

I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2018 (the "Year") to the shareholders of the Company.

RESULTS

Profit for the Year attributable to owners of the Company was HK\$1,015.3 million as compared to HK\$3,708.9 million for last year. The decrease in profit for the Year was mainly due to (i) no imputed interest income from deferred consideration receivables was recognised during the Year as compared with HK\$772.6 million recorded in 2017; (ii) no gain on disposal of subsidiary was recorded during the Year as compared with gains on the Pinecrest Disposal and the Win Kings Disposal (both defined on page 26 of this annual report) of HK\$143.3 million in total recorded in 2017; (iii) decrease in profit from listed securities investments and treasury products of HK\$1,427.9 million; (iv) decrease in gain on fair value changes of investment properties of HK\$442.2 million; and (v) decrease in attributable property sales profit. Earnings per share for the Year was HK\$0.53 (2017: HK\$1.94).

If the net gain on the major non-cash items of HK\$297.0 million (2017: HK\$646.4 million) are excluded, the Group will have a core profit for the Year attributable to owners of the Company of HK\$718.3 million (2017: HK\$3,398.7 million including the 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 (including those recognised in properties revaluation reserve)) and a core profit per share of HK\$0.38 (2017: HK\$1.78).

The major non-cash items represented the attributable net unrealised fair value gain on investment properties together with their respective deferred tax from the Group and its associates and joint venture of HK\$297.0 million (2017: the Group and its associates of HK\$646.4 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」）截至二零一八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1,015,300,000港元，相比去年為3,708,900,000港元。本年度溢利減少主要由於(i)於本年度並無確認應收遞延代價所產生之名義利息收入，而於二零一七年錄得772,600,000港元；(ii)於本年度並無錄得出售附屬公司之收益，而於二零一七年錄得Pinecrest出售及Win Kings出售（兩者定義見本年報第26頁）之收益合共143,300,000港元；(iii)來自上市證券投資及財產品溢利減少1,427,900,000港元；(iv)投資物業之公平值變動之收益減少442,200,000港元；以及(v)應佔物業銷售溢利減少。本年度之每股盈利為0.53港元（二零一七年：1.94港元）。

如撇除主要非現金項目收益淨額297,000,000港元（二零一七年：646,400,000港元），本集團將錄得本公司擁有人應佔本年度之核心溢利718,300,000港元（二零一七年：3,398,700,000港元，包括本集團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淨額連同其相關之遞延稅項為336,200,000港元（包括其確認於物業重估儲備））及每股核心溢利為0.38港元（二零一七年：1.78港元）。

主要非現金項目乃指來自本集團以及其聯營公司及合資公司之應佔投資物業之未變現公平值收益淨額連同其相關之遞延稅項共297,000,000港元（二零一七年：來自本集團及其聯營公司共646,400,000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 (2017: HK10 cents per share) for the Year (the "Final Dividend").

The Board has approved and adopted a dividend policy for the Company on 5th March, 2019 (the "Dividend Policy"). Under the Dividend Policy, the Company does not have any pre-determined dividend payout ratio. When considering dividend declaration or recommendation, the Board shall take into account various factors including but not limited to the Group's business condition and strategy, capital requirement; and earnings, financial and cash flow position, and distributable reserves of the Company and the Group.

During the Year, the Group has recorded a total comprehensive expenses attributable to owners of the Company of approximately HK\$2,117.0 million (2017: total comprehensive income attributable to owners of the Company of HK\$16,348.7 million). As at 31st December, 2018, the Group had a cumulative unrealised gain on fair value change of listed equity investment in China Evergrande Group (stock code: 3333) of approximately HK\$6,571.0 million (details are disclosed in the sub-paragraph headed "Listed Equity Investments at Fair Value Through Other Comprehensive Income" of paragraph headed "Securities Investments" in the section headed "Financial Operation Review" of this annual report). However, 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. The Board recognised the possible potential fluctuation in 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 investment in China Evergrande Group. Subject to the then business, financial and cashflow position of the Group and other factors stated in the Dividend Policy, the Board may 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.

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（「末期股息」）（二零一七年：每股10港仙）。

董事會於二零一九年三月五日批准並採納了本公司的股息政策（「股息政策」）。根據股息政策，本公司並無任何預定的派息比率。當考慮宣派或建議派發股息時，董事會應考慮各種因素，包括但不限於本集團的業務狀況及策略、資本需求；及本公司及本集團的盈利、財務及現金流量狀況以及可分派儲備。

於本年度內，本集團錄得本公司擁有人應佔之全面支出總額約2,117,000,000港元（二零一七年：本公司擁有人應佔之全面收益總額為16,348,700,000港元）。於二零一八年十二月三十一日，本集團於中國恆大集團（股份代號：3333）之上市股本投資之公平值變動之累計未變現收益約為6,571,000,000港元（詳情於本年報「財務業務回顧」一節中「證券投資」一段之「通過其他全面收益以反映公平值之上市股本投資」分段內披露）。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。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以及股息政策當中所述的其他因素，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，董事會可能考慮宣派或建議派發股息，以回饋本公司股東支持。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發出公布。

DIVIDENDS (Cont'd)

The Company had paid an interim dividend of HK1 cent per share on 17th September, 2018 (2017: HK20 cents per share). Having considered the factors stated in the Dividend Policy, 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 (2017: HK10 cents per share).

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 24th May, 2019 (the "2019 AGM"), dividend warrants for the Final Dividend will be posted on or about 12th June, 2019 to shareholders whose names appear on the register of members of the Company on 31st May, 2019.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the 2019 AGM, and entitlement to the recommended Final Dividend, the register of members will be closed during the following periods respectively:

(1) For ascertaining eligibility to attend and vote at the 2019 AGM:

(1) 為確定出席二零一九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	20.5.2019 16:30
Closure of register of members 暫停辦理股東登記手續	21.5.2019–24.5.2019 (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	29.5.2019 16:30
Closure of register of members 暫停辦理股東登記手續	30.5.2019–31.5.2019 (both days inclusive) (包括首尾兩天)
Record date 記錄日期	31.5.2019

To be eligible to attend and vote at the 2019 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.

股息 (續)

本公司已於二零一八年九月十七日支付中期股息每股1港仙(二零一七年:每股20港仙)。經考慮股息政策當中所述的因素,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的機遇之需要,董事會建議派發末期股息每股10港仙(二零一七年:每股10港仙)。

待股東於本公司將於二零一九年五月二十四日舉行之應屆股東週年大會(「二零一九年股東週年大會」)上批准,末期股息之股息單將於二零一九年六月十二日或前後寄發予於二零一九年五月三十一日名列本公司股東名冊之股東。

暫停辦理股東登記手續

為確定股東出席二零一九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:

為符合資格出席二零一九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's core businesses comprise property investment 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.

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

The Group invested in office properties and hotel business in Mainland China and commercial and residential properties in the United Kingdom. All of them are located in the prestigious areas and generate stable and recurrent rental income for the Group.

The Group is actively grasping the opportunities for acquiring properties in Hong Kong and 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 cyclicity of the property business.

業務模式及策略

本集團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。

本集團於中國內地持有寫字樓及投資於酒店業務，並於英國持有商業及住宅物業。該等物業及投資均位於優質地區，為本集團帶來穩定及經常性租金收入。

本集團正積極物色機會收購位於香港及英國之物業。

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.

As at 31st December, 2018, the occupancy rate of the shops of Causeway Place was approximately 89.05%.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the average occupancy rate was approximately 97.73% during the Year.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 65.62% during the Year.

During the Year, the average occupancy rate of the Group's office property, Harcourt House was approximately 93.33%.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the occupancy rate was approximately 97.92% as at 31st December, 2018.

In March 2018, the Group through subscription of 50% equity interest in a joint venture, invested in a 8-storey industrial building located at Nos. 14-18 Ma Kok Street (known as Possehl Building) in Tsuen Wan (50% interest). Its current total gross floor area is approximately 120,000 square feet and it was fully let as at 31st December, 2018.

Hong Kong Property Development

In general, the Group's development projects have been progressing satisfactorily and sales of trading properties has recorded a pleasing results.

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, 2018, all residential units were sold and handed over to purchasers.

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。

於二零一八年十二月三十一日，銅鑼灣地帶之商舖出租率約為89.05%。

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97.73%。

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65.62%。

於本年度內，本集團之辦公室物業—夏慤大廈之平均出租率約為93.33%。

鴻圖道1號（佔33.33%權益），位於觀塘一幢33層之工業大廈，於二零一八年十二月三十一日，出租率約為97.92%。

於二零一八年三月，本集團透過認購合資企業50%股權權益，投資位於荃灣馬角街14至18號一幢8層工業大廈（稱為「栢獅電子大廈」）（佔50%權益）。其總樓面面積現約120,000平方呎，於二零一八年十二月三十一日，該物業之所有單位均獲承租。

香港物業發展

整體而言，本集團各個發展項目進展理想，買賣物業之銷售成績令人滿意。

傲珀（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。於二零一八年十二月三十一日，所有住宅單位已售出並交付予買家。

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, 2018, 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, 2018, 99.86% of total units were sold.

Grand Central (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 in two phases. Presale consent applications of both phases were approved during the Year. Since the presales commenced in December 2018, 866 units of first phase and 518 units of second phase were presold up to 31st December, 2018. Superstructure works of both phases are in progress, the whole project will be completed in the first half of 2021.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 502 rooms, average occupancy rate was approximately 59.75% for the Year.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing, average occupancy rate was approximately 86.16% for the Year.

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。於二零一八年十二月三十一日，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。於二零一八年十二月三十一日，已售出單位總數之99.86%。

凱匯(佔10%權益)為本集團獲市區重建局批予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。分兩期建成4座住宅大廈，合共提供1,999個住宅單位。於本年度內，兩期項目之預售樓花同意書已獲批出。自二零一八年十二月開始預售以來，截至二零一八年十二月三十一日止已預售第一期866個單位及第二期518個單位。兩期項目之上蓋建築工程現正進行。整個項目將於二零二一年上半年竣工。

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，於本年度內之平均入住率約為59.75%。

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，於本年度內之平均出租率約為86.16%。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Overseas Property Investment

Overall, approximately 98.24% of the Group's investment property portfolio in the United Kingdom had been let out during the Year.

River Court is 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. During the Year, River Court was fully let.

"14 St George Street" is 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. It was fully let during the Year.

"61-67 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. It was fully let during the Year.

"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 office accommodation arranged over lower ground, ground and six upper floors, approximately 92.97% had been let out during the Year on average.

Securities Investments

Securities investment is one of the principal activities of the Group.

The Group's strategy is to maintain securities investment portfolio for treasury management. As at 31st December, 2018, the Group's securities investment portfolio comprised of bonds and listed equity investments. 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

整體而言，於本年度內，本集團於英國之投資物業組合約98.24%獲承租。

River Court為一幢位於英國倫敦Fleet Street 116-129號之永久業權寫字樓。River Court提供總室內淨面積約431,324平方呎，連同若干泊車位。River Court之所有單位於本年度內均獲承租。

「St George Street 14號」為一幢位於英國倫敦之永久業權寫字樓。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組成。該物業之所有單位於本年度內均獲承租。

「Oxford Street 61-67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。該物業之所有單位於本年度內均獲承租。

「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平方呎之寫字樓樓面，分佈於地下低層、地下及樓上六層，於本年度內平均約92.97%獲承租。

證券投資

證券投資乃本集團其中一項主要業務。

本集團的策略是維持證券投資組合的財務管理。於二零一八年十二月三十一日，本集團證券投資組合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 from securities investments for the Year was approximately HK\$280.8 million. Details of the performance of securities investments are disclosed in the 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

Connected Transaction and Continuing Connected Transactions – Agreements for Tenancies

The Group (as tenant) has on 28th February, 2019 entered into (a) a tenancy agreement in relation to the leasing of the whole of 17th floor of Chubb Tower, Windsor House; and (b) an agreement for lease in relation to the leasing of the whole of 19th floor, the whole of 20th floor and the whole of 21st floor of Chubb Tower, Windsor House, with a company indirectly owned by (i) Ms. Chan, Hoi-wan (an Executive Director and a trustee of the substantial shareholders of the Company (who are two of her minor children)), both in her capacity as a trustee of her minor children and in her own capacity; (ii) Mr. Lau, Ming-wai (a Non-executive Director, the chairman of the Board and a substantial shareholder of the Company); and (iii) a family trust of Mr. Joseph Lau, Luen-hung (the spouse of Ms. Chan, Hoi-wan) (as landlord) (the "Transactions"). Such premises will be used as part of the coming new headquarter of the Group. The Transactions constitute a connected transaction and continuing connected transactions for the Company as more described in the Company's announcement dated 28th February, 2019.

Adoption of Dividend Policy

The Board has approved and adopted a Dividend Policy for the Company on 5th March, 2019 that aims to set out the principles and guidelines of the Company in relation to the declaration, recommendation and payment of dividends to its shareholders. Details of the Dividend Policy are disclosed in the Corporate Governance Report of this annual report.

管理層討論與分析 (續)

證券投資 (續)

本年度證券投資確認之收益約280,800,000港元。證券投資表現之詳情於本年報之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

關連交易及持續關連交易－租賃協議

於二零一九年二月二十八日，本集團（作為租戶）與由(i)陳凱韻女士（執行董事及本公司之主要股東（彼之兩名未成年子女）之信託人）（以其未成年子女之信託人之身份及其本身之身份）、(ii)劉鳴煒先生（非執行董事、董事會主席及本公司之主要股東）、及(iii)劉鑾雄先生（陳凱韻女士之配偶）之家族信託間接擁有之公司（作為業主）訂立(a)一份有關租賃皇室大廈安達人壽大樓17樓全層的租賃協議；及(b)一份有關租賃皇室大廈安達人壽大樓19樓全層、20樓全層及21樓全層之同意租賃協議（「該等交易」）。有關物業將用作本集團新總部之一部份。該等交易構成本公司之關連交易及持續關連交易，詳情載列於本公司日期為二零一九年二月二十八日之公布內。

採納股息政策

董事會於二零一九年三月五日批准並採納本公司之股息政策，旨在列明有關本公司向其股東宣派、建議及派發股息之原則及指引。股息政策之詳情於本年報之企業管治報告書內披露。

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.

PROSPECTS

The development of US-China trade war remains fluid. The global economic outlook is still subject to many uncertainties and is anticipated to be challenging in the year 2019.

In Hong Kong, residential property prices cooled over the past few months, resulting from the pressure of the prolonged US-China trade tensions, anticipation on rising interest rates and global stock market corrections.

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。

展望

中美貿易戰發展仍存在變數。環球經濟前景仍受多項不明朗因素所影響，預期二零一九年度將會滿佈挑戰。

香港方面，住宅物業價格於過去數月出現降溫，此乃受到中美貿易局勢持續緊張、預期加息及環球股市調整等壓力所致。

PROSPECTS (Cont'd)

The local commercial and retail property markets have seen better resilience. Currently, the Group's investment properties continue to contribute stable stream of income. It is anticipated that tourist numbers from Mainland China will be driven up on the back of the completion of Hong Kong-Zhuhai-Macao Bridge and Guangzhou-Shenzhen-Hong Kong High Speed Rail. The Group's investment properties will be benefited in return.

In the United Kingdom, Brexit is undoubtedly casting a shadow of uncertainty over the country. Nevertheless, the Group's four commercial and residential properties in London are long term investments and it is anticipated that property rental in London will continue to bring stable income in a long run.

In Mainland China, the ongoing trade disputes with the United States and the slowing economic growth both affected the performance of Chinese stocks and bonds adversely. The Group will continue to identify potential securities investments, while taking cautious view on the market performance so as to enhance returns on securities investment activities.

As global uncertainties continues to dominate, the Group will adopt caution measures and prepare to respond to the rapidly changing and challenging environment.

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, 5th March, 2019

展望 (續)

本地商業及零售物業市場則呈現較好勢頭。目前，本集團之投資物業繼續提供穩定收入來源。預期港珠澳大橋之落成及廣深港高鐵之開通將推高來自中國大陸的旅客人數，使本集團之投資物業從中受惠。

英國方面，脫歐無疑為該國添上不明朗因素。儘管如此，本集團位於倫敦之四項商業及住宅物業均屬長期投資，預期倫敦物業租賃於長遠而言將繼續為本集團帶來穩定收入。

中國大陸方面，與美國持續之貿易糾紛及經濟增長放緩均對中資股份及債券表現造成不利影響。本集團將繼續物色有潛力之證券投資，並審慎留意市場表現，務求提高證券投資業務回報。

鑒於環球不明朗因素持續主導市場，本集團將採取審慎措施，隨時應對快速多變及充滿挑戰的環境。

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

劉鳴焯

香港，二零一九年三月五日