

[For Immediate Release]



C C LAND ANNOUNCES 2022 INTERIM RESULTS

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**Net Profit Up 4.5% to HK\$240.9 million
Successfully refinanced the mortgage for The Leadenhall Building**

Financial Highlights

HK\$'000	For the six months ended 30 June		Change
	2022	2021	
Revenue	264,639	343,484	-23.0%
Gross profit	254,415	333,066	-23.6%
Other income and gains, net	118,894	275,943	-56.9%
Profit before tax	256,024	240,827	+6.3%
Profit attributable to shareholders	240,935	230,576	+4.5%
Earnings per share (HK cents) — Basic and Diluted	6.21	5.94	+4.5%

(23 August 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 interim results for the six months ended 30 June 2022 (the “Period”).

In the first half of the year, the Group has achieved a total revenue amounting to HK\$264.6 million (six months ended 30 June 2021: HK\$343.5 million) which represents a decrease of 23% compared with the same period last year. For the six months to 30 June 2022, profit attributable to shareholders was HK\$240.9 million (six months ended 30 June 2021: HK\$230.6 million). The basic earnings per share for the period was HK6.21 cents (six months ended 30 June 2021: HK5.94 cents).

The Group continues its property investment and development business in global major cities with its main focus in London, the United Kingdom.

The global economic slowdown continues to interrupt business activities and supply chains, and contributes to 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\$115.1 million (six months ended 30 June 2022: fair value gain and realized gain amount to HK\$129.6 million and HK\$31.5 million respectively) during the period.

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The Group's share of the results from the operation of joint venture investments (including investments in joint ventures and associates) for the period ended 30 June 2022 was a profit of HK\$398 million, which represents an increase of HK\$312 million compared to the corresponding period of last year. The increase is primarily due to increased contribution from the Whiteley project amounting to HK\$31 million, and the gain on bargain purchase relating to the acquisition of a 32% effective interest in No. 15 Shouson project, contributing an after tax profit of HK\$289 million to the Group.

The Group has successfully obtained support from its banking partners to refinance the mortgage for The Leadenhall Building. This funding will not only help to support its business, but also further strengthen the Group's international property portfolio.

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 United Kingdom. These two buildings represent the Group's core rental business and continue to contribute a strong revenue income stream. Both buildings, with an approximate total leasable area of 875,000 sqf, were almost fully leased as at 30 June 2022.

During the six months ended 30 June 2022, the Group generated a rental income of HK\$261.8 million (six months ended 30 June 2021 HK\$266.9 million) from its investment properties in the United Kingdom. The revenues for the investment property portfolio decreased by 2% compared to the corresponding period last year, due to the depreciation of approximately 7% of the average exchange rate of the GBP against the HK\$ during the period. The Group's rent collection has been unperturbed with 98% of rent collected in the period (six months ended 30 June 2021: 98%). Rent reviews in the period were carried out for the Leadenhall investment property involving 234,000 sqf at an average of 3.1% increase on an annual basis.

The Leadenhall Building is one of the iconic buildings in the Central London district, a skyscraper having 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 working there. 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 is almost fully let with a weighted average unexpired lease term of approximately 8.9 years with 7.0 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 GBP39.6 million (31 December 2021: GBP39.4 million). As at 30 June 2022, 96% of the office space was leased. Lease terms of the remaining vacant space have been agreed with the tenants and legal documentation currently in progress. The rental yield is approximately 3.4% per annum.

One Kingdom Street 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 place 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 building 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 (31 December 2021: GBP15.4 million), equivalent to an annual yield of 5.3%. The building is fully leased to reputable major tenants.

In June 2022, the Group's joint venture entered into an agreement to dispose of 85 Spring Street in Melbourne at a consideration of AUD130 million with an estimated pre-tax gain of approximately AUD9 million over the cost of the property. The completion of the disposal is expected to be in the second half of this year. 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.

As at 30 June 2022, the Group has eight 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 three projects with approximately 9.3 million sqf in the PRC. The Group's total investments in joint venture projects increased to HK\$9.3 billion as at 30 June 2022, up from HK\$8.7 billion as at 31 December 2021. The increase was largely due to the acquisition of No.15 Shouson project.

Just south of the 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 city 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 1.7 million sqf, including three primary towers which rise up to 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 for the tenants, landscaped gardens, restaurants, retail outlets and commercial spaces. With construction progressing well, Phase I completion is anticipated around the end of 2022 for two major towers and in the first half of 2023 for another tower, delivering approximately 680,000 sqf. Thames City's marketing is in progress and has met with much success. As Britain reopens to international travellers, overseas buyers are likely to make their presence felt. The Group has a 50% interests in the Thames City project. At the end of June this year, the Group's Chairman personally became the 50% partner to the Group in this project by taking over the 50% interest originally owned by Guangzhou R&F Properties Co., Ltd.

In 2019, the Group committed to invest GBP182 million to restore the legendary Whiteley Shopping Centre as it forms an important part of the wider regeneration of Queensway which is 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. At the heart of the redevelopment of Whiteley will be 139 unique residences. When finished, the project with about 603,000 sqf will deliver 139 luxurious residential apartments, a 110 keys of spa hotel operated by Six Senses, retail and restaurant spaces, offering an exceptional regeneration opportunity in prime Central London. Completion of the redevelopment is expected around the end of 2023, restoring Whiteley to its deserved position at the heart of Bayswater. The Group has fully paid its committed investment of GBP182 million for the development. At Whiteley, the construction has made good progress. The structure of the Central Blocks is completed to level 8 and the hotel to level 9. The development will deliver approximately 326,000 sqf of residential apartments, 277,000 sqf of retail, hotel, commercial and parking spaces. The formal sales started in November 2021. As at the period end, it has presold 39 residential units for GBP226.7 million. 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-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 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 meter tall, Harbourside HQ commands a panoramic harbour view from the Lei Yue Mun Straits to Victoria Harbour. The nearby retail and commercial structures offer amenities in shopping, dining, and entertainment. The building is 66% leased out as at 30 June 2022. 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. Construction of the properties has been completed and marketing commenced during the period with a successful sale of two villas at prices of approximately HK\$870 million and HK\$435 million respectively, equivalent to HK\$108,000 per sqf and HK\$92,000 per sqf. The Group has an effective 32% interest in the project with an investment of about HK\$839 million.

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 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 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 a build-up to be Hong Kong's second CBD hub.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded “The Group focuses on investing in high-quality assets and businesses within its areas of expertise and managing them proactively with the goal of generating stable cash flows and profits. This is evident from its resilient business as its property portfolio is almost fully let to quality occupiers on long leases; and its finances are with reasonable Loan-To-Value and costs, and long term financing from a wide range of sources. With a reasonable gearing ratio, the Group is well positioned to cherry pick projects with great potentials for high returns.”

“When the property development projects are delivered in stages to the buyers upon completion in the coming two years, the Group will enter into the harvest stage as the revenue is booked.”

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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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