[For Immediate Release]

C C LAND ANNOUNCES 2023 INTERIM RESULTS

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

Financial Highlights

	For the six months ended 30 June		
HK$'000	**2023**	2022	**Change**
Revenue	**239,682**	264,639	**-9.4%**
Gross profit	**228,819**	254,415	**-10.1%**
Other income and gains, net	**31,870**	118,894	**-73.2%**
Share of profits and losses of: Joint Ventures	**325,804**	388,599	**-16.2%**
Profit/(Loss) before tax	**(1,320,457)**	256,024	**N/A**
Profit/(Loss) attributable to shareholders	**(1,349,829)**	240,935	**N/A**
Earnings/(Loss) per share (HK cents) — Basic and Diluted	**(34.77)**	6.21	**N/A**

(23 August 2023 – 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 2023 (the "Period").

In the first half of the year, the Group achieved a total revenue of HK$239.7 million, representing a decrease of approximately 9.4% as compared with the same period of 2022. Due to the continuous increase in interest rates during the period under review, the Group recorded the fair value losses of HK$1.4 billion arising from the revaluation of the Group's investment properties in the United Kingdom as at 30 June 2023, resulting a loss attributable to shareholders of HK$1,349.8 million while a profit attributable to shareholders of HK$240.9 million for the first half of 2022. The basic loss per share was HK34.77 cents (six months ended 30 June 2022: the basic earnings per share of HK6.21 cents).

Performance for the period under review was impacted by the uncertain economic environment arising from the global interest rates hikes despite the long-awaited reopening of the cross border with China in February this year after the Covid pandemic. The economic rebounce in HK and mainland China is still slow. The road ahead could still be very bumpy given the geopolitical tension, disruption of supply chain causing global inflation, substantial rise in interest rates and the still rather weak recovery of the PRC property market.

In the first half of the year, the rental income from the investment property portfolio decreased by 8.7% compared to the corresponding period last year, amounting to HK$239.0 million, due to the expiry of certain leases in One Kingdom Street and depreciation of approximately 3.4% of the average exchange rate of the GBP against the HKD during the period. The Group's rent collection has been unperturbed with 98% of rent collected in the period (six months ended 30 June 2022: 98%).

The geopolitical tension between the USA and China, and global interest rate hikes had led to liquidity issues of financial institutions resulting in a general decline in equity prices. This has an adverse impact on our treasury investment business. The treasury investment segment, comprising of listed equity securities and unlisted investment funds, recorded fair value losses of HK$43.6 million (six months ended 30 June 2022: HK$115.1 million) during the period.

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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) for the six months ended 30 June 2023 recorded a profit of HK$319.5 million, which represents a decrease of HK$78.3 million compared to the corresponding period of last year. The decrease is primarily due to the absence of the gain of HK$289 million on bargain purchase relating to the acquisition of a 32% effective interest in No. 15 Shouson project in the previous year offset by the increased profit contribution of HK$216 million from the delivery of the residential units of Phase I of the Thames City project in London.

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$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.

The Leadenhall Building is one of the iconic buildings in the Central London district, a skyscraper having a height of 225 meters (738 feet) tall. 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 6.7 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 GBP41.6 million (31 December 2022: GBP41.6 million). As at 30 June 2023, the office space was fully leased. The rental yield is approximately 3.6% 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 was recently refurbished with luxury-feel office spaces, together with its features 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 building offers approximately 265,000 sqf of Grade A office accommodation and some parking spaces, with a current annual contract rent of approximately GBP12.6 million (31 December 2022: GBP15.4 million), equivalent to an annual yield of 4.3%. The building is 79% leased to reputable major tenants and the refurbishment of the vacant spaces are on the way in order to speed up the leasing activities. The Group had successfully renewed the lease with one of its major tenants in One Kingdom Street for a total area of approximately 93,100 sqf with an approximately 26% uplift on the passing rent.

As at 30 June 2023, the Group has seven property projects operating through joint ventures, two projects with over 0.8 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$10.5 billion as at 30 June 2023, up from HK$10.3 billion as at 31 December 2022. The increase was largely due to the accumulated profit shared by the joint ventures and the effect of foreign exchanges. There was no acquisition or disposal of joint ventures during the period 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 30 June 2023, the Group held interests in centrally located development sites with a total attributable development potential of approximately 8.3 million sqf, primarily in the United Kingdom, Hong Kong and the PRC.

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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 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 1.7 million sqf, including three primary towers which rise 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, landscaped gardens, restaurants, retail outlets and commercial spaces.

With construction progressing well, two major towers of Phase I were completed and the remaining tower is planned for delivery to the buyers in the fourth quarter of the year, yielding a total saleable area of approximately 680,000 sqf. During the period under review, a total 194,500 sqf was sold and recognized in the profit and loss account of the project company contributing GBP 319 million in sales revenue. Benefiting from the encouraging sales performance, the construction loans were fully repaid more than 17 months ahead of schedule in March this year. Thames City's marketing continues in progress and has met with much success. As domestic and international travel restrictions are lifted, United Kingdom's reopening to international travelers and overseas buyers is making its presence felt. The Group has 50% interests in the Thames City project.

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. When finished, the project with about 603,000 sqf will deliver 139 luxurious residential apartments, a 109 keys of a 5-star spa hotel operated by Six Senses, retail and restaurant spaces, offering an exceptional investment opportunity in prime Central London. The Whiteley will be restored to its legendary position at the heart of Bayswater after completion of the redevelopment. 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 first half of 2024. The development will deliver approximately 326,000 sqf of residential apartments, and 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 77 residential units for GBP489 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 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 amenities in shopping, dining, and entertainment. The building is 62% leased out as at 30 June 2023 and the occupancy rate is expected to improve to approximately 80% following the completion of the new lease in the second half of the year. 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 at prices of approximately HK$870 million and HK$435 million have been successfully sold respectively, equivalent to HK$108,000 per square foot and HK$92,000 per square foot. The Group has 42% interests in No. 15 Shouson with an investment of about HK$1.2 billion.

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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 developments in 2024.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded "The rebounce of economy in Hong Kong and mainland China appears to require a longer period to restore to the pre-Covid pandemic level although the long-awaited reopening of the cross border with China after Covid pandemic finally occurred in February this year. The Group continues to adopt a wait and see approach in tackling the adverse impact of the continual interest rates hike. The Group will adopt a conservative attitude but keep a watchful eye on the market and cherry pick 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 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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