

[For Immediate Release]



C C LAND ANNOUNCES 2021 ANNUAL RESULTS

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**Revenue Up 10.1% to HK\$648 million
Rent collection at satisfactory level of 97%**

Financial Highlights

HK\$'000	For the year ended 31 December		Change
	2021	2020	
Revenue	648,051	588,815	+10.1%
Gross profit	627,379	585,384	+7.2%
Other income and gains, net	324,424	781,819	-58.5%
(Loss)/Profit before tax	(93,053)	622,201	N/A
Income tax credit/(expense)	583,132	(34,033)	N/A
Profit attributable to shareholders	490,079	588,168	-16.7%
Earnings per share (HK cents) — Basic and Diluted	12.62	15.15	-16.7%
Final dividend per share (HK cents)	2.0	2.0	N/A

(22 March 2022 – 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 2021.

The Group achieved a consolidated revenue of HK\$648.1 million, representing an increase of approximately 10.1% compared to HK\$588.8 million in 2020. The Group’s net profit for the year was HK\$490.1 million (2020: HK\$588.2 million). The profit attributable to shareholders for the year was HK\$490.1 million (2020: HK\$588.2 million). The basic earnings per share for the year was HK12.62 cents (2020: HK15.15 cents).

Operating revenue for the year ended 31 December 2021 rose by 10.1% to HK\$648.1 million, which was mainly driven by the appreciation of the GBP against the HK\$ by approximately 7% during the year. Rental income amounted to HK\$512.0 million, representing 79.0% (2020: 81.7%) of the total revenue. The rental collection throughout the year remained very strong. The Group’s average rental collection rate for the year was 97% (2020: 97%). The shortfall was related to several tenants’ ongoing negotiation through the rent deferral support programmes.

As at 31 December 2021, the Group owns two high-quality commercial properties in the United Kingdom and one project in Australia through its subsidiaries and a joint venture respectively for rental income purpose. In terms of area, the United Kingdom assets accounted for 74% of the portfolio while 26% was contributed by the joint venture in Melbourne.

The Group's two commercial buildings, namely The Leadenhall Building and One Kingdom Street, are located in Central London, the prime financial and insurance districts in the United Kingdom. These two buildings are the Group's core rental assets and continue to contribute a strong and stable revenue income. Both buildings, with an approximate total leasable area of 875,000 square feet ("sqf"), were almost fully leased as at 31 December 2021.

During the year, the Group generated a rental income of HK\$512.0 million (2020: HK\$481.0 million) from its investment properties in the United Kingdom. Despite the uncertainty related to disruptions to businesses as a result of the pandemic, the Group's rent collection during the pandemic has been strong with 97% of rent collected for the year 2021 (2020: 97%). This performance reflects the quality of and the Group's strong relationship with the occupiers of its investment properties. Rent reviews in the year were settled for The Leadenhall Building and One Kingdom Street concerning a total of 119,000 sqf at an average of 2.6% and 4.9% above passing rent respectively.

The Group's investment property portfolio is well positioned to withstand the disruption caused by the COVID-19 pandemic. However, there is still a certain degree of uncertainty surrounding the portfolio's year end valuation. The property portfolio valuation fell slightly by GBP3.65 million (HK\$38.4 million) or 0.3%. This was related to One Kingdom Street, due to its relatively shorter weighted average of unexpired lease terms in the property. However, One Kingdom Street is fully-let with an annual rental yield of 5.3%. The Leadenhall Building has performed well with its valuation increasing slightly by GBP3.0 million (HK\$31.6 million) and is generating good rental growth.

The Leadenhall Building, a skyscraper with a height of 225 metres (738 feet), is one of the iconic buildings in the Central London district. The building's distinctive wedge-shaped architectural design has created a number of specific spaces to cater to the different needs of the tenants' businesses. The combination of modern offices and food experiences in the neighborhood enables tenants' businesses to enjoy stable growth and fulfill the desire of talented people to work there. This 46-storeyed office building is the trophy asset of the Group and will be held by the Group as an investment property for long term capital growth. It comprises approximately 610,000 sqf of office and retail space, and is almost fully multi-let with a weighted average unexpired lease term of approximately 9.1 years with over 7.2 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 rental income of The Leadenhall Building is in the region of GBP39.8 million (2020: GBP39.7 million). As at 31 December 2021, 96% of the office space was leased. The rental yield is approximately 3.5% per annum.

Just 15 minutes to Oxford Street or Heathrow Airport, One Kingdom Street is situated in Paddington Central, a place comprised of dining, office and residential blocks, hotel, retail and entertainment amenities. The building itself features elegant glazed exteriors and a high quality functional entrance hall, while above, 265,000 sqf of superior office space is spread over nine floors. From the ingenious architectural design, a huge amount of natural light is receivable 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 rental income of approximately GBP15.4 million (2020: GBP15.0 million), equivalent to an annual yield of 5.3%. The building is fully leased to reputable major tenants.

85 Spring Street, Melbourne is positioned within Melbourne's commercial and business centre where thriving cultural scenes, theatre and art facilities and shopping destinations are located within walking distance. The property has a site area of 13,358 sqf and is planned to develop into a Grade A commercial building with a lettable area of approximately 307,000 sqf. The building benefits from dual street frontages, with direct access to the Parliament Train Station. The acquisition cost amounted to AUD112 million in which the Group has a 41.9% effective interest.

As at 31 December 2021, the Group has seven property projects operating through joint ventures, two projects with over 1.1 million sqf of attributable development space in London, two projects with approximately 0.4 million sqf in Hong Kong and three projects with approximately 9.4 million sqf in the PRC. The Group's total investments in joint venture projects increased to HK\$8.7 billion as at 31 December 2021, up from HK\$5.2 billion as at 31 December 2020. The increase was largely due to the contributions to fund ongoing development expenditures, in particular for the development of Nine Elms Square and the Whiteleys Projects, and commitments made in new joint ventures in the year. Steady progress has been made with the two development projects in the UK.

Just south of the River Thames, the 10-acre former New Covent Garden Flower Market site is now being redeveloped as Nine Elms Square, a mixed-use development featuring 12 residential buildings, ranging in height from 4 to 53 storeys, and a park that will run from the Vauxhall Bridge to the Battersea Power Station. When fully completed, Nine Elms Square comprises 1,500 luxury residential units with a total saleable area of approximately 1.7 million sqf, including three primary towers which rise up to 53 storeys above basement, providing exceptional panoramic views over London, extending from the Thames and the London Eye to the new American Embassy. Other facilities include a luxurious grand club house, landscaped gardens, restaurants, retail outlets and commercial spaces. Construction progressed well in the year although the recent lockdown associated with the COVID-19 pandemic had required social distancing on site and slightly delayed construction. The development will be completed in phases over the coming years. Based on current working timetable, the Group anticipates Phase I of the project to be completed from the middle of 2022 to 2023. Phase I comprises 3 residential towers delivering approximately 680,000 sqf. Presales of Phase I was started in 2020 with satisfactory response. With the successful vaccine rollout and availability of low mortgage rates, buyer demand was above average and is likely to continue into 2022. Suspension of international travel has shut out overseas buyers. As Britain reopens, this segment of the market may rise. The Group has a 50% interests in the Nine Elms Square Project.

In 2019, the Group committed to invest GBP182 million to redevelop the Whiteleys Shopping Centre which was first constructed in 1908. The building forms an important part of the wider regeneration of Queensway which is being transformed into a more pedestrian friendly passage district. The Whiteleys redevelopment project is a mixed-use scheme which secured planning permission in 2016. Under the redevelopment plans, the finished project, with about 580,000 sqf, will deliver 139 luxury residential apartments, a luxury hotel, a cinema, retail, and restaurant spaces. Completion of the redevelopment is expected around 2023, restoring Whiteleys to its prestigious position at the heart of Bayswater. As at 31 December 2021, the Group has fully paid its committed investment of GBP182 million for the development. At Whiteleys, construction on site have been constrained during the lockdown period. However, the majority of the site works has remained on schedule. The excavation works was completed in the year. The momentum on site is being maintained with progress being made on the superstructure up to level 9 on the Central Blocks and level 7 on the Hotel. The marketing suite was opened after the Easter break, displaying the show apartment and associated technology. The formal sales launch took place in November 2021. The Group has approximately 46% interests but 50% voting power in this project.

Located next to the Kai Tak Development District, Harbourside HQ 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 first floor, and 285 parking spaces. Overlooking the Kai Tak and Kwun Tong Promenade, the property is situated close to both the Kowloon Bay and Ngau Tau Kok MTR stations, rendering it accessible and connected to different parts of Hong Kong. With its unique location and iconic 136.5 metre height, Harbourside HQ commands a panoramic harbour view from the Lei Yue Mun Straits to Victoria Harbour. The building is 70% leased out as at 31 December 2021. The nearby retail and commercial structures offer amenities in shopping, dining and entertainment. The cost of acquisition was HK\$7.5 billion in which the Group has a 25% interest. Refurbishment and upgrading to the entrance hall and common areas, as well as improvement to the external curtain walls are substantially completed and will attract an upscale tenant profile.

During the year, the Group entered into an agreement to participate in a 15% effective interest in a joint venture holding 100% ownership interest of KITEC at an acquisition cost of about HK\$10.48 billion. The project with a total gross floor area of about 1.8 million sqf will be positioned for commercial developments. The investment is in line with the view that the new supply and demand of commercial spaces over the next few years will be in Kowloon East as the area develops into Hong Kong's second CBD hub.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded "The Group is well positioned to withstand the impacts from the pandemic crisis and is able to look to the future with confidence. Its solid investment property portfolio is almost fully let while the Group's property development projects all have great upside potentials. While the Group's strategy has largely been focused on the London market, the Group continues to consider select opportunities in other geographic markets to expand and diversify its property portfolio to maximize the returns to its shareholders."

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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.

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