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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](http://www.ccland.com.hk)

(Stock Code: 1224)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board of directors (the “Board”) of C C Land Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022 together with comparative figures for the corresponding period in 2021 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>Six months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	Notes	<b>HK\$'000</b>	<b>HK\$'000</b>
REVENUE			
Interest income	4	<b>2,060</b>	75,798
Revenue from other sources	4	<b>262,579</b>	267,686
Total revenue		<b>264,639</b>	343,484
Cost of services provided		<b>(10,224)</b>	(10,418)
Gross profit		<b>254,415</b>	333,066
Other income and gains, net	4	<b>118,894</b>	275,943
Administrative expenses		<b>(140,881)</b>	(152,967)
Impairment losses on financial assets, net	5	<b>(33,515)</b>	(56,250)
Other expenses		<b>(147,891)</b>	(42,507)
Finance costs		<b>(192,831)</b>	(202,048)
Share of profits and losses of:			
Joint ventures		<b>388,599</b>	88,770
Associates		<b>9,234</b>	(3,180)
<b>PROFIT BEFORE TAX</b>	5	<b>256,024</b>	240,827
Income tax expense	6	<b>(15,089)</b>	(10,251)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		<b>240,935</b>	230,576
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	8	<b>HK6.21 cents</b>	HK5.94 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
<b>PROFIT FOR THE PERIOD</b>	<b>240,935</b>	230,576
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<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	-	(46,313)
Reclassification adjustment for gains included in the consolidated statement of profit or loss		
- Reversal of impairment loss	-	(7,904)
	-	(54,217)
Cash flow hedge:		
Changes in fair value of hedging instruments arising during the period	35,580	-
Exchange differences:		
Translation of foreign operations	(1,435,921)	241,257
Share of other comprehensive loss of joint ventures	(11,043)	(6,680)
Share of other comprehensive income of associates	12,417	2,429
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<b>(1,398,967)</b>	182,789
<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	-	(108,700)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	-	(108,700)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(1,398,967)</b>	74,089
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>(1,158,032)</b>	304,665

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2022 (Unaudited) HK\$'000	31 December 2021 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	194,099	177,527
Investment properties		13,776,581	15,239,280
Golf club membership		10,540	10,540
Investments in joint ventures		7,871,849	7,254,252
Investments in associates		1,461,359	1,420,141
Prepayments, deposits and other receivables		4,573	814,008
Derivative financial instruments		53,879	-
Deferred tax assets		13,345	8,766
Total non-current assets		23,386,225	24,924,514
<b>CURRENT ASSETS</b>			
Trade receivables	10	15,633	21,690
Loans and interest receivables	11	-	51,417
Prepayments, deposits and other receivables		1,306,193	586,955
Financial assets at fair value through profit or loss		1,236,188	1,351,248
Derivative financial instruments		2,119	-
Prepaid income tax		2,117	6,406
Pledged deposits		323,813	574,581
Restricted bank balances		90,397	88,202
Cash and cash equivalents		2,729,534	4,357,747
Total current assets		5,705,994	7,038,246
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		316,677	392,932
Derivative financial instruments		-	16,766
Interest-bearing bank and other borrowings		2,136,252	9,214,290
Tax payable		84,551	97,544
Total current liabilities		2,537,480	9,721,532
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		3,168,514	(2,683,286)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		26,554,739	22,241,228
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		7,004,766	1,488,680
Notes payable		2,310,795	2,308,613
Other payables		34,434	3,512
Total non-current liabilities		9,349,995	3,800,805
Net assets		17,204,744	18,440,423
<b>EQUITY</b>			
Issued capital	12	388,233	388,233
Reserves		16,816,511	18,052,190
Total equity		17,204,744	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.

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong, except for the adoption of the revised HKFRSs as disclosed in note 2 below.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial information:

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 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* 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 contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, 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, 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 making property, plant and equipment available for use on or after 1 January 2021, 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 amendments that are 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 to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised 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 before tax except that finance costs as well as head office and corporate expenses are excluded from such measurement.

Information regarding these reportable segments is presented below.

#### Reportable segment information

##### For the six months ended 30 June 2022 – unaudited

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Revenue from external customers	261,849	2,790	264,639
<b>Segment results</b>	615,538	(137,573)	477,965
Corporate and unallocated expenses			(29,110)
Finance costs			(192,831)
Profit before tax			256,024

##### For the six months ended 30 June 2021 – unaudited

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Revenue from external customers	266,899	76,585	343,484
<b>Segment results</b>	246,163	225,227	471,390
Corporate and unallocated expenses			(28,515)
Finance costs			(202,048)
Profit before tax			240,827

#### 4. REVENUE, OTHER INCOME AND GAINS, NET

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<u>Revenue</u>		
<i>Interest income</i>		
Interest income from debt investments	-	63,822
Interest income from loans receivable	<b>2,060</b>	11,976
	<u>2,060</u>	<u>75,798</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	<b>2,649</b>	-
Other lease payments, including fixed payments	<b>259,200</b>	266,899
	<u>261,849</u>	<u>266,899</u>
 Dividend income from listed equity investments	 <b>730</b>	 787
	<u>262,579</u>	<u>267,686</u>
	<b>264,639</b>	<b>343,484</b>
 <u>Other income and gains, net</u>		
Bank interest income	<b>2,240</b>	5,226
Interest income from amounts due from associates	<b>78,677</b>	59,460
Fair value gains on derivative financial instruments – transactions not designated as hedge accounting	<b>37,019</b>	30,980
Fair value gains on financial assets at fair value through profit of loss, net	-	129,642
Gain on disposal of financial assets at fair value through profit or loss, net	-	31,507
Foreign exchange gains, net	-	12,448
Gain on disposal of an investment in a joint venture	-	6,184
Others	<b>958</b>	496
	<u>118,894</u>	<u>275,943</u>

#### 5. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation of owned assets	<b>19,884</b>	19,872
Depreciation of right-of-use assets	<b>8,054</b>	10,796
	<u>27,938</u>	<u>30,668</u>
 Fair value losses on investment properties, net	 <b>2,144*</b>	 42,507*
Fair value losses/(gains) on financial assets at fair value through profit of loss, net	<b>115,060*</b>	(129,642)

Fair value gains on derivative financial instruments - transactions not designated as hedge accounting	<b>(37,019)</b>	(30,980)
Foreign exchange differences, net	<b>30,687*</b>	(12,448)
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Loans and interest receivables, net	<b>(1,052)</b>	(6,887)
Prepayments, deposits and other receivables, net	<b>34,567</b>	71,041
Debt investments at fair value through other comprehensive income	-	(7,904)
	<u><b>33,515</b></u>	<u>56,250</u>
Employee benefit expense (including directors' remuneration):		
Wages and salaries	<b>68,508</b>	71,345
Pension scheme contributions	<b>3,838</b>	3,798
	<u><b>72,346</b></u>	<u>75,143</u>

\* These expenses are included in "Other expenses" in the consolidated statement of profit or loss.

## 6. 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 periods ended 30 June 2022 and 30 June 2021, 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. Tax on profits assessable in Mainland China has been calculated at the applicable PRC corporate income tax rate of 25% (2021: 25%) during the periods, 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.

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current charge for the period		
Hong Kong	-	5,512
UK	<b>6,128</b>	7,351
Mainland China	<b>13,880</b>	6,945
Underprovision in prior periods	<b>31</b>	355
Deferred tax	<b>(4,950)</b>	(9,912)
	<u><b>15,089</b></u>	<u>10,251</u>
Total tax charge for the period	<u><b>15,089</b></u>	<u>10,251</u>

## 7. DIVIDENDS

During the six months ended 30 June 2022, the Company declared a final dividend of HK\$0.02 per ordinary share amounting to HK\$77,647,000 for the year ended 31 December 2021 which was paid on 6 June 2022.

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

During the six months ended 30 June 2021, the Company declared a final dividend of HK\$0.02 per ordinary share amounting to HK\$77,647,000 for the year ended 31 December 2020 which was paid on 4 June 2021.



## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2022 and 2021 as the Group had no potentially dilutive ordinary shares in issue during the periods.

The calculations of basic and diluted earnings per share are based on:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<b>240,935</b>	<b>230,576</b>
<b>Number of shares</b>		
<b>Six months ended 30 June</b>		
<b>2022</b>		
<b>2021</b>		
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<b>3,882,334,668</b>	<b>3,882,334,668</b>

## 9. ADDITIONS TO PROPERTY AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired items of property and equipment with a cost of HK\$44,965,000 (six months ended 30 June 2021: HK\$185,000), including owned assets of HK\$1,325,000 (six months ended 30 June 2021: HK\$185,000) and right-of-use assets of HK\$43,640,000 (six months ended 30 June 2021: Nil).

## 10. TRADE RECEIVABLES

	<b>30 June</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables	<b>15,633</b>	<b>21,690</b>

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:

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Within 1 month	7,556	-
1 to 3 months	1,845	7,476
3 to 6 months	6,232	6,780
6 to 12 months	-	5,484
Over 12 months	-	1,950
	<u>15,633</u>	<u>21,690</u>

The Group's tenants normally settle their bills in a timely manner and 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 loss of these rental receivables is minimal.

## 11. LOANS AND INTEREST RECEIVABLES

	Notes	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Loans receivable - unsecured	(i)	-	49,020
Interest receivable		-	3,449
		-	<u>52,469</u>
Less: Impairment allowance	(ii)	-	(1,052)
		-	<u>51,417</u>

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

Notes:

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

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
At the beginning of the period/year	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 the end of the period/year	<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 categorised 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

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Authorised:		
20,000,000,000 ordinary shares of HK\$0.10 each	<u><b>2,000,000</b></u>	<u>2,000,000</u>
Issued and fully paid:		
3,882,334,668 ordinary shares of HK\$0.10 each	<u><b>388,233</b></u>	<u>388,233</u>

## INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

London remains one of the dominant financial centres in the world. Its economy grew in early 2022 which was an improvement on the contraction when the spread of the COVID pandemic resulted in tightening restrictions.

The former lockdowns and other COVID-19 restrictions affected activities in the London office market. However, activity picked up in both the tenants and investor markets since the latter part of last year. Demand for prime office space surged in the first half of 2022 as occupiers look to relocate or expand, and investors seek opportunities in the market where they see rental growth potentials.

During the period under review, the Group had executed rent reviews on 234,000 square feet (“sqf”) of The Leadenhall Building with an increase of rental rates by 3.1%. The Leadenhall Building and One Kingdom Street were almost fully-let and continued to perform well, maintaining their valuation and generating good income growth.

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.

Throughout the period, the Group has also continued to advance construction on its active development projects in Central London. This pipeline will be a good income source starting from the second half of 2022 and beyond.

The housing market in London is definitely witnessing a resurgence. Demand in London has rebounded. The lifting of COVID restrictions with life returning to normal has boosted buyers' interest in home purchases. The ongoing shortage of houses for sale has resulted in rising average home prices. The home rental demand is particularly strong, encouraging investors to come onto the market. This may, however, be offset by rising interest rates globally.

Apart from London, the Group has property investment and development projects in other major cosmopolitan cities, covering Melbourne, Hong Kong and some key cities in the PRC. The Group believes these cities with their sound infrastructures will have continual economic growth, and investments can generate good returns on a longer term perspective due to the structural demand for real estates in a growing economy.

The Group invested HK\$839 million in the acquisition of a 32% effective interest in a property project located in Shouson Hill Road West, Hong Kong ("No. 15 Shouson"), comprising 15 low-density luxury villas with a gross floor area of approximately 88,000 sqf. Sales commenced during the period with a successful sales of two villas at selling prices of approximately HK\$870 million and HK\$435 million respectively, equivalent to HK\$108,000 per sqf and HK\$92,000 per sqf. Buyers' interest in this project is strong, given the quality of the villas and the continual shortage of new-built villas in premium urban locations.

The Hong Kong economy is expected to recover from a slowdown due to the pandemic in the past two years. Business activities that have been severely hit by the lockdown restrictions have already seen rebounds. There was considerable increase in activity in the real estate sector in Hong Kong.

In Melbourne, the rebound in economic growth in recent months is translating into a turnaround in demand for office space. Such a rebound spells a better longer-term office market outlook.

In the PRC, the Group will concentrate its resources in monitoring the ongoing performance of existing joint venture projects.

### **Revenue and Operating Profit**

In the first half of the year, the revenues for the investment property portfolio decreased by 2% compared to the corresponding period last year, amounting to HK\$261.8 million, due to the depreciation of approximately 7% of the average exchange rate of the GBP against the HKD during the period. The treasury investment segment recorded a fall in revenues compared to the same period last year, primarily due to lower interest income from loans receivable, as well as the absence of interest income from debt investments because of disposal of all debt investments in late last year, in an effort to reduce risks driven by the economic instability.

Total revenue amounted 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.

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 2021: fair value gain and realized gain amount to HK\$129.6 million and HK\$31.5 million respectively) during the period.

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 profit 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.

These contributions have resulted in the Group, for the six months ended 30 June 2022, recording an increase of 4.5% for the profit after tax to HK\$240.9 million (six months ended 30 June 2021: HK\$230.6 million).

The 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).

## **Investment Properties**

As at 30 June 2022, the Group owns two Grade A commercial properties in the United Kingdom.

### **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 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 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 Group believes the long-term prospects for London remain positive given its status as a major global city, with a commercial property market that has lasting interest for both occupiers and investors.

### ***The Leadenhall Building***

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***

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 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.

The Group manages the property leases proactively in order to maintain sustainable occupancy rates and high tenant retention, while reducing the tenant concentration risks. It also engages with the tenants regularly so as to strengthen the property's position as a choice office in Central London.

## **Australia**

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.

In looking for new investment opportunities, the management will adopt a disciplined and prudent approach in sourcing assets that will complement its existing portfolio as well as diversifying its tenant base across various geographical locations.

## **Joint Ventures**

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.

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 30 June 2022, the Group held interests in centrally located development sites with a total attributable development potential of approximately 10.9 million sqf, primarily in the United Kingdom, Hong Kong and the PRC.

The active development sites are the two development projects in the UK, namely, Thames City and the Whiteley project. These two projects had experienced only minor delays during the pandemic and are moving towards completion within projected time frames.

## **London**

The Group's presence in London's development business through its ownership interests in Thames City and the Whiteley project continues to drive value for its shareholders. As at 30 June 2022, the Group sold an accumulated total of 115 residential units for over GBP196 million in Thames City, and a total of 39 residential properties for an aggregate sales price of roughly GBP226.7 million for the Whiteley project.

## ***Thames City***

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.

## ***Whiteley Shopping Centre***

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.

## **Hong Kong**

### ***Harbourside HQ***

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***

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.

## ***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 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.

## **The PRC**

### ***Development Projects***

#### ***Chongqing Bishan Project (重慶璧山項目)***

This project is located in the Bishan District (璧山區) of Chongqing, situated on the main line of Daishan Avenue (黛山大道). Transportation facilities include high-speed railway, highways and an elevated monorail train which was constructed and was successfully launched in May 2020. The project development will comprise 7.0 million sqf of commercial, retail and residential spaces. Pre-sales commenced in 2020 and completion is expected in the fourth quarter of 2022. The Group has a 33.33% interest in this project.

#### ***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 the Phase I project comprises six buildings, four of which have already been completed to the top floor. Pre-sales commenced in September 2021 with over 150 residential units sold. Completion of the Phase I project is due for delivery 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 gross floor area 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 at 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\$137.7 million (six months ended 30 June 2021: gain of HK\$218.9 million). The dividends and interests earned from investments and loans receivable amounted to HK\$2.8 million (six months ended 30 June 2021: HK\$76.6 million). The fair value losses from its investment portfolio amounted to HK\$115.1 million (six months ended 30 June 2021: fair value gain of HK\$129.6 million and realized gain of HK\$31.5 million).

## CORPORATE STRATEGY AND OUTLOOK

Inflation has surged more than expected which exerts pressure on finances and living standards. Higher inflation and interest rates may have a cooling impact on price increases and transaction activity in the property market.

However, the Group believes the current risk of inflation is not long lasting. When the causes of inflation subside, the revival of the rental markets will be one of the supporting conditions that should give momentum to the real estate markets. When the world returns to normality, and when economic growth picks up and the supply bottlenecks caused by the pandemic are overcome, it is likely growth will accelerate considerably.

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.

## FINANCIAL REVIEW

### Investments in Joint Ventures

As at 30 June 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	
	30 June 2022 HK\$' million	31 December 2021 HK\$' million
Thames City	4,387.7	4,777.4
Whiteley	2,140.4	2,228.4
85 Spring Street	231.9	248.5
No. 15 Shouson	1,111.8	-
Total	7,871.8	7,254.3

During the period, the Group invested HK\$838.8 million in the acquisition of a 32% effective interest in No. 15 Shouson.

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

	<b>30 June 2022</b>	31 December 2021
	<b>HK\$' million</b>	HK\$' million
Carrying value at the beginning of period/year	<b>7,254.3</b>	4,700.3
Acquisition/(disposal)	<b>838.8</b>	(57.3)
Net investments	<b>123.7</b>	2,489.4
Share of total comprehensive income	<b>377.6</b>	187.5
Effects of foreign exchange	<b>(722.6)</b>	(65.6)
Carrying value at the end of period/year	<b>7,871.8</b>	7,254.3

### Investments in Associates

As at 30 June 2022, 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:

	Carrying amount	
	<b>30 June 2022</b>	31 December 2021
Project name	<b>HK\$' million</b>	HK\$' million
KITEC	<b>919.4</b>	908.7
Harbourside HQ	<b>506.7</b>	474.5
Others	<b>35.3</b>	36.9
Total	<b>1,461.4</b>	1,420.1

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

	<b>30 June 2022</b>	31 December 2021
	<b>HK\$' million</b>	HK\$' million
Carrying value at the beginning of period/year	<b>1,420.1</b>	517.9
Acquisition/(disposal)	<b>-</b>	941.3
Net investments	<b>21.2</b>	(45.5)
Share of total comprehensive income	<b>21.7</b>	5.6
Effects of foreign exchange	<b>(1.6)</b>	0.8
Carrying value at the end of period/year	<b>1,461.4</b>	1,420.1

Apart from the above, loans totalling HK\$1,382.8 million (31 December 2021: HK\$1,444.1 million) have been advanced to associates for the purpose of development projects which are included in prepayments, deposits and other receivables.

### 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 30 June 2022, the portfolio of investments comprised of listed equity securities and unlisted investment funds with an aggregate carrying value of HK\$1,236.2 million (31 December 2021: HK\$1,351.2 million) which is listed in the table below:

	<b>30 June 2022</b> HK\$' million	31 December 2021 HK\$' million
<b>Financial assets at fair value through profit or loss</b>		
Listed equity securities	236.1	274.7
Unlisted investment funds	1,000.1	1,076.5
Total	<u>1,236.2</u>	<u>1,351.2</u>

In terms of performance, the Group recognized from its portfolio of investments during the period an unrealized fair value loss of HK\$115.1 million (six months ended 30 June 2021: unrealized fair value gain of HK\$129.6 million) in the consolidated statement of profit or loss and nil amount of unrealized fair value gain/loss in the period (six months ended 30 June 2021: unrealized fair value loss of HK\$155.0 million) in the consolidated statement of other comprehensive income. No realized gain on the portfolio of investments for the period was recorded (six months ended 30 June 2021: HK\$31.5 million), whereas the dividends and interest income from above investments was HK\$0.7 million (six months ended 30 June 2021: HK\$64.6 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 30 June 2022, the Group had cash on hand of HK\$3.1 billion and amounts available under its lines of credit totalling HK\$1 billion. About 49% of the Group's bank deposits and cash were denominated in HKD, 40% in USD, 5% in GBP and 6% in other currencies.

The Group has executed a conservative strategy of securing long-term financing on individual properties. As at 30 June 2022, the Group had two investment properties valued at approximately HK\$13.8 billion which are charged with mortgages totalling HK\$7.1 billion. The average loan to value is a healthy 51%.

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

The Group's net borrowings increased to HK\$8.3 billion at 30 June 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 a property project. As a result, the Group's net gearing ratio, which is calculated as net borrowings as a percentage of the owners' equity, increased to 48.3% at 30 June 2022 from 43.3% at 31 December 2021.

As at 30 June 2022, total debt was HK\$11.5 billion (31 December 2021: HK\$13.0 billion) with the maturity profile spreading over a period of five years with HK\$2.1 billion repayable within one year and the remaining HK\$9.4 billion repayable after one year. About 62% of the Group's total debt was denominated in GBP, 20% in USD, 17% in HKD, and 1% in RMB. The debt to total assets ratio was 39% (31 December 2021: 41%) and is calculated as debt as a percentage to total assets. As at 30 June 2022, except for the notes payable of HK\$2.3 billion (31 December 2021: HK\$2.3 billion) and other loan of HK\$0.2 billion (31 December 2021: HK\$0.3 billion) which bear interest at fixed rates, all bank borrowings bear interest at floating interest rates. The weighted average cost of debt was 3.1% (six months ended 30 June 2021: 3.1%) during the period.

The Group continues to maintain a high level of liquidity. Total assets as at 30 June 2022 were HK\$29.1 billion, of which approximately 20% was current in nature. Net current assets were HK\$3.2 billion.

As at 30 June 2022, the owners' equity was HK\$17.2 billion (31 December 2021: HK\$18.4 billion) and the net assets value per share was HK\$4.43 (31 December 2021: HK\$4.75).

### **Contingent Liabilities/Financial Guarantees**

At 30 June 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\$48 million (31 December 2021: HK\$105 million).
2. Guarantees given to banks in connection with facilities granted to joint ventures up to HK\$3,014 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\$2,162 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 of a joint venture up to HK\$785 million (31 December 2021: HK\$869 million).

### **Pledge of Assets**

As at 30 June 2022, investment properties, bank deposits, and property and equipment in the respective amounts of HK\$13.8 billion, HK\$0.3 billion and HK\$72 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 30 June 2022, the Group employed a total of 120 employees in Hong Kong, China and the United Kingdom for its principal business. Remuneration cost for the first half year (excluding directors' emoluments) amounted to approximately HK\$50 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 the six months ended 30 June 2022, no equity-settled share option expense was charged off to the consolidated statement of profit or loss.

### **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2022.

## **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 six months ended 30 June 2022.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2022.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee has discussed with the management the accounting policies and practices adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2022.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is published on the Company's website at [www.ccland.com.hk](http://www.ccland.com.hk) and the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk). The Company's 2022 Interim 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, 23 August 2022

*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.*