

I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020 (the "Year") to the shareholders of the Company.

RESULTS

Profit for the Year attributable to owners of the Company was HK\$622.2 million as compared to HK\$790.2 million for the last year. The decrease in profit for the Year was mainly due to a mix of the following reasons: (a) decrease in profit from investments and treasury products at fair value through profit or loss of HK\$1,666.5 million; (b) increase in unrealised loss on fair value changes of investment properties of HK\$806.5 million; (c) share of results of investments accounted for using the equity method turned from profit of HK\$209.7 million to loss of HK\$38.4 million; (d) decrease in net rental income; (e) net dividend income of HK\$1,967.6 million (2019: nil) was recognised from the shares of China Evergrande Group (stock code: 3333) during the Year; (f) surrender premium and dilapidations settlement received from tenants in respect of properties in the United Kingdom of HK\$249.8 million (2019: HK\$2.0 million) was recorded during the Year; and (g) no impairment loss of goodwill (2019: HK\$322.9 million) was recognised during the Year. Earnings per share for the Year was HK\$0.33 (2019: HK\$0.41).

If the net loss on the major non-cash items of HK\$1,605.1 million (2019: HK\$907.2 million) is excluded, the Group will have a core profit for the Year attributable to owners of the Company of HK\$2,227.3 million (2019: HK\$1,697.4 million) and a core profit per share of HK\$1.17 (2019: HK\$0.89).

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax from the Group and its associates and joint venture of HK\$1,605.1 million (2019: attributable net unrealised fair value loss on investment properties together with their respective deferred tax from the Group and its associates and joint venture of HK\$584.3 million and impairment loss of goodwill of HK\$322.9 million).

DIVIDENDS

The board of directors of the Company (the "Directors" or the "Board") has recommended the payment of a final dividend of HK1 cent per share (2019: HK1 cent per share) for the Year (the "Final Dividend").

The Company had paid an interim dividend of HK1 cent per share on 7 September 2020 (2019: HK1 cent per share). Having considered the Company's 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 HK1 cent per share (2019: HK1 cent per share).

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」）截至二零二零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622,200,000港元，相比去年為790,200,000港元。本年度溢利減少主要由於混合以下原因：(a)來自通過損益以反映公平值之投資及財資產品之溢利減少1,666,500,000港元；(b)投資物業之公平值變動之未變現虧損增加806,500,000港元；(c)攤佔以權益法入賬投資之業績由溢利209,700,000港元轉為虧損38,400,000港元；(d)租金收入淨額減少；(e)於本年度確認來自中國恆大集團（股份代號：3333）股份之股息收入淨額1,967,600,000港元（二零一九年：無）；(f)於本年度錄得就英國物業向租戶收取之退租補償及拆卸費用249,800,000港元（二零一九年：2,000,000港元）；及(g)於本年度並無確認商譽之減值虧損（二零一九年：322,900,000港元）。本年度之每股盈利為0.33港元（二零一九年：0.41港元）。

如撇除主要非現金項目虧損淨額1,605,100,000港元（二零一九年：907,200,000港元），本集團將錄得本公司擁有人應佔本年度之核心溢利2,227,300,000港元（二零一九年：1,697,400,000港元）及每股核心溢利為1.17港元（二零一九年：0.89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虧損淨額連同其相關之遞延稅項共1,605,100,000港元（二零一九年：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虧損淨額連同其相關之遞延稅項584,300,000港元以及商譽之減值虧損322,900,000港元）。

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1港仙（「末期股息」）（二零一九年：每股1港仙）。

本公司已於二零二零年九月七日支付中期股息每股1港仙（二零一九年：每股1港仙）。經考慮本公司之股息政策，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1港仙（二零一九年：每股1港仙）。

DIVIDENDS (Cont'd)

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 26 May 2021 (the "2021 AGM"), dividend warrants for the Final Dividend will be posted on or about 11 June 2021 to shareholders whose names appear on the register of members of the Company on 2 June 2021.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the 2021 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 2021 AGM:

(1) 為確定出席二零二一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	20.5.2021 16:30
Closure of register of members 暫停辦理股東登記手續	21.5.2021 – 26.5.2021 (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	31.5.2021 16:30
Closure of register of members 暫停辦理股東登記手續	1.6.2021 – 2.6.2021 (both days inclusive)(包括首尾兩天)
Record date 記錄日期	2.6.2021

To be eligible to attend and vote at the 2021 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)

待股東於本公司將於二零二一年五月二十六日舉行之應屆股東週年大會(「二零二一年股東週年大會」)上批准，末期股息之股息單將於二零二一年六月十一日或前後寄發予於二零二一年六月二日名列本公司股東名冊之股東。

暫停辦理股東登記手續

為確定股東出席二零二一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：

為符合資格出席二零二一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 investments for rental and property development 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 participates in developing modern industrial properties.

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 opportunity 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 real estate business.

業務模式及策略

本集團核心業務包括投資物業的租賃、物業發展及證券投資。

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，本集團參與發展現代化工廈。

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 31 December 2020, the occupancy rate of the shops of Causeway Place was approximately 98.01%.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the average occupancy rate was approximately 95.85% during the Year.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 70.57% during the Year.

During the Year, the average occupancy rate of the Group's office property, Harcourt House was approximately 81.37%.

Nos. 14–18 Ma Kok Street (100% interest), an industrial building in Tsuen Wan was vacant as at 31 December 2020. The redevelopment comprises of a 25-storey industrial building (including 2 basement levels for parking and loading/unloading facilities) with a total gross floor area of approximately 228,000 square feet. It is currently in planning and design stage. Demolition of the existing building has been completed, and foundation construction will commence in early 2021. The new building is expected to be completed by early 2025. The Group's equity interest in the company holding Nos. 14–18 Ma Kok Street has been increased from 51% to 100% in February 2020.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the average occupancy rate was approximately 97.88% during the Year.

Hong Kong Property Development

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 31 December 2020, 99.79% of total residential units were sold.

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。

於二零二零年十二月三十一日，銅鑼灣地帶之商舖出租率約為98.01%。

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95.85%。

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70.57%。

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81.37%。

馬角街14至18號(佔100%權益)，位於荃灣之一幢工業大廈，於二零二零年十二月三十一日為空置。將重建為一幢總樓面面積約228,000平方呎，25層之工業大廈(包括兩層地庫泊車及上落貨區)。項目現處於規劃及設計階段。現有大廈之拆卸工程已竣工，並將於二零二一年年初展開地基工程。新大樓預期於二零二五年年初落成。本集團於持有馬角街14至18號之公司之股權權益於二零二零年二月由51%增至100%。

鴻圖道1號(佔33.33%權益)，位於觀塘之一幢33層工業大廈，於本年度內之平均出租率約為97.88%。

香港物業發展

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。於二零二零年十二月三十一日，已售出住宅單位總數之99.79%。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Hong Kong Property Development (Cont'd)

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 31 December 2020, all residential 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, with a total gross floor area of around 1,853,561 square feet. 4 residential tower blocks with 1,999 residential units in aggregate are built in two phases. Up to 31 December 2020, 860 units of first phase and 770 units of second phase were presold. Superstructure works of both phases were completed, occupation permit was issued in November 2020, and certificate of compliance is anticipated to be granted in the second quarter of 2021.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 506 rooms, its occupancy rate has been dropped to approximately 40.14% as at 31 December 2020 due to renovation works and the outbreak of COVID-19. Due to the pandemic, the renovation works of 5th to 14th Floors of the main tower were temporarily suspended.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing. Its average occupancy rate was approximately 73.29% during the Year.

Overseas Property Investment

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, the retails portion of River Court was fully let while the office accommodation was vacant as the anchor tenant has moved out in the first quarter of 2020. It is expected that asset enhancement works of office accommodation will be carried out in due course when relevant government approval is granted.

管理層討論與分析(續)

香港物業發展(續)

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。於二零二零年十二月三十一日，所有住宅單位均已售出。

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。其地盤面積合共約234,160平方呎，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。截至二零二零年十二月三十一日止已預售第一期860個單位及第二期770個單位。兩期項目之上蓋建築工程現已完成，於二零二零年十一月獲發入伙紙，而滿意紙亦預期於二零二一年第二季獲批出。

中國內地物業投資

北京希爾頓酒店(佔50%權益)為一座設有506間客房的五星級國際酒店，因進行翻新工程及2019冠狀病毒病爆發，於二零二零年十二月三十一日之入住率下降至約為40.14%。由於疫情關係，其主樓5至14樓層之翻新工程已暫時停工。

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73.29%。

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。於本年度內，零售部分之單位均獲承租，而寫字樓單位則因主要租戶於二零二零年第一季遷出而空置。寫字樓單位的資產優化工程將於獲得有關政府部門許可後施工。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Overseas Property Investment (Cont'd)

"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, approximately 91.61% had been let out during the Year on average.

"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. During the Year, the average occupancy rate was approximately 83.34%.

"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 93.26% had been let out during the Year on average.

Securities Investment

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 31 December 2020, the Group's securities investment portfolio mainly comprised bonds, listed equity investments and treasury products. 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.

The gain recognised from securities investments and treasury products for the Year was approximately HK\$2,068.7 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 investment to achieve satisfactory returns.

管理層討論與分析(續)

海外物業投資(續)

「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。於本年度內平均約91.61%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。於本年度內，平均出租率約為83.34%。

「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93.26%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資管理。於二零二零年十二月三十一日，本集團證券投資組合主要包括債券、上市股本投資及財資產品。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。

本年度證券投資及財資產品確認之收益約2,068,700,000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。

OTHER INFORMATION AND EVENT AFTER THE REPORTING PERIOD

Acquisition of Remaining Interest in Nos. 14–18 Ma Kok Street, Tsuen Wan – Discloseable Transaction

As announced on 10 January 2020, the Group entered into a sale and purchase agreement with an independent third party in relation to, inter alia, the acquisition of the remaining 49% interest in Landrich (H.K.) Limited (“Landrich”) (the owner of Tsuen Wan Town Lot No. 128 situated at Nos. 14–18 Ma Kok Street, Tsuen Wan, New Territories, Hong Kong and the building erected thereon) (the “Acquisition”). The Group initially acquired 50% interest in Landrich in March 2018 and further acquired 1% interest in Landrich in December 2019 (the “Previous Acquisitions”). Subsequent to the completion of the Acquisition on 28 February 2020, Landrich has become a wholly-owned subsidiary of the Company. The Acquisition (aggregated with the Previous Acquisitions) constituted a discloseable transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

Disposal of Debt Securities – Major and Connected Transaction

As announced on 29 January 2020, the Group entered into a disposal agreement with Ms. Chan, Hoi-wan (an Executive Director (as at the date of such announcement) and a trustee of the substantial shareholders of the Company (who are her minor children)) in relation to, inter alia, the disposal of certain debt securities (the “Disposal”). The Disposal constituted a major and connected transaction for 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 23 March 2020. The disposal of the last tranche of the debt securities was completed on 18 December 2020. Details of the Disposal were set out in the Company's announcement dated 29 January 2020, circular dated 28 February 2020 and announcement dated 18 December 2020.

其他資料及報告期末後事項

收購荃灣馬角街14至18號餘下權益 – 須予披露交易

誠如二零二零年一月十日發出之公布，本集團與獨立第三方訂立一份買賣協議，內容有關(其中包括)收購隆裕(香港)有限公司(「隆裕」)(持有位於香港新界荃灣馬角街14至18號之荃灣市地段128號及其上蓋建築物)餘下49%權益(「該收購」)。本集團最初於二零一八年三月購入隆裕50%權益，並其後於二零一九年十二月進一步購入隆裕1%權益(「先前收購事項」)。該收購於二零二零年二月二十八日完成後，隆裕已成為本公司全資擁有附屬公司。根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)，該收購(與先前收購事項合併計算)構成本公司之須予披露交易。

出售債務證券 – 主要及關連交易

誠如二零二零年一月二十九日發出之公布，本集團與陳凱韻女士(執行董事(於有關公布日期)及本公司之主要股東(彼之未成年子女)之信託人)訂立出售協議，內容有關(其中包括)出售若干債務證券(「該出售」)。根據上市規則，該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二零二零年三月二十三日舉行之本公司股東特別大會上批准。最後一批債務證券已於二零二零年十二月十八日完成出售。該出售之詳情載於本公司日期為二零二零年一月二十九日之公布、日期為二零二零年二月二十八日之通函及日期為二零二零年十二月十八日之公布內。

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

Disposal of Perpetual Bond – Discloseable Transaction

On 19 March 2020, the Group disposed of the 7.5% fixed rate resetting perpetual subordinated contingent convertible securities issued by Standard Chartered PLC (the shares of which are listed on the London Stock Exchange, the Stock Exchange (stock code: 2888), the Bombay Stock Exchange in India and the National Stock Exchange in India) (the "Perpetual Bond") in the principal amount of US\$2,500,000 (equivalent to approximately HK\$19,490,000) through over-the-counter market for a consideration of approximately US\$2,265,000 (equivalent to approximately HK\$17,655,000) (inclusive of accrued interest) (the "Bond Disposal"). The Bond Disposal (when aggregated with the disposal of the Perpetual Bond under the Disposal mentioned in the above paragraph) constituted a discloseable transaction for the Company under the Listing Rules as more described in the Company's announcement dated 20 March 2020.

Change of Address of Principal Office in Hong Kong

With effect from 20 April 2020, the address of the Company's head office and principal place of business in Hong Kong has been changed to 21st Floor, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong. Relevant announcement had been made on 17 April 2020.

Leasing of Windsor House – Connected Transaction and Continuing Connected Transaction

As announced on 12 June 2020, the Group (as tenant) entered into a tenancy agreement in relation to the leasing of the whole of 39th Floor of Chubb Tower, Windsor House with a company at that time indirectly owned by (i) Ms. Chan, Hoi-wan (an Executive Director (as at the date of such announcement) and a trustee of the substantial shareholders of the Company (who are her minor children)), both in her capacity as a trustee of her minor children and in her own capacity; and (ii) a family trust of Mr. Lau, Ming-wai (a Non-executive Director and the Chairman of the Board) (as landlord) (the "Transaction"), for the purpose of other part of the new headquarter of the Group. The Transaction constituted a connected transaction and a continuing connected transaction for the Company under the Listing Rules as more described in the Company's announcement dated 12 June 2020.

其他資料及報告期末後事項(續)

出售永續債券 – 須予披露交易

於二零二零年三月十九日，本集團透過場外交易市場出售由渣打集團有限公司(其股份於倫敦證券交易所、聯交所(股份代號：2888)以及印度孟買證券交易所及印度國家證券交易所上市)發行，本金額為2,500,000美元(相當於約19,490,000港元)之7.5厘固定利率可重設永續次級或然可換股證券(「永續債券」)，代價為約2,265,000美元(相當於約17,655,000港元)(包括應計利息)(「債券出售」)。根據上市規則，債券出售(與前段提述之該出售項下出售永續債券合併計算)構成本公司之須予披露交易，詳情載列於本公司日期為二零二零年三月二十日之公布內。

香港主要辦事處之地址變更

自二零二零年四月二十日起，本公司之香港總辦事處及主要營業地點之地址已變更為香港銅鑼灣告士打道311號皇室大廈安達人壽大樓21樓。相關公布已於二零二零年四月十七日發出。

租賃皇室大廈 – 關連交易及持續關連交易

誠如二零二零年六月十二日發出之公布，本集團(作為租戶)與當時由(i)陳凱韻女士(執行董事(於有關公布日期)及本公司之主要股東(彼之未成年子女)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)、及(ii)劉鳴煒先生(非執行董事及董事會主席)之家族信託間接持有之公司(作為業主)訂立一份有關租賃皇室大廈安達人壽大樓39樓全層的租賃協議(「該交易」)，以作本集團新總部之另一部分。根據上市規則，該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二零二零年六月十二日之公布內。

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

Contract for Services – Discloseable and Continuing Connected Transactions

As announced on 14 August 2020, the Group entered into a contract for services with Ms. Chan, Hoi-wan (an Executive Director (as at the date of such announcement) and a trustee of the substantial shareholders of the Company (who are her minor children)), whereby the Group agreed to provide to Ms. Chan, Hoi-wan and/or her associate(s) or relative(s) 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 1 November 2020 (the "Contract for Services Transaction"). The Contract for Services Transaction constituted discloseable and continuing connected transactions for the Company under the Listing Rules as more described in the Company's announcement dated 14 August 2020 and circular dated 7 October 2020. The Contract for Services Transaction was approved by the independent shareholders of the Company at the special general meeting of the Company held on 28 October 2020.

Subscription of New Notes – Discloseable Transaction

On 26 November 2020, the Group entered into a placement and subscription agreement in relation to the subscription for 8.875% senior notes due 2021 (the "New Notes") on a private placement basis in the principal amount of US\$100,000,000 (equivalent to HK\$775,230,000) issued by Zhongliang Holdings Group Company Limited (the shares of which are listed on the Stock Exchange (stock code: 2772)), an independent third party, at the issue price of 98.966% of the principal amount of the New Notes plus accrued interest (the "Subscription"). The Subscription constituted a discloseable transaction for the Company under the Listing Rules as more described in the Company's announcement dated 26 November 2020.

其他資料及報告期末後事項(續)

服務合約 – 須予披露及持續關連交易

誠如二零二零年八月十四日發出之公布，本集團與陳凱韻女士(執行董事(於有關公布日期)及本公司之主要股東(彼之未成年子女)之信託人)訂立一份服務合約，據此，本集團同意向陳凱韻女士及／或其聯繫人或親屬提供租務行政服務、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，於二零二零年十一月一日起生效，為期三年(「服務合約交易」)。根據上市規則，服務合約交易構成本公司之須予披露及持續關連交易，詳情載列於本公司日期為二零二零年八月十四日之公布及日期為二零二零年十月七日之通函內。服務合約交易已獲本公司獨立股東於二零二零年十月二十八日舉行之本公司股東特別大會上批准。

認購新票據 – 須予披露交易

於二零二零年十一月二十六日，本集團訂立一份配售及認購協議，內容有關按私人配售形式認購由中梁控股集團有限公司(其股份於聯交所上市(股份代號：2772))(獨立第三方)發行，於二零二一年到期本金金額為100,000,000美元(相當於775,230,000港元)之8.875厘優先票據(「新票據」)，發行價為新票據本金金額之98.966%，另加應計利息(「該認購」)。根據上市規則，該認購構成本公司之須予披露交易，詳情載列於本公司日期為二零二零年十一月二十六日之公布內。

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

Resignation of Director and Change of Chief Executive Officer

Ms. Chan, Sze-wan resigned from her offices of Executive Director, the Chief Executive Officer of the Company, an authorised representative of the Company under Rule 3.05 of the Listing Rules, and the chairman and member of the investment committee of the Company with effect from 17 February 2021. In light of the resignation of Ms. Chan, Sze-wan, the Board has appointed Ms. Chan, Hoi-wan, an Executive Director, as the Chief Executive Officer of the Company, an authorised representative of the Company under Rule 3.05 of the Listing Rules, and the chairman and member of the investment committee of the Company with effect from 17 February 2021. The Company has made relevant announcement on 17 February 2021.

Update on Impact on the Outbreak of COVID-19 to the Group

The outbreak of COVID-19 in Hong Kong and many countries started in early 2020 and continues up to the date of this annual report, its social-economic impact is unprecedented. The global pandemic is having a major impact on the economies and financial markets.

The drop in rental income of the Group during the Year was mainly due to the surrender of lease by an anchor tenant of one of the Group's investment properties in the United Kingdom. Meanwhile, in view of COVID-19 pandemic, rent concessions have been given by the Group to certain tenants to ease their hardship that resulted in a drop in rental income.

The spreading of COVID-19 pandemic has adversely affected the fair value of investment properties of the Group. During the Year, the Group recorded an unrealised loss on fair value changes of investment properties of HK\$1,549.2 million.

The Group shared loss from Hilton Beijing (50% interest) during the Year, mainly due to the significant decline in room sales and food and beverage business, as a result of COVID-19 pandemic.

其他資料及報告期末後事項(續)

董事辭任及行政總裁之更改

陳詩韻女士已於二零二一年二月十七日起辭任其執行董事、本公司之行政總裁、根據上市規則第3.05條之本公司之授權代表、及本公司之投資委員會主席及成員之職務。就陳詩韻女士之辭任，董事會已委任執行董事陳凱韻女士為本公司之行政總裁、根據上市規則第3.05條之本公司之授權代表、及本公司之投資委員會主席及成員，於二零二一年二月十七日起生效。本公司已於二零二一年二月十七日發出有關公布。

2019冠狀病毒病爆發對本集團影響之更新

2019冠狀病毒病自二零二零年年初於香港及許多國家爆發後一直持續，截至本年報日期仍然存在，對社會經濟之影響乃前所未見。全球疫情對經濟及金融市場產生重大影響。

本集團於本年度之租金收入減少主要由於集團旗下其中一項英國投資物業的主要租戶退回租賃。同時，鑑於2019冠狀病毒病疫情，本集團對若干租戶提供了租金優惠以緩解他們的困境，導致租金收入下降。

2019冠狀病毒病疫情之蔓延已對本集團之投資物業的公平值產生不利影響。於本年度，本集團錄得投資物業公平值變動之未變現虧損1,549,200,000港元。

本集團於本年度攤佔北京希爾頓酒店(佔50%權益)之虧損，主要是2019冠狀病毒病疫情導致客房及餐飲業務收入大幅下降所致。

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

Update on Impact on the Outbreak of COVID-19 to the Group (Cont'd)

For the financial market, due to recent market volatility and changes in the market sentiments of the pandemic, the market price of securities investment during the Year was in general lower than the beginning of the Year. During the Year, the Group recognised realised loss on investments and treasury products at fair value through profit or loss of HK\$411.4 million in profit or loss.

As COVID-19's duration is unpredictable and the extent of its impact is not easy to determine under this volatile situation of the pandemic, it is believed that COVID-19 will continue to affect the Group's businesses for a period of time.

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 the address disclosed in "Corporate Information" of this annual report 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)

2019冠狀病毒病爆發對本集團影響之更新(續)

至於金融市場，由於近期市場動盪和疫情令市場氣氛變化，導致本年度證券投資的市場價格整體上較本年初低。於本年度，本集團於損益內確認通過損益以反映公平值之投資及財資產品之已變現虧損為411,400,000港元。

由於難以估計2019冠狀病毒病之持續時間，及基於現時疫情多變的形勢下，難以釐定其影響程度，相信本集團之業務將繼續受2019冠狀病毒病影響一段時間。

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。

本公司設有公司網站(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，地址載於本年報「公司資料」內或電郵至 investor.relations@chineseestates.com。股東亦有權於股東大會上作出提問。

PROSPECTS

The COVID-19 pandemic still dominates the global economic outlook, while the new variants of the virus also posed concerns. Although the global economy is emerging from the collapse triggered by COVID-19, the recovery is likely to be subdued. Despite the 2020 United States presidential election came to an end, the direction of foreign and economic policies of the new United States administration, particularly its implications on China-US relations, remains to be seen.

Though Hong Kong economy saw some improvement in the third quarter of 2020, with local consumption and business sentiments have shown relative improvement, its epidemic situation saw an abrupt deterioration amid the fourth wave of local infections. Unemployment rate hit a 16-year high of 6.6 per cent in the final quarter of 2020 and worsened in January 2021 to 7 per cent, close to a 17-year high. Resulting from the re-tightening of social distancing measures since the surge of fourth wave of the pandemic, food and beverage sector remains as the main victim. This inevitably slow the pace or even reverse the course of the recovery of Hong Kong's economy. As a result, the near-term economic outlook will hinge critically on the development of the local COVID-19 situation.

As for tourism sector in Hong Kong, travel restrictions around the globe will continue to hard hit inbound tourism. The spreading of COVID-19 pandemic has also adversely affected the fair value of investment properties of the Group. It is therefore expected that the Group's investment properties will continue to face numerous challenges over 2021. Despite the high unemployment rate, fourth wave of pandemic and social distancing measures, residential sales market has outperformed other segments of properties, which indicated that shortage still prevails. In particular, the low interest rate environment and abundant liquidity also helped stabilize Hong Kong residential market.

In the United Kingdom, Brexit deal is finally confirmed. European Union and the United Kingdom finally reached a deal governing their future relationship days before the end of the Brexit transition period on 31 December 2020. The breakthroughs remove uncertainty in the short-term. While the news is welcome for the markets, the economic impact is being overshadowed by the financial fallout of the pandemic. There are major risks to the downside associated with the emergence of new COVID-19 strains and their effect on the path of the virus. Notwithstanding the uncertainties associated with the constantly changing landscape in the United Kingdom, the Group remains to preserve long-term view for the United Kingdom economy. Our immediate focus remains on the asset enhancement works of our properties in the United Kingdom through team of experts, despite the decrease in fair value of these investment properties. Meanwhile, we will continue to address to the surrounding challenges and be well prepared to capture investment opportunity at an opportune moment.

展望

2019冠狀病毒病疫情仍主導環球經濟前景，同時新病毒變種亦帶來憂慮。雖然全球經濟正從2019冠狀病毒病觸發的衰退中復甦過來，但復甦可能會受到抑制。即使二零二零年美國總統大選已塵埃落定，美國新政府的對外及經濟政策方向(特別是對中美關係的影響)仍有待觀察。

香港經濟表現於二零二零年第三季度有一定改善，本地消費及營商氣氛相對好轉，但爆發第四波的本地感染疫情期間經濟一度急速惡化。失業率創十六年來的高位，於二零二零年最後一季達6.6%，並於二零二一年一月進一步惡化至7%，直迫十七年來的高位。由於爆發第四波疫情，社交距離措施再度收緊，餐飲業繼續成為主要受害者，無可避免地減緩了香港經濟復甦的步伐，甚至逆轉了經濟復甦的進程。因此，短期經濟展望將主要取決於本地2019冠狀病毒病情況的發展。

香港旅遊業方面，全球旅遊限制將繼續嚴重打擊入境旅遊業。2019冠狀病毒病疫情的蔓延亦對本集團之投資物業的公平值產生不利影響。因此，預期本集團的投資物業於二零二一年將繼續面臨諸多挑戰。儘管失業率高企、第四波疫情爆發及實施社交距離措施，住宅銷售市場表現跑贏其他物業市場，反映供不應求的情況仍然存在。尤其是，低息環境及充裕的流動資金亦有助穩定香港住宅市場。

在英國，脫歐協議最終得到落實。歐盟及英國最終於二零二零年十二月三十一日脫歐過渡期結束前就未來關係達成協議，此突破性發展消除了短期的不確定性。正當市場對消息表示歡迎，有關經濟影響卻被疫情引發的金融動盪所拖累。新2019冠狀病毒病病毒株的出現及新病毒株對病毒路徑的影響存在重大下行風險。即使英國局勢不斷變化帶來了不確定性，本集團對英國經濟仍著眼長線。本集團當前重點仍是透過專家團隊進行英國物業資產優化工程，無懼該等物業的公平值下降。同時，我們將繼續應對週邊的挑戰，做好充分準備在適當時機把握投資機會。

PROSPECTS (Cont'd)

For equity market, good news like the United States presidential election in November 2020 and the launch of COVID-19 vaccines gave another boost to equity markets. The improving risk sentiment has attracted funds flowing to risky assets, and investment demand for gold drops. Gold prices therefore softened significantly in November 2020. However, the development of the pandemic is still the biggest uncertainty facing by investors. In Hong Kong stock market, amidst the uncertainties due to global pandemic and China-US dispute, market funds are still ample which boost the liquidity. Investors generally expect Hang Seng Index would experience significant rebound in 2021. In the United States, its equity market went through a roller-coaster ride in 2020 but ended on positive note. With the improving economic momentum over the coming months, investors eye on 2021 are positive.

Though considerable uncertainties cloud the global economy, the market is generally expected that the global economy will recover gradually. We believe changes come with opportunity. Looking ahead, the Group will address to the challenging environment and acts watchfully and cautiously and concern shareholders' value as a whole.

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, 8 March 2021

展望(續)

股票市場方面，二零二零年十一月之美國總統大選及2019冠狀病毒疫苗面世等利好消息給股市再添動力。風險情緒改善吸引資金流入高風險資產，黃金投資需求下降。因此，金價於二零二零年十一月大幅回軟。然而，疫情的發展仍然是投資者面臨最大的不確定性。香港股票市場方面，在疫情蔓延全球及中美糾紛所帶來的不明朗因素下，市場資金仍然充裕，有助提升流動性。投資者普遍預期恒生指數將於二零二一年大幅反彈。在美國，股票市場於二零二零年經歷過山車起跌後，年底頻頻報捷。隨著未來數月經濟勢頭持續改善，投資者對二零二一年持樂觀態度。

儘管全球經濟面對眾多不確定性的陰霾，市場普遍預期全球經濟可望逐步復甦。我們相信，有變革便有機遇。展望未來，本集團將審慎行事應對充滿挑戰的環境，同時關注股東的整體價值。

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，二零二一年三月八日