

Chairman's Statement

主席報告書

I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2011 (the "Year") to the shareholders of the Company.

RESULTS

Profit attributable to owners of the Company for the Year was HK\$3,497.8 million as compared to loss of HK\$8,858.2 million for last year. The profit for the Year was mainly due to the fair value gains on investment properties and the increase in share of profits of associates after the loss on sale of listed securities investments. Earnings per share for the Year was HK\$1.83 (year ended 31st December, 2010: loss per share of HK\$4.60).

If the net gain on the major non-cash items of HK\$3,283.3 million (year ended 31st December, 2010: net loss of HK\$10,748.9 million) are excluded, the Group will have a core profit attributable to owners of the Company for the Year of HK\$214.5 million (year ended 31st December, 2010: HK\$1,890.7 million) and a core earnings per share of HK11.2 cents (year ended 31st December, 2010: HK98.2 cents), a decrease of 88.7% and 88.6% over 2010 respectively. The decrease in core profit for the Year was mainly due to the loss on sale of listed securities investments during the Year.

The major non-cash items were fair value gain on investment properties together with their respective deferred tax of HK\$3,283.3 million (year ended 31st December, 2010: loss of HK\$10,748.9 million).

DIVIDEND

In order to maintain a continuous dividend payment record, the board of Directors of the Company (the "Board") has recommended the payment of a nominal final dividend of HK1 cent per share for the Year (the "Final Dividend") (2010: HK1 cent). The Board considers that it is necessary to adopt a conservative dividend policy by maintaining a higher cash reserve in view of the fluctuation of global capital market since early August 2011.

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 25th May, 2012 (the "2012 AGM"), dividend warrants will be posted on or about 13th June, 2012 to shareholders whose names appear on the register of members of the Company on 1st June, 2012.

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」）截至二零一一年十二月三十一日止年度（「本年度」）之業績。

業績

本公司擁有人於本年度的應佔溢利為3,497,800,000港元，而相比去年虧損為8,858,200,000港元。本年度的溢利主要來自除去上市證券投資虧損後投資物業的公平值收益及攤佔聯營公司溢利增加。於本年度之每股盈利為1.83港元（截至二零一零年十二月三十一日止年度：每股虧損為4.60港元）。

如撇除主要非現金項目收益淨額3,283,300,000港元（截至二零一零年十二月三十一日止年度：虧損淨額10,748,900,000港元），本集團於本年度將錄得本公司擁有人應佔核心溢利為214,500,000港元（截至二零一零年十二月三十一日止年度：1,890,700,000港元），而每股核心盈利為11.2港仙（截至二零一零年十二月三十一日止年度：98.2港仙），分別較二零一零年減少88.7%及88.6%。本年度內的核心溢利減少主要來自上市證券投資之銷售虧損。

主要非現金項目來自投資物業之公平值收益連同其相關之遞延稅項為3,283,300,000港元（截至二零一零年十二月三十一日止年度：虧損10,748,900,000港元）。

股息

為保持持續派付股息之記錄，本公司董事會（「董事會」）建議派發本年度之象徵性末期股息每股1港仙（「末期股息」）（二零一零年：1港仙）。鑑於自二零一一年八月初起全球資本市場波動，董事會認為有必要為維持較高之現金儲備而採納較保守之派息政策。

待股東於本公司將於二零一二年五月二十五日舉行之應屆股東週年大會（「2012股東週年大會」）上批准，股息單將於二零一二年六月十三日或前後寄發予於二零一二年六月一日名列本公司股東名冊之股東。

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the 2012 AGM, and entitlement to the recommended Final Dividend, the register of members will be closed during the following periods respectively:—

暫停辦理股東登記手續

為確定股東出席2012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 2012 AGM: 為確定出席2012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	21.5.2012 16:30
Closure of register of members 暫停辦理股東登記手續	22.5.2012 – 25.5.2012 (both days inclusive) (包括首尾兩天)
(2) For ascertaining entitlement to the recommended Final Dividend: 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	30.5.2012 16:30
Closure of register of members 暫停辦理股東登記手續	31.5.2012 – 1.6.2012 (both days inclusive) (包括首尾兩天)
Record date 記錄日期	1.6.2012

To be eligible to attend and vote at the 2012 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2012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室。

BUSINESS REVIEW

Hong Kong Property Investment

Rentals from investment properties continued to be one of the major sources of our income. The overall occupancy rate of the Group's retail portfolio was 95.95% during the Year excluding improvement work area of Silvercord. The occupancy rate achieved 98.20% if non-core properties are excluded and it has been increased 8.08% over last year. The high occupancy rate is attributable to the prime locations of the majority of the Group's retail properties.

The Group's overall gross rental growth was 18.35% with rental income of HK\$1,239.0 million for the Year as compared with last year. The rental income from Hong Kong retail portion showed an upward momentum with 24.36% growth while the non-retail portion recorded steady growth of 5.16%. The increase in gross rental income is mainly attributable to the full operation of The ONE after its opening and the rental growth after rejuvenation and upgrading works of Windsor House and Silvercord. Retail rents were generally raised due to the increase in tenants' business turnover benefited from the continuous growth of Mainland China tourists' spending and the improved local consumption.

The average occupancy rate of the shops of Causeway Place was approximately 98.63% during the Year.

The overall rental income of Windsor House was raised 25.92% for the Year as compared with last year due to the completion of renovation works of Windsor House in May 2010. The revamped Windsor House provides shoppers a cozy shopping environment with a diversified trade mix. During the Year, its average occupancy rate was approximately 96.02%. The rental growth and high occupancy rate once again demonstrate the Group's expertise on value enhancement for its investment properties through renovations.

As for Silvercord, the overall rental income was raised 24.90% for the Year as compared with last year. Its average occupancy rate was approximately 98.83% during the Year excluding improvement work area. Improvement works in relation to further refine the configuration of the retail shops and restaurants at basement to third floor had been completed in February 2011. The rental income, occupancy rate, tenant mix and traffic flow of Silvercord have been substantially enhanced after its renovation and repackaging.

業務回顧

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。本集團之零售物業組合於本年度內之整體出租率為95.95% (不包括新港中心之改善工程範圍)。倘撇除非核心物業，出租率則達98.20%，較去年上升8.08%。高出租率與本集團大部分零售物業位於優質地段有關。

本集團於本年度之整體租金總額較去年增長18.35%，租金收入為1,239,000,000港元。香港零售部分之租金收入表現向好，增長24.36%，而非零售部分則錄得5.16%之平穩增長。租金收入總額增加主要由於The ONE開幕後全面營運，以及皇室大廈與新港中心經翻新及優化工程後租金增長所致。受惠於內地訪港旅客消費不斷增長及本地消費增加，租戶之營業額上升，令本集團之零售租金普遍上揚。

於本年度內，銅鑼灣地帶之商舖之平均出租率約為98.63%。

皇室大廈之翻新工程已於二零一零年五月竣工，帶動皇室大廈於本年度之整體租金收入較去年上升25.92%。經翻新後的皇室大廈為購物人士提供更舒適的購物環境及具多元化的商戶組合。於本年度內，其平均出租率約為96.02%。租金增長及高出租率再一次證明本集團善於透過翻新旗下投資物業以提升價值。

新港中心於本年度之整體租金收入較去年上升24.90%。其平均出租率於本年度內約為98.83% (不包括改善工程範圍)。有關進一步優化地庫至三樓之零售商舖和食肆配置之改善工程已於二零一一年二月竣工。新港中心完成翻新及重新包裝後，其租金收入、出租率、租戶組合及人流均大幅提升。

BUSINESS REVIEW (Cont'd)

Hong Kong Property Investment (Cont'd)

The ONE has become a spotlight for shoppers and destination for tourists since its grand opening on 29th October, 2010. It is the tallest retail complex of its kind in Hong Kong at present, integrates with shopping, entertainment and food and beverage, and has more than 400,000 square feet of retail spaces. All the shops were leased out as of 31st December, 2011 with many of them are popular fashion brands and well-known trademarks. Its average occupancy rate was approximately 99.84% during the Year.

The occupancy rate for the Group's office properties maintained at a high level. During the Year, the average occupancy rates of Windsor House, MassMutual Tower and Harcourt House were approximately 89.48%, 99.90% and 95.59% respectively, bringing the approximate occupancy rate of the overall office portfolio to 94.56%.

Hong Kong Property Development

In general, the Group's development projects have been progressing satisfactorily and the sales have been achieving pleasing results.

MOD 595 is a joint venture project with the Urban Renewal Authority located in Mongkok. It provides a single residential tower block comprises 85 units with flat size ranging from gross floor area of approximately 483 square feet to 1,188 square feet. As at 31st December, 2011, all units were sold.

Sun Fair Mansions, 12 Shiu Fai Terrace, located in Mid-Levels East, is a traditional prestigious location for luxury residential project in Hong Kong. A luxury residential tower which provides a total residential gross floor area of around 41,020 square feet will be redeveloped. Site formation work is in progress. Completion of the project is scheduled for mid 2013 and it is expected to be launched in the first quarter of 2014.

The Group has a two-phase redevelopment project in Wanchai (87.5% interest) undertaken with the Urban Renewal Authority. All residential units of The Zenith (Phase I project) were sold. One WanChai (Phase II project with preservation of the core elements of Wanchai Market) is a residential/commercial complex development with total gross floor area of approximately 159,700 square feet which provides 237 residential units with flat size ranging from gross floor area of approximately 420 square feet to 1,200 square feet and retail properties. Its superstructure work is in progress. Completion is scheduled for end 2012. Pre-sale consent was received in June 2011. Since its first sales launch commenced in November 2011, 21 out of 73 units launched (i.e. 28.77%) were presold up to 31st December, 2011, representing 8.86% of total units.

業務回顧 (續)

香港物業投資 (續)

The ONE自二零一零年十月二十九日隆重開幕以來一直深受購物人士垂青，並已成為旅客必到之目的地。The ONE目前是香港最高之同類型綜合商場，集購物、娛樂及飲食於一身，零售面積超過400,000平方呎。於二零一一年十二月三十一日，所有商舖均獲承租，當中大多為流行時裝品牌及知名商標。於本年度內，其平均出租率約為99.84%。

本集團辦公室物業之出租率維持於高水平。於本年度內，皇室大廈、美國萬通大廈及夏慤大廈之平均出租率分別約為89.48%、99.90%及95.59%，使整體辦公室物業組合出租率達約94.56%。

香港物業發展

整體而言，本集團各個發展項目進展理想，銷售成績令人滿意。

MOD 595為一個與市區重建局進行之合營項目，位於旺角。MOD 595為一座單幢式住宅大廈，提供85個單位，單位總樓面面積約介乎483平方呎至1,188平方呎不等。於二零一一年十二月三十一日，所有單位經已售出。

肇輝臺12號新輝大廈位於東半山區香港傳統豪宅項目地段，位置優越。該大廈將重建為一座豪華住宅大樓，可提供總住宅樓面面積合共約41,020平方呎，現正進行地盤平整工程。項目訂於二零一三年年中竣工，並預期將於二零一四年第一季推出。

本集團擁有一個與市區重建局合作位於灣仔合共兩期之重建項目（佔87.5%權益）。尚翹峰（第一期項目）之所有住宅單位經已售出。壹環（第二期項目－涉及保留灣仔街市核心部分）為一個住宅／商業綜合發展項目，總樓面面積合共約159,700平方呎，提供237個總樓面面積約介乎420平方呎至1,200平方呎不等之住宅單位及零售商舖。上蓋工程正在進行中。項目訂於二零一二年年底竣工。預售樓花同意書已於二零一一年六月取得。自二零一一年十一月首次推售後，截至二零一一年十二月三十一日止已預售21個單位，佔73個推售單位之28.77%，相當於單位總數之8.86%。

BUSINESS REVIEW (Cont'd)

Hong Kong Property Development (Cont'd)

No. 55 Conduit Road (70% interest), a residential site in Mid-Levels with site area about 36,000 square feet which provides a total residential gross floor area of around 87,800 square feet. This site will be developed into a luxury residential project. The first phase of the site formation work has been completed. Piling works and the associated substructure works are in progress. The project is expected to be launched in 2013.

The Hermitage (25% interest), is one of the Group's joint venture development projects in West Kowloon Reclamation Area. 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. Certificate of compliance was issued in March 2011 and the residential units are being handed over to individual purchasers. As at 31st December, 2011, 959 units were sold and recognised, representing 99.48% of total units.

The Coronation (15% interest), is another joint venture development project of the Group in West Kowloon Reclamation Area. Its superstructure work is in progress and the whole project is expected to be completed in end 2012. 6 residential tower blocks, which provide in aggregate 740 residential units and retail properties with a total gross floor area of around 650,600 square feet, will be developed. Pre-sale consent was received in December 2011. The sale is in progress and 81 units were presold up to 31st December, 2011.

Macau Property Development

La Scala is a high-end residential project located in Avenida Wai Long, Taipa, Macau (owned 100% interest upon acquisition of the remaining 29.99% interest from an independent third party in March 2011) with a total residential gross floor area of approximately 5,786,296 square feet (excluding car park area and outdoor facilities area). It will comprise 26 residential tower blocks and will be developed in phases. Phase I development will comprise 9 residential tower blocks and provide in aggregate 899 residential units. Its site formation work is scheduled for completion in the second quarter of 2012. Phase I development is currently offered for presale.

業務回顧 (續)

香港物業發展 (續)

干德道55號 (佔70%權益) 為位於中半山的住宅地盤，地盤面積約為36,000平方呎，提供總住宅樓面面積合共約87,800平方呎。該地盤將發展為豪華住宅項目。首階段之地盤平整工程經已完成，現正進行打樁及相關地基工程。項目預期將於二零一三年推出。

帝峯·皇殿 (佔25%權益) 為本集團其中一個位於西九龍填海區的合營發展項目，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。滿意紙已於二零一一年三月批出，住宅單位亦正交付予個別買家。於二零一一年十二月三十一日，已確認出售959個單位，佔單位總數之99.48%。

御金·國峯 (佔15%權益) 為本集團另一個位於西九龍填海區的合營發展項目。現正進行上蓋建築工程，整個項目預期將於二零一二年年底竣工。該項目將發展為6座住宅大廈，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。預售樓花同意書已於二零一一年十二月取得。項目現正進行銷售，截至二零一一年十二月三十一日止已預售81個單位。

澳門物業發展

御海·南灣為一個位於澳門氹仔偉龍馬路之高級住宅項目 (於二零一一年三月從獨立第三方購入餘下29.99%權益後取得100%權益)，總住宅樓面面積合共約5,786,296平方呎 (不包括停車場範圍及室外設施範圍)。該項目將由26座住宅大廈組成，並分階段發展。第一期項目將由9座住宅大廈組成，提供合共899個住宅單位。其地盤平整工程訂於二零一二年第二季完成。第一期項目目前正進行預售。

BUSINESS REVIEW (Cont'd)

Mainland China Property Investment

The average occupancy rate of the 79 retail outlets with a total area of approximately 29,000 square feet in Lowu Commercial Plaza, Shenzhen was approximately 98.34% for the Year.

Evergo Tower, located at Central Huaihai Road in Shanghai, is a 21-storey office and shopping complex and has a gross floor area of around 263,708 square feet. The average occupancy rates of the office and retail spaces for the Year were approximately 90.34% and 55.31% respectively.

Platinum (50% interest), a 20-storey Grade A office building located at Taicang Road of Luwan District in Shanghai, has a gross floor area of about 466,464 square feet. The average occupancy rate for the Year was approximately 98.50%.

Hilton Beijing (50% interest), having 503 rooms, average occupancy rate was approximately 76.80% for the Year.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing, average occupancy rate was approximately 99.77% for the Year.

Mainland China Property Development

Splendid City, a residential and commercial project located at Yingbin Road of Jinniu District in Chengdu, has a site area of approximately 795,625 square feet and a corresponding gross floor area of approximately 3.74 million square feet. It will comprise 19 residential tower blocks with a commercial building and will be developed in two phases. Phase I of Splendid City provides 1,226 residential units with flat size ranging from gross floor area of approximately 854 square feet to 1,812 square feet and a commercial building with gross floor area of approximately 272,740 square feet. Phase I had been completed in November 2010 and the residential units had been handed over to individual purchasers. As at 31st December, 2011, 1,210 units of Phase I were sold, representing 98.69%. Phase II of Splendid City will provide 1,625 residential units with flat size ranging from gross floor area of approximately 854 square feet to 1,812 square feet. It is under superstructure construction and expected to be completed in end 2012. The launching of Phase II was commenced in September 2011, 143 out of 284 units launched (i.e. 50.35%) were presold up to 31st December, 2011.

業務回顧 (續)

中國大陸物業投資

深圳市羅湖商業城79個零售商舖(面積合共約29,000平方呎),於本年度之平均出租率約為98.34%。

愛美高大廈位於上海市淮海中路,為一幢樓高21層的辦公及商場綜合樓,建築面積約263,708平方呎。辦公及商場面積於本年度之平均出租率,分別約為90.34%及55.31%。

新茂大廈(佔50%權益),位於上海市盧灣區太倉路,為一幢樓高20層的甲級辦公樓,建築面積約466,464平方呎。於本年度之平均出租率約為98.50%。

北京希爾頓酒店(佔50%權益),設503個客房,於本年度之平均入住率約為76.80%。

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99.77%。

中國大陸物業發展

華置·西錦城,為位於成都市金牛區迎賓大道的商住項目,地盤面積約795,625平方呎,建築面積約3,740,000平方呎。項目將由19座住宅大廈及一幢商業大樓組成,並分兩期發展。華置·西錦城第一期提供1,226個建築面積約介乎854平方呎至1,812平方呎不等之住宅單位,以及一幢建築面積約272,740平方呎之商業大樓。第一期項目已於二零一零年十一月竣工,住宅單位亦已交付予個別買家。於二零一一年十二月三十一日,第一期項目已售出1,210個單位,相當於98.69%。華置·西錦城第二期將提供1,625個建築面積約介乎854平方呎至1,812平方呎不等之住宅單位,現正進行上蓋建築工程,並預期將於二零一二年年底竣工。第二期項目已於二零一一年九月推售,截至二零一一年十二月三十一日止已預售143個單位(即佔284個推售單位之50.35%)。

BUSINESS REVIEW (Cont'd)

Mainland China Property Development (Cont'd)

The Metropolis is a residential project located at Dongda Street of Jinjiang District in Chengdu, with site area of approximately 194,411 square feet and corresponding gross floor area of approximately 1.65 million square feet. It will comprise 6 residential tower blocks and will be developed in phases. Phase I of The Metropolis provides 572 units with flat size ranging from gross floor area of approximately 704 square feet to 2,692 square feet. It is under superstructure construction and expected to be completed in end 2012. Since its first sales launch of Phase I commenced in December 2010, 178 units (i.e. 31.12%) were presold up to 31st December, 2011.

Chinese Estates Plaza, a commercial and residential project at South Taisheng Road of Qingyang District in Chengdu, has a site area of about 404,267 square feet with a development scale of 3.2 million square feet. It will comprise a Grade A office building, a five stars hotel, a shopping centre and 4 residential tower blocks. Superstructure construction works are in progress. Completion of the commercial and residential portions are scheduled for end 2013 and end 2014 respectively.

The commercial and residential project at Huaxinjie Street of Jiangbei District in Chongqing (25% interest), has a site area of around 2,207,546 square feet and a gross floor area of approximately 11.08 million square feet. The project is at design stage. It will be developed in four phases and Phase I is expected to be completed in the third quarter of 2016.

In June 2011, the Group invested indirectly in the land located at the southeast exterior of Yin Xing Ken District, Yinyang Town, Qidong, Jiangsu Province (49% interest), having a total site area of approximately 14.37 million square feet. The land will be developed into an integrated residential, business and resort complex. Construction of the first phase of the development has commenced.

Overseas Property Investment

River Court is a Grade A freehold office building situate at 116-129 Fleet Street, London, United Kingdom acquired by the Group in January 2011. It provides a total net internal area of approximately 431,324 square feet, together with certain car parking spaces. It was fully let out as of 31st December, 2011.

業務回顧 (續)

中國大陸物業發展 (續)

華置·都匯華庭，為位於成都市錦江區東大街的住宅項目，其地盤面積約194,411平方呎，建築面積約1,650,000平方呎。項目將由6座住宅大廈組成，並分階段發展。華置·都匯華庭第一期提供572個建築面積約介乎704平方呎至2,692平方呎不等之單位。現正進行上蓋建築工程，預期將於二零一二年年底竣工。自第一期項目於二零一零年十二月首次推售後，截至二零一一年十二月三十一日止已預售178個單位（即31.12%）。

華置廣場，為位於成都市青羊區太升南路的商住項目，地盤面積約404,267平方呎，發展規模約3,200,000平方呎。項目將由一幢甲級辦公樓、一座五星級酒店、一個購物中心及4座住宅大廈組成。現正進行上蓋建築工程。該項目之商業及住宅部分分別計劃於二零一三年年底及二零一四年年底竣工。

位於重慶市江北區華新街街道之商住項目（佔25%權益），地盤面積約2,207,546平方呎，建築面積約11,080,000平方呎。項目現正處於設計階段。該項目將分四期發展，第一期項目預期將於二零一六年第三季竣工。

於二零一一年六月，本集團間接投資位於江蘇省啟東市寅陽鎮寅興墾區外側東南部之土地（佔49%權益），總地盤面積約14,370,000平方呎。該土地將發展成結合住宅、商業及渡假之綜合發展項目。第一期發展項目之建築工程經已展開。

海外物業投資

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（本集團於二零一一年一月購入）。River Court提供總室內淨面積約431,324平方呎，連同若干泊車位。於二零一一年十二月三十一日，所有單位均獲承租。

COMMUNITY RELATIONS

The Group continued to support meaningful activities in the community, and to encourage and promote volunteerism throughout the Group.

During the Year, the Group had participated in, among others, the following community programmes, charitable fundraising activities and voluntary services, for helping the communities in need, suffering people and children with special needs:-

- 8.12 Red Décor Day and Pass-it-On of **Hong Kong Red Cross**
- Charity Walk for Volunteering of **Agency for Volunteer Service**
- Flag Day of **Society for Community Organization**
- Fundraising event of **Heep Hong Society**
- Olympic Day cum Olympic Day Run of **Sports Federation & Olympic Committee of Hong Kong, China**
- Oxfam Rice Sale of **Oxfam Hong Kong**
- The Community Chest Sports Corporate Challenge, Dress Casual Day and Love Teeth Day of **The Community Chest**
- Used Book Recycling Campaign of **World Vision Hong Kong**
- World Sight Day of **ORBIS Hong Kong**

Moreover, the Group continued to support the Earth Hour of World Wide Fund by temporarily switched off the exterior and billboard lighting of certain properties under the Group, including The ONE, MassMutual Tower, Windsor House for an hour on the night of 26th March, 2011.

The Company was awarded as "Caring Company" in 2011/12, being the fifth consecutive year, by The Hong Kong Council of Social Service in recognition of our good corporate citizenship. The Group will continue to actively participate in various community programmes, charitable activities and voluntary services.

The Group donated a sum of HK\$34 million to the Community Care Fund (the "Fund") which is established to provide assistance to the underprivileged in the community in 2011 and further donated a sum of HK\$33 million to the Fund in February 2012.

社會關係

本集團繼續支持各類有意義之社會活動，並繼續於集團內鼓勵及提倡義務工作。

於本年度內，本集團參與（其中包括）以下社區項目、慈善籌款活動及義工服務，幫助社區內有需要或患病人士，以及需要特別照顧之兒童：—

- 香港紅十字會之8.12 Fun Fun「紅」日及愛心相連大行動
- 義務工作發展局之「行義我關懷」慈善步行
- 香港社區組織協會之賣旗日
- 協康會之慈善籌款項目
- 中國香港體育協會暨奧林匹克委員會之奧運日暨奧運歡樂跑
- 樂施會之樂施米義賣大行動
- 香港公益金之公益競技大比拼、公益金便服日及公益愛牙日
- 香港世界宣明會之舊書回收義賣大行動
- 香港奧比斯之「世界視覺日」

此外，本集團繼續支持世界自然基金會之地球一小時，於二零一一年三月二十六日晚上暫時關掉本集團旗下若干物業包括The ONE、美國萬通大廈及皇室大廈之外牆照明及廣告版燈飾一小時。

本公司於二零一一／一二年度，連續第五年獲香港社會服務聯會嘉許並頒發「商界展關懷」標誌，以肯定其良好企業公民精神。本集團將繼續積極參與各類型社區項目、慈善活動及志願活動。

本集團於二零一一年捐款34,000,000港元予旨在向社會上貧苦人士提供援助而成立之關愛基金（「基金」），並於二零一二年二月再向基金捐款33,000,000港元。

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 Investor Relations Department at investor.relations@chineseestates.com.

OTHER INFORMATION

Disposal of a Subsidiary

As announced on 7th November, 2011, the Group had entered into a sale and purchase agreement with a company wholly-owned by Mr. Joseph Lau, Luen-hung ("Mr. Lau") (the Chairman and Chief Executive Officer of the Company), in relation to the disposal of the Company's wholly-owned subsidiary that hold a residential property known as "LYNX HILL" located at No.3 Deep Water Bay Road, Hong Kong at a consideration of HK\$497,238,300.32. The disposal constituted a connected transaction for the Company under the Listing Rules. Completion of the disposal took place on 7th November, 2011.

Disposal of Properties – Connected Transactions

As announced on 8th March, 2012, Mr. Lau and his associates have offered to purchase or entered into agreement respectively to acquire certain units of the Group's residential properties, namely La Scala and/or One WanChai. The transactions constituted connected transactions for the Company under the Listing Rules.

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，並誠邀彼等聯絡投資者關係部，分享彼等之意見及建議。投資者關係部之電郵：investor.relations@chineseestates.com。

其他資料

出售附屬公司

誠如二零一一年十一月七日發出之公布，本集團與由劉鑾雄先生（「劉先生」）（本公司之主席兼行政總裁）全資擁有之公司訂立一份買賣協議，內容有關出售持有位於香港深水灣道3號，名為LYNX HILL之住宅物業之本公司全資擁有附屬公司，代價為497,238,300.32港元。根據上市規則，出售事項構成本公司一項關連交易。出售事項已於二零一一年十一月七日完成。

出售物業—關連交易

誠如二零一二年三月八日發出之公布，劉先生及彼之聯繫人分別提出購買或訂立協議，以購入本集團旗下名為御海·南灣及／或壹環的住宅物業之若干單位。根據上市規則，該等交易構成本公司之關連交易。

PROSPECTS

The global economy is clouded with uncertainties last year and in early 2012. The sovereign debts position in Europe and the slow recovery progress of the United States are all factors potentially leading to significant market fluctuation. The Board believes that 2012 will be a year in which challenges and opportunities will co-exist.

Facing the global uncertainties as stated above, there are still positive demands for quality residential properties in Hong Kong, Macau and the Mainland China. The Group is confident and optimistic in these markets. To capture these demands, the Group continues launching One WanChai in Hong Kong; The Metropolis and Splendid City in Chengdu. In addition, the new development project in Macau, namely La Scala will also be launched in 2012.

Our core retail investment properties are all located in prime shopping areas. The ONE, for instance, will continue to be the landmark for local customers and tourists. Windsor House and Silvercord will also enjoy benefits from the continuous growth in arrivals and spending of tourists from Mainland China. The Group's retail rental income would continue to be positive. Meanwhile, River Court, the Group's investment in London, will continue making contributions through stable return.

In view of the performance of securities investments last year and the challenges in the global economic environment in the year ahead, the Board would continue its policy in maintaining a higher cash reserve in 2012. Apart from sale of development properties in Hong Kong, Macau and the Mainland China according to development schedules and progress, the Group would also consider sale of particular investment property (or property interests held by the Group) in Hong Kong or the Mainland China or securities investment when such disposal is beneficial to the Group and its shareholders as a whole.

APPRECIATION

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

Joseph Lau, Luen-hung
Chairman

Hong Kong, 16th March, 2012

展望

環球經濟於去年及二零一二年年初受不明朗因素影響。歐洲主權債務的狀況以及美國經濟復甦進展緩慢均為導致市場出現大幅波動之潛在因素。董事會相信二零一二年將會是挑戰與機遇並存的一年。

縱然面臨上述環球經濟不明朗，香港、澳門及內地的優質住宅物業需求仍然殷切。本集團對此等市場充滿信心及樂觀。為吸納住宅物業需求，本集團會繼續推售旗下於香港的壹環、於成都的華置·都匯華庭及華置·西錦城。另外，本集團亦將於二零一二年推出旗下於澳門名為御海·南灣的新發展項目。

本集團所有核心零售投資物業均位於優質購物地段。例如，The ONE將繼續成為本地消費者及旅客的購物地標。皇室大廈及新港中心則將繼續因內地旅客訪港及消費持續增長而受惠。本集團之零售租金收入將持續向好。與此同時，本集團旗下位於倫敦之投資物業—River Court，將繼續為本集團帶來穩定的回報。

鑑於去年證券投資之表現及來年環球經濟環境之挑戰，董事會將於二零一二年繼續維持其較高現金儲備之政策。除根據發展進程及進度出售香港、澳門及內地之物業發展項目，本集團亦會考慮在符合本集團及其股東之整體利益的情況下，出售香港或內地之個別投資物業（或本集團持有之物業權益）或證券投資。

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
劉鑾雄

香港，二零一二年三月十六日