

[For Immediate Release]



C C LAND ANNOUNCES 2019 ANNUAL RESULTS

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Net Profit Up 142% to HK\$414 million

Further Expand the International Investment Property Portfolio in the Year

Financial Highlights

<i>HK\$'000</i>	For the year ended 31 December		Change
	2019	2018	
Revenue	564,636	651,104	-13%
Gross profit	555,295	645,630	-14%
Other income and gains, net	502,842	191,528	+163%
Profit before tax	401,766	190,570	+111%
Profit attributable to shareholders	414,023	171,099	+142%
Earnings per share (HK cents) — Basic and Diluted	10.66	4.41	+142%
Final dividend per share (HK cents)	2.0	2.0	No Change

(22 March 2020 – Hong Kong) C C Land Holdings Limited (“C C Land” or the “Company”, together with its subsidiaries collectively known as the “Group”; stock code: 1224) is pleased to announce its annual results for the year ended 31 December 2019.

In 2019, the Group achieved a consolidated revenue of HK\$564.6 million which represents a decrease of 13.3% compared with HK\$651.1 million in 2018. The decrease is due to the depreciation of approximately 4% of the average exchange rate of the GBP against the HK\$ compared with the previous year resulting in a lower rental revenue, which was partially offset by the increased revenue contributed by lease renewals and rent reviews during the year. During the year, the Group recorded a net profit of HK\$414.0 million (2018: HK\$171.1 million), up 142% year-on-year.

The treasury investment segment recorded net realized gains of HK\$100.7 million (2018: HK\$72.8 million) and fair value loss of HK\$5.7 million (2018: HK\$119.7 million) from its investment portfolio covering both equity securities, fund investments and debt investments during the year.

Other income and gains increased by HK\$311.3 million for the year ended 31 December 2019 to HK\$502.8 million as compared to 2018 as a result of the disposal of the following property development projects in the year:

1. The Group sold its interests in the Hunan Zhuzhou City Project for a consideration of approximately HK\$331 million, resulting in a recognized disposal gain of HK\$28 million in the year.
2. A subsidiary with 50% interest in property development project in Sichuan was sold to an independent third party in December 2019 for a cash consideration of HK\$316.6 million crystallizing a profit to the Group of HK\$112.3 million.

The increase in other income was also driven by the fair value gains on investment properties which increased by HK\$118.6 million to HK\$165.3 million as a result of the increase in the market value of The Leadenhall Building to GBP1,160 million as at 31 December 2019 and the net gains on disposal of financial assets at fair value through profit or loss amounting to HK\$105.6 million against disposal gains of HK\$47 million in 2018.

The basic earnings per share for the year was HK10.66 cents (2018: HK4.41 cents). The directors are pleased to recommend a final dividend of HK\$0.02 (2018: HK\$0.02) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 26 May 2020. Subject to approval at the Company's forthcoming annual general meeting, dividend warrant will be sent to shareholders on or about 5 June 2020.

As at 31 December 2019, the Group held a portfolio of three commercial properties, totaling 985,000 square feet ("sqf") of office, retail and car parking spaces located in two countries namely, the United Kingdom and Australia. In terms of area, the United Kingdom assets accounted for 89% of the portfolio while 11% of the portfolio was owned by the Group through a joint venture in Melbourne.

The Leadenhall Building, also known as the Cheesegrater with its unique tapering shape, is a world class building and an iconic landmark in the City of London, situated in the prime financial and insurance districts of London. Completed in 2014, it is the gem asset of the Group and will be held by the Group as an investment property for long term capital growth. It is a 46-storeyed commercial tower and comprises approximately 610,000 sqf of office and retail space, and is fully multi-let with a weighted average unexpired lease term of approximately 11 years with over 7 years on a term-certain basis. The building's tenant base includes a number of renowned international insurance companies alongside other financial institutions, technology, and professional service businesses. The current annual contract rental income of The Leadenhall Building is in the region of GBP 40.5 million (2018: GBP40.2 million). As at the end of 2019, all of the office space was leased. The rental yield is approximately 3.5% per annum.

One Kingdom Street is within a few minutes' walking distance from the Paddington Station in Central

London. The building is in Sheldon Square, which comprises of office and residential blocks, a hotel, retail, dining, and entertainment amenities. One Kingdom Street offers approximately 265,000 sqf of high quality Grade A office accommodation and some parking spaces. With its elegant glazed exteriors, a warm welcoming functional entrance hall, and natural light, the building has provided a productive and enjoyable working environment. The building captures an annual contract rental income of approximately GBP15.0 million (2018: GBP14.6 million), equivalent to an annual yield of 5.0%. It is fully let throughout the year to reputable major tenants.

85 Spring Street, Melbourne is located on a prime site in the Melbourne CBD overlooking the parliamentary area and near a public park, and is surrounded by international retailers, restaurants, and magnificent historical buildings. The property has a site area of 13,358 sqf and provides a lettable area of approximately 110,000 sqf across the ground and 15 upper office levels, with basement parking for 23 cars. The building benefits from dual street frontage, and direct access to the Parliament train station. The acquisition cost amounted to AUD112 million in which the Group has a 41.9% effective interest. The building is currently vacant and will be redeveloped into a Grade A office building.

As at 31 December 2019, the Group had two joint venture property development projects in London and one in Hong Kong.

The Group has committed to investing GBP182 million in the regeneration and redevelopment project of Whiteleys in London, a former shopping centre constructed in 1908. Located in Queensway, W2, the Whiteleys redevelopment project is a mixed-use scheme which secured planning permission in 2016. Under the redevelopment plans, the finished project will house 153 apartments, a 5-star hotel, retail spaces with a mix of independent retailers, a state-of-the-art gymnasium, a cinema, restaurants, and cafes, offering an unparalleled regeneration opportunity in prime Central London. Completion of the redevelopment is expected in 2023, restoring Whiteleys to its rightful position at the heart of Bayswater. The Group has 50% voting power in this project.

The Group has a 50% interest in the Nine Elms Square Project. The project is located at the southern bank of the River Thames in Central London. This project occupies a ten-acre site, comprising of twelve buildings including three tall towers, and will be a landmark residential destination on the South Bank. The project will be developed in two phases. Most of the units will enjoy a panoramic view of the River Thames. Phase I of the project is tentatively expected to be completed in 2023. Selected residential units of Phase I were launched for marketing in the first quarter of 2020. The joint venture has a network of overseas sales offices to support overseas marketing initiatives. Whilst development of Phase I continued at Nine Elms Square, the other phase of the joint venture has obtained planning permissions comprising approximately 920,000 sqf of residential floor spaces.

The Harbourside HQ is strategically located close to the junction of MTR Kwun Tong Line and Shatin to Central Link, as well as near to the Tate's Cairn and Eastern Harbour Crossing, making it easily accessible and well connected to different districts of Hong Kong. In its unique location, Harbourside HQ commands a thorough harbour view panning from the Lei Yue Mun Straits to the Victoria Harbour. It is a 28-storeyed Grade A office building, with a total marketable gross floor area of approximately 795,000 sqf including retail spaces on the ground and the first floor, and 285 parking spaces. The cost of acquisition was HK\$7.5 billion in which the Group has a 25% ownership interest. The rental yield is about 2% per annum.

In June 2019, the Group completed a successful first time issue of 3-year guaranteed notes due 2022 which are listed on the Stock Exchange and raised a total of US\$250 million as general working capital with a coupon rate of 6.35% per annum. The proceeds have not been used as at 31 December 2019.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded, "The majority of the Group's investment is in London, one of the world's greatest cities. London is unique and will continue to be so well into the future. The Group is confident that after Brexit, and with the right conditions, London's economy will flourish. With its financial strength, premium investment properties and development sites, the Group is able to withstand the current market instability."

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About C C Land

Headquartered in Hong Kong, the core business of C C Land is property development and investment as well as treasury investments. The Group started to build its global property portfolio since early 2017, and now has both investment and development projects in the United Kingdom, Australia, Hong Kong and mainland China. The Group's business strategy is to have a balanced property portfolio with both stable recurring rental income and property sales revenue in developed cities worldwide.

For enquiries, please contact:

C C Land Holdings Limited

Eva Chan

Tel: (852) 2820 7000

Email: evachan@ccland.com.hk

iPR Ogilvy Ltd

Tina Law / Cathy Chen / Dorothy Wong

Tel: (852) 2136 6181 / 3920 7654 / 3920 7656

Fax: (852) 3170 6606 / Email: ccland@iprogilvy.com