[For Immediate Release]

C C LAND ANNOUNCES 2023 ANNUAL RESULTS

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STEADY REVENUE WITH RENTAL COLLECTION REACHED 98%
FINANCIAL POSITION REMAINS SOUND AND HEALTHY

Financial Highlights

	For the year ended 31 December		
HK$'000	**2023**	2022	**Change**
Revenue	**472,980**	498,368	**-5.1%**
Gross profit	**440,166**	474,324	**-7.2%**
Other income and gains, net	**75,108**	99,683	**-24.7%**
Loss before tax	**(1,916,167)**	(1,905,729)	**0.5%**
Income tax expense	**(21,073)**	(34,612)	**-39.1%**
Loss attributable to shareholders	**(1,937,240)**	(1,940,341)	**-0.2%**
Loss per share (HK cents) — Basic and Diluted	**(49,90)**	(49.98)	**-0.2%**
Final dividend per share (HK cents)	**Nil**	2.0	**N/A**

(26 March 2024 – 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 2023 (the "Year").

The Group achieved a consolidated revenue of HK$473.0 million, representing a decrease of approximately 5.1% compared to HK$498.4 million in 2022. The Group's net loss for the year was HK$1,937.2 million (2022: HK$1,940.3 million). The loss was primarily due to the fair value losses of approximately HK$2.0 billion on the Group's investment properties in the UK, and higher finance costs, both resulting from the interest rate hikes during the year. Otherwise, excluding this non-cash and unrealized item, the Group would record a profit of HK$61.0 million for the year. The loss attributable to shareholders for the year was HK$1,937.2 million (2022: HK$1,940.3 million). The basic loss per share for the year was HK49.90 cents (2022: HK49.98 cents).

Performance for the year was impacted by the unstable and uncertain economic environment arising from the global interest rates hikes despite the long-awaited reopening of the border with Chinese mainland in 2023 after the Covid pandemic. The economic rebound in Hong Kong and Chinese mainland is still weak. The road ahead could still be very bumpy given the geopolitical tension. Interest rates will still be at a high level for a period of time although their peak levels appear to have been reached. The recovery of the Chinese mainland property market is still weak despite various central supportive measures.

The rental income from the investment property portfolio decreased by 4.8% compared to the corresponding period last year, amounting to HK$471.1 million, mainly due to the expiry of certain leases in One Kingdom Street.

The geopolitical tension and global interest rate hikes had led to liquidity issues in various world financial markets, resulting in a general decline in equity prices. This has an adverse impact on the Group's treasury investment business. The treasury investment segment, comprising of listed equity securities and unlisted investment funds, recorded fair value losses of HK$136.1 million (2022: HK$140.5 million) during the year.

After years of investment, the Group's share of the results from the operation of joint venture investments (including investments in joint ventures and associates) recorded a profit of HK$759.9 million for the year, which represents a decrease of HK$148.8 million compared to last year. The decrease is primarily due to the absence of the one-off gain of HK$435.7 million on bargain purchase relating to the acquisition of a 42% effective interest in the No. 15 Shouson project in the previous year, and offset by the increased profit contribution of HK$308.5 million principally from the Thames City project, The Whiteley project and the No. 15 Shouson project.

The value of the Group's investment properties in the UK continued to be adversely impacted by the interest rate hikes which resulted in fair value losses of HK$2.0 billion. As this expense is non-cash in nature, and the Group is holding these investment properties for long term rental purposes, the Group does not expect its overall financial position to be affected substantially.

The Leadenhall Building, a skyscraper having a height of 225 metres (738 feet) tall, is one of the iconic buildings in the Central London district. The building's distinctive wedge-shaped architectural design has created several specific spaces to cater for the different needs of the tenants' businesses. The combination of modern offices and food experiences in the neighborhood enables tenants' businesses to attract and retain talented people working there. The property consists of 46 floors which are used mainly for office purposes and will be held by the Group as investment property for long-term capital growth. It comprises approximately 610,000 sqf of office and retail space and is almost fully let with a weighted average unexpired lease term of approximately 8.6 years with 7.2 years on a term-certain basis. The building's tenant base includes several renowned international insurance companies alongside other financial institutions, technology, and professional service businesses. The current annual contract rent of The Leadenhall Building is in the region of GBP40.6 million (2022: GBP41.6 million). As at 31 December 2023, 98% of the office space was leased. The rental yield is approximately 3.5% (2022: 3.6%) per annum.

One Kingdom Street is well connected to public transportation with nearby underground metro stations, providing easy access to Oxford Street or Heathrow Airport. One Kingdom Street is situated in Paddington Central, an area comprised of dining, office and residential blocks, hotel, retail and entertainment amenities. The building was recently refurbished with luxury-feel office spaces, together with its featured elegant, glazed exteriors and a superbly functional entrance hall. Above the hall, 265,000 sqf of superior office space is spread over nine floors. There is a huge amount of natural light in every office to create a productive and enjoyable working environment. One Kingdom Street offers approximately 265,000 sqf of Grade A office accommodation and some parking spaces, with a current annual contract rent of approximately GBP12.4 million (2022: GBP15.4 million), equivalent to an annual yield of 4.3% (2022: 5.3%). The building is 71% leased to reputable major tenants and the refurbishment of the vacant spaces are under way in order to speed up the leasing activities. As at March 2024, lease terms of two vacant floors with approximately 54,500 sqf have been agreed. Apart from office accommodation, after completion of the metro Elizabeth Line's related construction works, Transport for London has returned to One Kingdom Street 15,360 sqf of vacant space underneath the office tower. The Group is currently exploring various leasing options for this vacant space which may entail creating an urban logistics hub in collaboration with adjacent landlords in Paddington Central.

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As at 31 December 2023, the Group has seven property projects operating through joint ventures, two projects with over 0.8 million sqf of attributable development space in Central London, three projects with approximately 0.5 million sqf in Hong Kong and two projects with approximately 6.8 million sqf in the Chinese mainland. The Group's total investments in joint venture projects decreased slightly to HK$10.2 billion as at 31 December 2023, up from HK$10.3 billion as at 31 December 2022. The decrease was largely due to the accumulated profit shared by the joint ventures and the effect of foreign exchanges after offsetting the cash distribution from joint venture. There was no acquisition or disposal of joint ventures during the year under review. The Group's development pipeline is a significant component of the value of its joint venture business, and the Group expects this pipeline to contribute significantly to earnings and provide attractive returns on its investments in the near to medium term. As at 31 December 2023, the Group held interests in centrally located development sites with a total attributable development potential of approximately 8.1 million sqf, primarily in the UK, Hong Kong and the Chinese mainland.

Just along the south bank of the section of River Thames in Central London, the 10-acre former New Covent Garden Market site is now being redeveloped as Thames City, a mixed-use development featuring 12 residential and commercial buildings, ranging in height from 4 to 53 storeys, and a park which forms part of a vibrant regeneration district that will run from the Vauxhall Bridge to the Battersea Power Station. When fully completed, Thames City comprises 1,500 luxury residential units with a total saleable area of approximately 1.8 million sqf, including three primary towers which rise to 36-53 storeys above basement, providing exceptional panoramic views over the whole of London. Other facilities include a grand clubhouse with a 30-metre-long swimming pool, a state-of-the-art gymnasium, movie theatre, karaoke lounge, landscaped gardens, restaurants, retail outlets and commercial spaces.

The last tower of Phase I was completed and delivery to the buyers started in August of the year. During the year, a total of 280,300 sqf was sold and recognized in the profit and loss account of the project company, contributing GBP495 million in sales revenue. Benefiting from the sensational sales performance, the construction loans were fully repaid in March last year, more than 17 months ahead of repayment schedule. Thames City's marketing continues in progress and has met with much success. As domestic and international travel restrictions are lifted, UK's reopening to international travellers and overseas buyers is making its presence felt. The development of Phase II and III of Thames City with respective saleable areas of 526,000 sqf and 598,000 sqf is in the pipeline and the construction of Phase II is expected to commence in the second half of 2024. The Group has 50% interests in the Thames City project.

In 2019, the Group committed to invest GBP182 million in a joint venture to restore the legendary Whiteley Shopping Centre which forms an important part of the wider regeneration of Queensway now being transformed into a more pedestrian friendly zone for London. Located in Queensway, W2, the Whiteley redevelopment project is a mixed-use scheme which secured planning permission in 2016. When finished, the project with about 603,000 sqf will deliver 139 luxurious residential apartments, a 5-star spa hotel with 109 rooms operated by Six Senses, retail and restaurant spaces, offering an exceptional living and investment opportunity in prime Central London. The Whiteley will be restored to its legendary position at the heart of Bayswater after completion. The Group has fully paid its committed investment of GBP182 million for the development.

At The Whiteley, the construction is in progress with practical completion anticipated at the second half of 2024. The development will deliver approximately 326,000 sqf of residential area, and 277,000 sqf of retail, hotel, commercial and parking spaces. Pre-sales started in November 2021. As at 31 December 2023, it has presold 89 residential units for GBP557 million. The Group has approximately 46% interests but 50% voting power in this project.

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Located next to the Kai Tak Development District, Harbourside HQ is a 28-storey Grade A office with a total marketable gross floor area of approximately 795,000 sqf, including retail spaces on the ground and first floor, and 285 parking spaces. Overlooking Kai Tak and the Kwun Tong Promenade, the property is situated close to the Ngau Tau Kok MTR station, rendering it accessible and connected to different parts of Hong Kong. With its unique location and iconic 136.5 metres height, Harbourside HQ commands a panoramic harbour view stretching from the Lei Yue Mun Straits to the Victoria Harbour. The nearby retail and commercial structures offer amenities in shopping, dining, and entertainment. With the new anchor tenant, Hospital Authority, moving into the building in the second half of the year, the occupancy rate increased to 71% as at 31 December 2023. The cost of acquisition was HK$7.5 billion in which the Group has a 25% interest.

No. 15 Shouson is located at No. 15 Shouson Hill Road West. It comprises a total of 15 luxury villas with a total gross floor area of approximately 88,000 sqf. All the villas have built-in lifts, gardens, usable rooftops and parking spaces. Among them, 13 villas have also private swimming pools. Two villas with total sales value of HK$1.3 billion have been sold and another villa is under offer for HK$498 million. The Group has 42% interests in No. 15 Shouson with an investment of about HK$1.2 billion.

The Group has an effective 15% interest in a joint venture development project related to KITEC with an attributable investment of about HK$906 million. The property has a site area of about 240,000 sqf and a total gross floor area of about 1.8 million sqf which will be positioned for commercial and possibly partial residential development in 2024.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded "The economic rebound in Hong Kong and Chinese mainland appears to need more time to return to the pre-Covid pandemic level although the long-awaited reopening of the border with Chinese mainland after the pandemic finally took place in 2023. Although it is widely anticipated that the global interest rates have reached their peak levels, they may still stay at a high level for some time. The Group will continue to adopt a wait and see approach in tackling the adverse impact of such high interest rates. The Group will adopt a conservative attitude but keep a watchful eye on the market and cherry pick for acquisition high-quality assets and businesses which might appear."

"Looking forward, the Management anticipates volatility, uncertainty and a more challenging business environment. The Group will focus on ensuring the stability and durability of its existing property portfolio and maintain a healthy balance sheet."

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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, Hong Kong and Chinese mainland. 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.

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