



獨具慧眼

From Vision to Reality

君臨天下之落成標誌着一個優質年代的誕生。
The HarbourSide represents a legacy of quality.



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概覽

於剛過去之財政年度，本集團各項業務均有水準表現。隨著物業市場回復信心，集團之整體業績亦更上一層樓。旗下主要之新項目如君臨天下等銷售計劃，均獲得市場之踴躍反應，而上海租務亦有強勁表現。君臨天下之成功，特別反映了集團基本策略之得當一不以高昂價格購置土地、選擇優越地點發展項目，並採用優質設計。同時，集團不斷監察市道，確保於有信心取得高投資回報時，方會展開物業銷售計劃。再者，沙士平息後香港市面回復生氣，加上大量內地旅客來港，令香港之商舖物業顯著受惠。另位於九龍之新啟業項目雅蘭中心，亦有助增加集團財政年度下半年之業績。

集團之兩項上海物業均持續表現強勁，而集團在港匯廣場購物商場所增持之股東權益，更加添集團之收益。

基於上述原因，普通股股東應佔純利上升百分之一百三十六，達港幣二十億六千五百萬元。董事局建議派發末期股息每股普通股三角三仙，較上年度增加百分之十四。全年度普通股股息為四角四仙，較上年度增加百分之十。

由於集團絕大部份之可換股債券在財政年度下半年被轉換為普通股股份，因此集團之財政狀況進一步改善，發行股本增加百分之一點六¹，負債率則由百分之三十一一下降至百分之二十三。

OVERVIEW

The past financial year has resulted in a level of performance across all sectors of the Group's business. Overall results were boosted by a return in general confidence to the property market. This resulted in a strong response to the marketing campaigns for new developments, primarily The HarbourSide and the strong performance of rental properties in Shanghai. In particular, the success of The HarbourSide reflects our underlying strategy of not paying excessively high prices for land, building in prime locations and applying quality design. At the same time, we are constantly monitoring market conditions to ensure that we start our sales campaigns only when we are confident that we can obtain high rates of return on our investments. Moreover, Hong Kong's retail space clearly benefited from the post-SARS business recovery and the influx of tourists from Mainland China. The opening of Grand Tower development in Kowloon also bolstered figures in the second half of the financial year.

Our two Shanghai properties continued their strong performance and provided additional income from our increased stakeholder interest in The Grand Gateway shopping mall.

As a result, net profit attributable to ordinary shareholders increased 136% to HK\$2,065 million. The Directors propose a final dividend of 33 cents per ordinary share, which is 14% above last year. The total ordinary dividend for the year is 44 cents, 10% above last year.

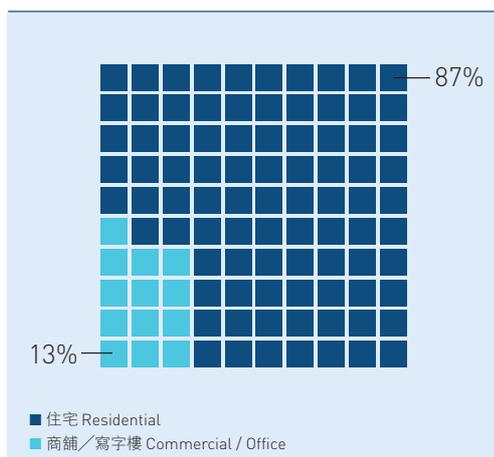
The Group has also improved its financial position with a capital base that has been expanded by 11.6%¹ and a gearing ratio that has been reduced from 31% to 23% after the conversion of substantially all convertible bonds into ordinary shares during the second half of the financial year.

¹ 與截至二零零四年五月三十一日止假設無債券被轉換之發行股本比較

¹ Compared to issued capital assuming without conversion as at 31 May 2004

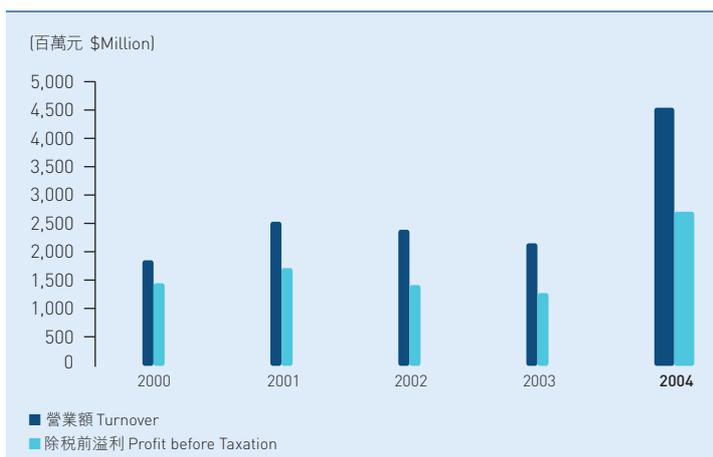
可供發展之土地儲備 (於香港以供銷售)
Development Land Bank (for sale in Hong Kong)

於二零零四年六月三十日
at 30 June 2004



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



集團表現 GROUP PERFORMANCE

		2004 百萬元 \$Million	2003 百萬元 \$Million	變動 Change 百萬元 \$Million	百分率 %
營業額	Turnover				
物業銷售	Property Sales				
發展物業	Development Properties	2,287.0	-	+2,287.0	N/A
投資物業	Investment Properties	53.9	118.4	-64.5	-54
		2,340.9	118.4	+2,222.5	+1,877
物業租賃	Property Leasing	2,192.5	2,024.1	+168.4	+8
		4,533.4	2,142.5	+2,390.9	+112
除稅前溢利	Profit before Taxation				
物業銷售	Property Sales				
發展物業	Development Properties	1,296.3	-	+1,296.3	N/A
投資物業	Investment Properties	12.3	37.8	-25.5	-67
		1,308.6	37.8	1,270.8	+3,362
物業租賃	Property Leasing	1,602.6	1,473.5	+129.1	+9
		2,911.2	1,511.3	+1,399.9	+93
其他收入	Other Income	74.2	60.4	+13.8	+23
行政費用	Administrative Expenses	(122.7)	(88.3)	-34.4	+39
財務費用	Finance Costs	(187.4)	(272.2)	+84.8	-31
應佔合營公司業績	Share of Results of Jointly Controlled Entities	25.4	52.9	-27.5	-52
		2,700.7	1,264.1	+1,436.6	+114
普通股股東應佔純利	Net Profit attributable to Ordinary Shareholders	2,065.0	874.9	+1,190.1	+136

集團繼續秉持在各個年度大致均勻地派發股息之政策。這個「攤分」方式，可避免股息與年度溢利掛鉤，後者有可能因物業銷售之時間而出現波動。有關方式令本公司近年來持續成為股息率最高之香港主要地產公司。

We are continuing a policy to spread out more-or-less evenly the payment of dividends from year to year. This "smoothing out" process avoids the pegging of dividend to annual profits which might fluctuate due to the timing of property sales. In recent years, this process has enabled the company to consistently achieve the highest dividend yield among Hong Kong's major property companies.

物業發展及銷售

PROPERTY DEVELOPMENT AND SALES

香港

HONG KONG

本財政年度內，集團四項優質住宅新項目有三項落成。當中，君臨天下之單位推出市場時反應踴躍，買家認為物有所值，興趣極為濃厚。餘下之新項目浪澄灣施工進度理想，可望於二零零五年完工。

Hang Lung Properties has completed three of its four new prime residential projects during this financial year. The HarbourSide units, when released to the market, achieved a remarkable buyer response in terms of both price and interest levels. The development of The Long Beach is progressing well and is expected to be completed in 2005.

君臨天下

The HarbourSide

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，下設五層停車場。該項目已於二零零三年七月獲發入伙紙，提供一千一百二十二個住宅單位，其中包括二十四個相連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。

Located above the Airport Railway's Kowloon Station, The HarbourSide consists of three blocks of 80-storey luxury residential towers built over a 5-storey car park podium. The development, which received its occupation permit in July 2003, comprises 1,122 flats including 24 combined units and 36 duplex units. Each of these units ranges in size from 96 sq.m. to 272 sq.m. and some include balconies.

該項目於二零零四年首季展開銷售計劃，市場反應極為踴躍。集團以獨家形式向特選買家推銷該項目，以平均價每平方呎港幣九千六百元售出一百六十九個單位，佔其全部一千一百二十二個單位百分之十五。餘下單位將按合適價格推出市場。

The sales programme began in the first quarter of 2004 with a very good response in the market. We sold 169 units or 15% of the total 1,122 units through exclusive offers made to valued buyers at an average price of HK\$9,600 p.s.f. Units that remain unsold will be released on to the market at appropriate prices in the future.



君臨天下 The HarbourSide

地點	柯士甸道西1號
總樓面面積	約130,000平方米
住宅單位數目	1,122
車位數目	864
單位面積	兩睡房 — 383 單位 @由 96平方米至 99平方米 三睡房 — 679 單位 @由 129平方米至 136平方米 相連 — 24 單位 @由 196平方米至 204平方米 複式 — 36 單位 @由 195平方米至 272平方米
簽發入伙紙	2003年7月
Location	1 Austin Road West
Total Gross Floor Area	Approx. 130,000 sq.m.
No. of Residential Units	1,122
No. of Carparking Spaces	864
Size of Units	2 bedroom — 383 units @from 96 sq.m. to 99 sq.m. 3 bedroom — 679 units @from 129 sq.m. to 136 sq.m. Combined — 24 units @from 196 sq.m. to 204 sq.m. Duplex — 36 units @from 195 sq.m. to 272 sq.m.
Issue of Occupation Permit	July 2003

君逸山 Carmel-on-the-Hill

地點	迦密村街9號
總樓面面積	約12,800平方米 (包括住宅面積10,700平方米及商場面積2,100平方米)
住宅單位數目	188
車位數目	58
單位面積	兩睡房 — 184 單位 @約 61平方米 複式 — 4 單位 @約 143平方米
簽發入伙紙	2003年10月
Location	9 Carmel Village Street
Total Gross Floor Area	Approx. 12,800 sq.m. (including 10,700 sq.m. for residential and 2,100 sq.m. for commercial)
No. of Residential Units	188
No. of Carparking Spaces	58
Size of Units	2 bedroom — 184 units @approx. 61 sq.m. Duplex — 4 units @approx. 143 sq.m.
Issue of Occupation Permit	October 2003





碧海藍天 AquaMarine

地點	深盛路8號
總樓面面積	約120,000平方米（包括住宅面積97,000平方米及商場面積23,000平方米）
住宅單位數目	1,616
車位數目	516
單位面積	兩睡房 — 1,206 單位 @約 62平方米 三睡房 — 402 單位 @約 73平方米 複式 — 8 單位 @約 150平方米
簽發入伙紙	2003年12月
Location	8 Sham Shing Road
Total Gross Floor Area	Approx. 120,000 sq.m. (including 97,000 sq.m. for residential and 23,000 sq.m. for commercial)
No. of Residential Units	1,616
No. of Carparking Spaces	516
Size of Units	2 bedroom — 1,206 units @approx. 62 sq.m. 3 bedroom — 402 units @approx. 73 sq.m. Duplex — 8 units @approx. 150 sq.m.
Issue of Occupation Permit	December 2003

浪澄灣 The Long Beach	
地點	海輝道
總樓面面積	約151,500平方米（包括住宅面積131,300平方米及商場面積20,200平方米）
住宅單位數目	1,829
車位數目	305
單位面積	兩睡房 — 1,388 單位 @約 62平方米 三睡房 — 410 單位 @約 93平方米 四睡房 — 10 單位 @約 186平方米 複式 — 21 單位 @約 186平方米
簽發入伙紙	即將簽發
Location	Hoi Fai Road
Total Gross Floor Area	Approx. 151,500 sq.m. (including 131,300 sq.m. for residential and 20,200 sq.m. for commercial)
No. of Residential Units	1,829
No. of Carparking Spaces	305
Size of Units	2 bedroom — 1,388 units @approx. 62 sq.m. 3 bedroom — 410 units @approx. 93 sq.m. 4 bedroom — 10 units @approx. 186 sq.m. Duplex — 21 units @approx. 186 sq.m.
Issue of Occupation Permit	Will issue soon



君逸山

位於何文田之優質物業君逸山，於二零零四年八月推出市場，由於買家反應踴躍，在三星期內已售出一百六十五個單位，佔總數一百八十八個單位百分之八十八。

該項目乃一幢樓高二十四層之住宅大廈，下設四層停車場及商場，提供一百八十八個單位，每個單位之面積介乎六十一平方米至一百四十三平方米，並於二零零三年十月獲發入伙紙。

碧海藍天

碧海藍天位於西九龍填海區深盛路，於二零零三年十二月獲發入伙紙。

該物業包括五幢住宅大廈，下設五層停車場和商場及一層地庫，並包括會所及康樂設施。其單位將於兩至三年內逐步推出市場。

此項目乃香港特區政府夥拍私人發展商共同發展之混合式房屋計劃。按原定協議，項目落成後之約三成住宅面積須交回政府。集團其後與政府就項目銷售後之收益分賬達成新協議，並由集團全權負責市場推廣活動。

Carmel-on-the-Hill

Introduced to the marketplace in August 2004, Carmel-on-the-Hill, a prominent development located in Ho Man Tin received a good response from buyers with 165 units or 88% out of 188 units sold within three weeks.

The 24-storey residential tower, which received its occupation permit in October 2003, is built over a 4-storey car park and a retail podium. It contains 188 residential units at 61 sq.m. to 143 sq.m. each.

AquaMarine

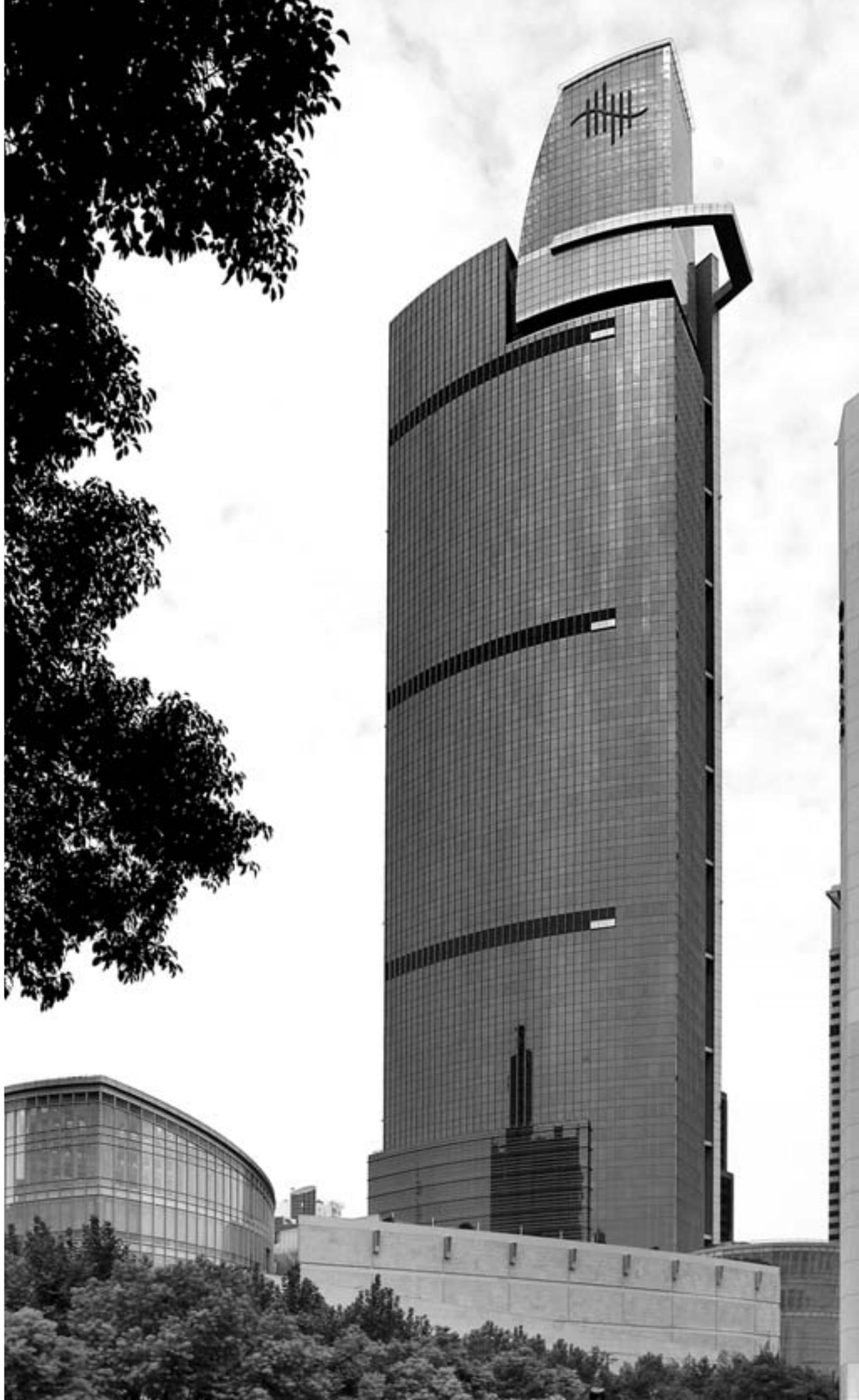
Located on the West Kowloon Reclamation area at Sham Shing Road, AquaMarine received its occupation permit in December 2003.

Its five residential towers over a 5-storey car park and retail podium and one level basement contain a clubhouse and recreational facilities. Units will be released gradually onto the market over the next two to three years.

The project is a mixed-housing scheme undertaken in partnership with the Hong Kong SAR Government. Under the original agreement, about 30% of the residential area was to be returned to the Government once the development had been constructed. A new agreement was later reached with the Government on the sharing of property sales proceeds. This agreement left the Group responsible for the entire marketing of AquaMarine.

Plaza 66, an award-winning design. Its quality and style set new benchmarks for multi-commercial complex developments.

恒隆廣場綜合商業大樓，劃時代的優質設計，蜚聲國際，為同類型綜合商業大樓重新定位。



浪澄灣

浪澄灣位於西九龍填海區海輝道，鄰近地鐵奧運站。該項目包括八幢樓高四十三層之住宅大廈，共一千八百二十九個單位，每個單位之面積介乎六十二平方米至一百八十六平方米，均享有海景。該項目還包括三層停車場、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，並估計於二零零五年完工。

與集團其他項目一樣，集團將於兩至三年內逐步把單位推出市場。

上海

恒隆廣場

隨著興建其第二幢辦公室大樓，恒隆廣場不久將呈現新面貌。整個項目包括一個大型商場及兩幢辦公室大樓，其中樓高六十六層之首幢辦公室大樓已在過去兩年內租出。

現正施工之第二幢辦公室大樓，樓高五十一層，總樓面面積達八萬一千四百平方米，將以特別設計之橋樑與首幢辦公室大樓連接。該項目正如期進行施工及落實各項建築合約，可望於二零零六年落成。

The Long Beach

The Long Beach is located on the West Kowloon Reclamation area at Hoi Fai Road and near the MTR Olympic Station. Its eight blocks of 43-storey residential towers, contain 1,829 residential flats ranging in size from 62 sq.m. to 186 sq.m. with seaviews. The development, which is expected to be completed in 2005, also includes a three-storey car park, office and retail podium and a 4,000 sq.m. detached clubhouse with recreational facilities.

Like our other developments, it will be released gradually onto the market over the next two to three years.

SHANGHAI

Plaza 66

The Plaza 66 development continues to evolve with the second of its office towers under construction. The development includes a major shopping mall and two office towers, of which the 66-storey Office Tower 1 has been leased over the past two years.

Office Tower 2, now under development, will have 51 floors with a gross floor area of 81,400 sq.m. and will be linked to Office Tower 1 by a specially designed bridge. Work on this latest development is progressing on schedule and various construction contracts are being finalized. It is expected to be completed in 2006.

名店坊



Fashion Walk

名店廊



Fashion Island

物業租賃

集團之物業租金收入，較去年上升百分之八或港幣一億六千八百四十萬元，主要由於集團兩項上海物業恒隆廣場和港匯廣場購物商場之租金收入(以實際基準計算)增長百分之二十一所致。

集團之香港租賃物業組合續有安穩之表現。由雅蘭酒店成功改建而成的寫字樓及商場物業雅蘭中心，於財政年度下半年為集團帶來新增租金收入。相比其前身之酒店業務，雅蘭中心和康蘭居均取得較佳之租金回報。

香港

商場及商舖

集團於回顧年度之整體租金收入維持穩定。從二零零四年第二季開始，繼沙士平息後香港市面已回復生氣，加上大量內地旅客來港，令集團得見其位於銅鑼灣、旺角、金鐘及山頂之主要商場租金收入有所增長。另集團位於其他地區之商場租金收入亦見回穩。

• 銅鑼灣

名店廊／名店坊之租金收入微升百分之二，租出率較去年增加一個百分點，達百分之九十九。恒隆中心現已全部租出，租金收入上升百分之六。隨著一間著名化妝品連鎖店遷入，該物業之租戶組合已煥然一新。

PROPERTY LEASING

Rental revenue on our properties increased 8% or \$168.4 million as compared to last year. This was due primarily to the 21% increase in absolute terms in rental income from our two Shanghai properties, Plaza 66 and The Grand Gateway shopping mall.

The performance of our Hong Kong portfolio remains stable. The successful conversion of the Grand Tower Hotel into an office and commercial complex known as the Grand Tower contributed additional rental income in the second half of the financial year. Rental yield on both Grand Tower and Grand Plaza Apartments has improved compared to the yield gained when the buildings operated as hotels.

HONG KONG

Commercial and Retail Sector

Overall rental revenue for the financial period under review remains stable. Since the second quarter of 2004, we have seen rents at our prime retail areas such as Causeway Bay, Mongkok, Admiralty and the Peak improve as a result of the post-SARS business recovery and the influx of tourists from Mainland China. Retail rents at our regional shopping malls have also stabilized.

• Causeway Bay

At **Fashion Island/Fashion Walk**, rental income has slightly increased by 2% with occupancy levels reaching 99%. This represents a 1% improvement over last year. **Hang Lung Centre** is now fully let with rental income up 6%. The tenant mix has been refreshed with the arrival of a famous cosmetics chain.



Boasting an intoxicating blend of world famous brands and boutiques, Plaza 66 is Shanghai's retail paradise.

恒隆廣場，匯聚全球頂尖品牌，令購物樂趣昇華至另一新境界。

With irresistible views over Hong Kong, The Peak Galleria is a premier tourist destination.

維港景觀，世界知名；山頂廣場揉合購物、娛樂及美食於一身，是消閒及旅遊的熱點。



淘大商場



Amoy Plaza

雅蘭中心



Grand Tower

• **鰂魚涌**

康怡廣場座落於太古地鐵站上蓋，交通方便，其租金收入上升百分之六，租出率維持在百分之百水平。

• **山頂**

山頂廣場之租出率達至百分之百，租金收入與去年相若。

• **九龍灣**

淘大商場之租出率回升至百分之九十九，但租金收入下降百分之九，仍處於改善階段。由於租出率穩定，明年之租金收入可望上升。

• **旺角**

於上財政年度由酒店物業改建為寫字樓後，新面貌之雅蘭中心包括十四層寫字樓、七層商場及一層停車場，其商場租出率達百分之百。儘管該項目之租金收入在改建期內減少，但全年度之租金收入仍與去年相若。與其前身之酒店物業相比，雅蘭中心之租金回報有所改善，並正持續增加，突顯了改建計劃之成果。

• **Quarry Bay**

Kornhill Plaza is the convenient shopping mall located above the Tai Koo MTR Station. Here rental income is up by 6% with occupancy standing at 100%.

• **The Peak**

At The Peak Galleria, occupancy reached 100% while rental income remains at the same level as last year.

• **Kowloon Bay**

Occupancy at Amoy Plaza has gradually increased to 99% but rental income is still in an evolutionary phase and has decreased by 9%. This figure is expected to improve next year with steady occupancy.

• **Mongkok**

The Grand Tower shopping mall has reached 100% occupancy after the conversion project last financial year which resulted in hotel floors being converted into office space producing a new profile of 14 floors of offices, seven floors for retail and one floor as a car park. Despite the short-term loss of revenue from this renovation, rental income remained at a similar level to last year. The rental yield from the new Grand Tower has improved and is increasing in comparison to the previous hotel operations, emphasizing the success of the conversion project.

御峰



The Summit

康蘭居



Grand Plaza Apartments

寫字樓

由於寫字樓物業市場依然面對困境，集團旗下寫字樓物業之整體租金收入下降百分之七。租金收入已回穩，但對新寫字樓的需求仍然疲弱。

集團位於中環之四幢寫字樓大廈，其租金收入下跌百分之十二，但租出率則升至百分之九十七。由於供應充裕及缺乏新需求，集團位於中環之寫字樓租金收入因此下降。雖然對於寫字樓之需求情況有所改善，但短期內寫字樓租金仍然受壓。位於中環以外之寫字樓租金收入下跌百分之六，租出率亦降至百分之八十七。

住宅及寓所

集團位於港島半山區之**御峰**豪宅，租出率達百分之八十，租金收入顯著上升。該項優質物業設有多用途之閣樓宴會廳、豪華會所及宏大之室內泳池，繼續吸引尊貴企業和領事館人員成為租戶。

位於太古地鐵站上蓋之**康蘭居**，由酒店改為服務式寓所後大幅減省營業費用，營業溢利按同期比較因而上升百分之二十一。

集團繼續銷售位於半山區之**花園臺**住宅單位。截至本報告日，集團已售出花園臺七十四個四睡房單位其中七十二個，包括年內售出之三個單位在內。

Office Sector

Overall rental revenue dropped 7% as the office market continued to face difficult market conditions. Rents have stabilized but the pick up for new office space still remains weak.

Rental income from our four office properties in Central decreased 12% while occupancy increased to 97%. The decrease in rental income from our Central office properties was due to the combination of abundant supply and lack of new demand. Although sentiment towards the office sector has improved, it is expected that office rents may still be under pressure in the near term. Rental income from office properties in areas other than Central has fallen 6% with occupancy also decreased to 87%.

Residential and Apartment Sector

At **The Summit**, our luxury residential property situated in Mid-Levels on Hong Kong Island, occupancy reached 80% with rental income significantly increased. This prestigious development with its luxurious multi-purpose penthouse function room, clubhouse and sizeable indoor swimming pool continues to attract quality corporate and consular tenants.

Grand Plaza Apartments, located above the Tai Koo MTR Station, has accrued significant savings in operating expenses following its conversion from a hotel to a serviced apartment development. This has resulted in a 21% increase in operating profit on a like-to-like comparison.

We have continued our programme of selling residential flats at **Garden Terrace** in Mid-Levels. We sold three of the 74 four-bedroom units in the development during the year. A total of 72 units have been sold to date.



The Summit, a prestigious address in the mid-levels residential district.

御峰豪宅座落於跑馬地半山，盡享尊貴，更顯優越不凡氣派。

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

於二零零四年六月三十日 at 30 June 2004

		樓面面積 (千平方米) Gross Floor Area ('000 sq.m.)			車位數目 No. of Carparking Spaces	
		C	O/I	R/A	總計 Total	CP
香港	Hong Kong					
港島:	Hong Kong Island:					
中環及金鐘	Central and Admiralty	10.1	40.5	-	50.6	16
銅鑼灣及灣仔	Causeway Bay and Wanchai	40.8	38.8	18.9	98.5	418
康山及鯉魚涌	Kornhill and Quarry Bay	54.1	37.3	35.3	126.7	1,159
山頂及半山區	The Peak and Mid-Levels	12.5	-	15.7	28.2	573
港島南區	Hong Kong South	-	-	9.2	9.2	89
九龍:	Kowloon:					
旺角及何文田#	Mongkok and Ho Man Tin#	32.4	69.6	-	102.0	1,473
尖沙咀及西九龍	Tsimshatsui and West Kowloon	28.5	11.1	0.1	39.7	-
牛頭角及觀塘	Ngau Tau Kok and Kwun Tong	60.6	6.5	-	67.1	785
長沙灣及葵涌	Cheung Sha Wan and Kwai Chung	3.1	42.1	-	45.2	199
上海	Shanghai					
徐匯區	Xuhui District	101.9	-	-	101.9	1,100
靜安區	Jing An District	51.7	78.2	-	129.9	494
總計	Total	395.7	324.1	79.2	799.0	6,306

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

恒隆廣場



Plaza 66

上海

集團之上海物業繼續有出類拔萃之表現，租金收入上升百分之五十二或港幣一億六千二百八十萬元至港幣四億七千五百三十萬元。自二零零三年一月起，集團在港匯廣場購物商場之股東權益已由約百分之四十七增至約百分之六十六，因而為集團帶來新的租金收入。倘調整股東權益之影響，租金收入上升百分之二十一或港幣八千三百三十萬元。

恒隆廣場

恒隆廣場位於上海歷史悠久之浦西區之南京西路。該優質項目現包括樓高六十六層之第一幢甲級辦公室大樓，下設五層高級購物商場。恒隆廣場現為浦西之最高大廈，其建築極具特色。

該項目之辦公室大樓及購物商場均保持全數租出，租金收入較去年分別上升百分之五及百分之三十五。辦公室大樓由跨國公司租用作為其上海總部，而購物商場之租戶則包括貝瑪蓮、寶格麗、卡地亞、Cavali、賽琳、香奈兒、克麗絲汀迪奧、登喜路、阿瑪尼、杰尼亞、愛斯卡達、芬迪、Gieves & Hawkes、愛馬仕、萊麗、蘭姿、Laurel、羅威、路易威登、莫斯奇諾、普拉達、TOD'S及范思哲。

港匯廣場

港匯廣場購物商場位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，設施包括百貨公司、多類型影劇院、食肆、完善之家庭消閒配套及各專門店，現已全部租出，租金收入較去年上升百分之三十。

SHANGHAI

Our Shanghai interests continue to perform with strength and depth. Rental revenue rose 52% or HK\$162.8 million to HK\$475.3 million; with an additional contribution from the increase in stakeholders' interests in The Grand Gateway shopping mall from approximately 47% to 66% since January 2003. After adjusting the shareholding effect for The Grand Gateway, the increase is 21% or HK\$83.3 million.

Plaza 66

Located at Nan Jing Xi Lu in the historic Puxi district of Shanghai, this prestigious shopping area includes Office Tower 1 which provides 66 storeys of Grade A office space located over a 5-storey superior retail podium. This is currently the tallest building in Puxi and boasts remarkable architectural features.

Both the office space and the retail podium remain fully let with respective rental revenue rising 5% and 35% compared to last year. Offices are used by multinational companies as their headquarters in Shanghai while the retail podium is full of world famous brands such as Blumarine, Bvlgari, Cartier, Cavali, Celine, Chanel, Christian Dior, Dunhill, Emporio Armani, Ermenegildo Zegna, Escada, Fendi, Gieves & Hawkes, Hermes, Lalique, Lancel, Laurel, Loewe, Louis Vuitton, Moschino, Prada, TOD'S, and Versace.

The Grand Gateway

Located above Shanghai's largest subway station, Xujiahui Station, The Grand Gateway shopping mall comprises a total gross floor area of 101,924 sq.m. with department store, multiplex theatres, restaurants, fully integrated family leisure facilities and specialty shops. It is now fully occupied with rental revenue up 30%.



Syndicated loan signing ceremony

財務及資金管理

可換股債券之轉換

本金總額港幣三十四億五千萬元、可於二零零四年三月至二零零七年三月贖回之可換股債券，絕大部份已於財政年度下半年被轉換為普通股股份，餘下之部份已按面值以現金贖回。隨著發行股本增加及負債率下降，集團之財政狀況顯著改善。於本年度結算日，集團之負債率為百分之二十三，較去年同期之百分之三十一大幅下降，而本年度集團之全年利息支出亦減少達港幣六千一百一十萬元。

流動資金及資本資源

來自君臨天下之銷售收益達港幣二十三億元，對集團之現金流量帶來顯著裨益；當中港幣五億元乃於財政年度下半年收取。年內營業運作所動用之現金為港幣二億元，主要用作集團四項物業發展項目之建築費。

年內，集團與十九間國際及本地銀行簽訂一項港幣六十億元銀團貸款，其中港幣二十億元為五年期之循環貸款，港幣四十億元為七年期之定期借款。此項目受到各銀行熱烈支持，並於承包及籌措時獲超額認購。安排此備用信貸額之目的為減省借貸成本，及透過長期融資加長債項還款期。

於二零零四年六月三十日，本集團尚未動用之銀行信貸額連同銀行存款合共為港幣八十八億八千三百萬元，其中港幣十億六千三百萬元為銀行存款、港幣六十六億八千二百萬元為承諾信貸額，而港幣十一億三千八百萬元為活期信貸。

FINANCE AND TREASURY OPERATIONS

Convertible Bonds Conversion

Convertible bonds valued at HK\$3.45 billion and which were redeemable from March 2004 to March 2007, were substantially converted into ordinary shares during the second half of the financial year and the balance was redeemed by cash at par. There has been a marked improvement in the company's financial position with its equity base enlarged and gearing ratio reduced. The gearing ratio has fallen from 31% last year to 23% at the end of this financial year. Interest savings of HK\$61.1 million were recorded over the current year.

Liquidity and Capital Resources

Sales proceeds from The HarbourSide worth HK\$2.3 billion aided our cash inflow significantly. HK\$0.5 billion of this figure was received during the second half of the financial year. Meanwhile, cash used in operating activities amounted to HK\$0.2 billion for the year. This was mainly used to meet the construction costs of four property development projects.

During the year, the Group signed a HK\$6 billion syndicated loan facility with 19 international and local banks. This comprised a HK\$2 billion 5-year revolving loan and a HK\$4 billion 7-year term loan. The facility was very well received by the banks and was oversubscribed at both the underwriting and general syndicated stages. The main objectives for arranging the facility are to reduce the costs of funds and to extend debt maturity profiles by securing longer term financing.

As at 30 June 2004, undrawn banking facilities together with bank deposits amounted to HK\$8,883 million, comprising HK\$1,063 million bank deposits, HK\$6,682 million committed facilities and HK\$1,138 million demand facilities.

股東權益回報率

來自租賃業務及物業發展項目銷售之盈餘現金，乃投資在本金有保障及具有流動性之投資工具，藉此為盈餘現金帶來最大收益及為股東增加投資回報。

風險管理

土地儲備

年內集團於香港積極參與投地，並繼續採取審慎之態度購置土地，於價錢及地點均合適時才買地。集團在香港現擁有四百四十萬平方呎之土地；若以目前市價計算，估計約佔集團現時三分之二之市值。

集團已就發展中國內地業務制定投資計劃，其中包括對目標城市設定明確之甄選準則，重點為各主要城市之發展狀況、是否擁有繁庶之地點、政府是否為商業增長提供強大支持，以及土地價格是否合理等。集團在香港和中國內地之土地購置計劃均由高級管理層統籌，彼等積極參與有關項目及緊密監察項目進展。

Return on Shareholders' Fund

Surplus cash generated from leasing operations and the sale of property developments is invested in principal protected and liquid investment devices. This maximizes the yield on surplus funds, improving the investment return to our shareholders.

RISK MANAGEMENT

Land Bank

During the year, we actively participated in land auctions in Hong Kong and continued with our proven and prudent approach towards land acquisition, by purchasing land only if the price and the location was right. The group's existing land bank in Hong Kong is 4.4 million sq.ft. and, based on today's selling prices, is estimated to be approximately two-thirds of the group's current market capitalization.

The group developed an investment plan in Mainland China which included unambiguous criteria for the selection of target cities. This was based on the development status of major cities and whether they had a prosperous location, strong support from government for business growth and reasonable land prices. Our senior management teams, who actively participate in and supervise project progress, lead our land acquisition projects in Hong Kong and Mainland China.

利率及匯率風險

集團之一貫政策，乃以長期銀行信貸為集團在香港和中國內地之長期投資計劃提供融資，此舉可令集團避免為長期投資計劃承擔短期信貸之較高借貸成本。此外，集團之利率風險管理政策，亦涉及對利率變動作出緊密監察，並於良好之議價機會出現時，為原有貸款再融資或訂立新的銀行信貸。當情況恰當時，集團採用利率掉期為其浮息風險作出對沖。此外，集團亦以本地貨幣作為貸款之貨幣單位，藉此配合有關項目須以同樣貨幣所作之開支，從而降低匯率波動帶來的風險。

零售市道及收租管理

集團於節日和假期均舉辦多項推廣活動，為旗下商場增加顧客人流，並致力避免捲入割喉式之減租競爭旋風。集團經常審閱旗下商場之租戶組合、收租政策及租金拖欠情況。管理層每星期均會就有關個案作出跟進，並於適當情況下向遲繳租金之租戶徵收罰款。年內，潛在租金呆壞賬僅佔集團整體應收賬款之極小部份。

保險及保養

集團所有投資物業，均已就各項可能帶來損失之意外事故購買保險。集團定期審閱旗下物業，當發現有耗損跡象時，會立即採取預防措施。集團每年均為旗下所有物業實施保養計劃，亦定期為住宅物業和商場進行大型清潔行動。

Interest Rate and Exchange Rate Risks

We have followed a policy of developing long term banking facilities to match our long-term investment plans in Hong Kong and Mainland China. This enables us to avoid high borrowing costs from short term financing for long-term investment. Our policy on interest rate risk management also involves close monitoring interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise. Interest rate swaps to hedge exposure to floating rates are used where appropriate. Borrowings are also designated in local currencies to match the corresponding payment currencies to mitigate exposure on exchange rate fluctuations.

Retail Climate and Rental Collection

We have continued to organize various promotional events during holiday seasons to improve customer traffic at our retail centers. We have also actively avoided entering the spiral of cutthroat competition of rent reduction. The tenant mix at our retail outlets remains under constant review, along with policies on the collection of rental and outstanding debts. Cases are reviewed weekly by management and penalties are imposed for late payment where appropriate. Potential bad debts are maintained at a minimal percentage of total debtors throughout the year.

Insurance and Maintenance

All investment properties are well insured for any loss from casualties. Regular reviews of individual properties are undertaken and precautionary works are carried out immediately when problems arising from physical obsolescence are identified. We have an ongoing maintenance programme throughout the year to enhance all buildings. Large-scale cleaning exercises are also carried out at regular intervals in both residential properties and shopping malls.