



## HKC Announces FY2017 Annual Results Net Profit Increases by 133% to HK\$898.8 Million

### Results Highlights:

- Turnover recorded at HK\$1,789.1 million (2016: HK\$1,605.2 million), up 11%
- Gross profit at HK\$676.9 million (2016: HK\$542.7 million), up 25%
- Gross margins on property sales increased to 29% (2016: 25%)
- Profit attributable to equity holders at HK\$898.8 million (2016: HK\$386.3 million), up 133%
- Basic net profit per share at HK170.0 cents per share (2016: HK73.0 cents per share)
- Net asset value per share of HK\$25.1 (2016: HK\$21.7), up 16%
- Recommended the payment of a final dividend of HK11 cents per share. Total 2017 dividend of HK17 cents per share (2016: HK8 cents per share), up 113%

(Hong Kong, 19 March 2017) — **HKC (Holdings) Limited** (“HKC” or the “Group”) (HKEx: 190) announced today its annual results for the year ended 31 December 2017.

During the year, turnover amounted to HK\$1,789.1 million, an increase of 11% over HK\$1,605.2 million in 2016 as sales increased for its residential properties in Tianjin, Jiangmen, and Shenyang. Gross profit of HK\$676.9 million increased by 25%. Gross margins on property sales increased from 25% in 2016 to 29% in 2017 as the Group was able to increase the sales price for its residential properties. For 2017, the Group recorded a HK\$1,075.2 million valuation gain on Shanghai Landmark Center and a HK\$35.3 million valuation gain on Sinar Mas Plaza. The Group recorded a net profit attributable to the equity holders of HK\$898.8 million for the year under review, an increase of 133% compared to 2016. Basic net profit per share amounted to HK170.0 cents per share, compared to HK73.0 cents per share in 2016. Underlying pre-tax earnings were HK\$374.3 million. Book value per share was HK\$25.1, compared to HK\$21.7 in 2016, an increase of 16%.

In view of the strong results, and to reward shareholders, the Board of Directors recommended the payment of a final dividend of HK11 cents per share, for a total dividend for 2017 of HK17 cents per share, compared to HK8 cents per share for 2016.

**Mr. Eric Oei, Executive Director and Chief Executive Officer of HKC**, said, “As we reported in last year’s results, HKC is now in the harvest stage on the investments that it made as it transformed from a construction company to a property development company. Our results reflect the efforts that we have made both in the residential property sector in Tianjin, Shenyang, and Jiangmen, and in the completion of our trophy commercial buildings in Shanghai. With the completion, we expect that our Shanghai properties will begin to contribute in 2018 and to fully contribute in 2019.”

The two Shanghai properties, located in the North Bund, offer outstanding, panoramic views of the Huangpu River, the Bund, and Lujiazui. As part of Sinar Mas Plaza, the 5-star W hotel operated by the Starwood Group opened in July. Both properties are expected to attract high quality tenants given their close proximity to the central business districts. Landmark Center has a net asset value of HK\$3.0 billion, or HK\$5.6 per share and Sinar Mas Plaza has a net asset value of HK\$1.8 billion or HK\$3.4 per share.

Sales in Tianjin benefitted from strong positive sentiment. In previous years, Beijing prices increased sharply given positive sentiment in tier 1 cities, but given the proximity of Tianjin, prices in Tianjin are now starting to catch up. Similarly, the Group’s Jiangmen residential sales have been boosted given strong sales sentiment in the Pearl River Delta. Meanwhile, Shenyang is benefitting from a recovery in its economy.

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**About HKC (Holdings) Limited (stock code: 190)**

HKC (Holdings) Limited is principally engaged in property development and investment activities with a primary focus in the PRC. It is currently selling residential properties in Tianjin, Jiangmen, and Shenyang; and operates prime commercial properties in Shanghai, Guangzhou, Shenzhen, and Beijing. In Shanghai, HKC has two prime office and commercial developments. One building is adjacent to the Shanghai cruise terminal, and the other is just a few minutes from the Bund, the city’s famed historical district. Through its listed subsidiary China Renewable Energy Investment Limited (stock code: 987), the Group is also one of the leading private providers of renewable energy in the PRC.

For more information, please visit the Group’s website: <http://www.hkcholdings.com>.

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