

I would like to present the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021 (the "Year") to the shareholders of the Company.

RESULTS

Loss for the Year attributable to owners of the Company was HK\$3,515.3 million as compared to profit of HK\$622.2 million for last year. The turning from profit to loss for the Year was mainly due to (a) decrease in net dividend income from the shares of China Evergrande Group (stock code: 3333); (b) results in the segment of investments and treasury products at fair value through profit or loss turned from profit to loss; and (c) decrease in dilapidations settlement received from tenants in respect of investment properties in the United Kingdom during the Year. Loss per share for the Year was HK\$1.84 (2020: earnings per share of HK\$0.33).

If the net loss on the major non-cash items of HK\$1,395.9 million (2020: HK\$1,605.1 million) is excluded but the share of accumulated realised fair value gain recognised in prior years on disposal of an investment property of an associate of HK\$0.8 million (2020: nil) is included, the Group will have a core loss for the Year attributable to owners of the Company of HK\$2,118.6 million (2020: core profit of HK\$2,227.3 million) and a core loss per share of HK\$1.11 (2020: core profit per share of HK\$1.17).

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax (if any) from the Group and its associates of HK\$1,395.9 million (2020: from the Group and its associates and joint venture of HK\$1,605.1 million).

DIVIDENDS

The board of directors of the Company (the "Directors" or the "Board") has not recommended the payment of final dividend for the Year (2020: 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 not recommended the payment of final dividend for the Year (2020: HK1 cent per share).

本人謹此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

本公司擁有人應佔本年度之虧損為3,515,300,000港元，相比去年溢利為622,200,000港元。本年度轉盈為虧主要由於：(a)於本年度來自中國恒大集團(股份代號：3333)股份之股息收入淨額減少；(b)於本年度通過損益以反映公平值之投資及財資產品之分類業績轉盈為虧；及(c)於本年度就英國投資物業向租戶收取之拆卸費用減少。本年度之每股虧損為1.84港元(二零二零年：每股盈利0.33港元)。

如撇除主要非現金項目虧損淨額1,395,900,000港元(二零二零年：1,605,100,000港元)，但包括攤佔一間聯營公司就出售一項投資物業於過往年度確認之累積已變現公平值收益800,000港元(二零二零年：無)，本集團將錄得本公司擁有人應佔本年度之核心虧損2,118,600,000港元(二零二零年：核心溢利2,227,300,000港元)及每股核心虧損為1.11港元(二零二零年：每股核心溢利1.17港元)。

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虧損淨額連同其相關之遞延稅項(如有)共1,395,900,000港元(二零二零年：來自本集團以及其聯營公司及合資公司之金額共1,605,100,000港元)。

股息

本公司董事會(「董事」或「董事會」)不建議派發本年度之末期股息(二零二零年：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，董事會不建議派發本年度之末期股息(二零二零年：每股1港仙)。

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the forthcoming annual general meeting of the Company to be held on 20 May 2022 (the "2022 AGM"), the register of members will be closed from 17 May 2022 to 20 May 2022, both days inclusive. In order to be eligible to attend and vote at the 2022 AGM, 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 4:30 p.m. on 16 May 2022.

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.

暫停辦理股東登記手續

為確定股東出席本公司將於二零二二年五月二十日舉行之應屆股東週年大會(「二零二二年股東週年大會」)並於會上投票的資格，本公司將自二零二二年五月十七日起至二零二二年五月二十日止(包括首尾兩天)暫停辦理股東登記手續。為確定股東出席二零二二年股東週年大會並於會上投票的資格，所有填妥的股份過戶文件連同有關股票必須於二零二二年五月十六日下午四時三十分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。

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。

BUSINESS MODEL AND STRATEGIES (Cont'd)

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 real estate business.

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 96.97%.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the average occupancy rate was approximately 94.74% during the Year.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 60.27% during the Year.

During the Year, the average occupancy rate of the Group's office property, Harcourt House was approximately 74.84%.

Nos. 14–18 Ma Kok Street is an industrial site in Tsuen Wan. It will be redeveloped into a 25-storey industrial building (including 2 basement levels of parking and loading/unloading facilities). Its total gross floor area is approximately 228,001 square feet. Construction of the new development is currently underway, with the foundation works commenced in May 2021. The new building is expected to be completed by early 2025, and presale of the industrial units is expected to be launched in the third quarter of 2022.

In December 2021, the Group acquired Nos. 86 and 88 Apliu Street in Sham Shui Po, a 25-storey residential-cum-commercial building with total gross floor area of approximately 17,714 square feet. As at 31 December 2021, it is vacant. Alterations and additions works for reinstatement and refurbishment of the property are in progress and expected to be completed around the fourth quarter of 2023.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the average occupancy rate was approximately 93.96% during the Year.

業務模式及策略(續)

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。

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96.97%。

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94.74%。

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60.27%。

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74.84%。

馬角街14至18號為位於荃灣之工業地盤。將重建為一幢25層之工業大廈(包括兩層地庫泊車及上落貨區)。總樓面面積約228,001平方呎。重建工程現正進行中，其地基工程已於二零二一年五月展開。新大廈預期於二零二五年年初落成，工業單位亦預期於二零二二年第三季預售。

本集團於二零二一年十二月購入位於深水埗鴨寮街86及88號一幢25層總樓面面積約17,714平方呎之商住大廈。物業於二零二一年十二月三十一日為空置，現正進行改建及加建之復修及翻新工程，預期約於二零二三年第四季完成。

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93.96%。

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

Hong Kong Property Development

The Hermitage (25% interest) is the Group's joint venture development project 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 2021, 99.90% of total 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. Superstructure works of both phases were completed, occupation permit was issued in November 2020, and certificate of compliance was granted in April 2021. Up to 31 December 2021, 925 units of first phase and 900 units of second phase were sold.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 506 rooms. Due to the pandemic, the renovation works of 5th to 14th Floors of the main tower were temporarily suspended. Its occupancy rate was approximately 36.53% as at 31 December 2021 due to renovation works and the outbreak of COVID-19.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing. As at 31 December 2021, the occupancy rate was approximately 95.95%.

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 429,980 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. City of London's Resolution to Grant the redevelopment of the property was secured in October 2021. Demolition work will commence once the relevant government approvals/agreements are granted/finalized.

管理層討論與分析(續)

香港物業發展

帝峯•皇殿(佔25%權益)為本集團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。於二零二一年十二月三十一日，已售出住宅單位總數之99.90%。

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。兩期項目之上蓋建築工程經已完成，於二零二零年十一月獲發入伙紙，而滿意紙亦於二零二一年四月獲批出。截至二零二一年十二月三十一日止，第一期925個單位及第二期900個單位已售出。

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。由於疫情關係，主樓5至14樓層之翻新工程暫時停工。因翻新工程及2019冠狀病毒病爆發，於二零二一年十二月三十一日之入住率約為36.53%。

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。於二零二一年十二月三十一日之出租率約為95.95%。

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429,980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。物業已於二零二一年十月獲倫敦市決議授予許可重建。拆卸工程將於有關政府部門批准及協議敲定後施工。

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 in aggregate approximately 51,861 square feet of office accommodation arranged over lower ground, ground and four upper floors, approximately 86.73% 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 55,151 square feet in aggregate. The building provides retails, office and residential accommodation, occupying approximately 33,843 square feet, 13,694 square feet and 7,614 square feet respectively, over lower ground, ground and six upper floors. As at 31 December 2021, the occupancy rate was approximately 88.86%.

"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 79,484 square feet office accommodation arranged over lower ground, ground and six upper floors. As at 31 December 2021, the occupancy rate was approximately 93.26%.

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 2021, the Group's securities investment portfolio comprised of 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 net loss recognised from securities investments and treasury products for the Year was approximately HK\$1,995.5 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86.73%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55,151平方呎。該物業提供零售、寫字樓及住宅單位，面積分別約33,843平方呎、13,694平方呎及7,614平方呎，由地下低層、地下及樓上六層組成。於二零二一年十二月三十一日，出租率約為88.86%。

「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79,484平方呎之寫字樓樓面，分佈於地下低層、地下及樓上六層。於二零二一年十二月三十一日，出租率約為93.26%。

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。於二零二一年十二月三十一日，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虧損約1,995,500,000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

Subscription of Senior Notes

– Discloseable Transaction

On 28 April 2021, the Group received confirmations that US\$500,000,000 11.7% senior notes due 2025 of Kaisa Group Holdings Ltd. (the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1638)) ("Kaisa"), an independent third party, in the principal amount of US\$150,000,000 (equivalent to approximately HK\$1,166,355,000) was allocated to the order placed by the Group for subscription at the issue price of 100% of the principal amount thereof (the "Subscription"). The Subscription, on a stand-alone basis or when aggregated with the previous subscription, constituted a discloseable transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as more described in the Company's announcement dated 28 April 2021.

Forfeiture of Unclaimed Dividends

As announced on 4 August 2021, all dividends declared on or before 15 June 2015 remaining unclaimed on 3 September 2021 be forfeited and reverted to the Company.

Disposal of Senior Notes

– Discloseable Transaction

On 23 August 2021, the Group disposed of the 8.875% senior notes due 2021 issued by Zhongliang Holdings Group Company Limited (the shares of which are listed on the Stock Exchange (stock code: 2772)) in the principal amount of US\$7,000,000 (equivalent to approximately HK\$54,415,000) through over-the-counter market for a consideration of US\$6,838,196.20 (equivalent to approximately HK\$53,157,000) (exclusive of accrued interest) (the "Notes Disposal"). The Notes Disposal, when aggregated with the previous disposals, constituted a discloseable transaction for the Company under the Listing Rules as more described in the Company's announcement dated 23 August 2021.

其他資料

認購優先票據

– 須予披露交易

於二零二一年四月二十八日，本集團獲確認，按照其認購指示獲配發本金額為150,000,000美元(相當於約1,166,355,000港元)之Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司)(其股份於香港聯合交易所有限公司(「聯交所」)上市(股份代號：1638))(「佳兆業」)(獨立第三方)，於二零二五年到期之11.7厘500,000,000美元優先票據，發行價為其本金額之100%(「該認購」)。根據聯交所證券上市規則(「上市規則」)，該認購(獨立計算或與先前認購事項合併計算)構成本公司之須予披露交易，詳情載列於本公司日期為二零二一年四月二十八日之公布內。

沒收未領取股息

誠如二零二一年八月四日發出之公布，於二零一五年六月十五日或之前宣派並於二零二一年九月三日仍未領取之所有股息已予沒收並復歸本公司。

出售優先票據

– 須予披露交易

於二零二一年八月二十三日，本集團透過場外交易市場出售本金額為7,000,000美元(相當於約54,415,000港元)，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))發行於二零二一年到期之8.875厘優先票據，代價為6,838,196.20美元(相當於約53,157,000港元)(不包括應計利息)(「出售票據」)。根據上市規則，出售票據(與先前出售事項合併計算)構成本公司之須予披露交易，詳情載列於本公司日期為二零二一年八月二十三日之公布內。

OTHER INFORMATION (Cont'd)

Disposal of Shares in China Evergrande Group
– Discloseable Transaction and
Mandate for Disposal(s) of Shares in China Evergrande Group
– Major Transaction

During the period from 30 August 2021 to 21 September 2021 (both dates inclusive), the Group disposed of an aggregate of 108,909,000 shares in China Evergrande Group (the shares of which are listed on the Stock Exchange (stock code: 3333)) (“China Evergrande”) (the “Disposal Shares”) in the open market of the Stock Exchange for an aggregate consideration of approximately HK\$246.5 million (exclusive of transaction costs). The average selling price per the Disposal Share was approximately HK\$2.26 (exclusive of transaction costs) (the “Disposal”). The Disposal constituted a discloseable transaction for the Company under the Listing Rules as more described in the Company’s announcement dated 23 September 2021.

On 23 September 2021, the Company had sought and obtained the written shareholders’ approval in lieu of a general meeting pursuant to Rule 14.44 of the Listing Rules for the grant of a mandate to the Directors to dispose of all or part of the Company’s 751,091,000 shares in China Evergrande (the “Disposal Mandate”) in the open market of the Stock Exchange or through block trade(s) subject to a minimum selling price of HK\$0.01 per share (excluding transaction cost) in one or series of transactions during a period of 12 months from 23 September 2021 to 22 September 2022. The possible disposal(s) and the Disposal Mandate, when aggregated with the Disposal, constituted a major transaction for the Company under the Listing Rules as more described in the Company’s announcements dated 23 September 2021, 18 October 2021 and 20 October 2021 as well as circular dated 24 November 2021. After obtaining the approval of the Disposal Mandate on 23 September 2021 and up to 31 December 2021, the Group further disposed of an aggregate of 521,794,000 shares of China Evergrande in the open market of the Stock Exchange. As at 31 December 2021, the Group held 229,297,000 shares of China Evergrande.

Trading in the shares of China Evergrande on the Stock Exchange has been halted from 9:00 a.m. on 21 March 2022, trading in the shares of China Evergrande will remain suspended until further notice from China Evergrande.

其他資料(續)

出售中國恒大集團股份
– 須予披露交易及
授權出售中國恒大集團股份
– 主要交易

自二零二一年八月三十日至二零二一年九月二十一日期間(包括首尾兩天)，本集團於聯交所公開市場出售合共108,909,000股中國恒大集團(其股份於聯交所上市(股份代號：3333))(「中國恒大」)股份(「出售股份」)，總代價約為246,500,000港元(不包括交易成本)。每股出售股份之平均售價約為2.26港元(不包括交易成本)(「該出售」)。根據上市規則，該出售構成本公司之須予披露交易，詳情載列於本公司日期為二零二一年九月二十三日之公布內。

於二零二一年九月二十三日，本公司根據上市規則第14.44條尋求並獲得股東書面批准，以代替召開股東大會授權董事由二零二一年九月二十三日至二零二二年九月二十二日十二個月期間，於聯交所公開市場或透過大宗交易於一宗或一系列交易中出售本公司於中國恒大全部或部分751,091,000股股份(「出售授權」)，惟最低售價為每股0.01港元(不包括交易成本)。根據上市規則，可能出售及出售授權(與該出售合併計算)構成本公司之主要交易，詳情載列於本公司日期為二零二一年九月二十三日、二零二一年十月十八日及二零二一年十月二十日之公布以及日期為二零二一年十一月二十四日之通函內。於二零二一年九月二十三日取得出售授權批准後直至二零二一年十二月三十一日，本集團於聯交所公開市場進一步出售合共521,794,000股中國恒大股份。於二零二一年十二月三十一日，本集團持有229,297,000股中國恒大股份。

中國恒大之股份已於二零二二年三月二十一日上午九時正起於聯交所短暫停止買賣，中國恒大股份將繼續暫停買賣，直至中國恒大發出進一步通知。

OTHER INFORMATION (Cont'd)

Proposed Privatisation of the Company by Solar Bright Ltd. by Way of a Scheme of Arrangement under Section 99 of the Companies Act and Proposed Withdrawal of Listing of the Company

On 28 September 2021, Solar Bright Ltd. (the "Offeror") requested the Board to put forward the proposal to the scheme shareholders for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda (the "Scheme" or the "Proposal"). Under the Scheme, if the Scheme becomes effective, the scheme shareholders will receive from the Offeror the cancellation price of HK\$4.00 in cash for each scheme share cancelled. Upon completion of the Proposal, the Offeror, Century Frontier Limited and Joseph Lau Luen Hung Investments Ltd. (all being substantial shareholders of the Company as at the date of the Proposal) will hold the entire issued share capital of the Company and the listing of the Company's shares will be withdrawn from the Stock Exchange. As the Scheme was disapproved by scheme shareholders at the scheme meeting held on 17 December 2021, the Proposal therefore not proceeded and the listing of the Company's shares on the Stock Exchange be maintained. Details were described in the Company's announcements dated 6 October 2021, 12 October 2021, 27 October 2021, 3 November 2021, 24 November 2021, 6 December 2021 and 17 December 2021 as well as the composite scheme document dated 24 November 2021.

其他資料(續)

建議根據公司法第99條透過計劃方案由Solar Bright Ltd.將本公司私有化及建議撤回本公司之上市地位

於二零二一年九月二十八日，Solar Bright Ltd.（「要約人」）要求董事會向計劃股東提呈根據百慕達一九八一年公司法第99條透過計劃方案將本公司私有化之建議（「該計劃」或「該建議」）。根據該計劃，倘該計劃生效，計劃股東將就每股被註銷的計劃股份從要約人收取註銷價4.00港元的現金。當該建議完成時，要約人、Century Frontier Limited及Joseph Lau Luen Hung Investments Ltd.（於該建議日期均為本公司之主要股東）將持有本公司全部已發行股本，而本公司股份於聯交所的上市地位將被撤回。由於該計劃於二零二一年十二月十七日舉行之計劃會議上未獲計劃股東批准，因此該建議不會進行，且本公司股份於聯交所之上市地位將會維持。詳情載於本公司日期為二零二一年十月六日、二零二一年十月十二日、二零二一年十月二十七日、二零二一年十一月三日、二零二一年十一月二十四日、二零二一年十二月六日及二零二一年十二月十七日之公布以及日期為二零二一年十一月二十四日之綜合計劃文件內。

OTHER INFORMATION (Cont'd)

其他資料(續)

Disposals of Senior Notes

出售優先票據

– Discloseable Transactions and Major Transaction

– 須予披露交易及主要交易

During the period from 19 October 2021 to 28 October 2021 (both dates inclusive), the Group disposed of the following senior notes issued by Kaisa through a series of transactions in the over-the-counter market, details as below:

於二零二一年十月十九日至二零二一年十月二十八日期間(包括首尾兩日)，本集團透過於場外交易市場進行一連串交易出售以下由佳兆業發行之優先票據，詳情如下：

Disposed Senior Notes	Dates/periods of disposals and the principal amount involved		Consideration (excluding accrued interest) 代價 (不包括應計利息)	Consideration (including accrued interest) 代價 (包括應計利息)
	Date/period	Principal amount		
	出售事項日期/期間及涉及的本金額			
已出售優先票據	日期/期間	本金額 (US\$) (美元)	(不包括應計利息) (US\$) (美元)	(包括應計利息) (US\$) (美元)
9.375% Senior Notes due 2024	From 19.10.2021 to 20.10.2021 (both dates inclusive) ("Batch 1")	19,000,000	7,127,500.00	7,681,406.28
二零二四年到期之 9.375厘優先票據	於19.10.2021至20.10.2021 (包括首尾兩日)(「第一批」)			
	On 21.10.2021 ("Batch 2")	23,000,000	6,871,500.00	7,560,302.08
	於21.10.2021(「第二批」)			
	From 22.10.2021 to 25.10.2021 (both dates inclusive) ("Batch 3")	23,000,000	7,412,500.00	8,112,239.58
	於22.10.2021至25.10.2021 (包括首尾兩日)(「第三批」)			
	From 26.10.2021 to 28.10.2021 (both dates inclusive) ("Batch 4")	10,000,000	3,142,000.00	3,449,291.66
	於26.10.2021至28.10.2021 (包括首尾兩日)(「第四批」)			
10.875% Senior Perpetual Capital Securities	On 21.10.2021 ("Batch 2")	3,000,000	802,392.00	825,048.25
	於21.10.2021(「第二批」)			
10.875厘優先永續 資本證券	From 22.10.2021 to 25.10.2021 (both dates inclusive)("Batch 3")	4,000,000	1,015,135.66	1,047,760.66
	於22.10.2021至25.10.2021 (包括首尾兩日)(「第三批」)			
	From 26.10.2021 to 28.10.2021 (both dates inclusive)("Batch 4")	23,000,000	5,257,464.00	5,463,786.91
	於26.10.2021至28.10.2021 (包括首尾兩日)(「第四批」)			

OTHER INFORMATION (Cont'd)

其他資料(續)

Disposals of Senior Notes

出售優先票據

– Discloseable Transactions and Major Transaction (Cont'd)

– 須予披露交易及主要交易(續)

Disposed Senior Notes	Dates/periods of disposals and the principal amount involved		Consideration (excluding accrued interest)	Consideration (including accrued interest)
	Date/period	Principal amount		
	出售事項日期/期間及涉及的本金額		代價 (不包括應計利息)	代價 (包括應計利息)
			(US\$)	(US\$)
			(美元)	(美元)
11.7% Senior Notes due 2025	From 19.10.2021 to 20.10.2021 (both dates inclusive) ("Batch 1")	29,000,000	11,179,550.10	12,696,000.10
二零二五年到期之 11.7厘優先票據	於19.10.2021至20.10.2021 (包括首尾兩日)(「第一批」)			
	On 21.10.2021 ("Batch 2")	26,000,000	7,743,590.00	9,129,390.00
	於21.10.2021(「第二批」)			
	From 22.10.2021 to 25.10.2021 (both dates inclusive) ("Batch 3")	28,000,000	8,651,596.00	10,159,921.00
	於22.10.2021至25.10.2021 (包括首尾兩日)(「第三批」)			
	From 26.10.2021 to 28.10.2021 (both dates inclusive) ("Batch 4")	67,000,000	18,507,000.00	22,195,100.00
	於26.10.2021至28.10.2021 (包括首尾兩日)(「第四批」)			

The disposals under Batch 1, Batch 2 and Batch 3 respectively constituted a discloseable transaction for the Company under the Listing Rules as more described in the two Company's announcements dated 21 October 2021 and another announcement dated 25 October 2021 respectively. The disposals under Batch 4, when aggregated with the disposals under Batch 1, Batch 2 and Batch 3, constituted a major transaction of the Company under the Listing Rules as more described in the Company's announcement dated 28 October 2021 and circular 18 November 2021.

根據上市規則，第一批、第二批及第三批出售分別構成本公司之須予披露交易，詳情分別載列於本公司兩則日期為二零二一年十月二十一日之公布內及本公司另一則日期為二零二一年十月二十五日之公布內。根據上市規則，第四批之出售(與第一批、第二批及第三批之出售合併計算)構成本公司之主要交易，詳情載列於本公司日期為二零二一年十月二十八日之公布及日期為二零二一年十一月十八日之通函內。

OTHER INFORMATION (Cont'd)

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 concession has been given by the Group to tenant to ease its hardship.

The persistence 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\$1,376.6 million.

The Group's hotel business of Hilton Beijing (50% interest) also adversely affected by COVID-19 pandemic.

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.

其他資料(續)

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，本集團對租戶提供了租金優惠以緩解他們的困境。

2019冠狀病毒病疫情之持續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為1,376,600,000港元。

本集團於北京希爾頓酒店(佔50%權益)之酒店業務亦因2019冠狀病毒病大流行帶來負面影響。

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。

本公司設有公司網頁(www.chineseestates.com)，使股東可透過互聯網取得公司資料，包括法定公佈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。

INVESTOR RELATIONS (Cont'd)

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.

PROSPECTS

The lingering COVID-19 pandemic-related disruption over the world in the past two years still posed concerns. The global economy continues its uneven recovery and enters 2022 in a weaker position than previously expected. The economic outlook is clouded with downside risks including the spread of new Omicron variant, supply-chain challenges and inflationary pressure. Moreover, developments of China-US relations and the broke out of Russia-Ukraine War raised global attention and the tension could have far-reaching global consequences.

Hong Kong's economic recovery became more entrenched in the third quarter of 2021 alongside the further revival of global economic activity and stable local epidemic situation, and recovered further in the fourth quarter of 2021. However, the onslaught of the latest wave of epidemic and the tightened anti-epidemic measures have posed renewed pressure on economic activities and weighed on sentiment.

On local front, inbound tourism was virtually at a standstill, constraining the extent of the economic recovery. In addition, tough social-distancing curbs and vaccine pass could deal a more severe blow to the retail sector than the early stages of the COVID-19 pandemic in 2020. Accordingly, overall rental level and occupancy expected to come under strain. It is expected that the Group's investment properties will continue to face numerous challenges in the short run. Despite that, the Group will continue to keep an eye on market dynamics and seize opportunities in this challenging environment.

投資者關係(續)

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。

展望

2019冠狀病毒病疫情於過去兩年一直在全球肆虐，持續構成憂慮。全球各地經濟復甦步伐依然參差，踏入二零二二年後的表現更遜早前預期。經濟前景面對眾多下行風險，當中包括Omicron新型變異病毒株的傳播、供應鏈面臨的挑戰及通脹壓力。此外，中美關係發展以及俄烏戰事爆發引起全球關注，而有關緊張局勢可能會對全球影響深遠。

隨著全球經濟活動進一步恢復，加上本地疫情穩定，香港經濟復甦於二零二一年第三季更趨穩固，並在二零二一年第四季更進一步。然而，最新一波疫情來勢洶洶，導致政府收緊防疫措施，令經濟活動和氣氛再度受壓。

本地方面，入境旅遊業幾乎處於停頓狀態，使經濟復甦程度受到制約。此外，與二零二零年2019冠狀病毒病疫情初期相比，嚴格的社交距離限制及疫苗通行證可能會對零售業造成更嚴重的打擊。因此，整體租金水平及出租率預期將面臨壓力。預期本集團的投資物業於短期內仍會面對重重挑戰。儘管如此，本集團將繼續關注市場動態，在充滿挑戰的環境中把握各種機遇。

PROSPECTS (Cont'd)

In the United Kingdom economy, pressures from inflation, shortages of labour and supply chain bottlenecks cloud the outlook for its growth. Despite the uncertainty, the Group's immediate focus is on asset enhancement works of our investment properties. We remain to preserve long-term view for the United Kingdom economy.

For the stock market, it is likely to be volatile in short term, dampened by uncertainties over the tighten monetary policy in the United States, curb inflation, recent spike of Omicron infections and geopolitical tensions between Russia and Ukraine. On the interest rate outlook, we remain alert of the possible interest rate rises in 2022 in order to manage our risk on cost of financing.

Looking ahead, the Group will maintain a cautious stance towards risk and the uncertainties around the globe. We will also continue to manage our businesses with caution and seek new opportunities in opportune moment.

APPRECIATION

2022 is the Group's 100th Anniversary. I would like to take this opportunity to express my gratitude to the shareholders for their continuing support and would also like to express my sincere thanks to my fellow directors and all staff members for their dedication and hard work for overcoming the Group's every challenging moments. I believe that through the hand-in-hand efforts between the management and our staff, together with the support from our shareholders, the Group will turn into a new brilliant chapter of our development.

Lau, Ming-wai

Chairman

Hong Kong, 21 March 2022

展望(續)

英國經濟方面，通脹、勞動力短缺及供應鏈瓶頸所帶來的壓力令其增長前景蒙上陰霾。即使存在不確定因素，本集團當前仍將重點放在投資物業的資產優化工程。我們對英國經濟仍會保持長線目光。

股票市場方面，受美國收緊貨幣政策、遏抑通脹、近期Omicron感染個案激增以及俄烏地緣政治緊張局勢帶來的不確定性所影響，短期內料將出現波動。利率前景方面，我們對於二零二二年可能加息保持警惕，以管理融資成本風險。

展望未來，本集團將對全球面臨的風險及不確定因素保持審慎態度。我們亦將繼續審慎經營業務，並在適當的時機尋求新機遇。

致謝

二零二二年為本集團100週年。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感謝，令集團順利過渡每一個富挑戰性的時刻。本人相信，管理層及員工上下一心，加上各股東的支持，將引領本集團邁向更精彩的新一頁。

主席

劉鳴煒

香港，二零二二年三月二十一日