



Despite uncertainties caused by the US-China trade tensions, Brexit, RMB depreciation, the social unrest in Hong Kong and the recent outbreak of the novel coronavirus, we maintain an optimistic view towards our property leasing business as a whole. While the current epidemic would have an adverse impact on our near-term financial performance, revenue growth in the medium to long term will be fueled by the Mainland retail sector and contributions from new properties.

Our Mainland portfolio will continue to be benefitted from the repatriation of luxury spending as the portfolio has gathered pace in bolstering its roll of luxury tenants. The opening of new shops by luxury brands will continue well into 2020 and beyond, in both existing properties including Plaza 66 and Grand Gateway 66 in Shanghai, Center 66 in Wuxi, and Olympia 66 in Dalian, as well as extending to new projects such as Spring City 66 in Kunming and Heartland 66 in Wuhan.

The roll-out of our nationwide CRM program, HOUSE 66, provides further opportunities for collaboration with tenants on the strength of quality data mining and determination to become increasingly customer focused.

We commit ourselves to staying ahead in technology-assisted customer experience, improving service in malls, car parks and other touchpoints as a means to more directly engage with our shoppers, office workers, and their clients.

Depending on market conditions, we will continue to sell down residential units in Hong Kong and look for opportunities to unlock more value from our property portfolio through the disposal of non-core properties.

On the property development side, work on the two redevelopment projects in Hong Kong has already commenced. On the Mainland, luxurious serviced apartments in our four mixed-use projects are intended for sale. We have begun the construction work for serviced apartments in our Wuhan project, and those on our Wuxi, Kunming and Shenyang projects are set to start in phases.

As our parent company HLG is celebrating its 60 years of establishment in 2020, the Company will, together, continue to look for opportunities to expand our portfolio in Hong Kong and mainland China, ultimately delivering sustainable value to our shareholders and stakeholders.