 80-storey residential towers over a 5-storey car park podium. This development will offer 1,122 residential units, comprising 1,062 standard units, 24 combined units and 36 duplex units. The units range in size from 96 sq m to 272 sq m and some include balconies. The occupation permit has been issued in July 2003, and our marketing and sales programme will commence in the last quarter of 2003.

君臨天下

位於機場鐵路九龍站上蓋，包括三幢樓高八十層之住宅大廈，將成為西九龍的地標。

The HarbourSide

located at Airport Railway Kowloon Station, consists of three blocks of 80-storey residential towers. It will be the landmark of West Kowloon.



恒隆廣場

位於上海南京西路，該物業之地面商舖雲集卡地亞、香奈兒及路易威登等國際名牌。

Plaza 66

sited at Nan Jing Xi Lu, Shanghai. Shopping facility of Plaza 66 features leading international brand names such as Cartier, Chanel and Louis Vuitton.

位於西九龍填海區深盛路之 *Aqua Marine* 將於二零零三年第四季如期落成，其所有混凝土工程現已完工，而內部裝修工程亦正順利進行。本集團持有該項目百分之八十五權益。該項目包括發展五幢住宅大廈，下設三層停車場／商場及一層地庫，並包括會所及康樂設施。住宅大廈包括一千六百一十六個單位，每個單位之面積介乎四十六平方米至一百一十九平方米。該項目乃政府混合式房屋計劃首兩項之一，其約百分之三十之住宅面積將按照有關地契之條款，交回政府作為資助房屋出售。

The Long Beach 位於西九龍填海區海輝道，乃一項優質之海景物業。該項目現正發展為八幢樓高四十六層之住宅大廈，將提供一千八百二十三個單位，每個單位之面積介乎六十二平方米至一百三十二平方米。該項目並包括發展三層停車場、寫字樓及商場，以及面積達四千平方米之獨立會所和康樂設施。預期該項目將於二零零四年第二季落成。本集團尚未落實該項目推出市場之時間。

上海

位於南京西路之 *恒隆廣場* 第二幢辦公室大樓，現正進行地基工程。該大樓之總樓面面積達八萬一千四百平方米，乃尊貴顯赫之 *恒隆廣場* 發展項目之一部份，而 *恒隆廣場* 共包括一個大型商場及兩幢辦公室大樓。樓高六十六層之首幢辦公室大樓經已落成及租出，而樓高五十一層之第二幢辦公室大樓將以特別設計之橋樑與首幢辦公室大樓連接。預期第二幢辦公室大樓將於二零零六年落成。

Aqua Marine, situated at Sham Shing Road on the West Kowloon Reclamation, is scheduled for completion in the fourth quarter of 2003. All concreting work has been completed and interior-finishing work is progressing smoothly. We hold an 85% shareholding in the development, which consists of five residential towers built over a 3-storey carparking/retail podium and one level basement. The development includes clubhouse and recreational facilities. The residential towers contain 1,616 units ranging in size from 46 sq m to 119 sq m. This development is one of the Government's two pilot mixed-housing schemes. Under the lease conditions, about 30% of the residential area will be returned to the Government for sale as subsidized housing.

The Long Beach, which is also located on the West Kowloon Reclamation at Hoi Fai Road, is built on a prime sea view site. The eight blocks of 46-storey residential towers comprise a total of 1,823 units ranging in size from 62 sq m to 132 sq m. The development also contains a three-storey car park, office and retail podium and a 4,000 sq m detached clubhouse with recreational facilities. The project is expected to be completed in the second quarter of 2004. We have not yet set a launch date for this project.

SHANGHAI

Foundations are being laid at Office Tower 2 of *Plaza 66* at Nan Jing Xi Lu. This tower with a gross floor area of 81,400 sq m is part of the prestigious *Plaza 66* development, which comprises a huge shopping mall and twin office towers. The 66-storey Office Tower 1 is already completed and leased. The 51-storey Office Tower 2 is linked to Office Tower 1 by a specially designed bridge and is expected to be completed in 2006.



Leisure lifestyle

優閒生活

26

物業租賃

本集團之租金收入來自商舖、寫字樓、住宅／寓所、工業／寫字樓及停車場物業。儘管香港各類租賃物業之市道均於過去數年顯著下調，本集團於剛過去之財政年度內，來自香港之租金收入仍上升百分之一至港幣十七億一千一百六十萬元。自本集團於二零零二年最後一季收購格蘭酒店集團有限公司後，本集團原有之物業組合增加約六萬五千二百七十五平方米之投資物業。本集團位於上海之兩個項目恒隆廣場及港匯廣場，合共為本集團提供港幣三億一千二百五十萬元之良好租金收入，較往年度大幅增加。因此總租金收入較往年度增加百分之六。本集團之香港租賃物業組合之整體租出率處於百分之八十九之理想水平，而租金水平則下降百分之四點五。

PROPERTY LEASING

Our rental revenue is generated from properties in the commercial, office, residential/apartment, industrial/office and car park sectors. Although Hong Kong's rental market in all sectors has experienced a significant downward adjustment in the past few years, our revenue over the last financial year in Hong Kong increased by 1% to HK\$1,711.6 million. Following the acquisition of Grand Hotel Holdings Limited in the last quarter of 2002, approximately 65,275 sq m of investment properties have been added to our existing property portfolio. Our two Shanghai projects, Plaza 66 and The Grand Gateway generated for us sound levels of income at a total of HK\$312.5 million, which was a substantial increase over the previous year. Total rental income therefore increased by 6% over last year. Occupancy rates in our Hong Kong portfolio stood at a satisfactory level of 89% whereas rental rates dropped by 4.5%.



提供優質生活居所乃恒隆地產之依歸。御峯設有雙複式宴會廳及完善會所設施，讓住客盡享優閒寫意的生活，充份體現了恒隆地產對優質家居的內外兼顧。

At Hang Lung Properties, it's all about lifestyle. The Summit with its double duplex function room and clubhouse facilities epitomises our goal of enabling residents to relax and entertain at leisure – both inside and outside their apartments.



香港 商場及商舖

商場及商舖物業原已因零售市道萎縮而受創，再加上沙士爆發而受到進一步之打擊。由於海外旅客減少來港，加上本地消費下降，本集團部份租戶遂要求減租，少數大型連鎖店租戶則關閉其非核心店舖。儘管如此，於回顧年度內，本集團來自商場及商舖之租金收入仍上升百分之零點九至港幣十億零九十萬元。

銅鑼灣仍為香港之主要購物區，尤其吸引較年青之港人和遊客光臨。於名店廊／名店坊，租金收入錄得百分之一跌幅，租出率為百分之九十八。恒隆中心已改變其租戶組合，其二樓物業已由一間著名日本家庭用品零售商租用。於財政年度結算日，恒隆中心之租出率達百分之九十七。

位於鯉魚涌之商場以鄰近大型住宅區之住客為銷售對象。康怡廣場座落於太古地鐵站上蓋，交通方便，能成功維持百分之一百之租出率，租金收入上升百分之八點三。

經精心重整租戶組合後，位於山頂之山頂廣場表現理想，租出率達百分之九十三。

位於牛頭角之淘大商場，於今年第二季沙士爆發期間經歷嚴重艱困。該商場已安排多項綜合表演活動以帶動顧客流量，而於本報告撰寫時，其錄得之人流已回復至正常水平。本集團亦藉該段期間之機會，

HONG KONG Commercial and Retail Sector

In our commercial and retail sector, an already shrinking retail market was dealt a further blow by the SARS outbreak. Some tenants requested rental concessions and a few large chain stores closed non-core shops as a result of fewer overseas visitor arrivals and reduced local consumer spending. Despite these, revenue from this sector increased 0.9% to HK\$1,000.9 million during the year under review.

Causeway Bay is still regarded as Hong Kong's dominant shopping area, especially for younger Hong Kong people and tourists. At Fashion Island/Fashion Walk, rental income recorded a decrease of 1% and the occupancy level stood at 98%. Hang Lung Centre has undergone a change in tenant mix, and a famous Japanese household retailer has moved into the second floor. By the end of the financial year, it was 97% let.

Shopping malls in *Quarry Bay* target residents from nearby mass residential developments. Kornhill Plaza, situated conveniently above the Taikoo Mass Transit Railway Station, has successfully maintained at 100% occupancy rate and an 8.3% increase in rental income.

The Peak Galleria at *The Peak* performed satisfactorily with a 93% occupancy rate after a careful adjustment of the tenant mix.

Amoy Plaza at *Ngau Tau Kok* experienced serious hardship in the second quarter of this year during the SARS outbreak period. Variety shows were organized to generate customer traffic, and we are pleased that, at the time of writing, the number of people passing through the development was back to normal levels. Meanwhile, we used this period

恒隆中心

位於銅鑼灣，香港購物區之一，吸引年青顧客及遊客光臨。

Hang Lung Centre

located in Causeway Bay, one of the dominant shopping areas for younger people and tourists.



雅蘭中心

提供十四層寫字樓、七層商場，另設有一層停車場。

Grand Tower

consists 14 floors of office space, seven floors of retail space and a single floor of car parks.

改善淘大商場之租戶組合。淘大商場之租出率維持在百分之九十一之水平，而主要由於免收租金二十日，故租金收入下降百分之九點八。

位於旺角之雅蘭酒店商場連同其上蓋之前酒店物業，已易名為雅蘭中心。其酒店物業已改建為寫字樓，而該大廈之新面貌包括十四層寫字樓、七層商場，另設有一層停車場。改建工程於二零零三年一月動工，現已大部份完成。潛在租戶於預租期所表達之興趣令人鼓舞，現時已租出之商場面積達百分之七十。此外，麗斯大廈、栢裕商業中心及荷李活商業中心均座落於該著名購物區，並鄰近地鐵站。於剛過去之財政年度，上述旺角物業之租出率下降至百分之八十八。

寫字樓

受到企業縮減規模及進行重組帶來之影響，寫字樓租賃市場之需求持續放緩。由於新寫字樓項目供應量增加，寫字樓租金水平進一步下跌，較二零零一／二零零二年度下降百分之五點四。儘管如此，本集團對旗下寫字樓物業於剛過去之財政年度內維持之租出率感到欣喜。鑑於供應量過裕（尤其就中環區而言），本集團並不預期寫字樓租賃市場將有任何重大之改善。

as an opportunity to improve the development's tenant mix. While the occupancy rate was maintained at 91%, rental revenue dropped 9.8%, primarily as a result of 20 days rental waivers.

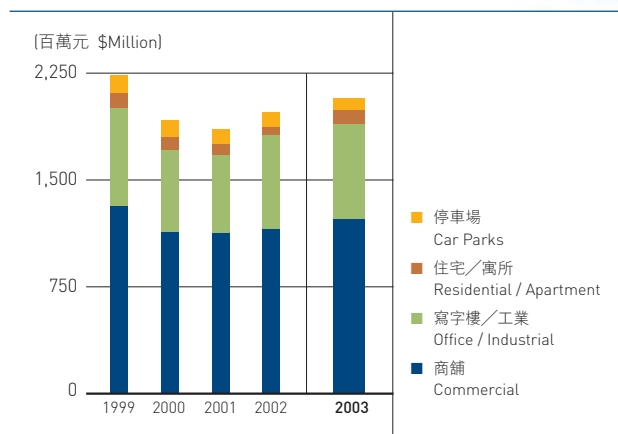
Grand Tower Arcade, our shopping mall in **Mongkok**, together with the former hotel floors above, has been renamed Grand Tower. The hotel floors have been converted into office space and the building's new profile includes 14 floors of office space, seven floors of retail space and a single floor of car parks. Conversion work began in January 2003 and was substantially completed. Interest from potential tenants during the pre-marketing stage has been encouraging. At present, 70% of retail space has been rented. Ritz Building, Park-In Commercial Centre and Hollywood Plaza are also situated in this renowned shopping district and offer easy access to the Mass Transit Railway Station. Occupancy rates dropped to 88% in last financial year.

Office Sector

The demand for office accommodation has continued to slacken as corporate downsizing and restructuring make their impact on the marketplace. Rents decreased a further 5.4% compared with 2001/2002 as a result of the increase in supply of new office developments. Despite this, we are pleased in general with the occupancy rates we have been able to sustain throughout the last financial year. We do not foresee any great improvement in the office market because of the over-supply situation, especially in the Central district.

租金收入

Rental Revenue 截至六月三十日止年度 for the year ended 30 June



按地域性分析之投資物業 Geographical Analysis of Investment Properties

於二零零三年六月三十日 at 30 June 2003

		樓面面積 (千平方米) Gross Floor Area ('000 sq.m.)				車位數目 No. of Carparking Spaces	二零零二/零三年度租金收入 (百萬元) 2002/03 Rental Revenue (\$Million)				
		C	O/I	R/A	總計 Total	CP	C	O/I	R/A	CP	總計 Total
香港	Hong Kong										
	<i>Hong Kong Island:</i>										
中環及金鐘	Central and Admiralty	10.1	40.5	-	50.6	16	115.5	140.7	-	-	256.2
銅鑼灣及灣仔	Causeway Bay and Wanchai	40.8	38.8	18.9	98.5	418	216.9	118.9	42.9	9.8	388.5
康山及鰂魚涌	Kornhill and Quarry Bay	54.1	37.3	35.3	126.7	1,159	209.2	66.8	20.0	24.8	320.8
山頂及半山區	The Peak and Mid-Levels	12.5	-	16.6	29.1	579	40.4	-	14.1	10.0	64.5
港島南區	Hong Kong South	-	-	9.2	9.2	89	-	-	43.3	-	43.3
	<i>Kowloon:</i>										
旺角#	Mongkok#	30.3	69.6	-	99.9	1,473	140.9	72.4	-	41.5	254.8
尖沙咀	Tsimshatsui	6.1	11.1	0.1	17.3	-	24.8	47.4	0.5	-	72.7
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	60.6	6.5	-	67.1	785	246.4	1.0	-	16.5	263.9
長沙灣及葵涌	Cheung Sha Wan and Kwai Chung	3.1	42.1	-	45.2	199	6.8	38.7	-	1.4	46.9
上海	Shanghai										
徐匯區	Xuhui District	101.9	-	-	101.9	1,100	73.3	-	-	-	73.3
靜安區	Jing An District	51.7	78.2	-	129.9	486	84.2	155.0	-	-	239.2
總計	Total	371.2	324.1	80.1	775.4	6,304	1,158.4	640.9	120.8	104.0	2,024.1

代表本集團之應佔權益
Representing the Group's attributable interest

C: 商舖
Commercial

O/I: 寫字樓/工業
Office/Industrial

R/A: 住宅/寓所
Residential/Apartment

CP: 停車場
Car Parks

銅鑼灣是香港最繁盛的購物區之一。恒隆中心以煥然一新的面貌、國際性租戶之陣容，成為該區商場及寫字樓物業之地標。

Hang Lung Centre, with its new look international tenant mix has become a retail and office landmark in Causeway Bay, one of the Hong Kong's busiest retail areas.





Branding mix

名牌滙萃

本集團位於中環之四幢寫字樓大廈，其錄得之租金收入較去年下跌百分之八點八，而租出率仍達百分之九十二之理想水平。位於灣仔之瑞安中心物業，其寫字樓租金水平進一步下降，租戶獲提供各項優惠，包括免租期及辦公室裝修等。位於銅鑼灣之恒隆中心，由於地點優越，故租出率處於百分之九十五之愜意水平，而租金收入亦保持穩定。本集團位於鯉魚涌及康山之寫字樓物業，年內之租出率一直維持在百分之九十之水平。

本集團位於旺角及尖沙咀之寫字樓物業，其租賃情況仍然安穩，錄得之整體租出率為百分之九十一，惟租金收入則減少百分之三點五。位於長沙灣之百佳大廈之租出率為百分之九十四。

Rental income for our four office buildings in **Central** recorded an 8.8% decrease over the previous year's figures while occupancy rates remained at a satisfactory 92%. Office rent at Shui On Centre in **Wanchai** has softened further and tenants have been offered incentive packages, including rent-free periods and the provision of office fit outs. Hang Lung Centre in **Causeway Bay** had a comfortable occupancy rate of 95% due to its prime location while rental income remained steady. Our offices in **Quarry Bay** and **Kornhill** were able to maintain a 90% occupancy level throughout the year.

Leasing activity remained strong at our office buildings in **Mongkok** and **Tsimshatsui**. Overall occupancy rates were recorded at 91% while income decreased by 3.5%. The occupancy rate for Park Building in **Cheung Sha Wan** stood at 94%.



住宅／寓所

由於競爭物業供應量持續增加，加上企業繼續削減員工房屋津貼，故住宅／寓所物業之租金收入受到影響。就恒隆地產而言，租出御峰更多單位有助紓緩情況，而於二零零二年十月收購之寓所物業亦帶來租金收入。因此本集團來自住宅／寓所之總租金收入增加百分之七十一點一至港幣一億二千零八十萬元。

位於港島司徒拔道之豪宅物業**御峰**，配置先進電器、自動家居及電訊系統，其市場推廣對象一直以跨國企業之高級行政人員為主。本集團最近裝修了一間多用途之豪華閣樓宴會廳，供住客使用。該項目之複式豪宅及雙複式豪宅之租賃活動，均維持於合理之高水平。自去年六月推出市場後，五十四個複式豪宅已租出超過半數。

位於港島南區之**濱景園**，平均租出率維持百分之九十一之水平，租金收入則較上年度下降百分之三點四。

本集團繼續銷售位於半山區之**花園臺**單位。於財政年度結算日，本集團已售出花園臺七十四個四睡房豪宅其中六十九個，包括年內售出之六個單位在內。

樓高五層之康蘭酒店，已於今年改為以服務式寓所之模式進行經營，並與樓高七層之康蘭豪華寓所合併為單一項目，統稱為**康蘭居**。儘管香港之服務式寓所眾多，但該物業因地點方便，故能吸引香港之家庭以及該區內和附近之國際公司之僱員惠顧，租出率達百分之七十五。惟鑑於市場競爭，故租金水平下跌百分之十三點一。

Residential/Apartment Sector

Rental revenue for residential/apartment properties was affected by the increasing supply of competitive properties and the diminishing budgets of corporate staff housing allowances. For Hang Lung Properties, the leasing of more units at *The Summit* has helped the situation. Income has also been generated from apartment properties acquired in October 2002. As a result, total revenue from the rental of residential/apartment properties increased 71.1% to HK\$120.8 million.

The marketing of our luxury property, *The Summit* on Stubbs Road, Hong Kong Island which is equipped with state of the art appliances, home automation and telecommunication systems, has always been targeted at top executives from multinational corporations. We recently redecorated a luxurious multi-purpose penthouse function room for use by tenants. Leasing activities of the development's duplex and double duplex units have been maintained at a reasonably high level, and more than half of the 54 duplex units were let since its launch last June.

Burnside Estate in Hong Kong South maintained its average occupancy at 91% although rental revenue dropped by 3.4% from the previous year.

We have continued our programme of selling units at *Garden Terrace* in Mid-Levels. By the end of the fiscal year, we had sold 6 of the 74 four-bedroom units in the development. A total of 69 units have now been sold.

The 5-storey Grand Plaza Hotel, which has changed its operations to serviced apartments this year, and the 7-storey Grand Plaza Apartments are now consolidated as a single complex known as *Grand Plaza Apartments*. Despite the abundance of serviced apartments in Hong Kong, this conveniently located property is attracting both Hong Kong families and staff employed by international companies operating in or around the area. Occupancy levels were 75%, and because of the competitive market, room rates dropped 13.1%.

御峰

位於司徒拔道。圖中展示位於其閣樓宴會廳內雪茄房的其中一角。

The Summit

on Stubbs Road, photo showing a corner of the cigar room located in the multi-purpose penthouse function room.



濱景園

位於港島南區。

Burnside Estate

located in Hong Kong South.

工業／寫字樓

本集團之工業／寫字樓物業主要位於葵涌，該等物業於財政年度內之整體租出率為百分之七十，總租金收入則下降百分之九點一至港幣二千二百一十萬元。

停車場

本集團被譽為香港最佳停車場經營者之一。由於在自行開發之軟件系統作出投資以及貫徹採納ISO 9002國際質量標準，因此本集團之停車場管理業務於年內繼續順暢運作。惟仍不免受到經濟進一步放緩所影響，總收入下降百分之十六點三至港幣一億零四百萬元。

上海

本集團之上海項目繼續錄得強勁增長。恒隆廣場之甲級辦公室大樓持續吸引跨國企業成為租戶，而其商場亦以其國際租戶之鼎盛陣容而見著。港匯廣場為上海最大之購物商場。於剛過去之財政年度內，彼等均保持近乎百分之百之租出率，租金收入較二零零一／零二年年顯著增長。預期未來一年磋商續訂租約時，租金水平可望上升。來自上海物業之總租金收入大幅增加至港幣三億一千二百五十萬元。

Industrial/Office Sector

The overall occupancy level at our industrial/office properties, primarily in **Kwai Chung**, during the financial year stood at 70%. Total rental revenue however dropped 9.1% to HK\$22.1 million.

Car Park Sector

Our car park operations are regarded as among the best in Hong Kong. We have had a smooth year of operations as a result of our investment in effective in-house software and our adherence to the internationally recognised ISO 9002 quality system. However, our car park business has inevitably been affected by the further downturn of the economy and total parking revenue dropped 16.3% to HK\$104 million.

SHANGHAI

Our Shanghai developments continue to record dynamic growth. The Grade A office tower at Plaza 66 is attracting multinational corporate tenants and its shopping mall also boasts a high profile international tenant list. The Grand Gateway is Shanghai's largest shopping complex. Occupancy rates were maintained at nearly 100% over the last financial year with a significant growth in rental income compared with 2001/02. Rental rates are expected to rise in the coming year with lease renewals due to be negotiated. Total rental revenue from the Shanghai properties increased substantially to HK\$312.5 million.



Cozy homes

舒適家居

36

恒隆廣場位於上海歷史悠久之浦西區之南京西路，後者乃高級之購物區。恒隆廣場之地面商舖雲集卡地亞、香奈兒、愛馬仕及路易威登等國際知名品牌店，吸引上海本土及鄰近省市之大量顧客人流。至於恒隆廣場樓高六十六層之辦公室大樓，現為浦西之最高大廈，具卓越之建築特色；而其作為甲級辦公室大樓，配備了最先進之管理及自動化系統，提供最大之效益和便利。恒隆廣場現已全部租出，租戶主要為跨國公司。恒隆地產持有恒隆廣場百分之七十九權益。

Plaza 66 is located on Nan Jing Xi Lu, in the historic Puxi district of Shanghai, a prestigious shopping district. Tenants in its ground level shopping facility include world renowned brands such as Cartier, Chanel, Hermès and Louis Vuitton. The centre is attracting a high volume traffic flow of customers, not only from Shanghai but also from nearby provinces. The 66-storey office tower, now the tallest building in Puxi, boasts outstanding architectural features. This Grade A office tower is equipped with the latest management and automation systems for maximum efficiency and convenience, and is occupied primarily by multinational companies. Hang Lung Properties holds a 79% interest in Plaza 66, which is fully leased.



位於鯉魚涌之康蘭居服務式寓所，由訓練有素的員工提供無微不至的體貼服務，給賓客一個舒適的家。

Residents at Hang Lung's new Grand Plaza Apartments in Quarry Bay are the focus in individual care and attention by staff trained to ensure homes run smoothly.





股東週年大會
各董事局成員與各股東會面。

At annual general meeting
board of directors met with
shareholders.

港匯廣場乃上海首屈一指之購物商場，亦已全部租出。該物業座落於上海最大之地鐵站徐家匯地鐵站之上蓋，總樓面面積達十萬一千九百二十四平方米。其富於時代感之購物商場，由一家百貨公司、多類型影劇院、完善之家庭消閒配套設施、食肆、多姿多采之美食區，以及許多專門店等組成。恒隆地產持有之港匯廣場權益，已由約百分之四十七增加至百分之六十六，故本集團將可分享較大比重之租金收入。

The Grand Gateway is Shanghai's prime shopping complex and is also fully leased. It is located above Shanghai's largest subway station, Xujiahui Station, and provides a total gross floor area of 101,924 sq m. A contemporary shopping mall, it comprises a department store, multiplex theatres, fully integrated family leisure facilities, restaurants, exotic food court and many specialty shops. Hang Lung Properties' interest in this shopping mall has increased from approximately 47% to 66%, and we will hence enjoy a greater share of rental income.

FINANCE AND TREASURY OPERATIONS

As at 30 June 2003, the Group's consolidated net bank borrowings (after deducting cash and bank deposits) totalled HK\$6,833 million compared to HK\$3,226 million of last year. The increase was mainly attributable to capital expenditure on the Group's property development projects – The HarbourSide, the two West Kowloon projects and the Ho Man Tin project.

In the syndicated loan market, the Group arranged a HK\$5.5 billion facility with a group of eighteen international and local banks. The facility comprised a 5-year revolver of HK\$3,666 million and a 7-year term loan of HK\$1,834 million. The success of this transaction demonstrated the strong credit rating of the Group and the confidence of the banking community in our prudent management and financial performance.

財務及資金管理

於二零零三年六月三十日，本集團之綜合銀行借貸淨額(扣除現金及銀行存款)總數為港幣六十八億三千三百萬元，去年同期則為港幣三十二億二千六百萬元。銀行借貸上升乃由於本集團為多項物業發展項目一包括君臨天下、西九龍兩個項目以及何文田項目，作出資本開支所致。

年內，本集團在銀團貸款市場與十八間國際及本地銀行安排一項港幣五十五億元銀團貸款，其中港幣三十六億六千六百萬元為五年期之循環貸款，港幣十八億三千四百萬元為七年期之定期借款。該項貸款獲成功訂立，顯示本集團擁有昭著之信貸聲譽及銀行界對本集團之審慎管理及財務表現深具信心。



週年晚會

各董事向來賓祝酒。

At annual dinner

directors proposed a
toasting to all the guests.

於二零零三年六月三十日，本集團尚未動用之銀行信貸額連同銀行存款合共為港幣五十九億一千萬元，其中港幣十一億零四百萬元為銀行存款、港幣三十六億一千八百萬元為承諾信貸額，而港幣十一億八千八百萬元為活期信貸。本集團擁有充裕資金，足以提供本集團之營運資金及資本開支所需。

本集團之銀行貸款為無抵押，而本集團之政策乃把到期之債項以中至長期之承諾信貸進行再融資。於二零零三年六月三十日，本集團之銀行貸款總額百分之八須於一年內償還、百分之二十一須於一至四年內償還，而百分之七十一則須於四至七年內償還。

本集團使用之貸款方式包括銀團貸款、定期借款、浮息票據及循環信貸，主要以港幣為單位。該等貸款大部份均採用浮息計算利息，並參照香港銀行同業拆息而釐定利息。當情況恰當時，本集團採用利率掉期為其浮息風險作出對沖。於二零零三年六月三十日，本集團百分之十七之借貸乃以定息對沖。

僱員

恒隆地產之持續成功，有賴本集團所有部門之員工所具備之技能、幹勁及專心致志。經較早時集團進行重組由恒隆地產負責所有新物業項目後，恒隆地產由二零零二年七月起直接僱用其香港員工，取代以往按實際成本分攤恒隆集團員工資源之安排。恒隆地產現有員工一千三百八十二人，其中一千零二十一人在香港工作，其餘三百六十一人則受僱負責上海項目。

The Group's undrawn banking facilities together with bank deposits as at 30 June 2003 amounted to HK\$5,910 million, which comprised HK\$1,104 million bank deposits, HK\$3,618 million committed facilities and HK\$1,188 million demand facilities. The ample financial resources available to the Group will provide adequate funding for operational and capital expenditure requirements.

Bank borrowings are unsecured and it is our policy to lengthen our debt maturity profile by refinancing debts with medium to long-term committed facilities. Of the total bank borrowings as at 30 June 2003, 8% was repayable within one year, 21% was repayable between 1 to 4 years and 71% in repayable between 4 to 7 years.

Borrowing methods used by the Group included syndicated loans, term loans, floating rate notes and revolving facilities denominated mainly in Hong Kong dollars. The interest rates for most of these borrowings were floating rate, fixed by reference to the Hong Kong Interbank Offered Rate. The Group employs interest rate swaps when appropriate to hedge its floating rate interest exposure. As at 30 June 2003, 17% of the Group's borrowings was hedged to fixed interest rates.

EMPLOYEES

Hang Lung Properties' continued success is dependent on the skills, motivation and commitment of our staff in all departments. Following the earlier Group restructuring whereby all new projects are handled by Hang Lung Properties, we have employed our staff in Hong Kong directly with effect from July 2002 instead of reimbursing actual costs to Hang Lung Group as previously. Hang Lung Properties now has 1,382 employees, of whom 1,021 work in Hong Kong, with the remaining 361 employed on our Shanghai-based projects.



如過去數年之做法，本集團繼續投放大量資源以加強員工之才能，並特別重視客戶服務水平之改進。年內舉辦之培訓計劃涵蓋客戶服務技巧和禮貌訓練、以及溝通技巧和普通話課程等。同時，其他員工培訓課程集中於維護僱員及物業使用者之健康和安事項，包括為員工講解「使用顯示屏幕設備的健康指引」以符合新規例的規定。

本集團甚為重視員工之貢獻，因此，除原有之二十年長期服務獎外，更新設十年及十五年長期服務獎，以表揚員工之寶貴價值。於工作環境以外，本集團亦深明為員工孕育社群精神之重要性，故為員工及其家眷舉辦週末海上暢遊活動，藉此加強社群關係。此外，本集團之康體會亦繼續舉辦多項活動，包括海洋公園家庭日、電影觀賞及中國書法課程等，而本集團很多員工及其家眷均有參加公益金舉辦之「百萬行」。

本集團抱有信心，眾位員工將繼續為本集團之成功提供穩固之基石，並會秉守本集團堅持之高質服務標準。

As in past years, substantial resources have been devoted to enhancing competency levels among staff. Particular attention was paid to improving levels of customer service, and training programmes during the year have covered customer service skills and courtesy training, as well as courses in communication skills and Putonghua. At the same time, other training programmes focused on skills required for safeguarding the health and safety of our employees and the users of our properties, including a Health Guide on Working with Display Screen Equipment to comply with new regulatory requirements.

Our high regard for the value of our employees' contributions was emphasised by the introduction of Long Service Awards for those who have served 10 and 15 years. This supplements the existing 20-year award. Outside the work environment, we continue to recognise the importance of nurturing a community spirit among staff members, and this was furthered by a weekend cruise for staff members and their families. In addition, our Staff Social Club again organised a varied programme of events including an Ocean Park Family Day, a movie session and a course in Chinese Calligraphy. A large number of our staff and their families also participated in the Community Chest's "Walk-A-Million".

We are confident that our employees will continue to provide a firm foundation for the success of the Group and will maintain the high standards of service to which we are committed.

百萬行

是公司上下員工及其家眷積極參與的活動之一。

Walk-A-Million

was participated by a large number of Hang Lung staff and their families.



慈善活動

除獲得公司提供實質支持外，管理層亦身體力行，出席活動。

Charity event

received not only practical support, but also supported by management team.

社會責任

本集團甚為重視對業務地區之社群所肩承之社會責任。於過去一年，本集團繼續致力於有關事宜，為多個團體和個人提供財務及實質支持。主要重點為教育。香港方面，本集團設計了一項具創意之計劃，藉此鼓勵本地之年青企業家自行創業，方式為在淘大商場預留四十個店舖，並把該處命名為創業徑，申請人倘能提供具創意之意念及可行之業務計劃，並能顯示其有能力把計劃付諸實行者，可獲優惠租務條款使用其中一個店舖進行經營。本集團相信，此項獨特之方式，有助確保過去推動香港商業之「事在人為」理念能延續至未來。

本集團於過去一年作出之其他商務教育活動尚包括Junior Achievement Hong Kong，此乃一項專為高等院校之高年級學生而設之表揚計劃。負責本集團各項業務之同事出席了多個研討會，為學生提供有關公司運作之多方面知識。

在更廣闊之社區層面方面，本集團繼續為公益金以及新成立之工商界關懷非典受難者基金，提供財務和精神上之支持。本集團亦幫助各個研究機構，例如一國兩制研究中心以及中國基金，進行有關商業及社會事務之研究。

本集團以企業身份及透過特定之員工參與計劃，為香港和中國市場其他不勝枚舉之機構提供支持，此特質將繼續為本集團就社會責任所秉持之重要理念。

SOCIAL RESPONSIBILITY

Our commitment to the communities within which we operate continued over the past year with a programme of financial and practical support to a wide range of groups and individuals. Our chief focus has been on education. In Hong Kong, we have designed an innovative programme aimed at encouraging the city's young entrepreneurs to establish their own businesses. Forty shop units have been set aside at our Amoy Plaza Complex. The area is known as Discovery Avenue and applicants who produce creative ideas, feasible business plans and show that they have the ability to execute those plans, will each be offered a unit on very favourable rental terms. This, we believe, is a unique way of ensuring that the "can do" philosophy that has driven Hong Kong business in the past, continues into the future.

Other business education commitments we have made over the past year include the Junior Achievement Hong Kong, a tailor-made programme for senior high school students. Hang Lung staff from across the spectrum of the Group's activities participate in seminars that give students an insight into the multi-discipline work of the company.

Within the broader community, we continue to financially and morally support the Community Chest and the newly formed Business Community Relief Fund for Victims of SARS. We have also helped fund business and community related research projects that have been undertaken by research institutes such as the One Country Two Systems Research Institute and the China Foundation.

There are a myriad of other organisations in both our Hong Kong and China marketplaces that we support, both as a corporate entity and through specific staff initiatives. This ethos will remain integral to our philosophy of social responsibility.