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C C Land Holdings Limited

中渝置地控股有限公司

(Incorporated in Bermuda with limited liability)

Website: www.ccland.com.hk

(Stock Code: 1224)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors (the “Board”) of C C Land Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2022 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2022 HK\$'000	2021 HK\$'000
REVENUE			
Interest income	4	2,060	87,113
Revenue from other sources	4	496,308	560,938
Total revenue		498,368	648,051
Cost of services provided		(24,044)	(20,672)
Gross profit		474,324	627,379
Other income and gains, net	4	99,683	324,424
Administrative expenses		(342,996)	(384,261)
Impairment losses on financial assets, net		(979,775)	(35,629)
Other expenses		(1,636,027)	(408,992)
Finance costs	5	(429,663)	(415,523)
Share of profits and losses of:			
Joint ventures		949,813	202,269
Associates		(41,088)	(2,720)
LOSS BEFORE TAX	6	(1,905,729)	(93,053)
Income tax credit/(expense)	7	(34,612)	583,132
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		(1,940,341)	490,079
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		HK(49.98) cents	HK12.62 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
	HK\$'000	HK\$'000
PROFIT/(LOSS) FOR THE YEAR	(1,940,341)	490,079
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	-	(113,124)
Reclassification adjustment for gains/losses included in the consolidated statement of profit or loss		
– reversal of impairment losses	-	(10,688)
– loss on redemption/disposal	-	123,983
	<u>-</u>	<u>171</u>
Cash flow hedge:		
Effective portion of changes in fair value of hedging instruments arising during the year	113,387	-
Exchange differences on translation of foreign operations	(1,641,787)	(59,840)
Share of other comprehensive loss of joint ventures	(16,651)	(14,819)
Share of other comprehensive income of associates	14,140	8,337
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	(1,530,911)	(66,151)
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	-	(2,320,131)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>-</u>	<u>(2,320,131)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	(1,530,911)	(2,386,282)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<u>(3,471,252)</u>	<u>(1,896,203)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2022 HK\$'000	2021 HK\$'000
NON-CURRENT ASSETS			
Property and equipment		170,521	177,527
Investment properties		12,149,321	15,239,280
Golf club membership		10,540	10,540
Investments in joint ventures		8,601,789	7,254,252
Investments in associates		1,746,271	1,420,141
Prepayments, deposits and other receivables		4,559	814,008
Derivative financial instruments		131,452	-
Deferred tax assets		-	8,766
Total non-current assets		22,814,453	24,924,514
CURRENT ASSETS			
Trade receivables	10	9,120	21,690
Loans and interest receivables	11	-	51,417
Prepayments, deposits and other receivables		260,852	586,955
Financial assets at fair value through profit or loss		1,199,420	1,351,248
Prepaid income tax		3,417	6,406
Pledged deposits		23,507	574,581
Restricted bank balances		140,857	88,202
Cash and cash equivalents		1,745,403	4,357,747
Total current assets		3,382,576	7,038,246
CURRENT LIABILITIES			
Other payables and accruals		466,694	392,932
Derivative financial instruments		-	16,766
Interest-bearing bank and other borrowings		188,017	9,214,290
Tax payable		90,497	97,544
Total current liabilities		745,208	9,721,532
NET CURRENT ASSETS/(LIABILITIES)		2,637,368	(2,683,286)
TOTAL ASSETS LESS CURRENT LIABILITIES		25,451,821	22,241,228
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		8,218,875	1,488,680
Notes payable		2,313,014	2,308,613
Other payables		28,408	3,512
Total non-current liabilities		10,560,297	3,800,805
Net assets		14,891,524	18,440,423
EQUITY			
Issued capital	12	388,233	388,233
Reserves		14,503,291	18,052,190
Total equity		14,891,524	18,440,423

Notes:

1. BASIS OF PREPARATION

The Company is incorporated in Bermuda as an exempted company with limited liability and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activities of the Group are described in note 3 below.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, investment properties and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while prior to the property, plant and equipment available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendment that is applicable to the Group are as follows:

HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- | | | |
|---|---|---|
| Property development and investment segment | – | Development and investment of properties |
| Treasury investment segment | – | Investments in securities and notes receivable, and provision of financial services |

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs as well as head office and corporate expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

Reportable segment information

Year ended 31 December 2022

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
Segment revenue (note 4)			
Revenue from external customers	494,601	3,767	498,368
	<u>494,601</u>	<u>3,767</u>	<u>498,368</u>
Segment results	(1,194,935)	(205,924)	(1,400,859)
	<u>(1,194,935)</u>	<u>(205,924)</u>	<u>(1,400,859)</u>
Corporate and unallocated expenses			(75,207)
Finance costs			(429,663)
			<u>(429,663)</u>
Loss before tax			<u>(1,905,729)</u>
			<u>(1,905,729)</u>
Other segment information:			
Share of profits/(losses) of:			
Joint ventures	949,813	-	949,813
Associates	(41,088)	-	(41,088)
Capital expenditure in respect of items of property and equipment	(4,396)	-	(4,396)
Depreciation	(54,480)	-	(54,480)
Fair value gains on derivative financial instruments – transactions not qualifying as hedges	34,666	-	34,666
Fair value losses on investment properties	(1,443,335)	-	(1,443,335)
Fair value losses on financial assets at fair value through profit or loss, net	-	(140,486)	(140,486)
Reversal of impairment losses/(impairment losses) on financial assets, net	(980,827)	1,052	(979,775)
Investments in joint ventures	8,601,789	-	8,601,789
Investments in associates	1,746,271	-	1,746,271
	<u>1,746,271</u>	<u>-</u>	<u>1,746,271</u>

Year ended 31 December 2021

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
Segment revenue (note 4)			
Revenue from external customers	512,044	136,007	648,051
Segment results	<u>730,232</u>	<u>(342,033)</u>	388,199
Corporate and unallocated expenses			(65,729)
Finance costs			<u>(415,523)</u>
Loss before tax			<u>(93,053)</u>
Other segment information:			
Share of profits/(losses) of:			
Joint ventures	202,269	-	202,269
Associates	(2,720)	-	(2,720)
Capital expenditure in respect of items of property and equipment	(450)	-	(450)
Depreciation	(60,806)	-	(60,806)
Fair value gains on derivative financial instruments – transactions not qualifying as hedges	66,671	-	66,671
Fair value gains on investment properties, net	27,238	-	27,238
Fair value losses on financial assets at fair value through profit or loss, net	-	(179,786)	(179,786)
Reversal of impairment losses/(impairment losses) on financial assets, net	(53,642)	18,013	(35,629)
Investments in joint ventures	7,254,252	-	7,254,252
Investments in associates	1,420,141	-	1,420,141

Geographical information

(a) Revenue from external customers

	2022 HK\$'000	2021 HK\$'000
United Kingdom	494,601	512,044
Mainland China	-	5,125
Hong Kong	<u>3,767</u>	<u>130,882</u>
	<u>498,368</u>	<u>648,051</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2022 HK\$'000	2021 HK\$'000
United Kingdom	18,923,937	22,250,644
Mainland China	622	37,150
Hong Kong	3,524,717	1,565,478
Australia	229,166	248,468
	<u>22,678,442</u>	<u>24,101,740</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenues of HK\$95,367,000 and HK\$76,885,000 (2021: HK\$101,648,000, HK\$85,380,000 and HK\$64,723,000) were derived from two (2021: three) tenants which accounted for 10% or more of the Group's revenue and were derived from the property development and investment segment.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue, other income and gains, net, is as follows:

	2022 HK\$'000	2021 HK\$'000
<u>Revenue</u>		
<i>Interest income</i>		
Interest income from debt investments	-	68,961
Interest income from loans receivable	2,060	18,152
	<u>2,060</u>	<u>87,113</u>
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	7,919	-
Other lease payments, including fixed payments	486,682	512,044
	<u>494,601</u>	<u>512,044</u>
Dividend income from listed equity investments	1,707	1,908
Dividend income from unlisted fund investments	-	46,986
	<u>496,308</u>	<u>560,938</u>
	<u>498,368</u>	<u>648,051</u>

	2022 HK\$'000	2021 HK\$'000
<u>Other income and gains, net</u>		
Bank interest income	12,113	9,215
Interest income from amounts due from associates	27,805	124,990
Interest income from an amount due from a joint venture	896	-
Fair value gains on investment properties, net	-	27,238
Fair value gains on derivative financial instruments – transactions not qualifying as hedges	34,666	66,671
Exchanges gains, net	-	29,086
Gain on disposal of an associate	23,549	-
Gain on disposal of a subsidiary	-	60,925
Gain on disposal of a joint venture	16	6,184
Gain on disposal of items of property and equipment	178	-
Others	460	115
	<u>99,683</u>	<u>324,424</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2022 HK\$'000	2021 HK\$'000
Interest on bank and other borrowings	303,536	271,875
Interest on notes payable	125,156	142,920
Interest on lease liabilities	971	728
	<u>429,663</u>	<u>415,523</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2022 HK\$'000	2021 HK\$'000
Depreciation of owned assets	39,433	39,845
Depreciation of right-of-use assets	15,047	20,961
	<u>54,480</u>	<u>60,806</u>
Lease payments not included in the measurement of lease liabilities	3,379	1,219
Auditor's remuneration	6,100	5,800
Employee benefit expense (including directors' remuneration):		
Wages and salaries	200,350	213,672
Pension scheme contributions	6,995	7,112
	<u>207,345</u>	<u>220,784</u>
Fair value losses/(gains) on investment properties, net	1,443,335*	(27,238)
Fair value losses on financial assets at fair value through profit or loss, net	140,486*	179,786*
Losses on disposal of financial assets at fair value through profit or loss, net	3,592*	105,223*

	2022 HK\$'000	2021 HK\$'000
Loss on redemption/disposal of debt investments at fair value through other comprehensive income	-	123,983*
Foreign exchange differences, net	48,614*	(29,086)
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Debt investments at fair value through other comprehensive income	-	(10,688)
Loans and interest receivables	(1,052)	(7,031)
Prepayments, deposits and other receivables	980,827	53,348
	<u>979,775</u>	<u>35,629</u>
Gross rental income	(494,601)	(512,044)
Direct operating expenses arising from rental-earning investment properties	24,044	20,672
Net rental income	<u>(470,557)</u>	<u>(491,372)</u>

* These expenses are included in “Other expenses” in the consolidated statement of profit or loss.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (2021: 16.5%). Corporation tax in the United Kingdom (“UK”) has been provided at a rate of 19% (2021: 19%) according to the requirements set forth in the relevant UK tax laws and regulations. The UK corporation tax rate will change from 19% to 25% effective from 1 April 2023.

Tax on profits assessable in Mainland China has been calculated at the applicable PRC corporate income tax rate of 25% (2021: 25%) during the year, except for one subsidiary of the Group, which is operating in Tibet and is entitled to preferential income tax rate of 15% (2021: 15%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. Overprovision in prior years during the year ended 31 December 2021 was mainly caused by the expiry of the retrospective period for the tax provision in relation to the Group’s strategic disposal of the property projects in prior years.

	2022 HK\$'000	2021 HK\$'000
Current charge for the year		
Hong Kong	-	6,647
UK	41,509	13,778
Mainland China	9,991	18,798
Overprovision in prior years	(24,702)	(614,777)
Deferred tax	7,814	(7,578)
	<u>34,612</u>	<u>(583,132)</u>
Total tax charge/(credit) for the year	<u>34,612</u>	<u>(583,132)</u>

8. DIVIDENDS

	2022 HK\$'000	2021 HK\$'000
Proposed final: HK\$0.02 (2021: HK\$0.02) per ordinary share	<u>77,647</u>	<u>77,647</u>

The final dividend for the year ended 31 December 2022 proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company’s shareholders at the forthcoming annual general meeting.

No interim dividend was declared in respect of the years ended 31 December 2022 and 2021.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share presented for the years ended 31 December 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during the years.

The calculation of basic and diluted earnings/(loss) per share is based on:

	2022 HK\$'000	2021 HK\$'000
<u>Earnings/(loss)</u>		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation	<u>(1,940,341)</u>	<u>490,079</u>
	Number of shares	
	2022	2021
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings/(loss) per share calculation	<u>3,882,334,668</u>	<u>3,882,334,668</u>

10. TRADE RECEIVABLES

	2022 HK\$'000	2021 HK\$'000
Trade receivables	<u>9,120</u>	<u>21,690</u>

The trade receivables primarily include rental receivables which are normally billed in advance and due on the first day of the billing period. Certain tenants are required to pay security deposits which are held by the property manager on trust for both the Group and the Group's tenants. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2022 HK\$'000	2021 HK\$'000
1 to 3 months	8,462	7,476
3 to 6 months	658	6,780
6 to 12 months	-	5,484
Over 12 months	-	1,950
	<u>9,120</u>	<u>21,690</u>

The Group's tenants normally settle their bills in a timely manner and more than 90% of the Group's trade receivables as at the end of the reporting period aged less than twelve months. As such, the Group's exposure to credit risk is insignificant and the directors of the Company were of the opinion that the expected credit losses of these rental receivables are minimal.

11. LOANS AND INTEREST RECEIVABLES

	Notes	2022 HK\$'000	2021 HK\$'000
Loans receivable - unsecured	(i)	-	49,020
Interest receivable		-	3,449
		<u>-</u>	<u>52,469</u>
Less: Impairment allowance	(ii)	-	(1,052)
		<u>-</u>	<u>51,417</u>

As at 31 December 2021, the loan receivable related to a borrower. The carrying amounts of the loan receivable approximated to its fair values.

Notes:

- (i) As at 31 December 2021, the loan receivable was stated at amortized cost with fixed interest rate. The credit term of the loan receivable was 1 year.
- (ii) The movements in the loss allowance for the impairment of loans and interest receivables are as follows:

	2022 HK\$'000	2021 HK\$'000
At 1 January	1,052	8,101
Impairment losses/(reversal of impairment losses), net		
Loans repaid/derecognised	(1,052)	(8,083)
New loans granted	-	1,052
	<u>(1,052)</u>	<u>(7,031)</u>
Exchange realignment	-	(18)
At 31 December	<u>-</u>	<u>1,052</u>

As at 31 December 2021, loans and interest receivables of HK\$52,469,000 before impairment allowance, were within its credit period and all these balances were categorized within Stage 1 for the measurement of expected credit losses.

An impairment analysis is performed at each reporting date by considering the expected credit losses, which are estimated by applying the probability of default approach with reference to the risks of default of the borrowers or comparable companies. As at 31 December 2021, the probability of default applied was 3.58% and the loss given default was estimated to be approximately 62%.

12. SHARE CAPITAL

	2022 HK\$'000	2021 HK\$'000
Authorised:		
20,000,000,000 ordinary shares of HK\$0.10 each	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid:		
3,882,334,668 ordinary shares of HK\$0.10 each	<u>388,233</u>	<u>388,233</u>

RESULTS

The Group achieved a consolidated revenue of HK\$498.4 million, representing a decrease of approximately 23.1% compared to HK\$648.1 million in 2021. The Group's net loss for the year was HK\$1,940.3 million (2021: net profit of HK\$490.1 million). The loss attributable to shareholders for the year was HK\$1,940.3 million (2021: profit attributable to shareholders of HK\$490.1 million). The basic loss per share for the year was HK49.98 cents (2021: basic earnings per share of HK12.62 cents).

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK\$0.02 (2021: 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 31 May 2023. Subject to approval at the Company's forthcoming annual general meeting ("AGM"), dividend warrant will be sent to shareholders on or about 7 June 2023.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Monday, 22 May 2023. A notice of the AGM will be published and dispatched to the shareholders in due course.

The Register of Members of the Company will be closed from Wednesday, 17 May 2023 to Monday, 22 May 2023, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m., Tuesday, 16 May 2023.

The Register of Members of the Company will also be closed from Monday, 29 May 2023 to Wednesday, 31 May 2023, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of above address no later than 4:30 p.m., Thursday, 25 May 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue and Operating Profit

Performance for the year was impacted by the COVID-19 pandemic and a challenging economic environment. Rental income is down slightly by 3.4% to HK\$494.6 million due to the depreciation of approximately 10% of the average exchange rate of the GBP against the HKD during the year.

Divestment in the treasury investments reduced revenues by HK\$132.2 million in the year, in line with an effort to reduce risks posed by economic instability. After the divestment, interest income from loans receivable and debt investments as well as dividend income were reduced during the year.

The total revenue amounted to HK\$498.4 million (2021: HK\$648.1 million) which represents a decrease of 23.1% compared with that of last year.

The global economic slowdown continued to interrupt business activities and supply chains, and produced significant volatility in the financial markets, resulting in a general decline in equity prices. This has an adverse impact on the treasury investment business. The treasury investment segment, comprising of listed equity securities and unlisted investment funds, recorded fair value losses of HK\$140.5 million and realized losses of HK\$3.6 million (2021: fair value losses and realized losses amounted to HK\$179.8 million and HK\$229.2 million respectively) during the year.

The Group's core joint venture investments are Thames City and The Whiteley in Central London. The share of net earnings from joint venture investments (including investment in joint ventures and associates) for the year ended 31 December 2022 was HK\$908.7 million, which represents an increase of HK\$709.2 million compared to that of the previous year. The increase in current year earnings is primarily due to earnings in The Whiteley project amounting to HK\$264.7 million, as well as a share of net earnings of HK\$270.1 million from the Thames City project due to partial delivery of the Phase I residential units in the second half of the year, and the acquisition of 42% effective interest in No. 15 Shouson project in two separate transactions, contributing a combined total after tax profit of HK\$417.6 million to the Group mainly derived from the gain on bargain purchase.

In the PRC, Covid's disruptions to business activity have dampened consumer sentiments. The adverse situation in China's residential property market worsened in the year as homebuyers remained cautious, and therefore reduced property purchases. A series of measures were implemented by the Government to support the property sector, including cutting benchmark lending rates in August 2022 to reduce cost for homebuyers. It appears that more policy measures are needed to stabilize the property sector. As there is an increasing possibility of a slowdown in China's economy and the credit crisis prevailing in the PRC property market, the Group has made a provision for expected credit losses on amounts due from the Jiangsu Yancheng Project and Guangdong Jiangmen Project which included in prepayments, deposits and other receivables, for a total HK\$1.0 billion as at 31 December 2022. The provision for expected credit losses is performed by an independent professional valuer by applying the probability of default approach with reference to the risks of default of the counterparties after discussion with the management. Since the controlling shareholder of the associates has announced default on its corporate bonds, the probability of default applied is 100% (2021: ranged from 0.33% to 9.51%), and the loss given default is estimated to be approximately 83% (2021: 62%) by reference to the Annual Default Study published by Moody's Investors Service.

The value of the Group's investment properties in the UK had also been adversely impacted by the interest rate hikes which resulted in fair value losses of HK\$1.4 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.

As at 31 December 2022, the Group's investment properties in the UK were revalued by Knight Frank Petty Limited ("KF") at GBP1.3 billion, representing a decrease of 10.7% compared to the previous year. In performing the valuation, KF adopted the income capitalization approach with the following key values of inputs:

Values of input	31 December 2022	31 December 2021	Relationship to fair value
Estimated rental values	GBP60 to GBP110	GBP60 to GBP110	The higher the rental values the higher the fair value
Equivalent yields	3.99% to 4.91%	3.56% to 4.67%	The higher the yields the lower the fair value

The income capitalization approach took into consideration of the rental values of the tenancies and the investment yields which are the critical factors in determining its values and is widely considered to be the most adopted and appropriate methodology for valuing properties held for long term rental purpose. The decrease in fair value as at 31 December 2022 was mainly driven by the upward adjustment of the investment yields to 3.99% to 4.91% which is reasonable and in line with the Group's expectation in view of the interest rate hikes during the year.

Taking into account the provision for expected credit losses on amounts due from the two PRC property projects and the fair value losses on investment properties which are non-cash and unrealized in nature, the Group recognized a loss after tax of HK\$1,940.3 million for the year ended 31 December 2022 compared to a profit of HK\$490.1 million for 2021. If these two significant non-cash and unrealized items were excluded, the Group would record a profit of HK\$483.8 million for the year.

The loss attributable to shareholders was HK\$1,940.3 million (2021: profit attributable to shareholders was HK\$490.1 million). The basic loss per share for the year was HK49.98 cents (2021: the basic earnings per share was HK12.62 cents).

Investment Properties

As at 31 December 2022, the Group owns two Grade A commercial properties in the UK.

United Kingdom

Both of 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 UK. Strong demand for quality means the Group's prime office spaces with an approximate total leasable area of 875,000 square feet ("sqf") were almost fully let as at 31 December 2022. These assets have stable cash flows and retain their values very well over long period of time as a result of their long-term leases. The high occupancy rate in the two investment properties reflects the concrete demand for space that offers quality, convenience and flexibility. These two buildings represent the core rental business of the Group, providing secure and stable incomes. The Group's focus remains in how to improve these assets to secure rental uplifts and lease renewals.

During the year, the Group generated a rental income of HK\$494.6 million (2021: HK\$512.0 million) from its investment properties in the UK. The Group's rent collection has performed exceptionally well and continues to experience minimal interruption, with 99% of the rent for the year collected (2021: 97%). Rent reviews were carried out for The Leadenhall Building involving 234,000 sqf at an average of an increase of 3.1% on an annual basis.

The Leadenhall Building

The Leadenhall Building is one of the iconic buildings in Central London - a skyscraper with a height of 225 metres (738 feet) tall. 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 attract and keep talented people. The property consists of 46 floors which are used mainly for office purposes 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 was almost fully let as at 31 December 2022 with a weighted average unexpired lease term of approximately 9.0 years with 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 contract rent of The Leadenhall Building is in the region of GBP41.6 million (2021: GBP39.4 million). The rental yield is approximately 3.6% (2021: 3.4%) per annum.

One Kingdom Street

The property is well connected to public transportation with nearby underground stations, providing easy access to Oxford Street or Heathrow Airport. One Kingdom Street is situated in Paddington Central, a location comprised of dining, office and residential blocks, hotel, retail and, entertainment amenities. The building itself features elegant glazed exteriors and a superbly functional entrance hall, while above, 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 GBP15.4 million (2021: GBP15.4 million), equivalent to an annual yield of 5.3% (2021: 5.3%). The building is almost fully leased to reputable major tenants.

Joint Ventures

As at 31 December 2022, the Group has seven property projects operating through joint ventures, two projects with over 1.1 million sqf of attributable development space in London, three projects with approximately 0.5 million sqf in Hong Kong and, two projects with approximately 7.0 million sqf in the PRC.

The Group's total investments in joint venture projects increased to HK\$10.3 billion as at 31 December 2022, up from HK\$8.7 billion as at 31 December 2021. The increase was largely due to the acquisition of No. 15 Shouson.

During the year, the Group's joint venture completed the disposal of 85 Spring Street in Melbourne at a consideration of AUD130 million with a pre-tax gain of approximately AUD9 million over the cost of the property. Looking ahead, the Group will continue to seek investment opportunities in the Australian market to further diversify the Group's businesses and provide the opportunity for additional growth going forward.

The Group's development pipeline is a significant component of 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 2022, the Group held interests in centrally located development sites with a total attributable development potential of approximately 8.6 million sqf, primarily in the UK, Hong Kong and, the PRC.

London

The Group's presence in London's development business through its ownership interests in Thames City and The Whiteley continues to drive value for its shareholders. As at 31 December 2022, an accumulated total of 320 residential units for over GBP543 million have been presold in Thames City, and a total of 54 residential properties for an aggregate sales price of roughly GBP334 million have been presold for The Whiteley.

Thames City

Along the south bank of River Thames, 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 developed, Thames City 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 breathtaking panoramic views over the whole of London. Other facilities include a grand clubhouse with a 30-metre indoor heated swimming pool, a state of the art gymnasium, cinema, karaoke lounge, library, conference and function rooms, landscaped gardens, restaurants, retail outlets and commercial spaces. Together with the high quality finish and built-in amenities, these facilities have attracted many buyers, both end-users and investors alike, to build up an believably exciting sales momentum.

The development schedule has not been affected by COVID-19 restrictions. Two major towers of the Phase I development were completed in the second half of the year. A total of 195 units representing 192,500 sqf were delivered as at 31 December 2022, yielding a sales revenue of GBP287 million. The last tower of Phase 1, N6, is expected to be delivered in June this year. Altogether upon full completion, Phase I development comprises 543 residential units.

The Group's near to medium term pipeline now covers about 1 million sqf with the second phase of Thames City, comprising 9 buildings, providing a mix of residential, commercial, and retail spaces. Construction will start soon.

The Group has a 50% interests in the Thames City project. In June 2022, the Group's Chairman personally became its 50% partner in this project by taking over the 50% interest originally owned by Guangzhou R&F Properties Co. Ltd.

The Whiteley

In 2019, the Group committed to invest GBP182 million to restore the legendary Whiteley project which constitutes an important part of the ongoing regeneration of Queensway which will be transformed into a more pedestrian friendly zone. Located in Queensway, W2 London, 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 unique luxury residential apartments, a 109-keys spa hotel operated by Six Senses, retail and restaurant spaces, offering an exceptional destination in prime Central London. Completion of the redevelopment is expected around the end of 2023, restoring Whiteley to its deserved glorious position in the heart of Bayswater. The Group has fully paid its committed investment of GBP182 million for the development.

The construction activity has made good progress and will contribute to the Group's growth when the project is completed. Located in one of Central London's most attractive neighborhoods, the redevelopment of Whiteley will add luxury residential spaces in a popular area with limited supply. The development includes a combination of 326,000 sqf of residential apartments, and 277,000 sqf of retail, hotel, commercial and parking spaces. As at 31 December 2022, 54 residential units have been presold for GBP334 million.

The Group has approximately 46% interest but 50% voting power in the project.

Hong Kong

Harbourside HQ

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 the Ngau Tau Kok MTR stations, 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 from the Lei Yue Mun Straits to the Victoria Harbour. The nearby retail and commercial structures offer extensive amenities in shopping, dining and, entertainment. The building is 58% leased out as at 31 December 2022. The cost of acquisition was HK\$7.5 billion in which the Group has a 25% interest.

No. 15 Shouson

No. 15 Shouson is located at No. 15 Shouson Hill Road West. It comprises 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. Construction of the properties has been completed and marketing commenced during the year with a successful sale of two villas at prices of approximately HK\$870 million and HK\$435 million respectively, equivalent to HK\$108,000 and HK\$92,000 per sqf respectively.

Through two separate acquisitions in January 2022 and October 2022, the Group has acquired an effective 42% interest in the project with an investment of about HK\$1.2 billion as at 31 December 2022.

Kowloon Bay International Trade & Exhibition Centre ("KITEC")

The Group has an effective 15% interest in a joint venture development project related to the KITEC with an attributable investment of about HK\$906 million. The property with a site area of about 240,000 sqf and a total gross floor area of about 1.8 million sqf is positioned for commercial developments. The investment is in line with the view that the new supply and local demand of commercial spaces over the next few years will be in Kowloon East as a build-up to be Hong Kong's second CBD hub.

The PRC

Development Projects

Jiangsu Yancheng Project (江蘇鹽城項目)

The Group participated in a 29.4% interest in a joint venture of a development project in Jiangsu with a planned total investment of RMB496 million. The project has a site area of about 687,000 sqf. When fully developed, it comprises 1.56 million sqf of residential and commercial saleable area. The project is located at the intersection of Yanzhen Road (鹽枕路) and Houde Road (厚德路) in close proximity to the city government office building, the airport, and railway station. Construction work commenced in June 2021 and completion of the project is due at the end of 2023.

The project will be developed in two phases, comprising thirteen residential and commercial buildings. Construction of Phase I comprises six buildings, all of which have already been completed to the top floor. Pre-sales commenced in September 2021 with 239,000 sqf sold. Completion of the Phase I is due at the end of December 2023.

Guangdong Jiangmen Project (廣東江門市項目)

The Group has a 34% interest in a joint venture of a development project in Jiangmen city, Guangdong Province, with a total investment cost of RMB703 million. The project, with a site area of about 15.5 million sqf, is positioned for commercial and residential development, providing a total GFA of about 19.2 million sqf. The project is located on the west bank of the Guangdong-Hong Kong-Macau Greater Bay Area, at the core of the Taishan (台山) coastal resort area.

The project is still in its initial stage with completed site survey. Infrastructure works related to access roads and utility facilities are required for the residential site before the commencement of construction works.

Treasury Investment Business

The treasury investment segment recorded a loss of HK\$190.4 million (2021: HK\$349.6 million). The dividends and interests earned from investments and loans receivable amounted to HK\$3.8 million (2021: HK\$136.0 million). The fair value losses from its investment portfolio and realized losses amounted to HK\$140.5 million and HK\$3.6 million respectively (2021: fair value losses of HK\$179.8 million and realized losses of HK\$229.2 million).

CORPORATE STRATEGY AND OUTLOOK

The property development projects have contributed to the growth of the property portfolio. The Group's healthy leverage and liquidity position have afforded it the financial capacity and flexibility to maintain growth objectives for years to come.

For the two development projects in London, revenue will be continually booked throughout the year when completed units are delivered.

Looking forward to 2023, 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 balance sheet. However, with its strong balance sheet, and the quality property portfolio, the Group is well positioned to take advantage of opportunities and cherry pick acquisition targets along the way.

FINANCIAL REVIEW

Investments in Joint Ventures

As at 31 December 2022, details of the Group's significant investments in joint ventures, which have been accounted for in accordance with the equity method of accounting, are as follows:

Project name	Carrying amount	
	31 December 2022 HK\$' million	31 December 2021 HK\$' million
Thames City	4,523.7	4,777.4
The Whiteley	2,247.2	2,228.4
85 Spring Street	229.2	248.5
No. 15 Shouson	1,601.7	-
Total	8,601.8	7,254.3

During the year, the Group invested through two separate transactions a total of HK\$1.2 billion in the acquisition of 42% effective interest in No. 15 Shouson and gains on bargain purchase of HK\$435.7 million have been recognized in the consolidated statement of profit or loss.

The following table presents the movement of investments in joint ventures during the year:

	31 December 2022 HK\$' million	31 December 2021 HK\$' million
Carrying value at the beginning of year	7,254.3	4,700.3
Acquisition/(disposal)	1,184.1	(57.3)
Net investments	38.6	2,489.4
Share of total comprehensive income	933.2	187.5
Effects of foreign exchange	(808.4)	(65.6)
Carrying value at the end of year	8,601.8	7,254.3

Investments in Associates

As at 31 December 2022, the details of the Group's significant investments in associates, which have been accounted for in accordance with the equity method of accounting, are as follows:

Project name	Carrying amount	
	31 December 2022 HK\$' million	31 December 2021 HK\$' million
KITEC	922.6	908.7
Harbourside HQ	822.9	474.5
Others	0.8	36.9
Total	1,746.3	1,420.1

The following table presents the movement of investments in associates during the year:

	31 December 2022	31 December 2021
	HK\$' million	HK\$' million
Carrying value at the beginning of year	1,420.1	517.9
Acquisition	-	941.3
Net investments	356.2	(45.5)
Share of total comprehensive income/(loss)	(26.9)	5.6
Effects of foreign exchange	(3.1)	0.8
Carrying value at the end of year	1,746.3	1,420.1

Apart from the above, loans totaling HK\$1.3 billion (2021: HK\$1.4 billion) have been advanced to associates for the purpose of development projects which are included in prepayments, deposits and other receivables. Due to the prolonged credit crisis within the PRC property market, a provision for expected credit losses of HK\$1.0 billion (2021: HK\$57.3 million) has been made as at 31 December 2022.

Treasury Investments

The Group regularly reviews and manages its capital structure to ensure that its financial position remains sound, so that it can continue to provide returns to shareholders while keeping financial leverage at a prudent level. The objectives of the Group's investment policy are to minimize risks while retaining liquidity, a strong balance sheet, and to achieve a competitive rate of return.

The Group invested surplus cash in a diversified portfolio of listed equity securities and unlisted investment funds. As at 31 December 2022, the portfolio of investments comprised listed equity securities and unlisted investment funds with an aggregate carrying value of HK\$1,199.4 million (31 December 2021: HK\$1,351.2 million) which is listed in the table below:

	31 December 2022	31 December 2021
	HK\$' million	HK\$' million
Financial assets at fair value through profit or loss		
Listed equity securities	214.8	274.7
Unlisted investment funds	984.6	1,076.5
Total	1,199.4	1,351.2

In terms of performance, the Group recognized from its portfolio of investments during the year an unrealized fair value loss of HK\$140.5 million (2021: HK\$179.8 million) in the consolidated statement of profit or loss. The realized loss on the portfolio of investments for the year was HK\$3.6 million (2021: HK\$229.2 million), whereas the dividends and interest income from above investments totalled HK\$1.7 million (2021: HK\$117.9 million). In terms of future prospects of the Group's investments, the performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the performances of the relevant financial markets which are liable to change rapidly and unpredictably.

The Group will continuously adopt a prudent investment strategy and assess the performance of its investment portfolio to make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favorable returns for its shareholders.

Liquidity and Financial Resources

As at 31 December 2022, the Group had cash on hand of HK\$1.9 billion and amounts available under its lines of credit totaling HK\$1 billion. About 9% of the Group's bank deposits and cash were denominated in HKD, 63% in USD, 20% in GBP and 8% in other currencies.

The Group has executed a conservative strategy of securing long-term financing on individual properties. As at 31 December 2022, the Group had two investment properties valued at approximately HK\$12.1 billion which are charged with mortgages totaling HK\$6.9 billion. The average loan to value is a healthy 57%.

Where appropriate, the Group uses interest rate swaps to lock-in borrowing rates on certain mortgages and bank borrowings, which provides certainty to the rate of interest on borrowings involving transactions of a long term nature.

The Group's net borrowings increased to HK\$8.8 billion at 31 December 2022, compared with HK\$8.0 billion at 31 December 2021. The increase was due to the need to contribute funding to the acquisition of the interest in No. 15 Shouson. As a result, the Group's net gearing ratio, which is calculated as net borrowings as a percentage of the owners' equity, increased to 59.2% at 31 December 2022 from 43.3% at 31 December 2021.

As at 31 December 2022, total debt was HK\$10.7 billion (2021: HK\$13.0 billion) with the maturity profile spreading over a period of five years with HK\$0.2 billion repayable within one year and the remaining HK\$10.5 billion repayable after one year. About 65% of the Group's total debt was denominated in GBP, 22% in USD, 12% in HKD, and 1% in RMB. The debt to total assets ratio was 41% (2021: 41%) and is calculated as debt as a percentage to total assets. As at 31 December 2022, except for the notes payable of HK\$2.3 billion (2021: HK\$2.3 billion) and a loan of HK\$0.1 billion (2021: HK\$0.3 billion) bearing interest at fixed rates, all bank borrowings bear interest at floating interest rates. The weighted average cost of debt was 3.7% (2021: 3.1%) during the year.

The Group continues to maintain a high level of liquidity. Total assets as at 31 December 2022 were HK\$26.2 billion, of which approximately 13% were current in nature. Net current assets were HK\$2.6 billion.

As at 31 December 2022, the owners' equity was HK\$14.9 billion (2021: HK\$18.4 billion) and the net assets value per share was HK\$3.84 (2021: HK\$4.75).

Contingent Liabilities/Financial Guarantees

At 31 December 2022, the Group had the following contingent liabilities/financial guarantees:

1. Guarantee given to the vendor in connection with the acquisition of a freehold land by a joint venture amounted to HK\$47 million (31 December 2021: HK\$105 million).
2. Guarantees given to banks in connection with facilities granted to joint ventures up to HK\$2,525 million (31 December 2021: HK\$2,509 million).
3. Guarantees given to banks and an independent third party in connection with facilities granted to associates up to HK\$1,787 million (31 December 2021: HK\$2,172 million).
4. Guarantees given to certain financial institutions in connection with the cost overrun guarantee in respect of the project development costs and sales milestones guarantee of a joint venture up to HK\$782 million (31 December 2021: HK\$869 million).

Pledge of Assets

As at 31 December 2022, investment properties, bank deposits, and property and equipment in the respective amounts of HK\$12.1 billion, HK\$24 million and HK\$71 million have been pledged as security for banking facilities granted to the Group.

Exchange Risks and Hedging

The Group manages its treasury activities within established risk management objectives and policies. The main objectives are to manage exchange, interest rate and liquidity risks and to provide a degree of certainty in respect of costs.

The Group adopts strategic hedging policies to optimize risk-adjusted returns from operations, including the following initiatives:

1. Use of interest rate swaps to hedge the interest rate risk on borrowings.
2. Use of same currency borrowings as a natural hedge to match the currency of assets and cashflows.
3. Use of currency forward contracts to hedge currency risk as appropriate.

EMPLOYEES

As at 31 December 2022, the Group employed a total of 114 employees in Hong Kong, China and the UK for its principal business. Remuneration cost for the year (excluding directors' emoluments) amounted to approximately HK\$127 million.

The Group's policy on remuneration is to ensure that pay levels of its employees are competitive to the market and employees are rewarded according to their merits, qualifications, performance, and competence. Other benefits offered to employees include contributions of mandatory provident fund, medical insurance, and training subsidies.

Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. For 2022 and 2021, no equity-settled share option expense was charged off to the consolidated statement of profit or loss.

CORPORATE GOVERNANCE

During the year, the Company has applied to its corporate governance structure and practices the principles of good corporate governance, and complied with the code provisions, under the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this announcement have been agreed by the Company's independent auditors, Ernst & Young ("EY"), to the amounts set out in draft consolidated financial statements of the Group for the year. The work performed by EY in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on this announcement.

REVIEW OF ANNUAL RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's consolidated results for the year ended 31 December 2022.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website at www.ccland.com.hk and the HKEXnews website at www.hkexnews.hk. The Company's 2022 Annual Report will also be available on both websites and despatched to the shareholders of the Company in due course.

By order of the Board
Lam How Mun Peter
Deputy Chairman and Managing Director

Hong Kong, 24 March 2023

As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Wong Chi Keung, Mr. Leung Chun Cheong, and Mr. Leung Wai Fai as Executive Directors; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven, and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.