

## Overview

Economic weakness and pessimism affecting the major economies in the world in 2002/2003 carried over to the first half of the financial year. The impacts of the War on Iraq on the global economy still lingered on. Locally, SARS brought the economy to a standstill and the property market was seriously affected. The global and local investment environments were far from benign. Operationally, we had to incur extra costs in SARS prevention and to provide rent relief to some of our commercial tenants whose business was the most seriously affected.

Market conditions began to improve in the second half of the year with the US economy leading the recovery. Hong Kong was also helped by the Central Government's scheme of allowing mainland tourists to visit Hong Kong on an individual basis, and positive sentiments generated by CEPA. The global and local economies recovered significantly and the Housing Society was able to benefit from this.

For the year ended 31 March 2004, the business operations of the Housing Society generated a surplus of \$274.5 million. Including net realised return on investments in securities of \$166.7 million, adjusting for net changes in value of housing inventory of \$86.1 million and finance cost of \$0.7 million, the total net surplus of the Housing Society for the year amounted to \$526.6 million.

## Treasury Management

In light of the revised long-term financial requirements for the operations of the Housing Society and the volatile and changed conditions in the global investment market, an Ad Hoc Committee was formed under the Executive Committee in early 2003 to review the investment objectives, strategies, guidelines and manager structure in the management of the funds of the Housing Society. Watson Wyatt assisted in the review. Following the review, it was decided that a new medium-term fixed income portfolio with an investment horizon of one to five

## 概覽

在二零零二／二零零三年影響全球主要經濟體系的經濟不景及悲觀心態，於財政年度上半年仍然持續。伊拉克戰爭對全球經濟的影響仍舊陰霾不散。在香港，非典型肺炎使經濟陷於停頓，嚴重打擊物業市場。全球及本地投資環境並不理想。在運作上，我們不僅為了預防非典型肺炎而作出了額外開支，更為業務最受影響的商戶提供租金援助。

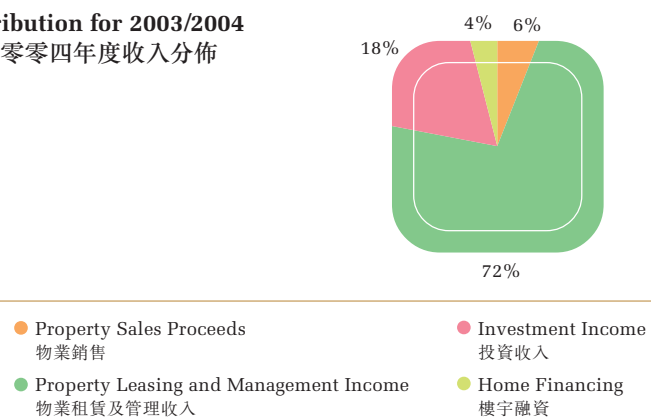
隨著美國經濟帶動復甦，市場環境在下半年開始改善。中央政府的「個人遊」計劃，容許內地旅客以個人身份來港，以及「更緊密經貿關係安排」，均有助香港經濟發展。全球及本地經濟顯著回升，房協亦從中受惠。

截至二零零四年三月三十一日的一年內，房協的業務錄得二億七千四百五十萬元盈餘。將已實現證券投資淨回報的一億六千六百七十萬元計算在內，並就樓宇存貨價值作出八千六百一十萬元的調整，以及包括七十萬元財務成本，房協年內的盈餘淨額為五億二千六百六十萬元。

## 庫務管理

鑑於房協修訂了業務的長遠財務需求，以及全球投資環境的波動和改變，房協執行委員會於二零零三年年初成立了專責小組委員會，在華信惠悅顧問有限公司的協助下，檢討我們在基金管理的投資目標、策略、指引及投資經理架構。經檢討後，我們決定成立新的中期固定收入投資組合，其投資目標時限為一至五年。這個投資組合於二零零三年十二月得到三十億元注資，由三位基金經理管理。二零零四年三月三十一日，這投資組合的市值已升至三十一億二千二百萬元，符合了用以衡量基金經理表現的標準。就長遠投資組合而言，專責小組委員會建議進一步注資，並脫離目前委任一位專責基金經理的方式。不過，我們亦決定暫緩執行這建議，直

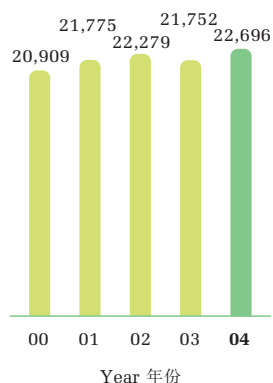
**Income Distribution for 2003/2004**  
二零零三／二零零四年度收入分佈



years should be created. This portfolio was funded with \$3 billion in December 2003 and three fund managers were appointed to manage it. The market value of the portfolio as at 31 March 2004 grew to \$3.122 billion. This was in line with the benchmark set to gauge the performance of the fund managers. For the long-term portfolio, the Ad Hoc Committee recommended further funding and to move away from the current balanced mandate to a special fund manager approach. However, implementation of this recommendation was deferred till the long-term cash flow implications were further reviewed. This will be revisited in 2004/2005. This long-term portfolio generated a yield of 28.3%, which was in line with the benchmark. For the short-term fund managed in-house, the average yield generated was 0.85%, out-performing the 3-month HIBOR benchmark that averaged 0.10%.

## Net Assets Value 資產淨值

(HK\$ million)  
(港幣百萬元)



## Loan Administration

As at 31 March 2004, the Housing Society continued to administer 35,579 loans under the Government initiated Home Starter Loan Scheme and Sandwich Class Housing Loan Scheme with a total loan portfolio of about \$14.9 billion. In addition, the Housing Society also managed 1,175 top-up loans amounting to \$601 million. These were granted to purchasers of our housing projects over the past few years.

To provide better service to our customers, our loan administration system was substantially upgraded and its functions enhanced. All information regarding loan status, repayment history, current arrears and actions in progress are captured and can be speedily retrieved, thereby enabling fast response to enquiries and timely implementation of the loan administration processes.

Following the Government's decision to dispose of most of the loans under the Sandwich Class Housing Loan Scheme and Home Starter Loan Scheme to the Hong Kong Mortgage Corporation, the system was upgraded to cater for their reporting requirements.

## Corporate Risk Management

In line with the Housing Society's core value of prudence, we asked PricewaterhouseCoopers last year to advise us on the establishment of an enterprise-wide corporate risk management system. The Executive Committee and Audit Committee endorsed their findings and

至我們完成檢討這方式對房協長遠資金流動的影響。我們將於二零零四／二零零五年再作考慮。這長遠投資組合獲得百分之二十八點三的回報，與衡量目標水平相若。就內部管理的短期基金而言，平均回報為百分之零點八五，表現比平均為百分之零點一的三個月香港銀行同業拆息水平還要好。

## 貸款管理

截至二零零四年三月三十一日，房協繼續替政府管理「首次置業貸款計劃」及「夾心階層貸款計劃」的三萬五千五百七十九宗貸款，總貸款額達一百四十九億元。此外，房協亦管理一千一百七十五宗第二按揭貸款，總額達六億零一百萬元。這些貸款人均為過去數年購買房協轄下樓宇的買家。

我們大幅提昇了我們貸款管理系統的功能，為客戶提供更佳服務。所有有關貸款狀況、還款紀錄、目前尚欠期數及正在採取的行動等資料都可以迅速提取，使員工可以即時回應查詢，並迅速進行貸款管理程序。

繼政府決定將「夾心階層貸款計劃」及「首次置業貸款計劃」的貸款出售予香港按揭公司，這系統已完成功能提昇，以迎合他們所要求的報告。

## 企業風險管理

為配合房協「資源為用」的核心價值，我們去年委任羅兵咸永道會計師事務所，就企業風險管理系統的成立提供意見。執行委員會及審計委員會都支持他們的研究結果及建議。年內，我們制訂了新的風險管理策略，並設計了新的風險管理架構。

為了測試新系統和新架構，我們決定以市區重建項目作為試驗。我們相信可於十八個月內全面實施新的風險管理程序。

recommendations. During the year, new risk management strategies were set up and a new risk management structure was designed.

To test the new system and structure, it was decided that urban renewal projects should be used as a pilot run. We expect to fully implement the risk management processes in about 18 months.

### Strategic Focuses

With economic, political and social changes in the operational environment, the Supervisory Board held two brain storming sessions to take a hard look at the long-term business directions of the Housing Society. It was decided that the three strategic focuses of urban renewal, elderly housing and property management should continue as the long-term needs of Hong Kong in these areas were still strong. In addition, the Supervisory Board felt that the Housing Society could make more contributions socially by promoting good building management

practices and maintenance for older buildings, supporting researches on construction standards for Hong Kong and pursuing preservation, rehabilitation and rejuvenation opportunities.

### Corporate Planning

The strategic focuses described above were communicated throughout the organisation and made an integral part of the corporate business plan. The Corporate Key Result Areas were redefined to focus on the longer-term corporate development issues, the shorter-term operational performance issues and on financial performance. Key Performance Indicators and performance measures were developed to align the performance of the whole organisation with the established directions. The planning processes were made more rigorous, and the top-down and bottom-up interactions were enhanced.

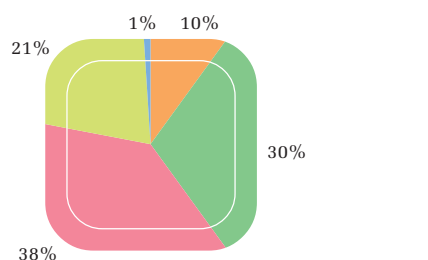
### 策略焦點

鑑於我們的經營環境在經濟、政治及社會方面都出現轉變，監事會舉行了兩次集思會，以檢討房協的長遠業務方向。我們決定繼續以物業管理、長者住屋及市區重建為策略焦點，以配合香港在這些方面仍然強大的長遠需要。此外，監事會認為房協應該提倡良好的舊樓管理及維修，和支持研究香港的建築標準，以及把握保護、復修及更新樓宇的機會，從而對社會作出更大貢獻。

### 企業規劃

我們就以上的策略焦點在房協內部廣泛溝通，並訂為企業業務計劃的重要部分。我們重訂了企業主要成績範圍，將重點放在長遠的企業發展問題、短期運作表現問題及財務業績上。我們亦訂立了主要表現指標及表現量度標準，將房協的整體表現與既定方向掛鉤。我們將規劃程序控制得更為嚴謹，並加強了由上而下及由下而上的互動關係。

**Expenditure Distribution for 2003/2004**  
二零零三／二零零四年度支出分佈



● Property Development and Related Costs  
物業發展及有關成本

● Staff Costs  
職工成本

● Property Leasing and Management  
Operating Expenses  
物業租賃及管理營運支出

● Depreciation on Fixed Assets  
固定資產折舊

● Other Operating Costs  
(include finance cost)  
其他營運支出 (包括財務成本)