





管理層之討論及分析

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本年主要事項 KEY EVENTS OF THE YEAR

07
2006

與長沙市芙蓉區人民政府簽署意向書，於長沙市發展一個具世界建築水平的大型綜合發展項目—「長沙恒隆廣場」。

Signed a Memorandum of Understanding with the district government of Furong District, Changsha City to develop "Changsha Hang Lung Plaza" — a world class, large scale multi-complex in Changsha City.

08
2006

以人民幣約8.95億元成功投得遼寧省瀋陽市市政府廣場南面、瀋河區青年大街旁一幅約92,000平方米土地，作為我們其中一項大型綜合發展項目。

Acquired a prime lot of about 92,000 square metres on the south side of City Plaza, along Qingnian Street, Shenhe District of Shenyang City, Liaoning Province, for approximately RMB 895 million. We intend to develop a grand scale multi-complex development.

11
2006

我們以先舊後新方式配售4.1億股，配售價每股港幣16.3元，集資額約達港幣67億元，並計劃將所得款項淨額用於核心物業發展及投資業務，特別是中國內地。

Raised approximately HK\$6.7 billion through a placement of 410 million shares at HK\$16.30 per share. We intend to apply such net proceeds for our core property development and investment activities, particularly in mainland China.

12

2006

以約人民幣6.85億元成功投得無錫市崇安區人民中路一幅面積約37,324平方米之黃金地塊，以發展一項大型綜合發展項目，包括世界級購物中心及辦公室大樓。該項目將命名為「無錫恒隆廣場」，總樓面面積約255,000平方米。

Acquired a prime lot of circa 37,324 square metres at Renmin Zhong Road, in the Chongan District of Wuxi City, for approximately RMB 685 million for development of a large-scale multi-complex project comprising a world-class shopping mall and office towers. The project — to be named “Wuxi Hang Lung Plaza” will have a total gross floor area of about 255,000 square metres.

02

2007

以約人民幣5.7億元成功投得濟南市歷下區泉城路一幅面積約52,600平方米之黃金地塊，以發展成一座樓高六層總樓面面積約為150,000平方米的世界級購物中心，並將此項目命名為「濟南恒隆廣場」。

Acquired a prime lot of circa 52,600 square metres at Quancheng Road, in Lixia District of Jinan City, for approximately RMB 570 million for development of a world-class, 6-storey shopping mall with gross floor area of about 150,000 square metres. The project will be named “Jinan Hang Lung Plaza”.

04

2007

位於瀋陽市瀋河區市政府廣場南面、青年大街旁的「瀋陽恒隆市府廣場」於二零零七年四月二十五日舉行動土奠禮，儀式由公司主席陳啟宗先生聯同瀋陽市市委書記陳政高先生主持。

The Ground Breaking Ceremony of “Shenyang City Hang Lung Plaza”, located at the south side of City Plaza, along Qingnian Street, Shenhe District of Shenyang City, was held on 25 April 2007. The ceremony was hosted by Mr Ronnie C. Chan, Chairman of the Company, and Mr Chen Zhenggao, Party Secretary of City of Shenyang.

業務概覽及策略 BUSINESS OVERVIEW AND STRATEGIES

恒隆地產表現出色，來自租賃投資物業及銷售發展項目之收入均強勁增長，其卓越表現乃由旗下上海物業租金收入飆升所帶動。作為中國內地之主要商業城市，上海之入息水平持續增長，為本集團物業之租金收入提供良好支持。

截至二零零七年六月三十日止年度，營業額達港幣四十三億八千九百四十萬元，較去年增加百分之二十。物業租賃佔港幣三十億零三百八十萬元，物業銷售佔港幣十三億八千五百六十萬元，較去年分別增加百分之十六及百分之三十。

來自物業租賃之營業溢利為港幣二十四億零二百二十萬元，較去年上升百分之十七；來自物業銷售之營業溢利為港幣三億零一百二十萬元，較去年同期增加百分之三。

扣除投資物業重估收益及相關遞延稅項後，基本純利達港幣二十億四千七百九十萬元，較去年上升百分之二十六。

我們之物業租賃業務表現出色。儘管本集團整體租金收入之大部分(百分之六十九)仍來自香港，但因上海租賃業務表現突出，故相對香港而言，上海所佔之比重持續增加。隨著本集團銳意在中國內地擴展，未來數年來自中國內地之租金收入可望進一步顯著增長。

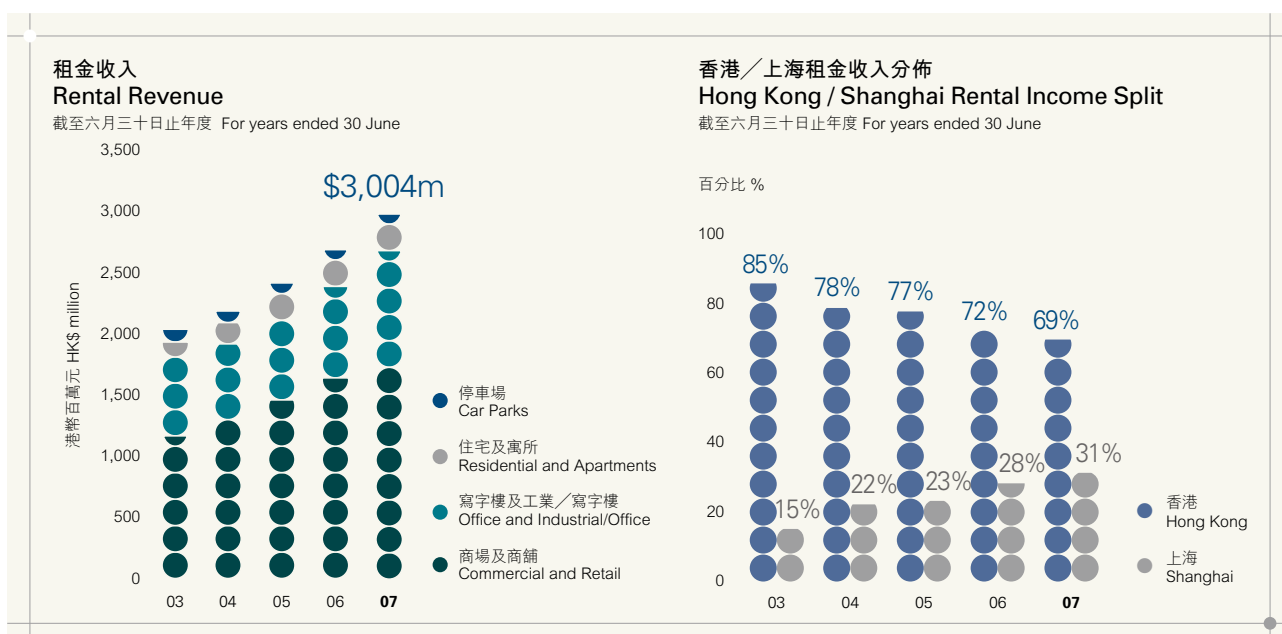
Hang Lung Properties performed well with strong growth in revenues from its investment properties and sale of development projects. The outstanding performance was driven by a strong surge in rental income from our properties in Shanghai which was well supported by rising levels of income in mainland China's major commercial city.

For the year ended 30 June 2007, turnover increased by 20% from the year before to reach HK\$4,389.4 million. Property leasing accounted for HK\$3,003.8 million and property sales for HK\$1,385.6 million, representing an increase of 16% and 30% respectively from the year before.

Operating profit from property leasing was HK\$2,402.2 million, a rise of 17% from the previous year, while that from property sales was HK\$301.2 million, an increase of 3% over the same period.

Underlying net profit, excluding a gain from the revaluation of investment properties and related deferred tax, amounted to HK\$2,047.9 million, a rise of 26% from the previous year.

Our leasing business performed especially well. Although Hong Kong contributed the majority of rental income (69%) to overall rental revenue, the proportion of Shanghai's share relative to Hong Kong continued to grow due to the remarkable performance of our Shanghai rental operations. With our commitment to expand in mainland China, it is expected that the proportion of rental income from mainland China will increase significantly in coming years.



回顧年度內，我們之投資物業亦有升值。由於本年度之投資物業估值加入恒隆廣場第二座新辦公室大樓，故本年度投資物業之公平值增加達港幣五十九億六千二百一十萬元，較去年增加百分之七十三。儘管升幅顯著，但獨立物業估值師採用之估值仍被視為保守。

策略

我們在香港及中國內地之投資物業組合主要集中於商場／商舖及寫字樓物業，並因應地產市場週期在香港市區發展優質住宅物業以供銷售。

我們於一九九二年從香港基地進軍上海，建立兩個甚為成功之租賃物業——恒隆廣場和港匯廣場。以上海之成功經驗為基礎，我們於二零零三年加強策略拓展中國內地，在天津、瀋陽、無錫和濟南等多個高增長城市購入黃金地塊，發展優質商場項目作為長線投資。

我們在中國內地之策略，乃以最合算的價錢購入各個城市內地點最佳及質量最高的大幅土地，興建世界級商場項目。憑藉我們在上海之經驗，加上我們對設計、建築質素、品牌、市場推廣和管理方面的專才，我們有信心為本集團的中國內地新項目同樣地取得可觀回報。

The year under review also saw an increase in the value of our investment properties. With the addition of our new second office tower at Plaza 66 in this year's investment property valuation, the increase in fair value of our investment properties for the year amounted to HK\$5,962.1 million, a 73% increase compared with the previous year. Despite the substantial increase, the estimates used by the independent property valuer were still considered to be conservative.

Strategy

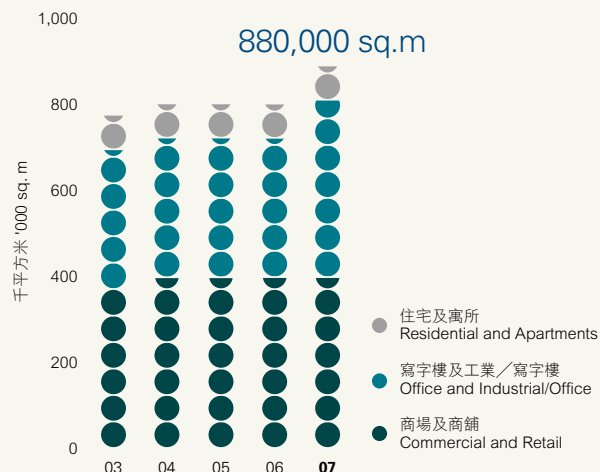
Our investment portfolio is focused mainly on commercial / retail and office properties in Hong Kong and mainland China. We also develop prime town residential properties for sale in Hong Kong, taking advantage of property market cycles.

From our home base in Hong Kong, we moved into Shanghai in 1992. We have two very successful rental properties in Shanghai, Plaza 66 and The Grand Gateway. With our proven success from Shanghai, we expanded our mainland China strategy in 2003 to develop prime commercial projects in high growth cities for long term investment purposes leveraging on cities such as Tianjin, Shenyang, Wuxi and Jinan.

Our strategy in mainland China is to buy sizeable sites of the highest quality, in the best locations of each city at the most competitive prices and to build world-class commercial complexes. With our experience from our profitable Shanghai operations, we are confident of achieving the same lucrative returns for our new projects in mainland China by paying close attention to design, construction quality, branding, marketing and management.

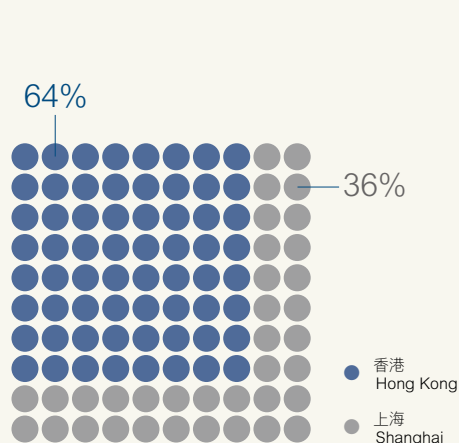
投資物業面積之業務分類
Investment Properties Area by Business Segment

於六月三十日 At 30 June



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

於二零零七年六月三十日 At 30 June 2007



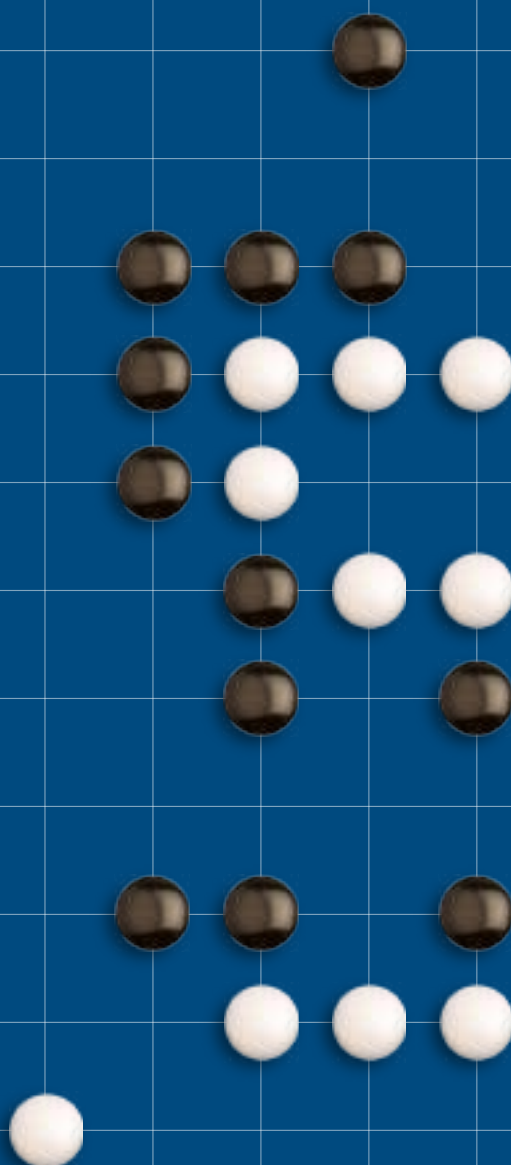
動感之都：名店坊，
香港黃金購物區之名店都會。

City of Light : Fashion Walk,
a prime retail destination in
Hong Kong's prime shopping
district.





香港物業租賃 HONG KONG PROPERTY LEASING



香港物業租賃 HONG KONG PROPERTY LEASING

經濟蓬勃及消費者信心上升，加上我們市場定位得宜，為旗下香港物業租賃業務年內之出色表現提供支持。我們之租金收入及溢利分別增加百分之十及百分之十一，達港幣二十億五千八百五十萬元及港幣十六億六千九百九十萬元。

租金調整週期(即本集團為兩至三年租約之續約情況)甚為良好。此外，透過小心審閱物業特性及租戶組合，我們成功地藉此租賃策略取得更大之租金收益。因此，我們之租金邊際純利穩企於百分之八十，是香港地產發展商中最高者之一。

A dynamic economy, heightened consumer confidence and proper market positioning all supported the exceptional performance of our property leasing business in Hong Kong during the year. Our rental turnover and profits grew 10% and 11% to HK\$2,058.5 million and HK\$1,669.9 million respectively.

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. As such, we maintained our net rental margin at 80%, which is one of the highest among property developers in Hong Kong.

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 (百分比) Occupancy Rate (%)	
		2007	2006	2007	2006	2007	2006
港島	Hong Kong Island						
中環及金鐘	Central and Admiralty	50.6	50.6	209.3	168.9	95	96
銅鑼灣及灣仔	Causeway Bay and Wanchai	98.2	98.2	483.9	440.7	90	93
康山及鯉魚涌	Kornhill and Quarry Bay	126.7	126.7	412.0	389.2	87	87
山頂及半山區	The Peak and Mid-Levels	28.2	28.2	129.1	120.8	84	87
港島南區	Hong Kong South	9.2	9.2	42.2	33.2	95	92
九龍	Kowloon						
旺角	Mongkok	101.6	102.0	357.1	330.0	92	94
尖沙咀	Tsimshatsui	39.7	39.7	119.8	97.7	99	94
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	67.1	67.1	258.4	251.6	96	98
長沙灣及葵涌	Cheung Sha Wan and Kwai Chung	45.2	45.2	46.7	40.7	96	90
總計	Total	566.5	566.9	2,058.5	1,872.8	93	92

由於需求殷切，平均租出率保持理想水平，其中商場及商舖為百分之九十八、寫字樓及工業／寫字樓為百分之九十三，以及住宅及服務式寓所為百分之七十三。

本財政年度內並無在香港發展或購入之投資物業。本集團之物業組合總樓面面積保持穩定，其中商場及商舖佔二十四萬三千平方米、寫字樓及工業／寫字樓為二十四萬五千平方米，以及住宅及服務式寓所為七萬九千平方米。

Given the strong demand, occupancy rates remained stable, averaging 98% for the commercial and retail, 93% for the office and industrial/office and 73% for the residential and apartments portfolios.

No investment properties were developed or acquired during the financial year in Hong Kong. Gross floor area of our property portfolio 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 apartments space.

商場及商舖

我們之物業位於香港最繁盛和最受歡迎的購物區，包括銅鑼灣、旺角、金鐘和山頂。此等黃金購物區享有旺盛之人流。

為確保旗下龐大物業組合享有最大回報，我們不斷監察市場變化，重新審閱租戶組合及調整租賃策略，並定期為現有物業改善及翻新以提供嶄新形象以及保持其長遠價值。

回顧期內，由於香港經濟旺盛及本地消費強勁，令商場及商舖市道持續受惠。來自該等物業之租金收入達港幣十一億一千五百三十萬元，較去年上升百分之六。當中，黃金地段商場之租金收入上升百分之九，其他市區商場之租金收入上升百分之四。

年內之平均租出率穩企於百分之九十八，反映出我們之物業深受商場租戶歡迎。

銅鑼灣

我們在香港最繁盛的購物區之一銅鑼灣，座擁最大數量的門市商舖物業。

回顧期內，我們在該區的物業——名店坊及恒隆中心，分別錄得租金收入港幣二億零九百一十萬元及港幣七千六百四十萬元，上升百分之十三及百分之十一。

為站在市場前沿緊貼市場變化，我們於回顧期內採取多項策略性措施以加強我們在銅鑼灣之市場地位。除了簽訂新租戶及持續擴大我們的租戶組合外，我們亦吸引LCX, Max Mara及 agnès b等國際品牌在名店坊開設複式旗艦店。由於鋪面用途有所提高，我們預期更多著名時裝品牌在未來一年會擴大其商舖陣容。



Commercial and Retail

Our properties are located in some of the busiest and most desirable shopping districts of Hong Kong, including Causeway Bay, Mongkok, Admiralty and the Peak. These prime shopping districts enjoy high pedestrian flow.

To generate maximum returns from our large portfolio of properties, we constantly keep track of market changes, review our tenant mix and adjust our leasing strategies. We also carry out regular refurbishment and improvement works

to provide a fresh look to our existing properties and also maintain their long-term value.

During the review period, the commercial and retail market continued to benefit from strong local consumption due to the buoyant economy in Hong Kong. Total rental income was 6% higher than the previous period at HK\$1,115.3 million. By segment, rental income from our prime retail malls was up 9%, and suburban malls up 4%.

During the year, occupancy rates remained at an average of 98%, reflecting the solid demand of our properties among commercial tenants.

Causeway Bay

We are the largest landlord of street-level shops in Causeway Bay, one of the busiest shopping districts in Hong Kong.

Our properties in this district — Fashion Walk and Hang Lung Centre — recorded rental income of HK\$209.1 million and HK\$76.4 million, a growth of 13% and 11% respectively during the review period.

Staying at the forefront of market changes, we implemented a series of strategic initiatives to further strengthen our market positioning in Causeway Bay during the review period. Besides signing up new tenants and further widening our tenant profile, we also attracted international brands to set up duplex flagship stores in Fashion Walk, including LCX, Max Mara and agnès b. With the enhanced use of floor space, we expect more reputable fashion brands to expand their retail footprint in the coming year.

香港物業租賃 HONG KONG PROPERTY LEASING

山頂

山頂是香港的遊客勝地之一，而山頂廣場提供獨特的購物經驗。隨著訪港旅客人數持續上升，山頂廣場錄得租金收入港幣五千一百五十萬元，較去年上升百分之二。

旺角

旺角是香港人流最高的地區之一，我們在該區主要交通動脈彌敦道與西洋菜街交界地，座擁最大數量的商場物業。

年內，家樂坊、雅蘭中心一期及二期、以及荷李活商業中心，分別貢獻租金收入港幣五千五百三十萬元、港幣一億二千三百六十萬元及港幣九千六百一十萬元，增長百分之四、百分之七及百分之二十。

東九龍

我們在東九龍之主要商場物業淘大商場，採用主題區策略，把同一零售行業的租戶集合在同一區。年內，淘大商場進行大型改善／翻新，待此項優化資產計劃於本年底完成後，我們有信心進一步增強客戶對該物業的需求。淘大商場年內之租金收入達港幣一億八千一百六十萬元，上升百分之三。

The Peak

The Peak Galleria provides a unique shopping experience at the Peak, one of Hong Kong's main tourist attractions. In line with the continuing growth in tourist arrivals, The Peak Galleria recorded rental income of HK\$51.5 million, up 2% from the previous year.

Mongkok

Mongkok has one of the highest flows of pedestrian traffic in Hong Kong. In this area, we are the largest landlord of retail space in the zone bordered by the main traffic artery of Nathan Road and Sai Yeung Choi Street.

During the year, Gala Place, One and Two Grand Tower and Hollywood Plaza contributed HK\$55.3 million, HK\$123.6 million and HK\$96.1 million in rental income, representing an increase of 4%, 7% and 20% respectively.

Kowloon East

For our major retail property in Kowloon East, Amoy Plaza, we adopted the theme zone strategy — grouping tenants of similar business and product lines in the same area. We also carried out major upgrading and refurbishment work to the property, which when completed by the end of this calendar year, will further enhance the desirability of the property. Rental revenue of Amoy Plaza during the year amounted to HK\$181.6 million, an increase of 3%.

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 (百分比) Occupancy Rate (%)	
		2007	2006	2007	2006
商場及商舖	Commercial and Retail	1,115.3	1,048.4	98	98
寫字樓及工業／寫字樓	Office and Industrial/Office	628.4	518.0	93	92
住宅及寓所	Residential and Apartments	232.6	223.5	73	76
停車場	Car Parks	82.2	82.9	N/A	N/A
總計	Total	2,058.5	1,872.8	93	92

「自一九九一年遷入恒隆中心至今，我們租用的面積已由一千平方呎擴大至一萬五千平方呎。在許多方面，我們的成功有賴恒隆地產的支持。從內部設計至品牌組合等，恒隆地產都給了我們非常寶貴的意見。」

— 名家時裝批發有限公司 董事總經理 何倩杏

“Since moving into Hang Lung Centre in 1991, the space we occupy has expanded from 1,000 sq. ft. to 15,000 sq. ft. In many ways, our success has been built on the support we’ve received from Hang Lung Properties, who have given us invaluable advice on issues ranging from interior design to brand mix.”

Jocelyn Ho, Managing Director of Magazzin Fashion Wholesale Company Limited



香港物業租賃 HONG KONG PROPERTY LEASING

寫字樓及工業／寫字樓

我們在香港工商要地擁有多項優質寫字樓物業，此等物業均鄰近公共交通及主要公路，地點方便。

年內，中國內地及世界其他主要經濟體繼續蓬勃增長，刺激香港寫字樓物業需求。在金融機構對優質寫字樓之殷切需求支持下，我們取得令人鼓舞之租金收入增長。我們之寫字樓及工業／寫字樓物業之租金收入達港幣六億二千八百四十萬元，較去年上升百分之二十一。

我們為每項物業根據其地理位置及市場定位採用不同的市場策略，因而令租金收入極速增長。我們將會繼續採用此項策略制定及挑選合適之租戶組合為其寫字樓物業爭取更大的租金回報。作為業主，我們擁有的其中一項核心強項，是透過有效的市場推廣策略，積極為物業提升價值及爭取最大的租金回報。我們曾引入多項創新策略，包括把同一行業的租戶集中在大廈同一層或同一區，形成不同主題如時裝批發、健康護理及旅行社等，這項主題區概念在香港是一項創舉。

寫字樓及工業／寫字樓之租出率為百分之九十三，較去年上升一個百分點，其租戶包括跨國公司、專業機構及服務相關行業。

Office and Industrial/Office

We own a variety of high quality office properties in premier locations throughout Hong Kong. All are conveniently situated close to public transport and major roadways.

Sustained economic boom in mainland China and other major world economies spurred demand in Hong Kong for office space during the year. There was a strong demand of financial institutions for prime office space and we achieved encouraging growth in rental income. Rental income from our office and industrial/office properties increased by 21% from the previous year to reach HK\$628.4 million.

This remarkable growth in rental income was attributable to the different marketing strategies tailor-made for every property in accordance with their location and marketing position. One of our core strengths we have as a landlord is the efforts we pay to enhancing property values and maximising rental returns through good marketing strategies. Among the innovative strategies we have implemented is the grouping of industry-related tenants, such as fashion wholesalers, healthcare providers and travel agencies, onto single floors or areas in our buildings. We were among the first in Hong Kong to introduce this zoning concept.

Office and industrial/office occupancy rate is 93%, a 1% increase from the year before. Tenants of our office portfolio included multinational corporations, professional firms and service-related industries.

住宅及寓所

年內，我們之服務式寓所表現理想。我們採用獨特的市場推廣策略，成功擴大公司客戶基礎，加強集團有關物業之市場地位，該等物業之平均房租上升百分之十一。

位於港島半山區尊貴地點之御峯豪宅，繼續吸引企業和領事館人員成為租戶，年內之租金收入達港幣六千四百八十萬元，租出率穩企於百分之七十九。

位於鰂魚涌太古地鐵站上蓋之康蘭居服務式寓所，其租金收入上升百分之四，而租出率為百分之六十七。

Residential and Apartments

During the year, we achieved satisfying performance in the serviced apartment segment. With our unique marketing strategies in place, we expanded our clientele in the corporate sector, and thus established a stronger foothold in our market. Our average room rate increased by 11%.

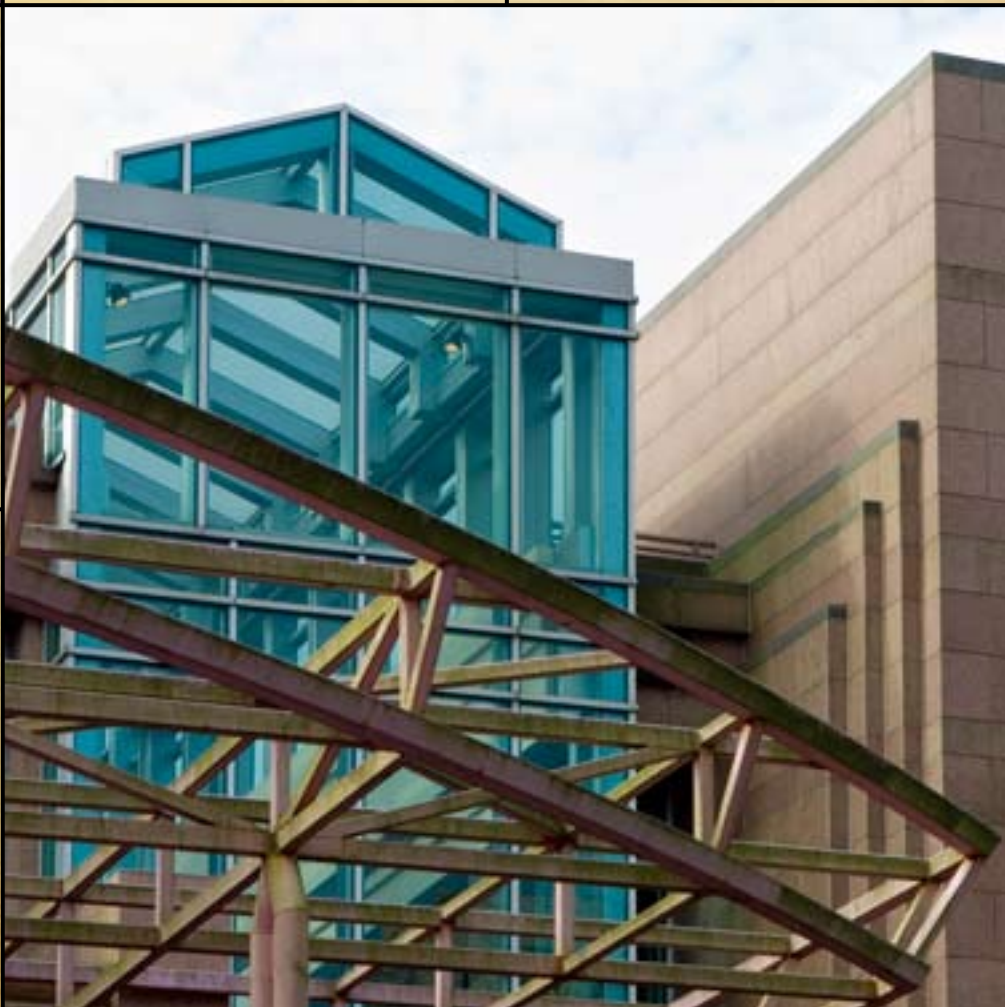
The Summit, situated in the exclusive Mid-Levels area of Hong Kong Island, continued to attract corporate and consular tenants during the year, generating rental income of HK\$64.8 million. The occupancy rate was maintained at 79%.

Kornhill Apartments, a serviced apartment complex above Tai Koo MTR station in Quarry Bay, saw rental income rose by 4% and occupancy rate reached 67%.

香港物業租賃
HONG KONG PROPERTY LEASING



● 名店坊
Fashion Walk



● 山頂廣場
The Peak Galleria



● 雅蘭中心一期及二期
One and Two Grand Tower



● 家樂坊
Gala Place



● 御峯
The Summit

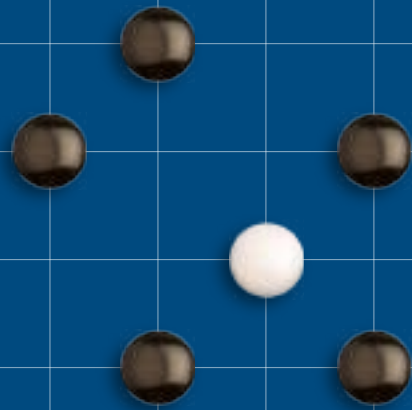


● 恒隆中心
Hang Lung Centre





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



生活的藝術：浪澄灣，
集豪華、品味和閒適於一身。

The Art of Living : Luxury, style
and relaxation come together at
The Long Beach.

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

恒隆地產是香港市區優質住宅發展商，享有令人稱羨之盛名。

臨近財政年度結束時市場意欲改善，我們把握市場狀況出售物業，故年內售出之單位數量較去年為多。我們取得理想的物業銷售收入及溢利，兩者分別達港幣十三億八千五百六十萬元及港幣三億零一百二十萬元，增加百分之三十及百分之三，主要來自銷售約四百一十個住宅單位。

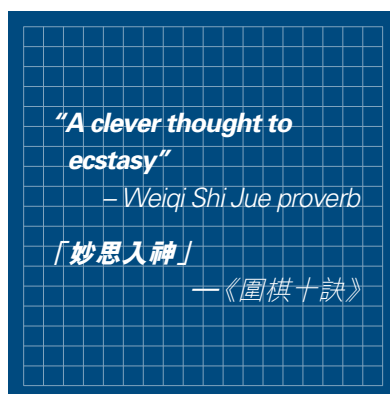
大部分售出單位屬於碧海藍天，其每平方呎平均售價約達港幣四千六百元。該物業包括五幢樓高四十二層之住宅大廈。截至二零零七年六月三十日，碧海藍天已售出百分之九十四之單位。

本集團另一項目君臨天下，位於機場鐵路九龍站上蓋，包括三幢樓高八十層之豪宅大廈。該物業共有一千一百二十二個單位，截至二零零七年六月三十日售出二百四十六個單位或約百分之二十二，其每平方呎平均售價達港幣一萬零七百元。

位於中九龍何文田之君逸山，乃一幢樓高二十四層之住宅大廈。該物業共有一百八十八個單位，迄今售出一百七十四個單位或百分之九十三，其每平方呎平均售價達港幣五千一百元。

位於中九龍之浪澄灣於二零零六年八月落成，包括八幢樓高四十三層之住宅大廈。該項宏偉物業提供超過一千八百個住宅單位，每個單位之面積介乎七百平方呎至二千平方呎，均享有海景及甲級康樂設施。預期該物業將於二零零七年第四季開始發售。

由於樓價尤其豪宅價格可望上升，故本集團擬於未來兩至三年間出售餘下物業，按照二零零七年六月三十日之銷售價，預計可提供現金逾港幣二百億元供本集團融資其在中國內地之擴展計劃。



Hang Lung Properties has earned an enviable reputation as a developer of prime town residential properties in Hong Kong.

As sentiment improved towards the end of the fiscal year, we took advantage of market conditions and sold more properties than the year before. We realised higher property sales revenue and profits, which amounted to HK\$1,385.6 million and HK\$301.2 million, an increase of 30% and 3% respectively. This was mainly derived from the sale of about 410 residential units.

Most of the units sold were from AquaMarine, a five 42-storey tower complex, at an average sales price of approximately HK\$4,600 per square foot. As at 30 June 2007, AquaMarine was 94% sold.

Another of our projects, The HarbourSide, is a development comprising three blocks of 80-storey luxury residences above Kowloon Station of the Airport Express. Out of a total of 1,122 units, 246 units or about 22% had been sold at an average price of HK\$10,700 per square foot as at 30 June 2007.

Carmel-on-the-Hill, located in Ho Man Tin in central Kowloon, is a single 24-storey residential tower. Out of a total of 188 units, 174 units or 93% had been sold so far at an average price of HK\$5,100 per square foot.

Completed in August 2006, The Long Beach comprises eight 43-storey residential towers in central Kowloon. Offering more than 1,800 residential units ranging in size from 700 sq. ft. to 2,000 sq. ft., this spectacular development offers sea views and first-class recreational facilities. Sales of units in this complex are expected to begin in the fourth quarter of 2007.

In anticipation of firmer prices, particularly in the high-end segment of the residential market, we intend to sell our remaining properties over the next two to three years which is estimated to generate cash flow of over HK\$20 billion based on selling prices as at 30 June 2007. The cash flow can be used to finance our mainland China expansion plan.

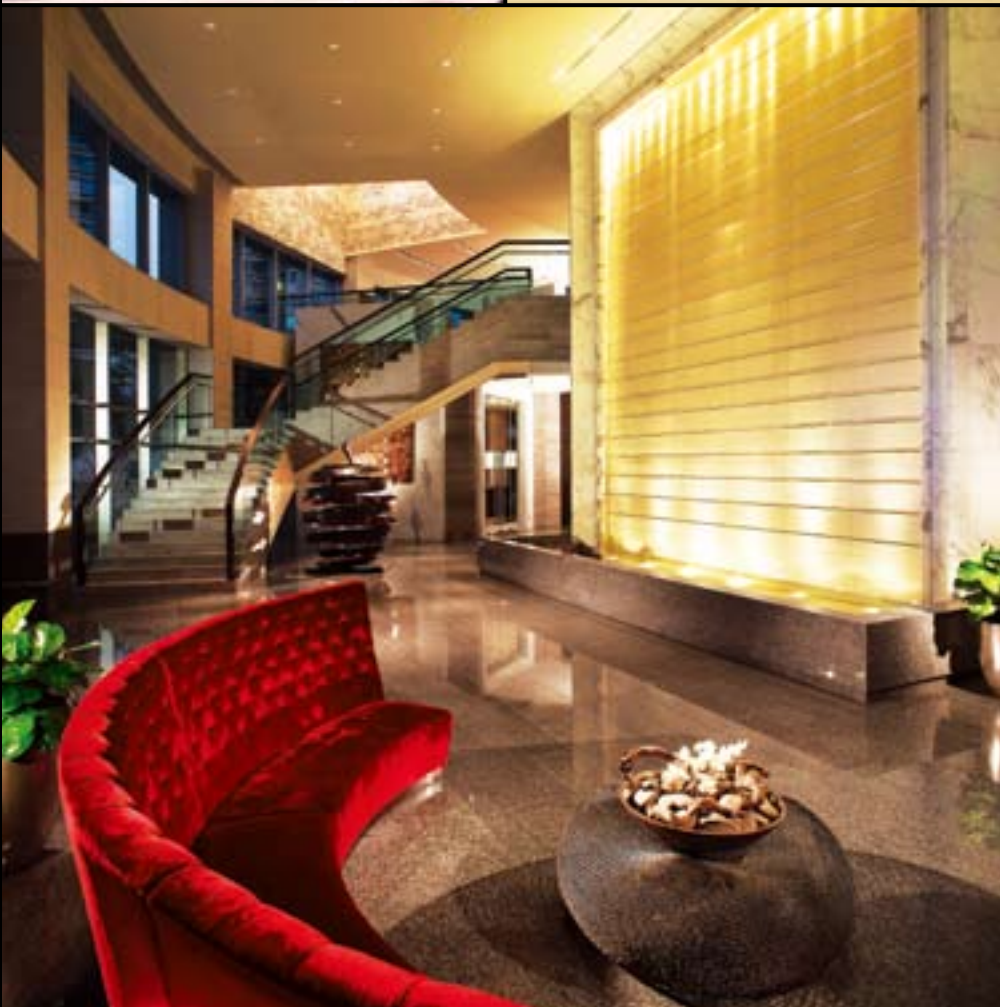


● 君逸山
Carmel-on-the-Hill

● 碧海藍天
AquaMarine



● 浪澄灣
The Long Beach



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





- 君臨天下
The HarbourSide

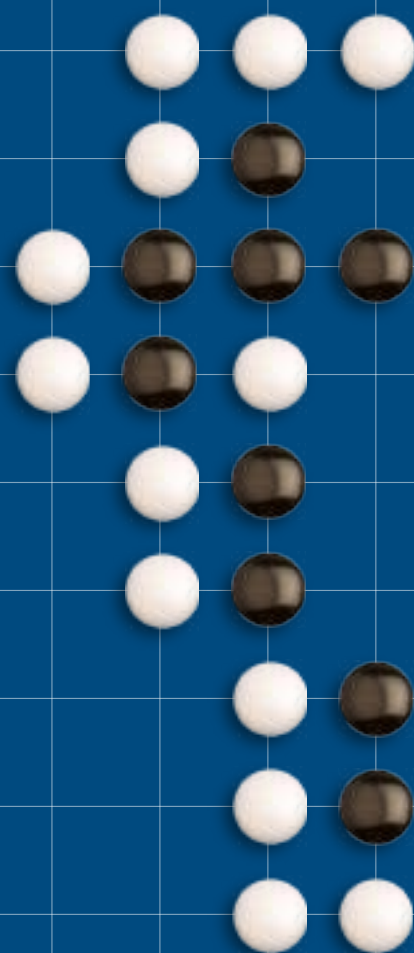


錦繡中華：恒隆廣場，
上海心臟區的時尚品牌中心。

Inspiring China : Plaza 66, the centre of
fashion in the heart of Shanghai.



中國內地業務
**MAINLAND
CHINA
OPERATIONS**



中國內地業務 MAINLAND CHINA OPERATIONS

恒隆地產之未來，緊扣中國內地城市令人振奮的增長前景。

我們策略專注在中國內地主要城市之黃金地點，建立高質素的投資物業組合，並著重於商場物業。

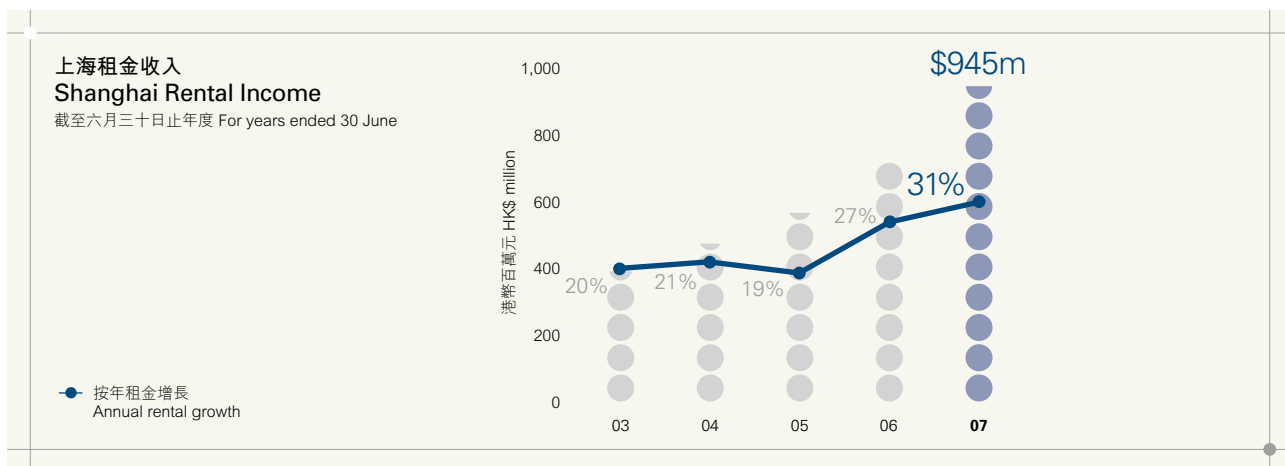
我們十四年前為此項策略展開序幕，在上海文化及商業要地浦西區，購入位置最佳之黃金地塊。



Hang Lung Properties is capitalising on the robust growth prospects offered by the vibrant urban markets of mainland China.

Our strategy is focused on building a portfolio of high quality investment properties in the best locations of major cities in mainland China, with a special emphasis on the retail segment.

We first rolled out this strategy 14 years ago when we acquired the best available locations in Shanghai's cultural and commercial district of Puxi.



		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 (%)	
		2007	2006	2007	2006	2007	2006
上海	Shanghai						
徐匯區	Xuhui District	101.9	101.9	389.2	322.9	100	100
靜安區	Jing An District	211.3	211.3	556.1	399.0	100	100
天津	Tianjin	153.0	153.0	-	-	-	-
瀋陽	Shenyang						
瀋河區(中街路)	Shenhe District (Zhongjie Road)	109.7	109.7	-	-	-	-
瀋河區(青年大街)	Shenhe District (Qingnian Street)	800.0	-	-	-	-	-
無錫	Wuxi	255.0	-	-	-	-	-
濟南	Jinan	150.0	-	-	-	-	-
總計	Total	1,780.9	575.9	945.3	721.9	-	-

「對愛馬仕來說，上海是一個非常重要的城市。二零零一年我們在恒隆廣場開店，憑著卓越的銷售表現，業務迅速增長，到二零零七年六月已擴大店舖面積展現新姿采。現時，上海分店是愛馬仕在中國最大的分店。我們很高興與恒隆合作 — 他們的團隊非常專業，十分幫忙。」

— 愛馬仕集團

“Shanghai is a very important city to Hermès. We opened our store at Plaza 66 in 2001, and thanks to our excellent sales performance and rapid growth, we have expanded our store and re-opened in June 2007. Currently, our Shanghai outlet is the biggest Hermès store in China. We are always happy to work with Hang Lung — their team is very professional and helpful.”

— The Hermès Group



中國內地業務 MAINLAND CHINA OPERATIONS

此後，我們打造了上海兩個地標項目——恒隆廣場和港匯廣場。兩者均能憑著實力，在持續展現巨大潛力的當地市場中，取得強勁的租金收入增長。

恒隆廣場

恒隆廣場位於中國最著名的商業大街之一南京西路，是一個贏得多項大獎的商場／辦公室大樓項目。

恒隆廣場購物商場卓越不凡，其租戶包括世界多個最受崇尚的尊貴品牌，包括Cartier、Chanel、Dunhill、Hermès、Louis Vuitton、Tiffany & Co及Versace等。其租出率達百分之一百，輪候租戶眾多，證明恒隆廣場深受高檔商戶歡迎。

備受期待的鐘錶廊將於今年第四季啟業，其匯集國際頂級名錶公司，包括Boucheron、Chaumet、Chopard、Franck Muller、Girard-Perregaux、Harry Winston、IWC、Panerai、Richard Mille及Zenith等。集團預期鐘錶廊成為上海首個名錶薈萃之地，供著名鐘錶商在恒隆廣場陳列其珍品。

上海高消費人士日增，其過去數年之消費大幅增長，為恒隆廣場之成功提供動力。此乃由於消費持續攀升下，租戶可給予較高租金，令恒隆地產享有更多租金收入。回顧年度內，恒隆廣場貢獻商場租金收入港幣二億三千八百三十萬元，較去年上升百分之三十七。

恒隆廣場包括兩幢甲級辦公室大樓，吸引資訊科技、時裝界以至航空業等著名跨國公司成為租戶。第一幢辦公室大樓之樓面面積為七萬八千二百平方米，而於二零零六年十二月底落成之第二幢辦公室大樓，其樓面面積為八萬一千四百平方米。該兩幢辦公室大樓之租出率現穩企於百分之一百，本財政年度內物業租金收入達港幣三億一千七百八十萬元。

Since then, we have developed two landmark properties in Shanghai, Plaza 66 and The Grand Gateway. Both have achieved significant organic rental growth in a market that continues to show tremendous potential.

Plaza 66

Plaza 66 is an award-winning retail/office complex located on Nanjing Xi Road, one of China's best known commercial streets.

As a retail destination, this truly spectacular development is home to many of the world's most respected luxury brands, including Cartier, Chanel, Dunhill, Hermès, Louis Vuitton, Tiffany & Co, and Versace. Occupancy rate is currently at 100%, with a long waiting list that attests to the popularity of Plaza 66 among top-end retailers.

With much anticipation, the Watch Gallery will open in fourth quarter this year. Featuring top international watch companies including Boucheron, Chaumet, Chopard, Franck Muller, Girard-Perregaux, Harry Winston, IWC, Panerai, Richard Mille and Zenith, we expect this gallery to be the first of its kind in Shanghai providing prime space for the watch industry leaders to extensively display their product lines in Plaza 66.

The success of Plaza 66 has been fuelled by Shanghai's increasingly affluent consumers, whose rate of spending has grown tremendously over the last few years. For Hang Lung Properties, this upward trend is translating into higher rental rates and rental income from tenants. During the year under review, Plaza 66 contributed HK\$238.3 million in retail rental revenue, a rise of 37% from the year before.

The two Grade A office towers in Plaza 66 attract leading multinational companies, ranging from IT to fashion to airline industries. Office Tower II of Plaza 66 was completed at the end of December 2006, adding another 81,400 square metres to Office Tower I of 78,200 square metres. Occupancy rate in both towers is currently at 100%, and the property generated rental revenue of HK\$317.8 million for the fiscal year.

港匯廣場

港匯廣場位於上海最大地鐵站徐家匯地鐵站之上蓋，擁有面積達十萬二千平方米之高級購物商場，包括逾四百五十間商舖、多類型電影院、食肆及消閒配套，其租金收入較去年增長百分之二十，達港幣三億八千九百二十萬元，於二零零七年六月三十日之租出率為百分之一百。

為求從上海的消費增長取得最大裨益，該購物商場重整其租戶組合。於二零零七年六月三十日，其約百分之三十租戶為國際品牌及連鎖店，餘下為本地租戶。財政年度內，港匯廣場喜獲國際著名時裝品牌 agnès b, Bally, Cerruti 1881, Longchamp 及 Patrizia Pepe 加盟為租戶。

待二零零九及二零一零年徐家匯地鐵站兩條新幹線通車後，該購物商場之人流可望大增。

The Grand Gateway

Located above Shanghai's largest subway station at Xujiahui, The Grand Gateway boasts an upscale shopping mall covering 102,000 square metres housing over 450 retailers, multiplex cinemas, restaurants and leisure facilities. Rental income rose 20% from the previous year to HK\$389.2 million and occupancy rate stood at 100% as of 30 June 2007.

We have been remixing our retail tenants in the property in order to derive maximum benefit from Shanghai's rising consumption. As of 30 June 2007, about 30% of the tenants of the shopping mall were international brands and chain stores and the remaining were local tenants. During the fiscal year, we were pleased to bring in internationally renowned fashion brands including agnès b, Bally, Cerruti 1881, Longchamp, Patrizia Pepe.

Pedestrian traffic to the shopping mall is expected to significantly increase in 2009 and 2010 with the opening of two new metro lines at Xujiahui subway station.

中國內地業務
MAINLAND CHINA OPERATIONS



恒隆廣場 ●
Plaza 66





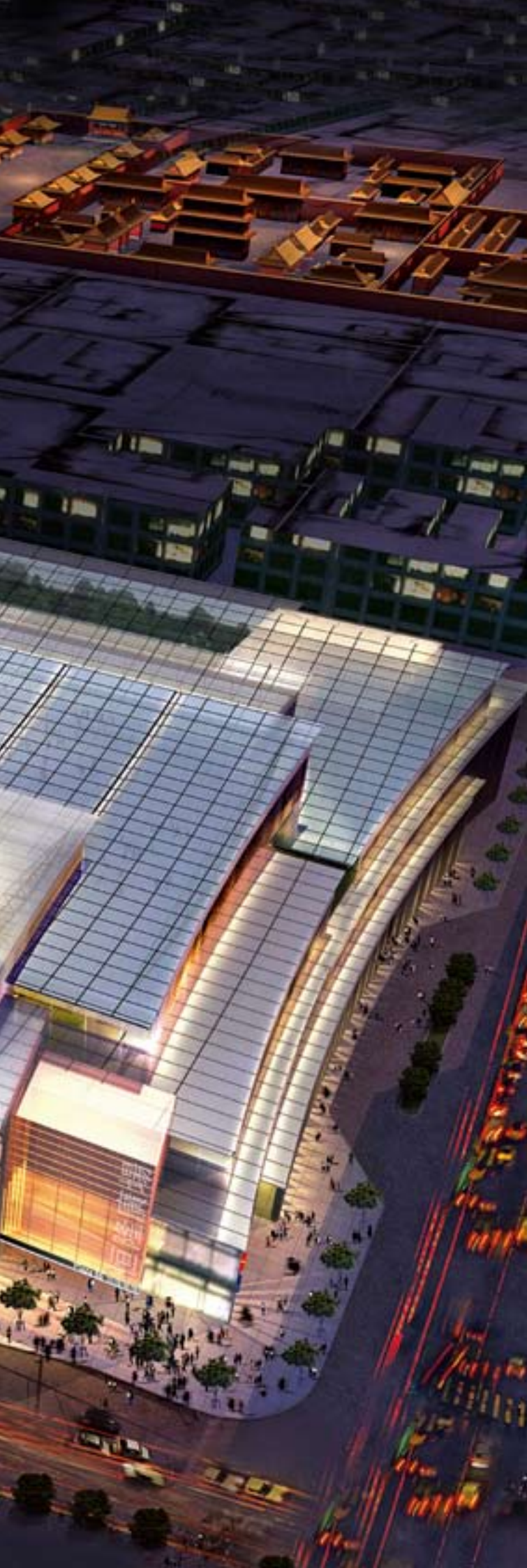
港匯廣場 ●
The Grand Gateway



文化瑰寶 展現新姿：瀋陽恒隆中街廣場，
為歷史地標注入新生命。

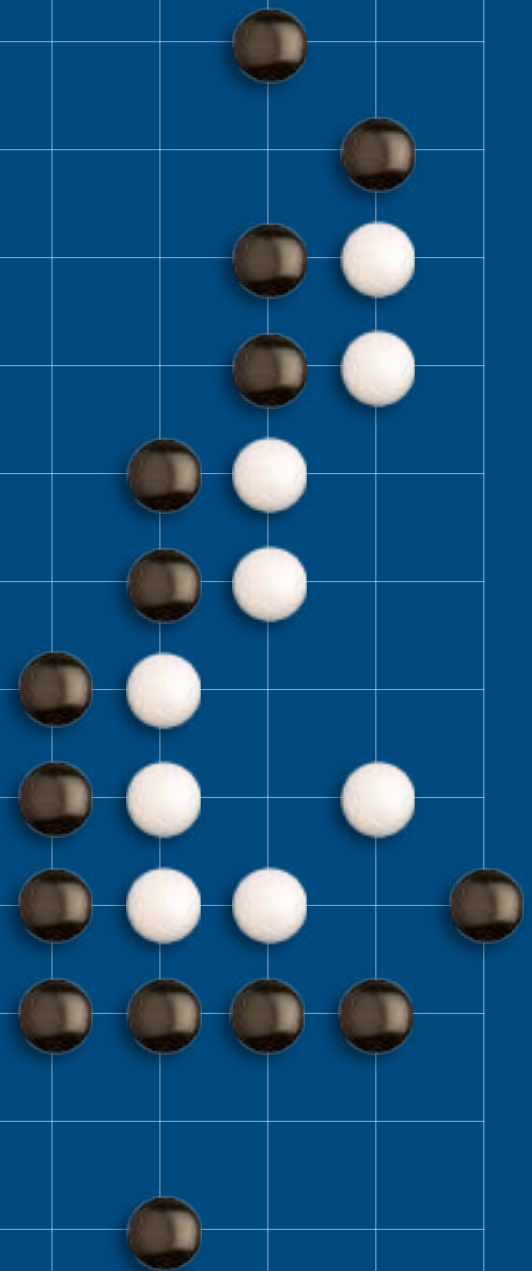
A Rich Heritage Renewed : Shenyang
Zhongjie Hang Lung Plaza brings new
life to a historical landmark.





業務展望

FROM STRATEGY TO REALITY: NEXT MOVES



業務展望

FROM STRATEGY TO REALITY : NEXT MOVES

恒隆地產在上海之成功，清楚顯示我們之中國內地業務模式可取。此項優勝策略帶來了約百分之十八的投資回報，並預期將持續增長。

我們會繼續落實策略，在中國內地最具活力及增長最快的城市，發展世界級商業綜合項目。具體而言，我們會投資合共約港幣四百億元，於中國內地由二零零五年至二零零九年期間購入之土地並發展十八項具規模項目。我們並繼續專注於購物商場，利用我們在該方面的優厚專才，以掌握中國新富湧現所掀起的消費熱潮。

現時，本集團在天津、瀋陽、無錫及濟南等高消費力城市均有項目進行中。此等項目完成後之總樓面面積將約為一百五十萬平方米。

天津

我們於二零零五年一月購入天津市一幅面積達四點四公頃之黃金地塊，現正發展一項名為「天津恒隆廣場」之世界級購物商場。該購物商場位於天津市中心，樓面面積達十五萬三千平方米，投資額約達港幣二十五億元。

瀋陽

於二零零五年九月，我們購入瀋陽市瀋河區中街路一幅面積達三點五公頃之土地。瀋陽市是中國東北部遼寧省省會，人口達七百萬人。該幅土地毗鄰瀋陽故宮，位於商業要塞。我們於二零零六年九月開始在該址興建一幢樓高四層、樓面面積達十萬九千七百平方米的世界級購物商場，並將名為「瀋陽恒隆中街廣場」。

於二零零六年八月，我們購入瀋陽市另一幅黃金地塊，興建一項多類型綜合發展項目「瀋陽恒隆市府廣場」。該項目之樓面面積達八十萬平方米，已於二零零七年四月二十五日動土，由二零一二年起分階段落成，設施包括世界級購物中心、辦公室樓群、頂級酒店及服務式寓所，其樓高三百米的雙塔式辦公室大樓將成為中國東北部最高建築物之一。

"The greedy do not gain success"

— Weiqi Shi Jue proverb

「不得貪勝」

—《圍棋十訣》

The success of Hang Lung Properties in Shanghai clearly demonstrates the viability of our business model in mainland China. This winning formula has returned a gross yield on our investment cost of about 18% and we expect this to further improve in the future.

We will continue to execute our strategy of developing world-class commercial complexes in the most vibrant and fastest-growing cities of mainland China. Specifically, we will invest a total of about HK\$40 billion in eighteen sizeable

mainland China projects with land purchased between 2005 and 2009. We will continue to focus on the retail sector, where we have proven expertise to capitalise on the rapidly rising disposable income of newly affluent Chinese.

Cities where we currently have projects underway include Tianjin, Shenyang, Wuxi and Jinan, all of which have demonstrated strong consumption power. The total gross floor area of these projects after completion will amount to about 1.5 million square metres.

Tianjin

After acquiring a prime 4.4 hectare site in January 2005, we are moving ahead with the development of a world-class shopping mall to be named "Tianjin Hang Lung Plaza". This 153,000-square metre shopping mall in the centre of Tianjin will be built at a cost of about HK\$2.5 billion.

Shenyang

In September 2005, we acquired a 3.5 hectare site on Zhongjie Road in Shenhe District, Shenyang, the capital city of Liaoning Province in northeastern China with a population of 7 million people. The site is in a prime commercial location, near the Imperial Palace. Construction of the 109,700-square metre four-storey world-class shopping centre, to be named "Shenyang Zhongjie Hang Lung Plaza" commenced in September 2006.

In August 2006, we acquired a prime lot in Shenyang City for the construction of a multi-complex development, to be named "Shenyang City Hang Lung Plaza". Covering 800,000 square metres, the project broke ground on 25 April 2007. It will be completed in phases from 2012, and once in operation will consist of a world-class shopping mall, office towers, a first-class hotel and serviced apartments. The twin office towers of this project will rise 300 metres to become one of the tallest office buildings in northeastern China.

我們在瀋陽市兩個項目之投資總額估計超過港幣一百億元。

無錫

無錫市位於江蘇省，人口五百萬人。我們購入該市崇安區一幅黃金地塊，發展世界級購物中心及辦公室大樓。該項目將名為「無錫恒隆廣場」，其總樓面面積約達二十五萬五千平方米。

該項目位於無錫市中心商業區，毗鄰市內最繁忙之中山路與人民中路交界，預計投資總額約為港幣三十五億元。

濟南

於二零零七年二月，我們購入一幅位於濟南市的大型地塊。濟南市是山東省省會，亦為該省的政治、經濟及文化中心。

我們將斥資約港幣二十五億元，在上址發展一座總樓面面積約達十五萬平方米，將名為「濟南恒隆廣場」的樓高六層世界級購物商場。該項目預計在二零一零年落成。

長沙

於二零零六年七月，我們與長沙市芙蓉區人民政府簽署意向書，於長沙市發展一個具世界建築水平的大型綜合發展項目—「長沙恒隆廣場」。

Our investment in the two Shenyang projects is expected to exceed HK\$10 billion.

Wuxi

In the Chongan District of Wuxi, a city with population of 5 million in Jiangsu Province, we have acquired a prime lot for the development of a world-class shopping mall and office towers. The project to be named "Wuxi Hang Lung Plaza", will have a total gross floor area of about 255,000 square metres.

The site is located in the central business district of Wuxi close to the junction of Zhongshan Road and Renmin Zhong Road, the city's two busiest commercial streets. Total cost of this project is expected to be approximately HK\$3.5 billion.

Jinan

In February 2007, we acquired a sizeable prime lot in Jinan, the capital city and political, economic and cultural centre of Shandong Province.

For an investment of approximately HK\$2.5 billion, we will develop a world-class six-storey shopping mall, to be named "Jinan Hang Lung Plaza", covering about 150,000 square metres. The project is expected to be completed in 2010.

Changsha

In July 2006, we signed a Memorandum of Understanding with the district government of Furong District, Changsha City to develop "Changsha Hang Lung Plaza" — a world class, large scale multi-complex in Changsha City.

業務展望

FROM STRATEGY TO REALITY : NEXT MOVES



● 瀋陽恒隆市府廣場
Shenyang Hang Lung City Plaza



● 濟南恒隆廣場
Jinan Hang Lung Plaza

無錫恒隆廣場 ●
Wuxi Hang Lung Plaza



瀋陽恒隆中街廣場
Shenyang Zhongjie
Hang Lung Plaza ●



集團主要物業 MAJOR GROUP PROPERTIES

A 主要發展中物業 Major Properties Under Development

於二零零七年六月三十日 At 30 June 2007

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 藍塘道， 內地段5747 號	Hong Kong Blue Pool Road, IL 5747	7,850	R	審批中 Pending Approval	計劃中 Planning	不適用 N/A
天津 和平區 和平路	Tianjin Heping District Heping Road	44,277	C	153,000	計劃中 Planning	2011
瀋陽 瀋河區 中街路	Shenyang Shenhe District Zhongjie Road	34,845	C	109,700	地基工程 Foundation	2009
瀋陽 瀋河區 青年大街	Shenyang Shenhe District Qingnian Street	92,065	C/H/O/S	800,000	地基工程 Foundation	2012 (第一期) (Phase 1)
無錫 崇安區 人民中路	Wuxi Chongan District Renmin Zhong Road	37,324	C/O	255,000	計劃中 Planning	2013
濟南 歷下區 泉城路	Jinan Lixia District Quancheng Road	52,569	C	150,000	計劃中 Planning	2010

C : 商舖
H : 酒店
O : 寫字樓
R : 住宅
S : 服務式寓所

C : Commercial
H : Hotel
O : Office
R : Residential
S : Serviced Apartments

以上物業皆為本集團全資擁有。

All the above properties are wholly owned by the Group.

B 已建成待售物業 Properties Completed for Sale

於二零零七年六月三十日 At 30 June 2007

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 君臨天下， 柯士甸道西1號， 九龍內地段11080號	Hong Kong The HarbourSide, 1 Austin Road West, KIL 11080	R	106,608	876	612
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 C	6,410* 22,350	91	404 112
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 C	1,020 2,131	14	40
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 C/O	142,198 20,200	1,829	305 85

* 與房屋協會就項目銷售後之淨收益分賬達成協議

* Subject to an agreement with the Housing Society on the sharing of the net proceeds on property sales

C : 商舖
O : 寫字樓
R : 住宅

C : Commercial
O : Office
R : Residential

除碧海藍天外（集團持有百分之九十權益），以上物業皆為本集團全資擁有。

All the above properties are wholly owned by the Group except AquaMarine which the Group holds 90% interest.

集團主要物業
MAJOR GROUP PROPERTIES

C 主要投資物業
Major Investment Properties
於二零零七年六月三十日 At 30 June 2007

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 中環及金鐘 印刷行，都爹利街6號， 內地段339號	Hong Kong Central and Admiralty Printing House, 6 Duddell Street, IL 339	2848	1,709	5,980	–	–
都爹利街1號， 內地段7310號	1 Duddell Street, IL 7310	2848	–	9,007	–	–
樂成行， 雪廠街22號， 內地段644號	Baskerville House, 22 Ice House Street, IL 644	2880	1,473	3,379	–	–
渣打銀行大廈， 德輔道中4-4A號， 海傍地段103號 A段及B段	Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Sections A&B of ML 103	2854	4,814 [†]	23,730 [†]	–	16
金鐘廊， 金鐘道93號	Queensway Plaza, 93 Queensway	2012	6,923	–	–	–
銅鑼灣及 灣仔 恒隆中心， 百德新街2-20號， 內地段524號及749號	Causeway Bay and Wanchai Hang Lung Centre, 2-20 Paterson Street, IL 524 & IL 749	2864	8,613	22,161	–	126
名店坊， 百德新街、厚誠街、 記利佐治街、加寧街、 京士頓街、告士打道， 海傍地段231號及52號， 內地段469號及470號	Fashion Walk, Paterson Street, Houston Street, Great George Street, Cleveland Street, Kingston Street, Gloucester Road, ML 231, ML 52, IL 469 & IL 470	2842, 2864 & 2868	31,072	–	7,935	–
栢景臺，英皇道1號， 內地段8560號	Park Towers, 1 King's Road, IL 8560	2060*	1,101	–	–	250
瑞安中心， 15至28樓， 港灣道6-8號， 內地段8633號	Shui On Centre, 15/F-28/F, 6-8 Harbour Road, IL 8633	2060*	–	16,313	–	42

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

於二零零七年六月三十日 At 30 June 2007

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	
康山及鯉魚涌 康怡廣場, 康山道1-2號, 內地段8566號	Kornhill and Quarry Bay Kornhill Plaza, 1-2 Kornhill Road, IL 8566	2059*	53,080	10,577	–	1,069
康蘭居, 康山道2號, 內地段8566號	Kornhill Apartments, 2 Kornhill Road, IL 8566	2059*	–	–	35,275	–
樂基中心, 英皇道734號, 內地段3507號	Stanhope House, 734 King's Road, IL 3507	2082	1,051	26,720	–	70
山頂及半山區 山頂廣場, 山頂道118號, 市郊地段3號	The Peak and Mid-Levels The Peak Galleria, 118 Peak Road, RBL 3	2047	12,500	–	–	493
花園臺, 2-3 號第二座, 舊山頂道8A號, 內地段896號及2850號	Nos. 2&3, Garden Terrace, Block 2, 8A Old Peak Road, IL 896 & IL 2850	2078 & 2886	–	–	558	25
御峯, 司徒拔道41C 號, 內地段8870號	The Summit, 41C Stubbs Road, IL 8870	2047	–	–	15,225	54
港島南區 濱景園, 南灣道9號, 市郊地段994號	Hong Kong South Burnside Villa, 9 South Bay Road, RBL 994	2072	–	–	9,212	89
旺角 旺角中心第一期, 彌敦道688號, 九龍內地段1262號	Mongkok Argyle Centre, Phase I, 688 Nathan Road, KIL 1262	2060	64	1,913	–	–
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	–	–
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

集團主要物業
MAJOR GROUP PROPERTIES

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

於二零零七年六月三十日 At 30 June 2007

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	
旺角 (續) 栢裕商業中心／家樂坊， 登打士街56號， 九龍內地段9590號	Mongkok (Continued) Park-In Commercial Centre/ Gala Place, 56 Dundas Street, KIL9590	2044*	6,297	29,966	–	478
荷李活商業中心， 彌敦道610號， 九龍內地段11024號	Hollywood Plaza, 610 Nathan Road, KIL 11024	2047	9,136	17,974	–	–
尖沙咀 格蘭中心， 堪富利士道8號， 九龍內地段7725號及 8026號	Tsimshatsui Grand Centre, 8 Humphreys Avenue, KIL 7725 & KIL 8026	2038	3,688	7,198	–	–
恒福時裝雅集， 彌敦道221B-E號， 九龍內地段10619號及 8132號	Hanford Fashion, 221B-E Nathan Road, KIL 10619 & KIL 8132	2037	2,443	3,892	–	–
牛頭角及 觀塘 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	Ngau Tau Kok and Kwun Tong Amoy Plaza, 77 Ngau Tau Kok Road, NKIL 53, NKIL 1482, NKIL 2660 & NKIL 3947	2047	44,951	–	–	620
淘大工業中心， 牛頭角道7號， 新九龍內地段1744號	Amoycan Industrial Centre, 7 Ngau Tau Kok Road, NKIL 1744	2047	–	6,547	–	–
麗港城商場， 茶果嶺道， 新九龍內地段6055號	Laguna Plaza, Cha Kwo Ling Road, NKIL 6055	2047	15,619	–	–	165
長沙灣及 葵涌 百佳商業中心， 青山道476號， 新九龍內地段1761號	Cheung Sha Wan and Kwai Chung Park Building, 476 Castle Peak Road, NKIL 1761	2047	397	13,109	–	–

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

於二零零七年六月三十日 At 30 June 2007

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	
長沙灣及 葵涌 (續) 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	Cheung Sha Wan and Kwai Chung (Continued) Laichikok Bay Garden, Shops 1A1, 1A2, 5A, 6A & 6B, Lai King Hill Road, Lot 3336 of SD 4	2047	3,109	–	–	172
紅A中心， 青山道443–451 號， 丈量約分445 號地段 690號A段	Star Centre, 443–451 Castle Peak Road, Section A of Lot 690 in DD 445	2047	–	28,512	–	27
上海 港匯廣場， 徐家匯虹橋路1號， 徐匯區	Shanghai The Grand Gateway, 1 Hong Qiao Road, Xujiahui, Xuhui District	2043	101,924	–	–	1,100
恒隆廣場， 南京西路1266 號， 靜安區	Plaza 66, 1266 Nan Jing Xi Road, Jing An District	2044	51,700	159,600	–	804

* 可續期七十五年

* With an option to renew for a further term of 75 years

† 集團現擁有面積二萬二千一百零一平方米寫字樓之租金收入，其餘樓面之收租權益將於二零一二年交回本集團。

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

財務業績及狀況回顧 REVIEW OF FINANCIAL RESULTS AND POSITION

二零零六／零七年度之財務業績 Financial results for 2006/07

以港幣百萬元計算 in HK\$million		2007	2006	變動 (百分比) change(%)
<p>營業額 Turnover</p> <p>由商舖及寫字樓強勁增長帶動，香港租務表現保持上升趨勢。 恒隆廣場第二座寫字樓於年內落成，令上海租賃業務更添動力。 物業銷售方面，本集團售出約四百一十個碧海藍天住宅單位，其每平方呎售價約為港幣四千六百元。</p> <p>Led by the remarkable growth in commercial and office sectors, Hong Kong rental performance kept its rising trend. The completion of Plaza 66 Office Tower II during the year provided additional momentum to Shanghai leasing activity. In property sales, we sold about 410 units of AquaMarine at approximately HK\$4,600 p.s.f.</p>	<p>營業額 Turnover</p> <p>租金收入 Rental income</p> <p>香港 Hong Kong</p> <p>中國內地 Mainland China</p> <p>物業銷售 Property sales</p>	<p>2,059</p> <p>945</p> <p>3,004</p> <p>1,385</p> <p>4,389</p>	<p>1,872</p> <p>722</p> <p>2,594</p> <p>1,063</p> <p>3,657</p>	<p>10%</p> <p>31%</p> <p>16%</p> <p>30%</p> <p>20%</p>
<p>其他收入 Other income</p> <p>其他收入主要包括港幣二億九千五百萬元之銀行利息收入。 Other income comprised mainly bank interest income of HK\$295 million.</p>	<p>其他收入 Other income</p>	<p>303</p>	<p>317</p>	<p>-4%</p>
<p>行政費用 Administrative expenses</p> <p>行政費用主要包括行政人員成本及其他公司開支。 Administrative expenses comprised mainly administrative staff costs and other corporate expenses.</p>	<p>行政費用 Administrative expenses</p>	<p>(243)</p>	<p>(205)</p>	<p>19%</p>
<p>投資物業之公平值增加 Increase in fair value of investment properties</p> <p>重估收益較往年增加之部分原因乃恒隆廣場第二座辦公室大樓之落成。 The higher revaluation gain than last year was partly due to completion of Plaza 66 Office Tower II.</p>	<p>投資物業之公平值增加 Increase in fair value of investment properties</p>	<p>5,962</p>	<p>3,438</p>	<p>73%</p>
<p>財務費用 Finance costs</p> <p>財務費用與銀行貸款同步下調。 Finance costs decreased in line with the decrease in bank loan balances.</p>	<p>財務費用 Finance costs</p>	<p>(297)</p>	<p>(415)</p>	<p>-28%</p>
	<p>應佔合營公司溢利 Share of profits of jointly controlled entities</p> <p>稅項 Taxation</p> <p>本年度溢利 Profit for the year</p>	<p>78</p> <p>(1,403)</p> <p>7,103</p>	<p>90</p> <p>(1,003)</p> <p>4,574</p>	<p>-13%</p> <p>40%</p> <p>55%</p>
	<p>應佔純利 Attributable to</p> <p>股東 Shareholders</p> <p>少數股東權益 Minority interests</p>	<p>6,371</p> <p>732</p>	<p>4,403</p> <p>171</p>	<p>45%</p> <p>328%</p>

於二零零七年六月三十日之財政狀況
Financial position at 30 June 2007

以港幣百萬元計算 in HK\$million		2007	2006	變動 (百分比) change(%)
投資物業	Investment properties	47,153	39,590	19%
其他非流動資產	Other non-current assets	4,719	3,537	33%
存貨	Inventories	9,542	10,159	-6%
現金及銀行存款	Cash and bank	6,994	5,984	17%
其他流動資產	Other current assets	837	1,097	-24%
流動負債	Current liabilities	1,825	1,862	-2%
銀行貸款	Bank loans	4,782	8,454	-43%
浮息票據	Floating rate notes	1,500	1,500	0%
遞延稅項負債	Deferred tax liabilities	4,813	3,691	30%
其他長期負債	Other long term liabilities	487	571	-15%
資產淨值	Net assets	55,838	44,289	26%

投資物業 Investment properties

投資物業估值增加部分原因由於本年加入恒隆廣場第二座辦公室大樓。

The addition of Office Tower II of Plaza 66 to investment properties this year partly accounted for the increase in valuation of investment properties.

**其他非流動資產
Other non-current assets**

其他非流動資產主要包括發展中物業。其增長顯示我們不斷在中國內地擴大投資。

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

現金及銀行存款 Cash and bank

強勁現金狀況有助本集團把握未來之投資商機。

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

銀行貸款 Bank loans

部份於二零零六年十一月股份配售所得的款項用以償還銀行貸款。

Part of proceeds from the share placement in November 2006 were used to repay bank loans.

財務回顧 FINANCIAL REVIEW

流動資金及資本資源

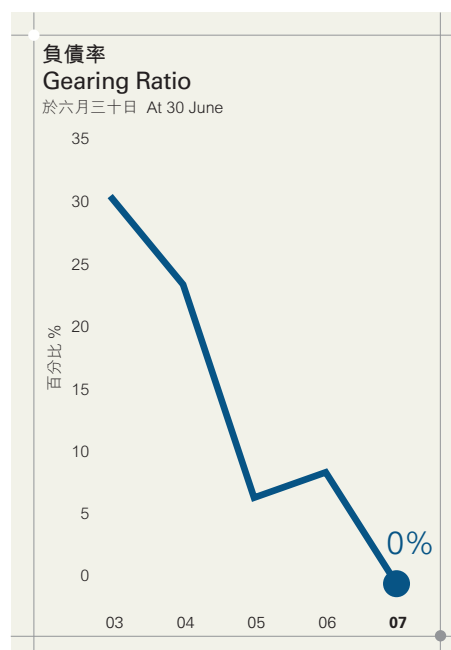
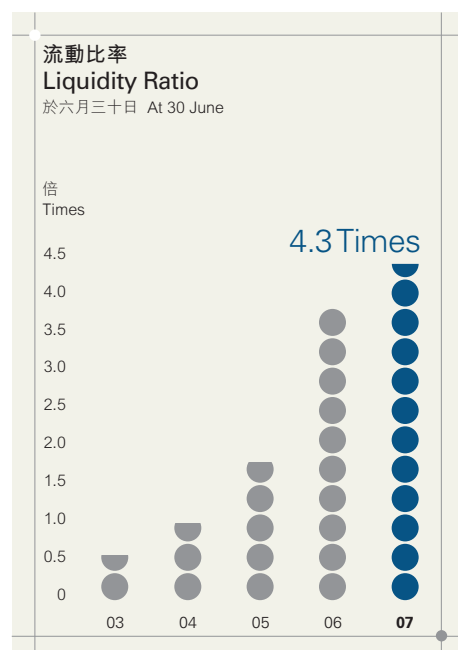
於二零零六年十一月，我們按港幣每股十六元三角的價格向專業及機構投資者配售四億一千萬股，集資約港幣六十七億元。進行配售是為增加我們之資本基礎及擴大其股東基礎。配售所得款項將用於日後的物業發展項目，尤其是中國內地之項目。於二零零六年十一月進行配售後，我們轉為持有淨現金。

於二零零七年六月三十日，尚未動用之銀行信貸連同銀行存款合共為港幣一百八十五億四千五百七十萬元，其中港幣六十九億九千三百七十萬元為銀行存款、港幣一百零八億七千七百萬元為承諾信貸，而港幣六億七千五百萬元為活期信貸。

Liquidity and Capital Resources

In November 2006, we placed 410 million shares with professional and institutional investors at HK\$16.3 per share raising approximately HK\$6.7 billion. The placement was undertaken with a view to strengthen our balance sheet and broaden our shareholder base. The placement proceeds will be applied towards future property development projects, particularly in mainland China. Subsequent to the placement in November 2006, we turned to a net cash position.

As at 30 June 2007, undrawn banking facilities together with bank deposits amounted to HK\$18,545.7 million, comprising HK\$6,993.7 million in bank deposits, HK\$10,877.0 million in committed facilities and HK\$675.0 million in demand facilities.



附註：流動比率乃流動資產減存貨後與流動負債之比較
Note: Liquidity ratio represents current assets less inventories over current liabilities.

於二零零七年六月三十日，我們持有港幣十五億元之浮息票據，該等票據須於二零零九年十二月全數償還及沒有權利轉換成本公司或其他公司之股份。我們並無其他未償還的定息或浮息票據或可換股債券。

股息

董事局建議派發末期股息每股四角三仙，較去年度增加百分之十三。全年度股息總額每股五角六仙，較去年度增加百分之十。

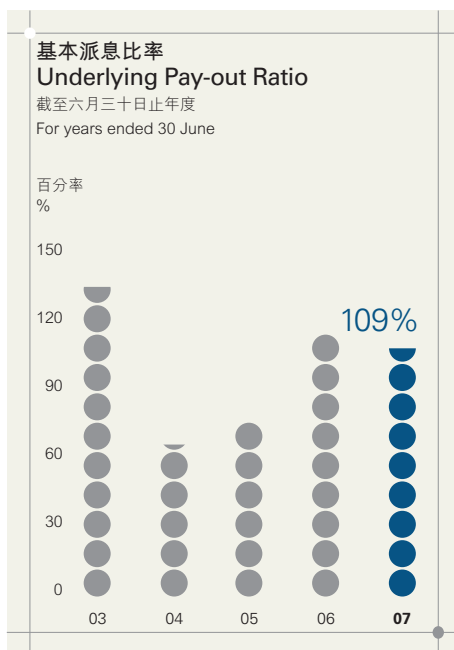
我們繼續在各個年度將所派付股息總額之絕對金額保持穩定。此「分攤」方式可避免股息與年度溢利掛鈎，從而消除因銷售物業之時間而出現波動。

At 30 June 2007, we have floating rate notes of HK\$1.5 billion which are repayable in full in December 2009 and have no right of conversion into shares of the Company or any other body corporate. We have no other outstanding fixed or floating rate notes or convertible bonds.

Dividend

The Board has proposed a final dividend of 43 cents per share, which is an increase of 13% above last year's figure. The total dividend for the year is 56 cents, up 10% from the previous year.

We will continue with our policy to keep the absolute amount of total dividends payable each year steady from year to year. This 'smoothing out' process avoids pegging of the dividend to annual profits, thereby eliminating fluctuations tied to the timing of property sales.



風險管理 RISK MANAGEMENT

土地儲備

我們已就中國內地業務制定投資計劃，其中包括對地點和項目的策略性篩選準則，重點為有關城市的整體發展和基建情況、當地政府的支持程度、項目涉及的土地成本及收益潛力等。在落實任何項目前，集團定必進行周詳評估。每個項目發展計劃均由經驗豐富的專業隊伍負責執行，而在項目選址、購置土地、可行性研究、項目設計及施工等重要階段，集團管理層均會積極監管，並於有需要時迅速作出決定，藉此提升項目的回報。

香港方面，我們將繼續審慎物色機會，冀能透過各項購置方式適時地增加土地儲備。

現金管理及融資

所有附屬公司之現金流均由中央管理，藉此提高資金的成本效益。集團安排適量的銀行貸款額度來支持旗下所有公司的資金需要，這些貸款各有不同的還款期。集團亦不時以優惠價格和條件來訂立新的銀行信貸，以配合業務增長所需或為原有貸款再融資。集團會把盈餘現金匯集供償還貸款之用，或存放於金融機構以取得較佳回報。

流動性風險

我們保持穩健的流動資金水平，確保隨時備有足夠流動資金以符合業務要求，並密切監察各類債項的償還期，預先妥善部署還款安排。

利率及匯率風險

我們密切監察其利率風險及市場利率走勢，務求把其整體借貸成本減至最低。集團大部分現有貸款均為港幣及浮息。集團的貨幣資產和負債的到期日亦妥善分佈以減少風險。當情況恰當時，集團以本土貨幣貸款來對應有關業務及有關的營運貨幣，從而降低匯率波動所帶來的風險。

Land Bank

We have developed an investment plan for mainland China which includes strategic criteria for the selection of locations and projects. This is based on the overall development and infrastructure of the cities where the projects are situated, the level of support from the local government and the land cost involved, having regard to the income potential of the projects concerned. Comprehensive evaluations are made before we commit to any project. In addition to having a professional and experienced team to execute the development plan for each project, our management plays an active role in supervising the various stages of all projects including the site identification and acquisition, feasibility study, project design and implementation. Prompt management decisions are made as needed to enhance the project return.

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

Cash Management and Funding

The cash flow of all subsidiaries is managed on a centralised basis in order to enhance the cost-efficiency of funding. Adequate but not excessive banking facilities, with different maturity profiles, are arranged at the Group level to support the funding requirements of all Group entities. New banking facilities with favourable pricing and terms are entered into from time to time to match business growth or to refinance existing facilities. Surplus cash is pooled for repayment of borrowings or placing with financial institutions to achieve economies of scale and better rates of return.

Liquidity Risk

We maintain a strong liquidity position to ensure sufficient funds are available to meet liquidity requirements at all times. The repayment profile of liabilities is closely monitored and sources of payment are well planned in advance.

Interest Rate and Exchange Rate Risks

We monitor closely our interest risk exposure and interest rate movements with an aim to minimise the overall cost of borrowings. Most of our current borrowings are in Hong Kong dollars and are also subject to floating interest rates. The maturities of monetary assets and liabilities are distributed in a way to minimise the repricing risk. Exchange rate risks arising from fluctuation of exchange rates are mitigated by using local currency funding, where appropriate, to match the operating currencies.

採用衍生工具

我們之政策絕不容許訂立任何投機性的衍生工具交易。集團只可採用衍生工具來管理財務風險或作出對沖，並只可在經濟情況確實有需要下方能採用。

交易對手／信貸風險

我們只可在信貸風險可接受的情況下與其他方進行交易。當集團調配盈餘資金時，對方必須為有聲譽的交易對手（例如財政穩健的金融機構）。集團亦定期就本身與每名交易對手的信貸關係作出管理，以避免過量集中所帶來的風險。

零售市道及收租管理

我們於適當時節舉辦各項推廣活動，為旗下商場增加人流，並經常審閱旗下商場之租戶組合、收租政策及租金拖欠情況。此外，集團向租戶收取按金以減低欠租風險，並在適當情況下向遲繳租金之租戶徵收罰款。當出現拖欠租金情況時，集團會迅速採取行動，令潛在損失減至最小。

保險及保養

我們定期審閱旗下所有投資物業，並及早採取預防措施以確保該等物業均處於良好狀況。我們除定期為旗下所有物業實施保養計劃外，亦定期為有關的住宅物業及商場進行大型的清潔和翻新行動及改善設施。集團所有投資物業，均已就各項可能帶來損失之意外事件購買保險。

營運風險

我們設有完善的內部監控機制，防止欺詐行為、越權行為、人為錯誤及系統失誤帶來損失。內部審計部定期就內部監控機制進行獨立審閱。此外，集團定期為電腦資訊備份並設有後備營運中心，把緊急事件對集團業務運作的影响減至最小。

Use of Derivatives

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

Counterparty/Credit Risk

We only undertake transactions with counterparties that represent acceptable credit risks. When deploying surplus funds, we only deal with reputable counterparties such as financial institutions having sound finances. We also manage exposure to individual counterparties regularly to avoid undue concentration risk.

Retail Climate and Rental Collection

We organise promotional events at appropriate occasions to improve customer traffic at our retail centres. The tenant mix at our retail outlets remains under constant review, along with the policies on the collection of rental and outstanding debts. Rental deposits are received in advance from tenants to mitigate the potential default risks and penalties are imposed for late payment where appropriate. We take prompt action when rentals are in arrears to minimise potential losses.

Insurance and Maintenance

All investment properties are regularly reviewed and precautionary measures are taken promptly to maintain and improve their condition. In addition to our ongoing maintenance programme to enhance all buildings, large-scale cleaning, renovation and facility-upgrading exercises are regularly conducted at both residential properties and shopping malls. All investment properties are well insured for any loss from casualties.

Operational Risk

We have a well established internal control system to protect against loss arising through fraud, unauthorised activities, error and system malfunctions. Independent reviews of the internal control systems are regularly performed by the Internal Audit Department. Information backup is performed on a regular basis and a back up site is in place to ensure disruption to business is minimised in the case of a contingency.

得獎項目 PROJECT AWARDS

日期 Date		獎項 Award	項目 Project	頒獎機構 Award Organisation
2007	三月 Mar	MIPIM architectural review future project awards 2007 — Retail & Leisure Commended Certificate	天津恒隆廣場·天津 Tianjin HangLung Plaza, Tianjin	MIPIM
		2007年《中國寫字樓100強》 第一名榮譽證書 Ranked 1 st in The Top 100 Office Buildings in China 2007	恒隆廣場·上海 Plaza 66, Shanghai	中國房地產聯合會 世界經理人週刊社 世界地產研究院 華爾街電訊 China Real Estate Federation World Executive Weekly World Real Estate Academy The Wall Street Journal
2006	十二月 Dec	亞太區室內設計大獎2006 — 會所消閒空間組別優異獎 Asia Pacific Interior Design Awards 2006 — Honourable Mention — Category of Club & Entertainment Space	浪澄灣會所·香港 The Long Beach Club House, Hong Kong	亞太區室內設計大獎2006 Asia Pacific Interior Design Awards 2006
	十一月 Nov	二零零六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	中國購物中心專業認證 委員會辦公室 Mall China Professional Certificate Committee

日期 Date	獎項 Award	項目 Project	頒獎機構 Award Organisation	
2006	十一月 Nov	Commendation in the Structural Awards 2006 — Category of Commercial or Retail Structures IStructE Award	港匯廣場·上海 The Grand Gateway, Shanghai	Institution of Structural Engineers UK
	七月 Jul	2005-2006年徐匯區涉外建設專案國家安全事項管理先進單位	港匯廣場·上海 The Grand Gateway, Shanghai	上海市涉外建設專案徐匯國家安全事項審查辦公室
		2006年度亞洲商業地產代表作 Asia Commercial Real Estate Award 2006	恒隆廣場·上海 Plaza 66, Shanghai	2006亞洲房地產峰會暨國際魅力地產評選活動組委會 Asian Real Estate Summit Meeting, 2006 & The Appraisal Election Activity Organisation Committee for International Fascinating Estates
	三月 Mar	2006年《中國寫字樓100強》榮譽證書 Accredited Honourable Certificate in The Top 100 Office Buildings in China 2006	恒隆廣場·上海 Plaza 66, Shanghai	中國房地產聯合會 世界經理人週刊社 世界地產研究院 華爾街郵報 China Real Estate Federation World Executive Weekly World Real Estate Academy The Wall Street Journal

得獎項目
PROJECT AWARDS

日期 Date	獎項 Award	項目 Project	頒獎機構 Award Organisation
2005 十二月 Dec	2005十大樓盤頒獎典禮 <ul style="list-style-type: none"> • 十大最佳市場推廣大獎 • 十大最佳樓書大獎 • 十大最佳樓則大獎 	君臨天下·香港 The HarbourSide, Hong Kong	香港測量師學會 The Hong Kong Institute of Surveyors
	2005十大樓盤頒獎典禮 <ul style="list-style-type: none"> • 十大最佳樓書大獎 	碧海藍天·香港 AquaMarine, Hong Kong	香港測量師學會 The Hong Kong Institute of Surveyors
	上海房地產18年經典 商業地產	港匯廣場·上海 The Grand Gateway, Shanghai	上海市房地產行業協會 上海市房產經濟學會 上海市房地產經濟行業協會 上海市土地學會

日期 Date	獎項 Award	項目 Project	頒獎機構 Award Organisation
2005 五月 May	「2005High在上海」奧斯卡年度 十大時尚地標 The Top Ten Fashion Landmark in Shanghai	港匯廣場·上海 The Grand Gateway, Shanghai	中國工業經濟聯合會 上海文廣新聞傳媒集團 上海國際時尚聯合會 China Industrial Economic Association SMG Shanghai International Fashion Association
	「2005High在上海」奧斯卡年度 十大時尚地標 The Top Ten Fashion Landmark in Shanghai	恒隆廣場·上海 Plaza 66, Shanghai	中國工業經濟聯合會 上海文廣新聞傳媒集團 上海國際時尚聯合會 China Industrial Economic Association SMG Shanghai International Fashion Association
	2005年度徐家匯商圈治安工作 優勝單位	港匯廣場·上海 The Grand Gateway, Shanghai	上海市公安局徐匯分局 上海市徐匯區經濟委員會

得獎項目
PROJECT AWARDS

日期 Date	獎項 Award	項目 Project	頒獎機構 Award Organisation	
2004	十一月 Nov	2004-2005年度上海新地標建築大獎 New Landmark Building in Shanghai 2004-2005	恒隆廣場·上海 Plaza 66, Shanghai	中國國際建築商務論壇 China International Construction Conference
	二月 Feb	《中國寫字樓100強》 The Top 100 Office Buildings in China	恒隆廣場·上海 Plaza 66, Shanghai	世界經理人週刊社 World Executive Institute Limited
2002	十二月 Dec	2002年度上海商業優質服務 先進集體稱號獎狀	港匯廣場·上海 The Grand Gateway, Shanghai	中共上海市商業工作委員會 上海市商業委員會 上海市商業工會

日期 Date	獎項 Award	項目 Project	頒獎機構 Award Organisation
2002 四月 Apr	Engineering Excellence Award	恒隆廣場·上海 Plaza 66, Shanghai	New York Association of Consulting Engineers, inc.
2001 一月 Jan	海外優秀項目獎	恒隆廣場·上海 Plaza 66, Shanghai	美國混凝土協會(CIB) Concrete Industry Board 2000 Roger H. Corbetta Awards Program
2000 十二月 Dec	建築「奧斯卡」獎 Award of Merit for Out of Area Project	恒隆廣場·上海 Plaza 66, Shanghai	Concrete Industry Board 2000 Roger H. Corbetta Awards Program



二零零六恒隆數學獎頒獎典禮
2006 Hang Lung Mathematics
Announcement and Awards
December 19, 2006



培育新一代：我們竭盡公民責任，
支持年青人實現理想。

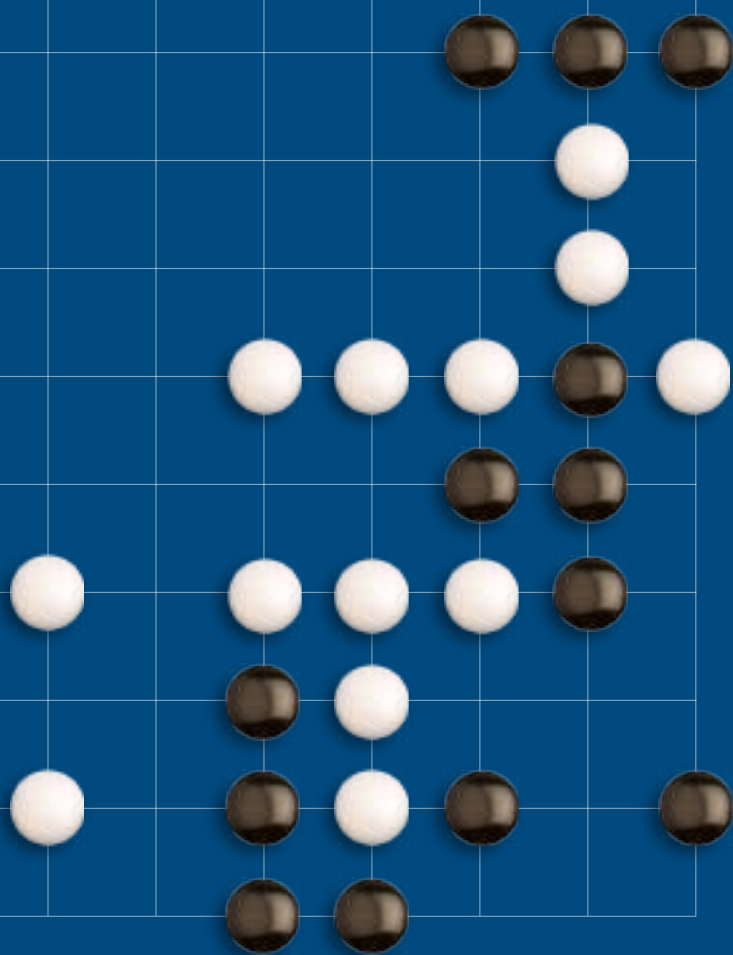
Nurturing a New Generation :
We support youthful aspirations
through corporate responsibility.

典禮
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Awards Presentation

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企業公民
CORPORATE
CITIZENSHIP



企業公民 CORPORATE CITIZENSHIP

恒隆地產矢志造福業務地區內之社群，並循多項途徑實踐承諾，包括向合適機構提供財務捐助及支持教育活動等。於二零零七年六月三十日，恒隆地產為支持各類公益和環保計劃，合共作出超過港幣六百三十萬元的襄助。

本年度的重點工作是培育年青人成長，焦點為「恒隆數學獎」。該項亞洲首創之獎項，由本集團主席陳啟宗先生及菲爾茲數學大獎得主丘成桐教授於二零零四年創立，並由丘教授擔任比賽評審會主席。

每兩年一度舉行的「恒隆數學獎」，為亞洲首個同類型比賽，有助激發香港中學生對數學的興趣及鼓勵教師提升數學教育質素。恒隆地產每屆撥捐港幣二百萬元作為「恒隆數學獎」經費，其中港幣一百萬元為比賽獎金，其餘港幣一百萬元為研究、顧問指導、評審及行政費用。

去年「恒隆數學獎」共有100隊隊伍參賽，並於十二月十九日公佈得獎者名單及舉行頒獎典禮。比賽共設八個獎項，金獎之獎金為港幣四十萬元。

恒隆地產也致力提高規劃及建築設計水平，並成為多項盛事的贊助人。過去一年，我們贊助了美國建築師學會(香港分會)太平洋交流會議，也贊助了由香港規劃師學會及中國城市規劃學會聯合舉辦之「創意產業與城市發展」研討會。

此外，我們亦舉辦各類音樂會，令租戶及顧客同時受惠，包括香港的「樂在山頂」及上海的「恒隆廣場慈善藝術盛典」。

At Hang Lung Properties, we have a deep commitment to serving the communities in which we operate. We carry out this commitment in a number of ways, including financial contributions to worthwhile organisations and support of educational initiatives. As at 30 June 2007, Hang Lung Properties had donated over HK\$6.3 million in support of various community and environmental programmes.

The main focus of this year's activities was youth development, in particular the Hang Lung Mathematics Awards. This programme, the first to be introduced in Asia, was launched in 2004 by our Chairman, Mr Ronnie Chan, and Professor Shing-tung Yau (a recipient of the prestigious Fields Medal in mathematics), who also chairs the competition.

The Hang Lung Mathematics Awards is the first competition of its kind in Asia. Held every two years, it helps stimulate interest in mathematics and has spurred teachers to raise the quality of mathematics education in Hong Kong. Hang Lung Properties donated HK\$2 million in funding for the Awards, with HK\$1 million of this amount used for prize money and the remaining HK\$1 million for research, mentoring, judging and administration.

This past year, a total of 100 teams participated in the competition. Awards for the winning students were presented at a special ceremony on 19 December, which included a cash prize of HK\$400,000 for the Gold winner. Eight awards in total were made.

Hang Lung Properties is also a major sponsor of other events that advance planning and architectural design standards. During the past year, we sponsored the Pacific Crossings Conference of the American Institute of Architects Hong Kong Chapter as well as the international conference "When Creative Industries Crossover with Cities" jointly organised by The Hong Kong Institute of Planners and Urban Planning Society of China.

In addition, we organised musical concerts for the benefit of our tenants and their customers. These included Music at the Peak in Hong Kong and the Plaza 66 Charity Concert in Shanghai.

我們亦向為社會利益作貢獻的合適機構提供財務支持，過去一年我們捐助的機構包括亞洲協會香港分會、海峽兩岸青少年交流基金會、新生精神康復會、世界自然基金會及聯合國兒童基金香港委員會等。

本公司甚為注重環保，過去數年均採取積極果斷的措施，在各業務範疇鼓勵持續發展。我們旗下所有大型購物商場及寫字樓物業，均保持舒適而又節能的空調溫度，故能大幅減少能源消耗。

內部和對外通訊方面，我們繼續推行減省用紙的概念，以電郵取代傳真，並在香港開創先河，向租戶推出電子賬單系統。

我們亦成功降低各項業務的用水量 and 排污量。年內，我們向慈善團體捐贈二百八十三臺舊電腦和四十三部電腦屏幕，確保舊式器材仍能供作良好用途。

集團的其他環保活動包括在旗下住宅物業植樹及委任環保大使。這些環保大使負責收集最新環保資訊，並協助舉辦綠色活動以提高環保意識。

為推廣長遠持續發展，我們為員工推出一項全面的環保培訓及教育計劃，並進一步鼓勵供應商盡量採用環保物料，同時鼓勵集團寫字樓物業和購物商場的租戶和顧客，把廢物分類放在合適的回收箱內。

We also provide financial support to worthwhile organisations whose work benefits society. Among the organisations we assisted over the past year were The Asia Society of Hong Kong Center, The Cross Straits Youth Exchange Foundation, the New Life Psychiatric Rehabilitation Association, World Wide Fund for Nature and the Hong Kong Committee for UNICEF.

Environmental protection is an issue of major concern within our Company, and in the past few years we have taken decisive measures to encourage sustainability across our operations. We have substantially reduced energy consumption by maintaining air conditioning at comfortable yet energy-efficient levels in all of our major shopping malls and office properties.

In our internal and external communications, we continued to cut paper consumption by making use of email rather than faxes, and through the introduction of an E-billing system for our tenants — the first of its kind in Hong Kong.

Successful efforts have also been made to reduce water consumption and decrease the amount of waste generated in our operations. During the year, we ensured that obsolete equipment was put to good use by donating 283 used computers and 43 monitors to charity.

Other environmental activities included the planting of trees in our residential properties and the appointment of environmental ambassadors. These ambassadors are responsible for acquiring up-to-date knowledge on environmental protection and helping to organise green activities that raise awareness of environmental issues.

To promote long-term sustainability, we have introduced a comprehensive training and education programme in environmental protection for our staff. What's more, we are encouraging our suppliers to use environmental friendly materials wherever possible and our tenants and customers to dispose of waste in appropriate recycling bins and containers in our office properties and shopping malls.

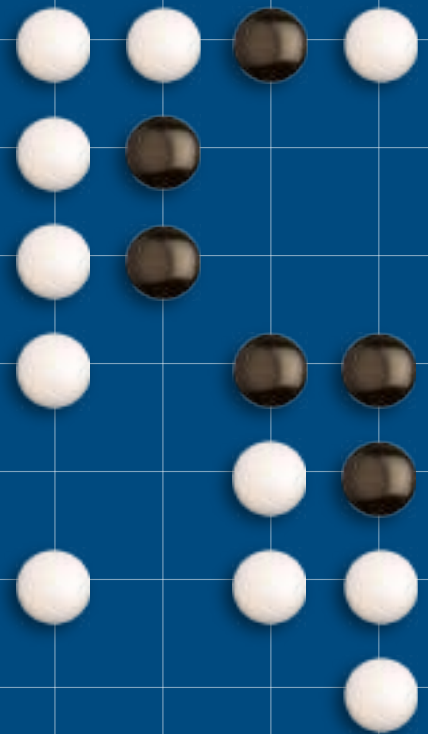
以身作則：具前瞻的導師制，
為集團孕育未來的領導人。

Leading by Example :
Our forward-looking mentorship programme
develops our leaders of tomorrow.





僱員關係 EMPLOYEE RELATIONS



僱員關係 EMPLOYEE RELATIONS

以人為本

本集團明白，成功有賴人力資本。為協助員工人盡其才，集團提供充裕的學習和培訓機會。簡而言之，集團的目標是創造一個促進團隊精神、歸屬感和激揚士氣的工作環境。以這些目標為本，集團致力提倡一個重視表現的文化，並讓員工在工作和生活之間取得健康的均衡。

培訓

本公司為新入職員工，提供廣泛的技術培訓及其他所需知識，令彼等有效地履行職務，並安排員工參加由法律界、保險界及稅務界專業人士定期舉辦的研討會。

為令新員工融入本公司，我們為其安排「夥伴」員工，協助他們盡快熟習公司文化及工作環境。集團在中國內地之新辦事處，亦為員工舉辦迎新及客戶服務培訓課程。

Human Capital

We recognise that our human capital is critical to our success. To help our staff fulfil their potential, we provide them with ample learning and training opportunities — our goal, simply put, is to create a working environment that stimulates team spirit, engagement and passion. With these objectives in mind, we strive to promote a culture that is performance-driven yet allows our staff achieve a healthy work-life balance.

Training

When new staff join our Company, they are provided with extensive training in the technical skills and other knowledge they need to perform their jobs effectively. They also attend regular seminars conducted by professionals from the legal, insurance and tax fields.

To integrate new staff into our Company, we pair them with a “buddy” so that they can become familiarised with our culture and working environment as soon as possible. Orientation and customer service training programmes are also held for colleagues in our new mainland China offices.



香港及上海的見習管理人員參加外展訓練課程以加強其領導及建立團隊的技巧。
Management trainees from Hong Kong and Shanghai Offices participated in the Outward Bound Training to strengthen their leadership and team building skills.

在香港和中國內地，集團均享良好僱主之美譽。我們的目標是達至均衡，提供一個既符合現有員工各項所需並給予新僱員積極價值觀的公司文化。

除內部培訓課程外，集團亦資助員工修讀外出培訓課程，讓他們取得進一步的專業發展。回顧期內，我們繼續在外出培訓方面投放大量資源，有關支出較去年增加百分之八十七。

我們期望每位恒隆地產員工均嚴格遵守本公司的紀律守則，該守則包括地產業最高的專業道德標準在內。為提高員工對道德標準的認知，集團每年均安排廉政公署人員舉辦「專業道德及防止貪污」講座，所有新入職的行政及文職僱員均須出席。

二零零五年，集團推出一項為期兩年的「見習管理人員培訓計劃」，藉此培養集團未來的領導人。所有參加二零零五年首批計劃的受訓者均已成功畢業，現於租務及物業管理科以及集團財務部工作。二零零七年之計劃錄取了九名有潛質的見習管理人員。

In both Hong Kong and mainland China, we enjoy a reputation as a good employer. Our goal is to strike a balance by providing a corporate culture that meets the diverse needs of our existing staff yet also presents a dynamic value proposition to prospective employees.

In addition to our inhouse training programmes, we offer our staff sponsorships for enrolment in external training programmes to further their professional development. We continued to invest substantial amounts on external training during the review period, spending 87% more than the year before.

Every staff member of Hang Lung Properties is expected to adhere to our Company code of conduct, which incorporates the highest standard of professional ethics in our industry. To raise awareness of our ethical standards, we hold an annual talk on 'Professional Ethics and Corruption Prevention' conducted by officers from the Independent Commission Against Corruption for all new executives and administrative staff.

In 2005, we launched a two-year Management Trainee (MT) programme to groom future leaders of the Company. All trainees in the 2005 pilot programme have successfully graduated and are now working alongside their colleagues in the Leasing & Management Division and Corporate Finance Department. For the 2007 programme, we took in nine promising recruits.

僱員關係 EMPLOYEE RELATIONS



香港和中國內地辦事處攜手合作。
Our Hong Kong and mainland China offices work closely.

與內地辦事處加強聯繫

集團培訓計劃的其中一項精華，是為受訓者提供機會在集團的中國內地項目實習。最新一批受訓者除可在集團根基穩固的上海項目（恒隆廣場和港匯廣場）實習外，亦可在集團於中國內地其他城市的新項目實習。

此外，上海辦事處的管理培訓生亦有機會暫駐香港辦事處三個月，從而令其對集團總部的運作有更佳的了解。

因應集團中國內地業務急速增長，本公司致力提高員工的普通話水平。迄今，有三十九名同事已完成長達八十小時的普通話培訓課程，我們並鼓勵修讀者參加公開考試及考取認可的普通話資格。

年內，集團致力實施更方便易用的「僱員自助服務系統」，此項系統經改良後能更有效地處理數據及管理僱員的日常事宜。本公司並已全

Closer ties with our offices in mainland China

One of the highlights of our training programme is the opportunity to work in overseas attachments within our mainland China projects. Our latest batch of trainees will be attached not only to our established operations in Shanghai (Plaza 66 and The Grand Gateway) but also to projects in our new investment cities in mainland China.

Management trainees from the Shanghai office also have the opportunity to take part in a three-month secondment in our Hong Kong office, where they can gain a better understanding of our head office operations.

In view of our growing business in mainland China, our Company is working to raise Putonghua standards among employees. To date, 39 colleagues have completed an 80-hour Putonghua training programme. Participants are also encouraged to sit a public examination and obtain a recognised Putonghua proficiency level.

During the year, we worked towards implementing a more user-friendly Employee Self Service System (ESS). The enhanced system facilitates greater efficiency in data administration and enables effective day-to-day

面改善其內聯網，藉此加強香港辦事處和正急速擴展的內地辦事處的內部溝通。

關懷員工

為促進同事之間的友誼，恒隆康體會舉辦多項活動，例如糕餅課程、瑜珈班、遠足、保齡球賽、燒烤會、遊船河及足球賽等，這些活動深受員工及其家眷歡迎。

二零零六年，集團積極在中國內地成立新辦事處，並同時制定各項包括賠償及福利等在內的人力資源政策及程序，使之與集團在香港之政策一致。展望未來，集團會為內地辦事處制定更完善周全的政策及賠償和福利架構。

鑑於集團之中國項目發展迅速，人力資源部和集團傳訊部，將與集團在內地的主要管理人員合作，提升集團在中國作為僱主的品牌，目標是令集團成為中國內地的「理想僱主之選」。

在今天的競爭環境裏，確保員工發揮最佳表現，是成功所賴的關鍵因素。集團明白其中一項達至這項成果的方法，是鼓勵員工在工作與生活之間取得最佳的均衡。

二零零七年，集團為行政及文職僱員引入牙科福利，令集團的醫療計劃更為完善。集團現正考慮設立僱員康健計劃，以之作為鼓勵員工兼顧工作和生活的部分策略，藉此提升員工之生產力與歸屬感、挽留人才及加強業務表現。

僱員數目

於二零零七年六月三十日，恒隆地產僱用一千七百一十九名員工，包括香港員工一千零五十人及中國內地員工六百六十九人。年內，員工之薪酬總額為港幣三億零一百三十萬元。集團之薪酬政策乃論功行賞，藉此鼓勵士氣及挽留人才。除給予員工合約訂明之十三個月薪金外，亦為有表現之員工給予加薪及酌情發放之花紅。

staff management. To improve internal communication among the Hong Kong offices and our rapidly expanding offices in mainland China, the Company intranet has been given a complete overhaul.

Caring for our staff

To promote camaraderie among colleagues, the Hang Lung Social Club has organised a wide range of activities, such as baking courses, yoga classes, hiking, bowling competitions, BBQs, boat trips and soccer tournaments. All of these activities have been well received by staff and their family members.

In 2006, when we were actively setting up new offices in mainland China, we established various Human Resources policies and procedures, including compensation and benefits in line with our Hong Kong policies. Looking forward, we will develop more best-in-class policies and a comprehensive compensation and benefits framework for our offices in mainland China.

As our projects in mainland China gain momentum, the Human Resources and Corporate Communication departments will partner with key local management to enhance our branding as an employer in mainland China. The goal of this initiative is to become the 'employer of choice' in mainland China.

In today's competitive environment, ensuring optimal staff performance is a critical success factor. We have learned that one way to achieve this is by encouraging a better work-life balance.

In 2007 we upgraded our already comprehensive medical plan to include dental benefits for executive and administrative staff. We are now considering an employee wellness programme as part of our overall work-life strategy for enhancing staff productivity, engagement and retention as well as improving business performance.

Staff numbers

As at 30 June 2007, Hang Lung Properties employed 1,719 staff, including 1,050 in Hong Kong and 669 in mainland China. The total remuneration of our employees during the year was HK\$301.3 million. The Group's remuneration policy is based on the principle of pay for performance, and aims to attract, motivate and retain talented people. In addition to the contractual 13-month salary, discretionary bonuses and salary increments are awarded to outstanding performers.