

I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2017 (the "Year") to the shareholders of the Company.

RESULTS

Profit for the Year attributable to owners of the Company was HK\$3,708.9 million as compared to HK\$6,360.3 million for last year. The decrease in profit of 41.7% for the Year was mainly arising from (i) decrease in attributable net rental income; (ii) decrease in attributable property sales profit; (iii) decrease in gains on disposals of subsidiaries; (iv) decrease in imputed interest income from deferred consideration receivables; despite (v) increase in fair value gain on investment properties; and (vi) increase in net profit from the segment of the listed investments and treasury products at fair value through profit or loss. Earnings per share for the Year was HK\$1.94 (2016: HK\$3.33).

If the net gain on the major non-cash items of HK\$646.4 million (2016: HK\$577.5 million) are excluded, but the major accumulated net realised fair value gain together with their respective deferred tax on disposals of investment properties and stock of properties from the Group recognised in prior years of HK\$336.2 million (2016: the accumulated realised fair value gain together with their respective deferred tax on disposals of investment properties and stock of properties from the Group and its associates recognised in prior years of HK\$17,248.7 million) (including those recognised in properties revaluation reserve) are included, the Group will have a core profit for the Year attributable to owners of the Company of HK\$3,398.7 million (2016: HK\$23,031.5 million) and a core earnings per share of HK\$1.78 (2016: HK\$12.07), which were both decreased by 85.2% to those in the year of 2016.

The major non-cash items represented the attributable unrealised fair value gain on investment properties together with their respective deferred tax from the Group and its associates of HK\$646.4 million (2016: HK\$577.5 million).

本人欣然向本公司之股東呈報本公司及其附屬公司（「本集團」）截至二零一七年十二月三十一日止年度（「本年度」）之業績。

業績

本公司擁有人應佔本年度之溢利為3,708,900,000港元，相比去年為6,360,300,000港元。本年度之溢利減少41.7%主要由於(i)應佔租金收入淨額減少；(ii)應佔物業銷售溢利減少；(iii)出售附屬公司之收益減少；(iv)應收遞延代價所產生之名義利息收入減少；儘管(v)投資物業之公平值收益增加；及(vi)分類為通過損益以反映公平值之上市投資及財資產品之溢利淨額增加。本年度之每股盈利為1.94港元（二零一六年：3.33港元）。

如撇除主要非現金項目收益淨額646,400,000港元（二零一六年：577,500,000港元），但計入本集團就出售投資物業及物業存貨於過往年度確認之主要累積已變現公平值收益連同其相關之遞延稅項之淨額為336,200,000港元（二零一六年：計入本集團及其聯營公司就出售投資物業及物業存貨於過往年度確認之累積已變現公平值收益連同其相關之遞延稅項為17,248,700,000港元）（包括其確認於物業重估儲備），本集團將錄得本公司擁有人應佔本年度之核心溢利3,398,700,000港元（二零一六年：23,031,500,000港元）及每股核心盈利為1.78港元（二零一六年：12.07港元），兩者均較二零一六年減少85.2%。

主要非現金項目乃指來自本集團及其聯營公司之應佔投資物業之未變現公平值收益連同其相關之遞延稅項共646,400,000港元（二零一六年：577,500,000港元）。

DIVIDENDS

The board of directors of the Company (the "Directors" or the "Board") has recommended the payment of a final dividend of HK10 cents per share (2016: HK1 cent per share) for the Year (the "Final Dividend").

The Group has recorded a total comprehensive income for the Year attributable to owners of the Company of approximately HK\$16,348.7 million (2016: approximately HK\$3,418.7 million), of which unrealised gain on fair value change of listed equity investments in China Evergrande Group (Stock Code: 3333) was approximately HK\$9,928.3 million (as detailed in Note 26(ii) to the consolidated financial statements of this annual report), as such gain was unrealised and was a non-cash item, any dividend declaration or recommendation on such unrealised gain is not currently intended by the Board.

During the Year, the Company had paid total dividends of HK\$5.12 per share in the total amount of approximately HK\$9,767.0 million to shareholders, which included (a) 2016 final dividend of HK1 cent per share (payment date: 12th June, 2017) (2015 final dividend: HK1 cent per share), (b) special interim dividends of (i) HK\$1.36 per share in the total amount of approximately HK\$2,594.3 million (payment date: 10th February, 2017), (ii) HK64 cents per share in the total amount of approximately HK\$1,220.9 million (payment date: 10th February, 2017), in connection with the completion of the Win Kings Disposal and the Pinecrest Disposal (both as defined in "Other Information and Events After the Reporting Period" of this annual report) of which gains on disposals of subsidiaries in aggregate of approximately HK\$143.3 million were recorded, and (iii) HK\$2.91 per share in the total amount of approximately HK\$5,551.2 million (payment date: 23rd June, 2017), in connection with the completion of the Great Captain Disposal (as defined in "Other Information and Events After the Reporting Period" of this annual report) of which a substantial realised gain attributable from its principal asset of 577,180,500 H shares of Shengjing Bank Co., Ltd. (Stock Code: 2066) (through the Great Captain Disposal) of approximately HK\$2.1 billion was recorded as an other comprehensive income (2016 special interim dividends: HK\$7.33 per share in total) and (c) 2017 interim dividend of HK20 cents per share (payment date: 13th September, 2017) (2016 interim dividend: HK1 cent per share). To preserve more cash for the Group's future financial, property investment or securities investment opportunities, the Board has recommended the payment of the Final Dividend of HK10 cents per share (2016: HK1 cent per share).

股息

本公司董事會（「董事」或「董事會」）建議派發本年度之末期股息每股10港仙（二零一六年：每股1港仙）（「末期股息」）。

本集團錄得本公司擁有人應佔本年度之全面收益總額約16,348,700,000港元（二零一六年：約3,418,700,000港元），當中於中國恆大集團（股份代號：3333）之上市股本投資之公平值變動之未變現收益約為9,928,300,000港元（詳情載於本年報綜合財務報表附註26(ii)項內），然而，該收益屬未變現及非現金項目，董事會暫時無意就該未變現收益宣派或建議派發任何股息。

於本年度內，本公司已合共支付每股5.12港元總額約9,767,000,000港元之股息予股東，當中包括（a）二零一六年末期股息每股1港仙（派息日：二零一七年六月十二日）（二零一五年末期股息：每股1港仙）、（b）特別中期股息（i）每股1.36港元總額約2,594,300,000港元（派息日：二零一七年二月十日）、（ii）每股64港仙總額約1,220,900,000港元（派息日：二零一七年二月十日）（有關完成Win Kings出售及Pinecrest出售（定義均見本年報「其他資料及報告期末後事項」內），本集團錄得出售附屬公司之收益合共約143,300,000港元）及（iii）每股2.91港元總額約5,551,200,000港元（派息日：二零一七年六月二十三日）（有關完成Great Captain出售（定義見本年報「其他資料及報告期末後事項」內），本集團錄得來自其主要資產—盛京銀行股份有限公司577,180,500股H股股份（股份代號：2066）（透過Great Captain出售）之顯著已變現收益約2,100,000,000港元（錄入為其他全面收益））（二零一六年特別中期股息：合共每股7.33港元）及（c）二零一七年年中期股息每股20港仙（派息日：二零一七年九月十三日）（二零一六年年中期股息：每股1港仙）。為保留更多現金作本集團把握日後財務、物業投資或證券投資機遇之需要，董事會建議派發末期股息每股10港仙（二零一六年：每股1港仙）。

DIVIDENDS (Cont'd)

In respect of the Group's listed equity investments in China Evergrande Group, the Board recognised the possible potential fluctuation in the Hong Kong stock market. As and when the share price of China Evergrande Group reaches a satisfactory and attractive level, the Group may consider realise part of the listed equity investments in China Evergrande Group. Subject to the then business, financial and cashflow position of the Group, the Board may further consider declaration or recommendation of dividend(s) if and when appropriate upon realisation of investments in listed equity investments at fair value through other comprehensive income including the net proceeds of the intended realisation of the cost and profit arising from the shares in China Evergrande Group (if any), as a return to the shareholders of the Company. Further announcement(s) regarding any proposal of such dividend(s) (if any) will be made by the Company pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 18th May, 2018 (the "2018 AGM"), dividend warrants for the Final Dividend will be posted on or about 6th June, 2018 to shareholders whose names appear on the register of members of the Company on 28th May, 2018.

股息 (續)

有關本集團於中國恆大集團之上市股本投資，董事會意識到香港股市潛在波動之可能性。當中國恆大集團之股價達到滿意及吸引水平，本集團可能考慮變現其於中國恆大集團之部份上市股本投資。視乎本集團當時之業務、財務及現金流量狀況，於適時變現其通過其他全面收益以反映公平值之上市股本投資（包括中國恆大集團之股份擬變現的所得款項淨額（成本及利潤（如有）））後，董事會可能進一步考慮宣派或建議派發股息，以回饋股東支持。本公司將就建議分派任何有關股息（如有），另行根據香港聯合交易所有限公司證券上市規則（「上市規則」）發出公布。

待股東於本公司將於二零一八年五月十八日舉行之應屆股東週年大會（「二零一八年股東週年大會」）上批准，末期股息之股息單將於二零一八年六月六日或前後寄發予於二零一八年五月二十八日名列本公司股東名冊之股東。

CLOSURE OF REGISTER OF MEMBERS

暫停辦理股東登記手續

For the purpose of ascertaining the members' eligibility to attend and vote at the 2018 AGM, and entitlement to the recommended Final Dividend, the register of members will be closed during the following periods respectively:

為確定股東出席二零一八年股東週年大會並於會上投票的資格，及獲派建議末期股息的權利，本公司將分別於下列期間暫停辦理股東登記手續：

(1) For ascertaining eligibility to attend and vote at the 2018 AGM:**(1) 為確定出席二零一八年股東週年大會並於會上投票的資格：**

Latest time to lodge transfers documents for registration 交回股份過戶文件以作登記的最後時限	14.5.2018 16:30
Closure of register of members 暫停辦理股東登記手續	15.5.2018–18.5.2018 (both days inclusive) (包括首尾兩天)

(2) For ascertaining entitlement to the recommended Final Dividend:**(2) 為確定獲派建議末期股息的權利：**

Latest time to lodge transfers documents for registration 交回股份過戶文件以作登記的最後時限	24.5.2018 16:30
Closure of register of members 暫停辦理股東登記手續	25.5.2018–28.5.2018 (both days inclusive) (包括首尾兩天)
Record date 記錄日期	28.5.2018

To be eligible to attend and vote at the 2018 AGM, and to qualify for the recommended Final Dividend, all properly completed share transfers documents accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Registrar and Transfer Office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than the respective latest time as stated above.

為符合資格出席二零一八年股東週年大會並於會上投票，及獲派建議末期股息，所有填妥的股份過戶文件連同有關股票必須於上述分別指明的最後時限前送達本公司於香港之過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

BUSINESS MODEL AND STRATEGIES

The Group is one of the leading property developers in Hong Kong and its core businesses comprise property investments for rental and property development for sale as well as securities investments.

The Group aims at enhancing value and recurrent revenue of investment properties through conceptualising and implementing redevelopment, renovation works and repackaging programmes for properties as well as actively managing a balanced tenant mix for retail properties to achieve long-term sustainable growth.

The Group specialises in developing high-end and luxury residential properties in prime locations in Hong Kong; and enjoying profit contribution and cash inflow from property sales to achieve long-term sustainable growth and developing a brand name in the market.

In Mainland China, the Group invested in office properties and hotel business in the prestigious areas to generate stable and recurrent rental income.

Other than property investment and development in Hong Kong and/or Mainland China, the Group is actively grasping the opportunities for acquiring properties in the United Kingdom.

The Group continues its strategy in quality partnerships with property developers or other parties to the extent commercially feasible and beneficial to the Group's development.

Apart from the aforesaid, the Group has conducted variety of securities investment business, such as equity investments, debt investments and other treasury products, with the aim to yield enhancement for treasury management.

The Group believes that the stable rental income from its investment properties, together with the property development and trading as well as securities investment, forms a diversified cash flow stream which allows the Group to weather the cyclical nature of the property business.

業務模式及策略

本集團是香港主要地產發展商之一，其核心業務包括投資物業的租賃、銷售發展物業及證券投資。

本集團致力透過物業重建、翻新及改造工程以提升旗下投資物業之價值及增加經常性收益。本集團亦積極管理及平衡零售物業租戶組合，以達致長期及可持續增長。

在香港，本集團擅長於優質地段發展高級及豪華住宅物業，使集團能享受來自物業銷售的盈利貢獻和現金流入，從而達致長期性持續增長及於市場上建立品牌。

於中國內地，本集團持有位於優質地區的寫字樓及酒店業務之投資，以獲得穩定及經常性租金收入。

除了於香港及／或中國內地的物業投資及發展，本集團正積極物色機會收購位於英國之物業。

本集團秉持其策略，在商業上可行及有利於本集團發展之情況下與發展商或其他人士建立優質夥伴關係。

除上述所指外，本集團亦進行各種證券投資業務，如股本投資、債務投資及其他財資產品，為財資管理謀求增益。

本集團相信，投資物業之穩定租金收入，連同物業發展及買賣以及證券投資形成了多元化的現金流，使本集團能抵禦地產業務之週期性。

MANAGEMENT DISCUSSION AND ANALYSIS

Hong Kong Property Investment

Rentals from investment properties continued to be one of the major sources of our income.

During the Year, the average occupancy rate of the shops of Causeway Place was approximately 89.66%.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the average occupancy rate was approximately 96.43% during the Year.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 70.20% during the Year.

The average occupancy rate for the Group's office property, Harcourt House was approximately 91.80% during the Year.

Hong Kong Property Development

In general, the Group's development projects have been progressing satisfactorily.

One South Lane is located in the Western District and enjoys close proximity to the HKU MTR Station. It is a luxury residential/retail tower with a total gross floor area of around 41,353 square feet which provides 92 residential units. As at 31st December, 2017, all residential units were sold and handed over to individual purchasers.

55 Conduit Road (70% interest) is a luxury residential development in Mid-Levels West with total residential gross floor area of around 87,800 square feet which provides 35 residential units. As at 31st December, 2017, 34 residential units were sold and handed over to individual purchasers, representing 97.14% of total units. 1 residential unit was contracted for sales subsequent to the Year.

管理層討論與分析

香港物業投資

投資物業之租金仍然是本集團之主要收入來源之一。

於本年度內，銅鑼灣地帶之商舖之平均出租率約為89.66%。

奧海城三期（佔25%權益），位於西九龍帝峯•皇殿住宅之商場，於本年度內之平均出租率約為96.43%。

中港薈（佔15%權益），位於西九龍御金•國峯住宅之商場，於本年度內之平均出租率約為70.20%。

本集團之辦公室物業—夏慤大廈於本年度內之平均出租率約為91.80%。

香港物業發展

整體而言，本集團各個發展項目進展理想。

南里壹號位於西區毗鄰香港大學港鐵站。該項目為一座豪華住宅／零售大樓，總樓面面積合共約41,353平方呎，提供92個住宅單位。於二零一七年十二月三十一日，所有單位已售出並交付予個別買家。

琥珀（佔70%權益）為位於半山區西部的豪華住宅發展項目，總住宅樓面面積合共約87,800平方呎，提供35個住宅單位。於二零一七年十二月三十一日，已售出34個住宅單位並交付予個別買家，相當於單位總數之97.14%。1個住宅單位於本年度其後已訂約出售。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Hong Kong Property Development (Cont'd)

The Hermitage (25% interest) is one of the Group's joint venture development projects in West Kowloon. It comprises 6 residential tower blocks and provides in aggregate 964 residential units and retail properties with a total gross floor area of around 1,095,980 square feet. As at 31st December, 2017, 99.79% of total units were sold.

The Coronation (15% interest) is another joint venture development project of the Group in West Kowloon. It comprises 6 residential tower blocks and provides in aggregate 740 residential units and retail properties with a total gross floor area of around 650,600 square feet. As at 31st December, 2017, 99.86% of total units were sold.

Kwun Tong Town Centre Project (Development Areas 2 and 3) (10% interest) is a joint venture development project of the Group awarded by the Urban Renewal Authority. Its total site area is approximately 234,160 square feet. Total gross floor area of around 1,853,561 square feet will be developed. 4 residential tower blocks with 1,999 residential units in aggregate will be built and will be launched in two phases. Excavation and lateral support works and pile cap works were completed. Superstructure works are in progress. As at 31st December, 2017, the presale consent applications of both phases were pending for approval. It is expected that the presale will be launched in the second half of 2018. The whole project will be completed in the first quarter of 2021.

In February 2017, the Group disposed the company holding the property development situated at No. 12 Shiu Fai Terrace.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 502 rooms, average occupancy rate was approximately 77.17% for the Year.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing, average occupancy rate was approximately 98.17% for the Year.

In February 2017, the Group disposed the companies holding 79 retail outlets with a total area of approximately 29,000 square feet in Lowu Commercial Plaza, Shenzhen. The average occupancy rate of such retail outlets for the Year immediately before disposal was approximately 99.02%.

管理層討論與分析 (續)

香港物業發展 (續)

帝峯•皇殿(佔25%權益)為本集團其中一項位於西九龍的合營發展項目。該項目由6座住宅大廈組成，提供合共964個住宅單位及零售商舖，總樓面面積合共約1,095,980平方呎。於二零一七年十二月三十一日，已售出單位總數之99.79%。

御金•國峯(佔15%權益)為本集團另一項位於西九龍的合營發展項目。該項目由6座住宅大廈組成，提供合共740個住宅單位及零售商舖，總樓面面積合共約650,600平方呎。於二零一七年十二月三十一日，已售出單位總數之99.86%。

觀塘市中心計劃第二及第三發展區項目(佔10%權益)為本集團獲市區重建局批准發展之合營發展項目。地盤面積合共約234,160平方呎，將發展之總樓面面積合共約1,853,561平方呎。將建成4座住宅大廈，合共提供1,999個住宅單位，並將分為兩期推出。挖掘與側向承托工程及樁帽工程已完成。現正進行上蓋建築工程。於二零一七年十二月三十一日，兩期項目之預售樓花同意書正待批出。預計將於二零一八年下半年推售。整個項目將於二零二一年第一季竣工。

於二零一七年二月，本集團出售持有位於肇輝臺12號之物業發展項目之公司。

中國內地物業投資

北京希爾頓酒店(佔50%權益)，為一座設有502間客房的五星級國際酒店，於本年度之平均入住率約為77.17%。

東方國際大廈(佔50%權益)，為北京希爾頓酒店側的一幢樓高10層辦公樓，於本年度之平均出租率約為98.17%。

於二零一七年二月，本集團出售持有深圳市羅湖商業城79個零售商舖(面積合共約29,000平方呎)之公司。於緊接出售前之本年度內，該等零售商舖之平均出租率約為99.02%。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Overseas Property Investment

The Group's investment properties in the United Kingdom were fully let during the Year.

River Court is a Grade A freehold office building situated at 116-129 Fleet Street, London, United Kingdom. It provides a total net internal area of approximately 431,324 square feet, together with certain car parking spaces.

"14 St George Street" is a Grade A freehold office building located in London, United Kingdom. The building comprises approximately 51,861 square feet of office accommodation arranged over lower ground, ground and four upper floors.

"61-67 (odd) Oxford Street and 11-14 Soho Street" is a mixed use freehold building located in London, United Kingdom, comprising approximately 55,162 square feet in aggregate. The building provides retails, office and residential accommodation, occupying approximately 33,850 square feet, 13,735 square feet and 7,577 square feet respectively, over lower ground, ground and six upper floors.

"11 and 12 St James's Square and 14 to 17 Ormond Yard" is a mixed use freehold building located in London, United Kingdom. The building provides around 80,000 square feet Grade A office accommodation arranged over lower ground, ground and six upper floors. The Group acquired the holding company of this property in May 2017.

Securities Investments

The Group's strategy is to maintain securities investment portfolio for treasury management, as at 31st December, 2017, comprised of bonds and listed equity investment. The Group's primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders of the Company. The Group's strategy for future investments is to invest in a diversified portfolio to minimise risks with attractive yield, good liquidity and issuers from reputable entities, so as to maintain a healthy financial status and grasp every good investment chance. No investments are made for speculative purposes.

管理層討論與分析 (續)

海外物業投資

本集團於英國之所有投資物業於本年度內均獲承租。

River Court為一幢位於英國倫敦Fleet Street 116-129號之永久業權甲級寫字樓。River Court提供總室內淨面積約431,324平方呎，連同若干泊車位。

「St George Street 14號」為一幢位於英國倫敦之永久業權甲級寫字樓。該物業由面積合共約51,861平方呎分佈於地下低層、地下及樓上四層之寫字樓樓面所組成。

「Oxford Street 61-67號(單號)及Soho Street 11-14號」為一幢位於英國倫敦之永久業權綜合用途樓宇，面積合共約55,162平方呎。該物業提供零售、寫字樓及住宅單位，面積分別為約33,850平方呎、13,735平方呎及7,577平方呎，由地下低層、地下及樓上六層組成。

「St James's Square 11及12號以及Ormond Yard 14至17號」為一幢位於英國倫敦之永久業權綜合用途樓宇。該物業提供約80,000平方呎之甲級寫字樓樓面，分佈於地下低層、地下及樓上六層。本集團於二零一七年五月收購持有該物業之公司。

證券投資

本集團的策略是維持證券投資組合的財資管理，於二零一七年十二月三十一日包括債券及上市股本投資。本集團管理資本之主要目標為保持本集團之實體持續經營之能力，以確保本集團能為本公司股東持續提供回報。本集團之未來投資策略是投資於具吸引收益率、充分流動性及由信譽良好之發行人發行之多元化投資組合以把風險降至最低，從而保持穩健的財務狀況，抓住每一個良好的投資機會。沒有投資是作為投機之用。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Securities Investments (Cont'd)

The gain recognised on such securities investments for the Year was approximately HK\$1,708.7 million. Details of the performance of securities investment are disclosed under "Financial Operation Review" of this annual report.

The Group will continue to closely monitor its portfolio of securities investments to achieve satisfactory returns.

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

Disposal of Subsidiaries holding the Property Development situated at No. 12 Shiu Fai Terrace and Certain Shops of Lowu Commercial Plaza, Shenzhen – Major and Connected Transactions

The Group has on 5th December, 2016 entered into sale and purchase agreements, in relation to, inter alia, disposal of the wholly-owned subsidiaries of the Company that ultimately held (i) the property development situated at No. 12 Shiu Fai Terrace, Mid-Levels East, Hong Kong; and (ii) certain shops of Lowu Commercial Plaza located in Shenzhen, the People's Republic of China (the "PRC") to the companies wholly-owned by (i) Ms. Chan, Hoi-wan, an associate of Mr. Joseph Lau, Luen-hung (the then substantial shareholder and controlling shareholder of the Company) ("Mr. Joseph Lau") and an associate of Directors at the time of entering into relevant sale and purchase agreement (the "Win Kings Disposal"); and (ii) Mr. Lau, Ming-wai ("Mr. MW Lau"), the Chairman of the Board and a Non-executive Director (the "Pinecrest Disposal") respectively. The Win Kings Disposal and the Pinecrest Disposal constituted major and connected transactions of the Company under the Listing Rules and each of them was approved by the independent shareholders of the Company at the special general meeting of the Company held on 13th January, 2017. The Win Kings Disposal and the Pinecrest Disposal were completed on 10th February, 2017 at the final consideration of approximately HK\$889.6 million and HK\$352.2 million respectively. Details of the Win Kings Disposal and the Pinecrest Disposal were set out in the Company's announcement dated 5th December, 2016, circular dated 28th December, 2016 and announcement dated 10th February, 2017.

管理層討論與分析 (續)

證券投資 (續)

本年度該等證券投資確認之收益約1,708,700,000港元。證券投資表現之詳情於本年報「財務業務回顧」內披露。

本集團將繼續密切監察其證券投資組合，以取得令人滿意的回報。

其他資料及報告期末後事項

出售持有位於肇輝臺12號之物業發展項目及深圳市羅湖商業城若干商舖之附屬公司—主要及關連交易

本集團於二零一六年十二月五日訂立買賣協議，內容有關（其中包括）分別出售最終持有 (i) 位於香港半山區東部肇輝臺12號之物業發展項目；及 (ii) 位於中華人民共和國（「中國」）深圳市羅湖商業城若干商舖之本公司全資擁有附屬公司予 (i) 由陳凱韻女士（於訂立相關買賣協議時為劉鑾雄先生（本公司當時之主要股東及控股股東）（「劉鑾雄先生」）之聯繫人及董事之聯繫人）全資擁有之公司（「Win Kings出售」）；及 (ii) 由劉鳴煒先生（「劉鳴煒先生」）（董事會主席及非執行董事）全資擁有之公司（「Pinecrest出售」）。根據上市規則，Win Kings出售及Pinecrest出售構成本公司之主要及關連交易，而各項交易已獲本公司獨立股東於二零一七年一月十三日舉行之本公司股東特別大會上批准。Win Kings出售及Pinecrest出售於二零一七年二月十日完成，最終代價分別約889,600,000港元及約352,200,000港元。有關Win Kings出售及Pinecrest出售之詳情載列於本公司日期為二零一六年十二月五日之公布、二零一六年十二月二十八日之通函及二零一七年二月十日之公布內。

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD (Cont'd)

Appointment of Executive Director

As announced on 13th February, 2017, the Board appointed Ms. Chan, Hoi-wan ("Ms. HW Chan") as an Executive Director with effect from 13th February, 2017.

Restructuring of Shareholding

On 1st March, 2017, after the distribution of all the shares in the Company indirectly held under a discretionary trust (the "Share Trust") founded by Mr. Joseph Lau to certain eligible beneficiaries of the Share Trust, Mr. MW Lau and Ms. HW Chan (as trustee for her minor children) indirectly hold shares representing approximately 24.97% and 50.02% of the total issued share capital of the Company as at 1st March, 2017 respectively. Details of the restructuring of shareholding were set out in the announcement of the Company dated 1st March, 2017.

Disposal of a Subsidiary holding of Equity Interest in Shengjing Bank Co., Ltd. – Major and Connected Transaction

The Group has on 15th March, 2017 entered into a sale and purchase agreement, in relation to the disposal of a wholly-owned subsidiary of the Company that held 577,180,500 H shares in Shengjing Bank Co., Ltd. (Stock Code: 2066) to the company wholly-owned by Ms. HW Chan (the "Great Captain Disposal"). The Great Captain Disposal constituted a major and connected transaction of the Company under the Listing Rules and was approved by the independent shareholders of the Company at the special general meeting of the Company held on 4th May, 2017. The Great Captain Disposal was completed on 23rd June, 2017 at a consideration of approximately HK\$5,567.7 million. Details of the Great Captain Disposal were set out in the Company's announcement dated 15th March, 2017, circular dated 13th April, 2017 and announcement dated 23rd June, 2017.

其他資料及報告期末後事項 (續)

委任執行董事

誠如二零一七年二月十三日發出之公布，陳凱韻女士（「陳凱韻女士」）獲董事會委任為執行董事，由二零一七年二月十三日起生效。

股權重組

於二零一七年三月一日，劉鑾雄先生所創立之酌情信託（「股份信託」）向若干股份信託之合資格受益人分派其所有間接持有之本公司股份後，劉鳴煒先生及陳凱韻女士（作為其未成年子女之信託人）分別間接持有相當於於二零一七年三月一日本公司全部已發行股本約24.97%及50.02%之股份。有關股權重組之詳情載列於本公司日期為二零一七年三月一日之公布內。

出售持有盛京銀行股份有限公司股權之附屬公司—主要及關連交易

本集團於二零一七年三月十五日訂立一份買賣協議，內容有關出售一間持有577,180,500股盛京銀行股份有限公司之H股股份（股份代號：2066）之本公司全資擁有附屬公司予由陳凱韻女士全資擁有之公司（「Great Captain出售」）。根據上市規則，Great Captain出售構成本公司之主要及關連交易，並獲本公司獨立股東於二零一七年五月四日舉行之本公司股東特別大會上批准。Great Captain出售於二零一七年六月二十三日完成，代價約為5,567,700,000港元。有關Great Captain出售之詳情載列於本公司日期為二零一七年三月十五日之公布、二零一七年四月十三日之通函及二零一七年六月二十三日之公布內。

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD (Cont'd)

Acquisition of Knightlights Property International S.A. holding a Property in the United Kingdom – Discloseable Transaction

As announced on 7th May, 2017, the Group has on 5th May, 2017 (London time) entered into a sale and purchase agreement, in relation to, inter alia, acquisition of the entire issued share capital of Knightlights Property International S.A. ("KPI"), a company that held a freehold property situated at 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom, with an independent third party, at a cash consideration of approximately GBP96.8 million (equivalent to approximately HK\$966.0 million) and repayment of loan due to former shareholder on behalf of KPI of approximately GBP77.0 million (equivalent to approximately HK\$773.1 million) (the "Acquisition"). The Acquisition constituted a discloseable transaction of the Company under the Listing Rules. Completion of the Acquisition took place on 5th May, 2017 (London time).

Acquisition of Shares in China Evergrande Group

During the Year, the Group acquired 857,541,000 shares in China Evergrande Group (Stock Code: 3333), at a total consideration (including transaction costs) of approximately HK\$13.2 billion in the open market. Latest update on the acquisition was set out in the announcement of the Company dated 2nd January, 2018.

Contract for Services – Continuing Connected Transactions

On 31st October, 2017, the Group entered into a contract for services (the "Contract") with Mr. Joseph Lau, whereby the Group agreed to provide to Mr. Joseph Lau leasing administration services, sale administration services, property management services, property administration services, asset management and maintenance services, rental services, advisory and consultancy services and other ordinary services for a term of 3 years commenced on 1st November, 2017. An announcement was made on 31st October, 2017.

At the time of entering into the Contract, Mr. Joseph Lau is the spouse of, and accordingly an associate of Ms. HW Chan (an Executive Director and a trustee of the substantial shareholders of the Company). Therefore, Mr. Joseph Lau is a connected person of the Company and the Contract and the transactions contemplated thereunder constituted continuing connected transactions of the Company under the Listing Rules.

其他資料及報告期末後事項 (續)

收購持有英國物業之Knightlights Property International S.A. – 須予披露交易

誠如二零一七年五月七日發出之公布，本集團與獨立第三方於二零一七年五月五日（倫敦時間）訂立一份買賣協議，內容有關（其中包括）收購持有位於英國倫敦St James's Square 11及12號以及Ormond Yard 14至17號之永久業權物業之Knightlights Property International S.A.（「KPI」）全部已發行股本，現金代價約為96,800,000英鎊（相當於約966,000,000港元）及代表KPI償還欠負前股東貸款約77,000,000英鎊（相當於約773,100,000港元）（「收購事項」）。根據上市規則，收購事項構成本公司之須予披露交易。收購事項於二零一七年五月五日（倫敦時間）完成。

購買中國恒大集團股份

於本年度，本集團已在公開市場以總代價約13,200,000,000港元（包括交易成本）購買中國恒大集團（股份代號：3333）857,541,000股股份。有關該購買事項之最近期更新載列於本公司日期為二零一八年一月二日之公布內。

服務合約 – 持續關連交易

於二零一七年十月三十一日，本集團與劉鑾雄先生訂立一份服務合約（「該合約」），據此，本集團同意向劉鑾雄先生提供租務行政服務、銷售行政服務、物業管理服務、物業行政服務、資產管理及保養服務、租賃服務、諮詢及顧問服務及其他一般服務，於二零一七年十一月一日起生效，為期三年。有關公布於二零一七年十月三十一日發出。

於訂立合約時，劉鑾雄先生為陳凱韻女士（執行董事及本公司之主要股東之信託人）之配偶，並因此為彼之聯繫人。因此，劉鑾雄先生屬本公司之關連人士，而根據上市規則，該合約及據此進行之交易構成本公司之持續關連交易。

OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD (Cont'd)

Forfeiture of Unclaimed Dividends

As announced on 1st February, 2018, all dividends declared on or before 17th August, 2011 remaining unclaimed on 28th February, 2018 will be forfeited and will revert to the Company.

INVESTOR RELATIONS

The Company is continuously committed to maintaining good communication with shareholders, investors and analysts in order to ensure their thorough understanding of the Group's strategies and business development, thereby enhancing transparency and investor relations.

The Company maintains a Company's website (www.chineseestates.com) to make the Company's information available on the internet, including the dissemination of statutory announcements and circulars etc., to facilitate its communication with shareholders and to provide important information to the investing public on corporate governance structure, policies and systems, profiles of the Directors and senior executives as well as terms of reference of Board committees.

The up-to-date information of the Group is available for public access on the Company's website. The Company encourages its shareholders to take advantage of the Company's website and welcomes suggestions from investors and shareholders, and invites them to share their views and suggestions by contacting the Company at investor.relations@chineseestates.com.

Shareholders can raise their enquiries to the Board or the company secretary of the Company in writing by sending such written enquiries to the principal office of the Company in Hong Kong at 26th Floor, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong or by email at investor.relations@chineseestates.com. Shareholders also have right to raise questions at general meetings.

其他資料及報告期末後事項 (續)

沒收未領取的股息

誠如二零一八年二月一日發出之公布，於二零一一年八月十七日或之前宣派並於二零一八年二月二十八日仍未領取之所有股息將予沒收及復歸本公司。

投資者關係

本公司一貫致力與股東、投資者及分析員保持良好溝通，以確保彼等對本集團之策略及業務發展有透徹的理解，從而提高透明度及加強與投資者關係。

本公司設有公司網頁(www.chineseestates.com)，使股東可透過互聯網取得公司資料，包括法定公布及股東通函之發放等，加強與股東之溝通，並提供重要資料予公眾投資者了解企業管治架構、政策及制度、董事及高級行政人員簡介，以及董事會轄下委員會之職權範圍。

有關本集團之最新資訊，本公司會於公司網站作出相應更新以讓公眾人士查閱。本公司鼓勵其股東善用本公司網站及歡迎投資者及股東提出意見，並誠邀彼等透過電郵investor.relations@chineseestates.com聯絡本公司，分享彼等之意見及建議。

股東可以書面方式向董事會或本公司之公司秘書作查詢，該書面查詢可送交至本公司香港主要辦事處，地址為香港灣仔告士打道38號中國恆大中心26樓或電郵至investor.relations@chineseestates.com。股東亦有權於股東大會上作出提問。

PROSPECTS

The Group sees bright prospects for the Hong Kong residential property market. Despite the local Government's control measures as well as the interest rate rise by the U.S. Federal Reserve, there was no sign of falling house prices throughout the Year. Looking ahead, in 2018, it is likely that the housing market will continue to flourish along with rising home prices and the impact of potential increase of interest rate on properties market should be moderate.

The Group is optimistic for its core businesses. In 2016 and 2017, the Group had been actively expanding our property investment business through acquisition of commercial buildings in the United Kingdom. Remarkably, all investment properties of the Group in the United Kingdom were fully let during the Year. It is expected that the business of overseas property leasing will continue to bring about stable and considerable revenue for the Group in the coming year.

As for the business of securities investment, the Group acquired shares in PRC-based enterprise throughout the Year given the prosperous outlook of the PRC real estate industry demonstrated by the increase in share price of that sector during the Year. The Group will continue to closely monitor the securities market and seize every good investment opportunity with a view to generating positive returns.

In spite of disposals of several major assets since 2015, the Group's financial condition remains sound and stable. In future, the Group will keep an eye on the property markets, striving to expand its land bank and investment property portfolio at opportune times to attain long-term sustainable growth.

APPRECIATION

I would like to take this opportunity to express my gratitude to the shareholders for their continuing support. I would also like to express my sincere thanks to my fellow directors and all staff members for their dedication and hard work.

Lau, Ming-wai

Chairman

Hong Kong, 22nd February, 2018

展望

本集團可見香港住宅物業市場前景明朗。縱面對本港政府一系列控制措施以及美國聯儲局加息，樓價於整個年度並未有下降跡象。觀望二零一八年，樓市很有可能在樓價上升的情況下繼續暢旺，而物業市場潛在加息所帶來的影響應屬溫和。

本集團對其核心業務感到樂觀。於二零一六及二零一七年，本集團透過收購英國商業大廈積極拓展其物業投資業務。本集團於英國之投資物業組合表現出色，所有物業於本年度內均獲承租。預期海外物業租賃業務於來年將繼續為本集團帶來穩定及可觀的收益。

至於證券投資業務方面，有見中國房地產行業股價於本年度節節上升，市場前景繁榮，本集團於本年度購入中資企業股份。本集團將繼續密切監察證券市場及把握每個優良投資機遇，致力創造正面回報。

儘管本集團自二零一五年起出售多項主要資產，其財務狀況依然良好穩健。在未來，本集團將繼續留意各物業市場，致力適時擴展其土地儲備及投資物業組合，以達致長遠可持續發展。

致謝

本人謹藉此機會對股東一直以來的鼎力支持與各位董事及全體員工的貢獻及竭誠工作表示謝意。

主席

劉鳴煒

香港，二零一八年二月二十二日