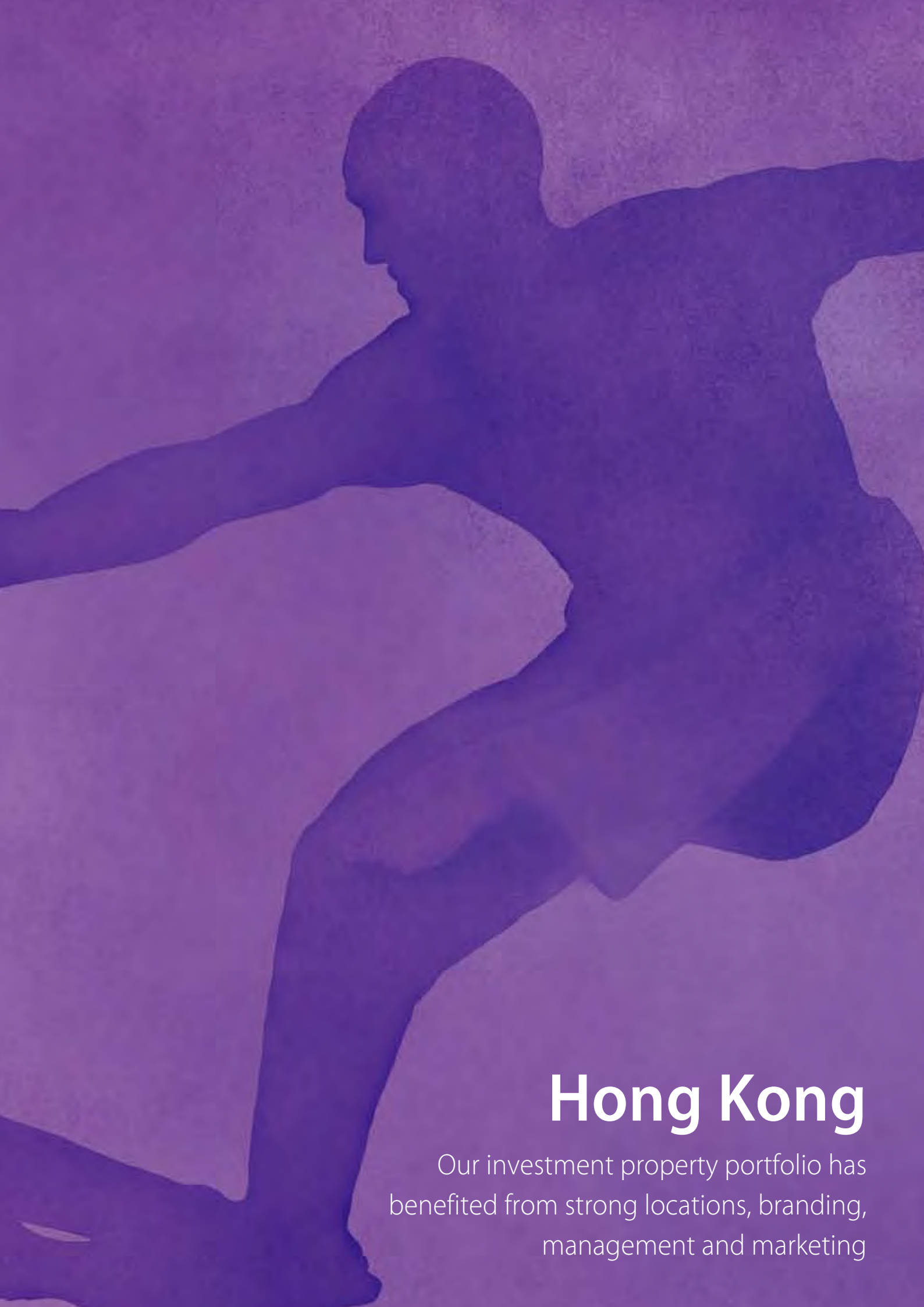


香港

卓越的地利、品牌、管理和市場推廣，
令集團的投資物業組合盡顯優勢





Hong Kong

Our investment property portfolio has benefited from strong locations, branding, management and marketing

香港物業租賃 Hong Kong Property Leasing

山頂 山頂廣場 The Peak Galleria, The Peak



特式舖位加上
黃金地點...
Unique sizes and
ideal locations...



旺角 家樂坊 Gala Place, Mongkok

...吸引世界知名
品牌客戶...
...attract leading
global brands...



經濟蓬勃繼續利好集團投資物業的表現，財政年度內的收入為港幣十九億五千六百三十萬元，增長百分之五。租金水平持續上升，但幅度較上財政年度溫和。此外，租約更新週期（即兩至三年租約的更新情況）仍然暢旺。兼且，集團審閱物業的特性來決定租賃策略，以最佳的租戶行業組合來達至最大的租金收益。

在強勁需求帶動下，集團物業租出率進一步上升。按平均租出率計算，商場及商舖為百分之九十八、寫字樓及工業/寫字樓為百分之九十二、住宅及寓所為百分之七十六。

The strong economy continued to support the performance of our investment properties, with revenues rising 5% to HK\$1,956.3 million for the financial year. Rental levels continued to climb, albeit at a slower rate than in the previous financial year. The rent reversion cycle – the pattern of renewal for our two to three year leases – was strongly positive. In addition, the leasing strategy was successful in maximising the rental yield through careful review of the building character and tenant mix.

Given the strong demand, occupancy rates tightened further, averaging 98% for the commercial and retail, 92% for the office and industrial/office and 76% for the residential and apartment portfolios.



銅鑼灣 名店坊 Fashion Walk, Causeway Bay: 1, 2

...並匯聚龐大的
購物人流
...and draw high
shopper traffic

在旺角和銅鑼灣主要購物區，集團坐擁最大的門市商舖物業組合
We have the largest portfolio of ground floor retail space
in the key shopping locations of Mongkok and Causeway Bay

財政年度內，集團並無發展或購入新的投資物業。旗下物業之樓面面積維持在穩健水平，包括二十四萬三千平方米商場及商舖、二十四萬五千平方米寫字樓及工業/寫字樓、以及七萬九千平方米住宅及寓所。

No new investment properties were developed or acquired during the financial year and gross floor area (gfa) remained stable at 243,000 square metres of commercial and retail, 245,000 square metres of office and industrial/office and 79,000 square metres of residential and apartment space.

香港投資物業之按地域分析

Geographical 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 (百分率) Occupancy Rate (%)	
		2006	2005	2006	2005	2006	2005
港島	Hong Kong Island						
中環及金鐘	Central and Admiralty	50.6	50.6	252.4	241.8	96	90
銅鑼灣及灣仔	Causeway Bay and Wanchai	98.2	98.2	440.7	402.7	93	97
康山及鰂魚涌	Kornhill and Quarry Bay	126.7	126.7	389.2	369.1	87	90
山頂及半山區	The Peak and Mid-Levels	28.2	28.2	120.8	115.8	87	86
港島南區	Hong Kong South	9.2	9.2	33.2	37.5	92	86
九龍	Kowloon						
旺角	Mongkok	102.0	102.0	330.0	311.5	94	95
尖沙咀	Tsimshatsui	39.7	39.7	97.7	81.9	94	99
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	67.1	67.1	251.6	252.8	98	99
長沙灣及葵涌	Cheung Sha Wan and Kwai Chung	45.2	45.2	40.7	41.7	90	93
總計	Total	566.9	566.9	1,956.3	1,854.8	92	94

商場及商舖

在本地消費和訪港旅客(尤其中國內地旅客)的增長帶動下，管理完善及地點優越的商場物業享有更殷切的需求。

本集團憑著地利，充分掌握市場良機。與其他物業持有人比較，集團不僅在香港人流最高的購物區擁有商場，更在銅鑼灣和旺角等主要購物區擁有最多門市商舖物業。此等地舖之租金普遍約為三樓商舖租金之四倍，故有關優勢為集團帶來顯著裨益。

年內，集團繼續以此優勢為基礎，為旗下商場重塑品牌和進行翻新。這些措施已成為我們的標記，有助旗下商場增加購物人流和租金水平。

品牌、主題及租戶組合策略

集團近年之成功要素，乃緊貼市場變化及策略性打造品牌和主題，為旗下投資物業創造出煥然一新的面貌。

Commerical and Retail

In the retail segment, domestic spending together with inbound tourism, especially from mainland China, increased the demand for well-managed, well-located properties.

The Group has been ideally placed to take advantage of these market trends. Not only do we have properties in those districts of Hong Kong that enjoy the highest shopping traffic, but we enjoy more ground floor space than any other owner in the key districts of Causeway Bay and Mongkok. Since ground floor rents are typically in the region of four times those of third floor rental levels, the magnitude of this advantage is clear.

During the year, we continued to build on this advantage through the rebranding and renovation process that has become a hallmark of our approach, and which has helped maximise rentals by increasing shopper traffic.

Strategies on Brand, Theme and Tenant Mix

The strategy of revitalising our portfolio through creating brands and themes attuned to changes in the market has been at the core of our success in recent years.

尖沙咀 恒福時裝雅集 Hanford Fashion, Tsimshatsui



我們不斷加強
租戶組合...
We continually
refine the
tenant mix...

旺角 雅蘭中心一期·食閣 Food Atrium, One Grand Tower, Mongkok: 1, 2



... 為旗下物業
提升價值
... to add value
to our properties



財政年度內，集團再接再厲作出多項新創舉。二零零六年三月，位於旺角的家樂商場易名為**家樂坊**，以追求時尚的青年人和遊客為主要服務對象。該物業的租戶組合亦隨之改變，以往租戶包括家族經營的快餐店及商舖，取而代之的新租戶包括高級國際品牌如星巴克和 California Pizza Kitchen等。這是繼過往同類行動後又一成功之作。例如位於尖沙咀的恒福商業大廈，於二零零五年十一月變身為**恒福時裝雅集**，以一站式高級時裝總匯作為招徠，成為本地人士和遊客樂於惠顧之地。

此外，另一證明集團策略成功的例子是**淘大商場**，該物業已劃分為六個獨特的主題區。透過審閱租戶組合，集團將於二零零七年財政年度為該物業進行大型翻新，配合顧客的需要。

During the financial year, we built upon this success through a number of new initiatives. In March 2006 Gala Shopping Mall in Mongkok was renamed **Gala Place** and positioned to appeal to younger, aspiring people and tourists. The tenant mix changed accordingly, with the former family oriented fast food and retail outlets increasingly making way for more up market, international brands such as Starbucks and California Pizza Kitchen. This follows similar previous successes, such as Hanford House in Tsimshatsui that in November 2005 was rebranded **Hanford Fashion**, marking it the premier location for wholesale fashion outlets, which is a popular draw for locals and tourists alike.

In addition, **Amoy Plaza's** six unique theme zones have been another example of this successful strategy and following a review of the theme mix, will undergo major refurbishment in financial year 2007 in response to the changing needs of our customers.

提升樓面用途

除打造品牌外，集團亦善於為租戶營造獨特的商舖環境。

各主要品牌商均日益渴望開設兩層樓面的旗艦店，以便為顧客提供更寬敞舒適的購物環境及加強品牌吸引力。

由於集團能提供此類商舖，故在市場內脫穎而出。位於銅鑼灣名店坊的愛迪達(adidas)主題零售店，成為該方面的最新典範，而Gas和agnès b等亦將開設新店。

Enhanced Use of Floor Space

Alongside branding, the Group is able to offer to tenants unique environments for their shops.

The major brand names are increasingly keen to create double deck flagship stores that enable them to create a more spacious and welcoming environment for customers, with more brand impact.

Our portfolio is unique in the market in being able to offer such prime locations and the adidas store at **Fashion Walk** in Causeway Bay is the latest example. Others are planned including Gas and agnès b.



銅鑼灣名店坊 Fashion Walk, Causeway Bay: 1, 2

耳目一新的購物
經驗
Redefining
the shopping
experience



創新市場推廣

透過有效的市場推廣策略來協助租戶，是任何商場物業的重要工作。本集團致力採用嶄新的市場推廣計劃，為旗下商場和品牌店提供持續的支持。

二零零六年四月至六月期間，推出「全港首創無條件免費泊車」優惠。凡私家車車牌符合指定數字的車主，可享免費泊車。該項推廣活動取得顧客的熱烈反應。

財政年度內，山頂廣場積極籌辦「樂在山頂」中西音樂匯演。該項活動於二零零六年七月開始舉行，旨在給予山頂遊客舒閒的環境。山頂廣場是山頂的地標，主辦該項活動乃為各界人士提供耳目一新的購物經驗。

旺角雅蘭中心一期、雅蘭中心二期、家樂坊及荷李活商業中心為加強其食肆宣傳，與租戶攜手舉辦一項夜宵推廣活動，透過電台和印刷媒體作出推廣。

Innovative Marketing and Promotion

An effective marketing strategy in support of tenants is important to any retail property, and the Group has therefore concentrated its efforts on innovative campaigns that provide sustained support to our properties and brands.

Between April and June 2006, the first of its kind a free parking promotion, whereby shoppers were able to park free depending on the numbers of their licence plates, attracted a high level of customer interest.

During the financial year, we also worked to prepare for a 'Music at The Peak' promotion campaign at **The Peak Galleria** which was launched in July 2006 and will run through a period of time with an aim to provide a relaxed environment for people who visit **The Peak Galleria**. Combining performances from Chinese and Western musical tradition at **The Peak Galleria**, our property on Hong Kong's landmark Victoria Peak, it aims to redefine the shopping experience for visitors.

In order to promote food and beverage outlets in our Mongkok properties, **One Grand Tower**, **Two Grand Tower**, **Gala Place** and **Hollywood Plaza**, we have organised and worked with our tenants to organise a late night dining promotion in the radio and print media.



山頂 山頂廣場 The Peak Galleria, The Peak: 1, 2



2

寫字樓及工業/寫字樓

在強勁需求帶動下，集團旗下寫字樓物業有良好的表現。該等物業主要位於香港中環區，由於金融服務機構及其他公司持續擴充業務，加上中環區寫字樓仍然供不應求，故集團之寫字樓物業特別受惠。

渣打銀行大廈表現出眾，此項甲級寫字樓物業之租金水平，較上財政年度躍升百分之十。

Office and Industrial/Office

Strong demand for office space supported a good performance from the Group's portfolio of offices. Our office properties located in the prime Central district of Hong Kong benefited particularly as financial services and other firms continued to expand their operations, while supply remained limited.

Standard Chartered Bank Building, our Grade A property saw rental levels rise by 10% over those achieved in the previous financial year.

位於半山區的
御峯豪宅...
*The Summit, our
luxury property in
Mid-levels...*



集團持續致力改善租戶組合，這從雅蘭中心一期和恒隆中心的寫字樓物業獲得明證。該等物業設立主題樓層，包括教育、醫療、美容、旅遊、時裝及批發等主題。財政年度內，雅蘭中心一期和恒隆中心的租金收入分別上升百分之三十九及百分之八，租出率分別達百分之九十五及百分之九十三。

The office portfolio benefited from the Group's attention to tenant mix and theming. Our specially developed theme floors in **One Grand Tower** and **Hang Lung Centre** include those for education, medical, beauty, travel, fashion and wholesale. During the financial year, revenue from **One Grand Tower** increased by 39% while **Hang Lung Centre** by 8% with occupancy reached 95% and 93% respectively.

住宅及寓所

位於港島半山區之御峯複式豪宅，配備優質設施，俯瞰中環的參天景觀。該物業繼續吸引尊貴企業和領事館人員成為租戶。財政年度內其租金收入上升百分之三。

Residential and Apartment

The Summit, a luxury double duplex residential property in Mid-levels on Hong Kong Island, with its views over the Central skyline and deluxe facilities, continued to attract high quality corporate and consular tenants. Rental income rose 3% during the financial year.

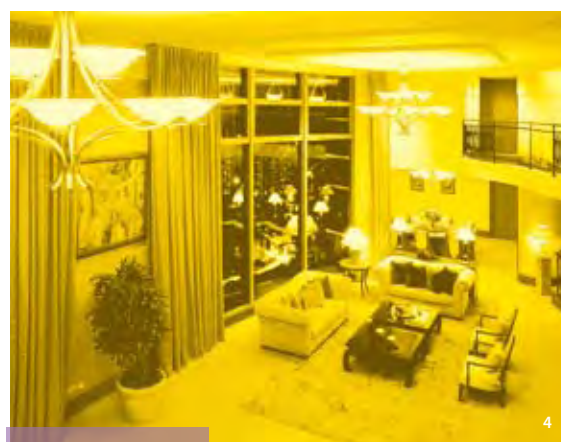
位於鯉魚涌之康蘭居設有一個名為The Third Place的住客專用休閒區。其租金收入上升百分之六，租出率為百分之六十八。

Grand Plaza Apartments in Quarry Bay with a private leisure area named 'The Third Place' which provides a comfortable environment for our tenants, saw rental income rose by 6% and occupancy reached 68%.

香港投資物業之按類分析

Segmental Analysis of Hong Kong Investment Properties

		租金收入(港幣百萬元) Rental Revenue (HK\$ million)		租出率(百分率) Occupancy Rate (%)	
		2006	2005	2006	2005
商場及商舖	Commercial and Retail	1,131.9	1,080.3	98	98
寫字樓及工業/寫字樓	Office and Industrial/Office	518.0	471.8	92	92
住宅及寓所	Residential and Apartment	223.5	215.7	76	87
停車場	Car Parks	82.9	87.0	N/A	N/A
總計	Total	1,956.3	1,854.8	92	94



...質量登峰造極...
...built to very high standards...

...繼續吸引企業和領事租戶
...continued to attract corporate and consular tenants

半山 御峯 The Summit, Mid-levels: 1, 2, 3, 4

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

西九龍 君臨天下 The HarbourSide, West Kowloon: 1, 2, 3, 4, 5



君臨天下之泳池
睥睨維港...
*The HarbourSide's
swimming pool
oversees Victoria
Harbour...*

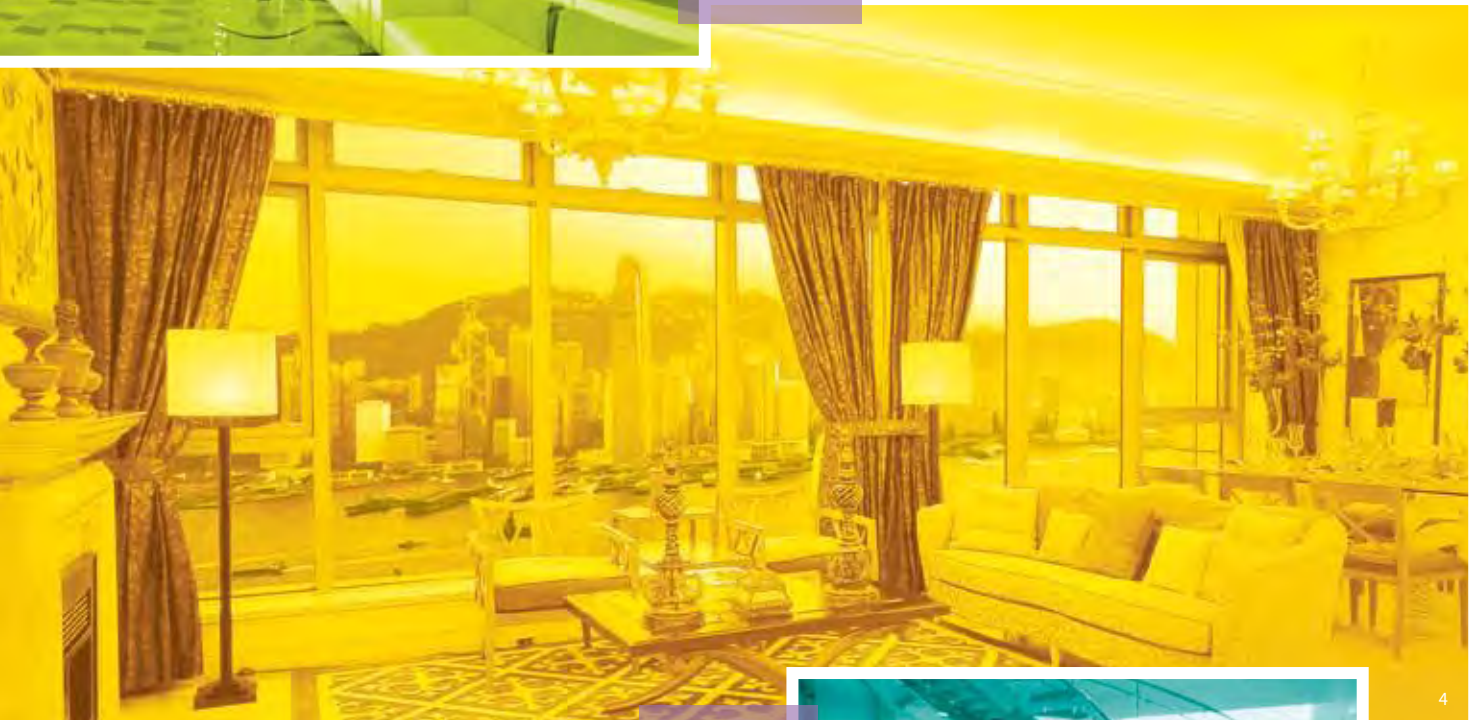


二零零六年財政年度內，住宅市場銷情減弱，與上一財政年度明顯有別。本財政年度初期香港最優惠利率為六點五厘，但於期內顯著上升。儘管按揭負擔仍處於合理水平的百分之三十至三十五，但加息陰霾已對置業意欲構成壓力。

In contrast with the previous financial year, sentiment in the residential market weakened in the financial year 2006. At the beginning of the financial year, the prime rate in Hong Kong stood at 6.5% but rose substantially during the period. While the affordability level remained reasonable throughout the year at the range of 30% to 35%, uncertainty over future rises in rates dampened the appetite for purchasing.



…其會所設施
卓越不凡…
...and with the
spectacular
clubhouse ...



…令美好生活
更添色彩
...adds to the
refined living



這情況在豪宅市場特別明顯，皆因豪宅價格從二零零三年低位大幅反彈後，許多此類物業已重返一九九七年之高位。然而，由於本集團負債率甚低，加上餘下物業的留置成本輕微，故集團可安心等候以便善價而沽。

This was especially true in the luxury segment, where prices had rebounded much more sharply from the lows of 2003 to attain, in many cases, the record levels seen in 1997. With the cost to holding properties back in anticipation of firmer prices minimal, and given the Group's low gearing level, we were well placed to manage this situation.

西九龍 君臨天下 The HarbourSide, West Kowloon



君臨天下和
浪澄灣...
*The HarbourSide and
The Long Beach...*

西九龍 浪澄灣 The Long Beach, West Kowloon: 1, 2

...為九龍區帶來
嶄新的生活體驗
*...are bringing
new lifestyle
choice to Kowloon*

港幣 HK\$
4,800

以每平方呎平均售價港幣四千八百元售出逾三百個單位，不僅高於區內其他物業，亦較上財政年度之平均售價為高

Over 300 units were sold at an average price of HK\$4,800 per square foot, not only a premium over other properties in the district but higher than the previous financial year

與二零零五年財政年度售出約七萬三千平方米的樓面面積比較，集團二零零六年財政年度僅售出兩萬一千平方米的樓面面積，而該等單位多為非高價的普羅住宅物業。故此，物業銷售業務之收入下跌百分之七十七，至港幣十億六千二百四十萬元。

Accordingly, whereas in the financial year 2005, the Group had sold some 73,000 square metres gfa, for the financial year 2006 only 21,000 square metres gfa were sold, with the focus on less expensive mass residential properties. As a result, revenue from property sales fell by 77% to HK\$1,062.4 million.

年內售出之住宅物業，主要為西九龍填海區**碧海藍天**超過三百個單位，其每平方呎平均售價為港幣四千八百元。此售價不僅高於區內其他物業，亦較該項目上財政年度之平均售價為高。

The majority of sales came from **AquaMarine** in the West Kowloon reclamation area. Over 300 units were sold at an average price of HK\$4,800 per square foot, not only a premium over other properties in the district but higher than the previous financial year.

二零零五年九月至今，香港並無舉行大型土地競投。故在二零零六年財政年度內，本集團之土地儲備並無改變，於二零零六年六月三十日仍包括四項已落成的住宅物業，合共之單位數目為三千二百個，樓面面積為二十八萬二千平方米。

Hong Kong has seen no significant tender activity since September 2005 and hence during the financial year 2006 there was no change in the Group's land bank, which comprises entirely the remaining 3,200 units of 282,000 square metres gfa in its four already completed developments at 30 June 2006.