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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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 2021 together with comparative figures for the corresponding period in 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**Six months ended 30 June** **2021** **(Unaudited)** **HK$'000**	2020 (Unaudited) HK$'000
REVENUE			
Interest income	4	**75,798**	40,802
Revenue from other sources	4	**267,686**	236,638
Total revenue		**343,484**	277,440
Cost of services provided		**(10,418)**	(1,331)
Gross profit		**333,066**	276,109
Other income and gains, net	4	**275,943**	132,028
Administrative expenses		**(152,967)**	(131,679)
Reversal of impairment losses/(impairment losses) on financial assets, net	5	**(56,250)**	6,743
Other expenses		**(42,507)**	(82,649)
Finance costs		**(202,048)**	(180,453)
Share of profits and losses of:			
Joint ventures		**88,770**	(19,988)
Associates		**(3,180)**	9,014
PROFIT BEFORE TAX	5	**240,827**	9,125
Income tax expense	6	**(10,251)**	(10,992)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		**230,576**	(1,867)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		**HK5.94 cents**	(HK0.05 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PROFIT/(LOSS) FOR THE PERIOD	**230,576**	(1,867)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**(46,313)**	(12,678)
Reclassification adjustment for gains included in the consolidated statement of profit or loss		
- Reversal of impairment loss	**(7,904)**	-
	(54,217)	(12,678)
Exchange differences:		
Translation of foreign operations	**241,257**	(697,334)
Share of other comprehensive loss of joint ventures	**(6,680)**	(1,458)
Share of other comprehensive income of associates	**2,429**	1,628
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**182,789**	(709,842)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**(108,700)**	218,235
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**(108,700)**	218,235
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**74,089**	(491,607)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**304,665**	(493,474)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2021 (Unaudited) HK$'000**	31 December 2020 (Audited) HK$'000
NON-CURRENT ASSETS			
Property and equipment	9	**218,873**	249,204
Investment properties		**15,541,376**	15,327,772
Golf club membership		**10,540**	10,540
Investments in joint ventures		**6,651,467**	4,700,270
Investments in associates		**503,604**	517,938
Financial assets at fair value through other comprehensive income		**2,704,175**	2,842,090
Financial assets at fair value through profit or loss		**1,798,689**	1,850,497
Prepayments, deposits and other receivables		**293,935**	5,567
Deferred tax assets		**10,898**	986
Total non-current assets		**27,733,557**	25,504,864
CURRENT ASSETS			
Trade receivables	10	**9,121**	13,557
Loans and interest receivables	11	**168,172**	309,169
Prepayments, deposits and other receivables		**1,536,899**	1,230,374
Financial assets at fair value through other comprehensive income		**-**	955,430
Financial assets at fair value through profit or loss		**521,837**	375,023
Derivative financial instruments		**522**	-
Prepaid income tax		**2,965**	2,558
Pledged deposits		**680,859**	26,427
Restricted bank balances		**202,746**	194,475
Cash and cash equivalents		**4,856,972**	5,528,650
Total current assets		**7,980,093**	8,635,663
CURRENT LIABILITIES			
Other payables and accruals		**339,523**	475,018
Derivative financial instruments		**35,320**	-
Interest-bearing bank and other borrowings		**8,867,538**	535,668
Notes payable		**1,931,882**	-
Tax payable		**722,767**	761,246
Total current liabilities		**11,897,030**	1,771,932
NET CURRENT ASSETS/(LIABILITIES)		**(3,916,937)**	6,863,731
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,816,620**	32,368,595
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**3,157,699**	9,936,900
Notes payable		**-**	1,928,892
Other payables		**4,280**	10,552
Derivative financial instruments		**13,004**	77,632
Deferred tax liabilities		**346**	346
Total non-current liabilities		**3,175,329**	11,954,322
Net assets		**20,641,291**	20,414,273
EQUITY			
Issued capital	12	**388,233**	388,233
Reserves		**20,253,058**	20,026,040
Total equity		**20,641,291**	20,414,273

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 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 2020.

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 2020, 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 new and revised HKFRSs as disclosed in note 2 below.

In preparing the unaudited interim condensed consolidated financial information, the directors of the Company have given due consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$3,916,937,000 and capital commitment of HK$1,338,157,000 as at 30 June 2021, which included the following:

(a) The net current liability position was caused by reclassification of certain non-current liabilities to current portion due to the maturity dates of respective loans and the directors of the Company believe that the Group is able to refinance these current liabilities, which mainly arose from a mortgage loan pledged by the Group's investment property, by taking into account the investment property's fair value;

(b) The Group's non-current portion of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income in the aggregate amount of HK$4,502,864,000 are of highly liquid investments and could be realised within a short period of time to meet its liabilities when they fall due; and

(c) The Group has several sources of finance available to fund its operations and has unutilised banking facilities of HK$720,000,000 as at 30 June 2021. The directors of the Company believe that the revolving bank loan of HK$300,000,000 as at 30 June 2021 will continue to be made available to the Group and will not be withdrawn unexpectedly within the next twelve months from the end of the reporting period.

Accordingly, the unaudited interim condensed consolidated financial information has been prepared on a going concern basis.

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 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS16	*Interest Rate Benchmark Reform – Phase 2*
Amendment to HKFRS 16	*COVID-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

The nature and impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate and the London Interbank Offered Rate as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.

(b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The Group has early adopted the amendment on 1 January 2021 and the amendment did not have any impact on the Group's unaudited interim condensed consolidated financial information.

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 2021 – unaudited

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

For the six months ended 30 June 2020 – unaudited

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue			
Revenue from external customers	236,141	41,299	277,440
Segment results	113,365	104,472	217,837
Corporate and unallocated expenses			(28,259)
Finance costs			(180,453)
Profit before tax			9,125

4. REVENUE, OTHER INCOME AND GAINS, NET

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

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
<u>Revenue</u>		
Interest income		
Interest income from debt investments	**63,822**	19,086
Interest income from loans receivable	**11,976**	21,716
	75,798	40,802
Revenue from other sources		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	**-**	539
Other lease payments, including fixed payments	**266,899**	235,602
	266,899	236,141
Dividend income from listed equity investments	**787**	497
	267,686	236,638
	343,484	277,440
<u>Other income and gains, net</u>		
Bank interest income	**5,226**	34,224
Interest income from amounts due from associates	**59,460**	-
Fair value gains on investment properties	**-**	13,751
Fair value gains on financial assets at fair value through profit of loss, net	**129,642**	84,025
Gains on disposal of financial assets at fair value through profit or loss, net	**31,507**	-
Fair value gains on derivative financial instruments – transaction not qualifying as hedges	**30,980**	-
Foreign exchange gains, net	**12,448**	-
Gain on disposal of an investment in a joint venture	**6,184**	-
Others	**496**	28
	275,943	132,028

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation of owned assets	**19,872**	18,294
Depreciation of right-of-use assets	**10,796**	10,531
	30,668	28,825
Fair value losses/(gains) on investment properties, net	**42,507***	(13,751)
Fair value losses/(gains) on derivative financial instruments - transaction not qualifying as hedges	**(30,980)**	71,011*

Foreign exchange differences, net	**(12,448)**	11,638*
Impairment losses/(reversal of impairment losses) on financial assets, net		
Reversal of impairment losses on debt investments at fair value through other comprehensive income	**(7,904)**	-
Reversal of impairment losses on loans and interest receivables, net	**(6,887)**	(5,008)
Impairment losses/(reversal of impairment losses) on financial assets included in prepayments, deposits and other receivables, net	**71,041**	(1,735)
	56,250	(6,743)
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**71,345**	65,216
Pension scheme contributions	**3,798**	3,467
	75,143	68,683

* 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% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the periods ended 30 June 2021 and 30 June 2020, 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 (2020: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2020: 8.25%) and the remaining assessable profits are taxed at 16.5% (2020: 16.5%). Corporation tax in the United Kingdom ("UK") has been provided at a rate of 19% (2020: 19%) according to the requirements set forth in the relevant UK tax laws and regulations. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current charge for the period		
Hong Kong	**5,512**	3,788
UK	**7,351**	6,378
Elsewhere	**6,945**	-
Underprovision in prior periods	**355**	-
Deferred tax	**(9,912)**	826
Total tax charge for the period	**10,251**	10,992

7. DIVIDENDS

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.

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

During the six months ended 30 June 2020, 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 2019 which was paid on 5 June 2020.

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

The calculation of basic earnings/(loss) per share is based on the profit/(loss) 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 2021 as the Group had no potentially dilutive ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2020 in respect of a dilution as the share options outstanding had no dilutive effect on the basic loss per share presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation	**230,576**	(1,867)

	Number of shares	
	Six months ended 30 June	
	2021	2020
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculation	**3,882,334,668**	3,882,334,668

9. ADDITIONS TO PROPERTY AND EQUIPMENT

During the six months ended 30 June 2021, the Group incurred HK$185,000 (six months ended 30 June 2020: HK$9,002,000) on the additions of items of property and equipment.

10. TRADE RECEIVABLES

	30 June	31 December
	2021	2020
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Trade receivables	**9,121**	13,557

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:

	30 June 2021 (Unaudited) HK$'000	31 December 2020 (Audited) HK$'000
Within 1 month	**-**	5,092
1 to 3 months	**3,314**	1,084
3 to 6 months	**2,602**	3,561
Over 6 months	**3,205**	3,820
	9,121	13,557

The Group's tenants normally settle their bills in a timely manner. 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	**30 June 2021 (Unaudited) HK$'000**	31 December 2020 (Audited) HK$'000
Loans receivable - unsecured	(i)	**168,054**	310,815
Interest receivable		**1,314**	6,455
		169,368	317,270
Less: Impairment allowance	(ii)	**(1,196)**	(8,101)
		168,172	309,169

As these loans receivable relate to a number of different borrowers, the directors are of the opinion that there is no significant concentration of credit risk over these loans receivable. The carrying amounts of these loans receivable approximate to their fair values.

Notes:

(i) The loans receivable was stated at amortised cost with fixed interest rate. The credit terms of the loans receivable range from 1 month to 1 year (31 December 2020: 3 months to 1 year).

(ii) The movements in the loss allowance for the impairment of loans and interest receivables are as follows:

	30 June 2021 (Unaudited) HK$'000	31 December 2020 (Audited) HK$'000
At the beginning of the period/year	**8,101**	14,012
Impairment losses/(reversal of impairment losses), net		
Loans repaid/derecognised	**(6,887)**	(14,012)
New loans granted	**-**	8,101
	(6,887)	(5,911)
Exchange realignment	**(18)**	-
At the end of the period/year	**1,196**	8,101

As at 30 June 2021, loans and interest receivables of HK$169,368,000 (31 December 2020: HK$317,270,000), 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 30 June 2021, the probability of default applied ranged from 1.98% to 5.29% (31 December 2020: 1.98% to 5.29%) and the loss given default was estimated to be approximately 62% (31 December 2020: 62%).

12. SHARE CAPITAL

	30 June 2021 (Unaudited) HK$'000	31 December 2020 (Audited) HK$'000
Authorised:		
20,000,000,000 ordinary shares of HK$0.10 each	**2,000,000**	2,000,000
Issued and fully paid:		
3,882,334,668 ordinary shares of HK$0.10 each	**388,233**	388,233

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of the year, the Group's business continued to make good progress against an uncertain global economic background. In these challenging times, the Group focused on maintaining the stability of its existing property portfolio, engaging with its tenants and improving its balance sheet. Through its diversified property portfolios in various matured markets covering London, the PRC, Hong Kong and Melbourne, the Group has generated a growing base of revenues.

The United Kingdom's businesses and workforces are adjusting to changes after Brexit. The economy is taking off with growth returning in March. The job market stabilized and improvements were reported across all sectors. As the COVID-19 vaccination rate rises and economic activities resurge, it is anticipated that growth will pick up in the second half of the year.

Social distancing restrictions and home working have had a considerable impact on the Central London office leasing market. Benefitting from the gradual easing of lockdown restrictions, and with an anticipated growth in economy over the coming months, Central London saw an increase in leasing transactions since the pandemic started and strong demands for quality space may continue into the second half of 2021.

The Group's two commercial properties in Central London continue to show consistent performance, being almost fully let at all times throughout the period. Rent reviews for some of the units in The Leadenhall Building were concluded during the period. The weighted average increase in rental rates achieved was 4.5%. The Group's UK team continues to focus on building a harmonious relationship with the tenants, with frequent dialogues to ensure tenants' needs are met efficiently and effectively.

However, home working may affect office demands in the medium term. Occupiers' demand may turn to well-connected and better quality office spaces to take advantage of cheaper rentals in Central London as corporations plan for their future after the pandemic. Together with increased office constructions in London, these factors had a negative impact on asset values. The Group's investment property, One Kingdom Street, sustains a slight fall of 2.3% in valuation as at 30 June 2021 amounting to HK$72 million due mainly to relatively shorter weighted average of unexpired lease terms in the property. However, the fully-let premises with stable rental income still supported an annual rental yield of 5.2%.

The Leadenhall Building, the core investment property for the Group, has performed well, maintaining its valuation and generating good income growth.

The Group proceeded as planned on the development of the Whiteleys Project and the Nine Elms Square Project.

Consumer confidence and positive sentiment are lifting the residential market. With the successful vaccine rollout and improved economic forecasts, the availability of low deposit mortgages and borrowing costs have resulted in housing price rises in the beginning of the period to March. Whilst there were signs of the property market slowing down thereafter, it is generally expected that the increase will reoccur in the second half of the year as a result of a short supply of residential properties in the market.

The gradual revival of consumption and investment sentiments in the PRC has helped to stabilise the Hong Kong economy. The listing boom in 2020 has strengthened Hong Kong's position as an international financial centre, which is expected to drive the rentals and sales of offices in Hong Kong.

Elsewhere, home sales activity in the PRC has remained strong and there has been a stable demand in urban cities in locations where there are good transport connections.

In Australia, Melbourne had a lockdown again in late first half of the year. It will likely take a longer time for the office market to turn around from the downturns. With a steady vaccination rollout, we may see stabilisation towards the second half of the year when economic momentum and the labour market improve and office workers return to the office.

During the period, the Group entered into a joint venture agreement to develop a property project located in Yancheng City (鹽城市), Jiangsu Province (江蘇省), PRC. The Group's total committed investment cost amounted to RMB496 million and has 29.4% interest in this project.

The Group also entered into an agreement during the period to commit to a 34% interest in a joint venture of a commercial and residential development project in Jiangmen City (江門市), Guangdong Province (廣東省), PRC with a total investment cost of RMB703 million.

Revenue and Operating Profit

In the first half of the year, the Group has achieved a total revenue amounting to HK$343.5 million (six months ended 30 June 2020: HK$277.4 million) which represents an increase of 23.8% compared with the same period last year.

For the six months to June 2021, the Group recorded a profit after tax of HK$230.6 million (six months ended 30 June 2020: a loss of HK$1.9 million) as underlying earnings were partially offset by a fall in the value of the investment property, One Kingdom Street (down 2.3% or GBP6.7 million or HK$72 million).

The profit attributable to shareholders was HK$230.6 million (six months ended 30 June 2020: a loss of HK$1.9 million). The basic earnings per share for the period was HK5.94 cents (six months ended 30 June 2020: loss per share of HK0.05 cents).

Investment Properties

As at 30 June 2021, the Group owns two high-quality commercial properties in the United Kingdom and one in Australia through its subsidiaries and a joint venture respectively for rental income purpose. In terms of area, the United Kingdom assets accounted for 74% of the portfolio while 26% of the portfolio was owned by the Group through the joint venture in Melbourne.

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 are the Group's core rental business and continue to contribute a strong revenue income. Both buildings with an approximate total leasable area of 875,000 square feet ("sqf") were almost fully leased as at 30 June 2021.

During the six months ended 30 June 2021, the Group generated a rental income of HK$266.9 million (six months ended 30 June 2020: HK$236.1 million) from its investment properties in the United Kingdom. Rent collections remain at satisfactory levels due to the buildings' first class tenants and the Group's quality asset management. The Group has collected 98% of the rents during the period (2020: 97%).

The Leadenhall Building

The Leadenhall Building is one of the iconic buildings in the Central London district, 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 keep and attract talented people working there. This 46-storeyed office building is a valuable asset of the Group 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 multi-let with a weighted average unexpired lease term of approximately 9.5 years with over 7.4 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 rental income of The Leadenhall Building is in the region of GBP39.8 million. As at 30 June 2021, 98% of the office space was leased. The rental yield is approximately 3.5% per annum. The Group will continue to diversify its tenant base and ensure the office premises remain the most sought after choices.

Because of lockdown restrictions, innovative marketing events were launched to increase and maintain the public image of the building as an iconic international building. In February, virtual events highlighted by home workouts with a health fitness studio was organized. Other virtual events that took place included the Valentine's Day flower bouquet presentation, virtual workshops, and Chinese New Year initiatives.

One Kingdom Street

Just 15 minutes 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 high quality 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 high quality Grade A office accommodation and some parking spaces, with a current annual rental income of approximately GBP15.3 million, equivalent to an annual yield of 5.2%. The building is fully leased to reputable major tenants.

Tenant-mix enhancement initiatives were implemented to meet the evolving customer demands. Various inspirational initiatives and virtual promotional events were introduced to enrich cultural context for the community.

Australia

85 Spring Street, Melbourne

The building is positioned within Melbourne's commercial and business centre where thriving cultural scenes, theatre and art facilities and shopping destinations are located within walking distance. The property has a site area of 13,358 sqf and is planned to develop into a Grade A commercial building with a lettable area of approximately 307,000 sqf. The building benefits from dual street frontages, with direct access to the Parliament train station. The acquisition cost amounted to AUD112 million in which the Group has a 41.9% effective interest.

Joint Ventures

As at 30 June 2021, the Group has six property projects running through joint ventures, two projects with over 1.1 million sqf of attributable development space in London, one project with approximately 0.2 million sqf in Hong Kong and three projects with approximately 9.4 million sqf in the PRC.

The Group's total investments in joint venture projects increased to HK$7,155 million as at 30 June 2021, up from HK$5,218 million as at 31 December 2020. The increase was largely due to the contributions to fund ongoing development expenditures, in particular for the development of Nine Elms Square and the Whiteleys Project. Steady progress has been made on track with these two development projects in the UK. Overall, these two active joint ventures represent an important proportion of the Group's business. As at 30 June 2021, these two joint ventures represented 86% of the Group's total investments in joint venture projects.

Nine Elms Square - London

Just south of the River Thames, the 10-acre former New Covent Garden Flower Market site is now being redeveloped as Nine Elms Square, a mixed-use development featuring 12 residential buildings, ranging in height from 4 to 54 storeys, and a linear park that will run from Vauxhall Bridge to the Battersea Power Station. When fully completed, Nine Elms Square 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 54 storeys above basement, providing exceptional views over London, extending from the Thames and the London Eye to the new American Embassy. Other facilities include a luxurious grand club house, landscaped gardens, restaurants, bars, retail outlets, and commercial spaces.

Construction has progressed well in the period although the recent lockdown associated with the COVID-19 pandemic has required social distancing on site and slightly delayed construction. The development will be completed in phases over the coming years. Based on current working patterns, the Group anticipates Phase I of the project to be completed around the end of 2022 and early 2023. Phase I comprises 3 residential towers delivering approximately 680,000 sqf. Two buildings had been topped out with tenders arranged for their internal fit-outs. The Group has also started construction of superstructure for the remaining residential block of Phase I.

Presales of Phase I was started in 2020 with satisfactory response. With the successful vaccine rollout and availability of low mortgage rates, consumer confidence and positive sentiment are also boosting the market. In general residential property transactions are expected to pick up in the latter part of the year.

The Group has a 50% interests in the Nine Elms Square Project.

Whiteleys Shopping Centre – London

In 2019, the Group committed to invest GBP182 million to redevelop the Whiteleys Shopping Centre which was constructed in 1908. The building forms an important part of the wider regeneration of Queensway which is being transformed into a more pedestrian friendly passage in the area. The Whiteleys redevelopment project is a mixed-use scheme which secured planning permission in 2016. Under the redevelopment plans, the finished project, with about 580,000 sqf, will deliver 153 residential apartments, a hotel, a cinema, retail, and restaurant spaces. Completion of the redevelopment is expected around the end of 2022 and early 2023, restoring Whiteleys to its prestigious position at the heart of Bayswater.

At Whiteleys, construction on site have been constrained during the lockdown over the past few months. However, the majority of the site works has remained on schedule. Good progress was made in the period with respect to excavation on site. The marketing suite was opened after the Easter break, together with the show apartment and associated technology have been favourably received by the visitors.

The Group has approximately 46% interests but 50% voting power in this project. As at 30 June 2021, the capital investment contributed by the Group amounted to GBP169 million.

Harbourside HQ – Hong Kong

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 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 Victoria Harbour. The building is 71% leased out as at 30 June 2021. The nearby retail and commercial structures offer amenities in shopping, dining and entertainment. The cost of acquisition was HK$7.5 billion in which the Group has a 25% interest. Refurbishment and upgrading to the entrance hall and common areas, as well as improvement to the external curtain walls are substantially completed and will attract an upscale tenant profile.

Development Projects – PRC

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. Presale was commenced in 2020 and completion is expected in September 2022. The Group has a participation interest of 33.33% in this project with an investment of about RMB800 million.

Jiangsu Yancheng Project (江蘇鹽城項目)

The Group entered into an agreement to participate 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 1.45 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 this year and presale is scheduled in September. Completion of the project is due at the end of 2023.

Guangdong Jiangmen Project (廣東江門市項目)

The Group entered into an agreement during the period to take up 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 developments, providing a total GFA of about 19.6 million sqf. The project is located on the west bank of the Guangdong-Hong Kong-Macao Greater Bay Area, at the core of the Taishan (台山) coastal resort area. Construction of the first phase is expected to commence in the second half of 2021.

Treasury Investment Business

The treasury investment segment recorded a gain of HK$218.9 million (six months ended 30 June 2020: HK$99.9 million). The dividends and interests earned from investments and loans receivable amounted to HK$76.6 million (six months ended 30 June 2020: HK$41.3 million). The fair value gain and realized gain from its investment portfolio amounted to HK$129.6 million and HK$31.5 million respectively (six months ended 30 June 2020: fair value gain of HK$84.0 million and nil realized gain).

CORPORATE STRATEGY AND OUTLOOK

The United Kingdom appears to do well after Brexit. Its export activities have since proved resilient. The country is stable, economically prosperous, and is a good place to do business based on the availability of abundant opportunities to attract investments.

For the residential property business, the end of the stamp duty holiday may have immediate impact on the growth of the residential market, but UK household fundamentals are in good shape and could support further increase in housing demands. As stock of residential properties in the market is limited, there is room for growth in the coming months. Property prices have generally improved recently.

The pandemic and the necessary health measures have closed most parts of the economy in the past twelve months. Overall leasing activity in the commercial property market has remained low. The successful rollout of the vaccination campaign will translate into higher active transaction levels in the latter half of the year. The leasing business of the Group is resilient however as its property portfolio is nearly fully let to quality occupiers on long leases.

In response to Melbourne recovering from the lockdown, businesses are making plans for their operations in the period subsequent to the pandemic. Leasing activity is expected to pick up in the Melbourne CBD office leasing market.

Meanwhile in Hong Kong, Kowloon East has been transformed into another important core business district outside of the Central district. The Group has modernized the Harbourside HQ with refurbishment work substantially completed. The Group is confident that Kowloon East CBD would appeal to tenants and benefit from the demand pickup in the future in line with the development pace of Kai Tak Development District and will look for investment opportunities in the region in order to provide a good return to its shareholders.

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

Uncertainty remains as to how long it will take for business and trade to restore to normal. There is growing concern over the development of the pandemic which could delay the relaxation of restrictions or reimpose restrictions to curb the surge. Under this condition, the Group will adhere to its prudent strategy of achieving asset growth. It will continue to enhance its property business and explore global opportunities to strengthen the recurrent income base by further expansion of its local and overseas property portfolio.

FINANCIAL REVIEW

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 risk 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, unlisted investment funds and debt instruments. As at 30 June 2021, the portfolio of investments comprised of listed equity securities, unlisted investment funds and debt instruments with an aggregate carrying value of HK$5,024.7 million (31 December 2020: HK$6,023.0 million) which is listed in the table below:

	30 June 2021 HK$' million	31 December 2020 HK$' million
Financial assets at fair value through profit or loss		
Listed equity securities	**521.8**	284.4
Unlisted investment funds	**1,798.7**	1,850.5
Debt instruments	**-**	90.6
	2,320.5	2,225.5
Financial assets at fair value through other comprehensive income		
Listed equity securities	**2,416.5**	2,525.2
Debt instrument	**287.7**	1,272.3
	2,704.2	3,797.5
Total	**5,024.7**	6,023.0

In terms of performance, the Group recognized from its portfolio of investments during the period unrealized fair value gain of HK$129.6 million (six months ended 30 June 2020: HK$84.0 million) in the consolidated statement of profit or loss and unrealized fair value loss of HK$155.0 million (six months ended 30 June 2020: gain of HK$205.6 million) in the consolidated statement of other comprehensive income. The realized gain on the portfolio of investments for the period was HK$31.5 million (six months ended 30 June 2020: nil), whereas the dividends and interest income from investments was HK$64.6 million (six months ended 30 June 2020: HK$19.6 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 portfolio of investments to make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favorable returns for its shareholders.

A significant investment of individual fair value of 5% or above of the Group's total assets is seen in China Evergrande New Energy Vehicle Group Limited (Stock Code: 708) ("Evergrande Vehicle").

The principal business activities of Evergrande Vehicle include technology research and development and manufacturing of, and sales services in respect of new energy vehicles as well as health management businesses including "Internet+" community health management, international hospitals, elderly care and rehabilitation.

As at 30 June 2021, the Group held 83,615,000 shares with an investment cost of HK$181.2 million in Evergrande Vehicle, representing 0.86% of its issued shares. The fair value of the Group's investment in Evergrande Vehicle was HK$2.4 billion representing 6.8% of the Group's total assets. In terms of performance, the share price of Evergrande Vehicle decreased 4.3% during the period and accordingly the Group recognized an unrealized fair value loss of HK$109 million, as compared to an unrealized fair value gain of HK$218 million recorded in the corresponding period last year, in the consolidated statement under other comprehensive income. No dividend was received from the Group's investment in Evergrande Vehicle during the period. In terms of future prospects of the Group's investment in Evergrande Vehicle, its performance is to a large extent subject to the development of the new energy vehicle industry as well as the development pace of its 14 vehicle models, out of which 9 have been revealed namely, Hengchi 1 to Hengchi 9. Despite the intensive market competition in the new energy vehicle industry and the volatility of the financial markets facing the COVID-19 pandemic during the period, Evergrande Vehicle was able to raise a total of HK$26 billion through equity fund raising by issuance of new shares to support its new energy vehicle business. The Group noted that the share price of Evergrande Vehicle has been adversely affected by the negative news surrounding its controlling shareholder, China Evergrande Group, since July 2021 and will continuously assess the performance of its investment in Evergrande Vehicle and make timely and appropriate adjustments to maximize its return to the shareholders.

Other than the investment in Evergrande Vehicle, no other single investment of the Group's portfolio of investments accounted for 5% or more of its total assets.

Liquidity and Financial Resources

The Group ended the period with a net borrowing of HK$8.2 billion (31 December 2020: HK$6.7 billion) which consists of cash and bank balances and time deposits of HK$5.7 billion, minus total bank and other borrowings and notes payable. At 30 June 2021, the Group's net gearing level, net of cash was 39.8% (31 December 2020: 32.6%).

As at 30 June 2021, the Group had total bank and other borrowings and notes payable amounting to HK$14.0 billion with the maturity profile spreading over a period of two years with HK$10.8 billion repayable within one year and the remaining HK$3.2 billion repayable after one year. All bank borrowings of HK$11.3 billion bear interest at floating rates, while all other borrowings of HK$0.7 billion and notes payable of HK$2.0 billion bear interest at fixed rates. About 64% of the Group's bank and other borrowings and notes payable were denominated in GBP, 17% in Hong Kong dollars, 14% in USD, and 5% in RMB.

As at 30 June 2021, cash and bank balances and time deposit totalled HK$5.7 billion as compared to HK$5.7 billion as at 31 December 2020. About 56 % of the Group's bank deposits and cash were denominated in Hong Kong dollars, 34% in USD, 9 % in GBP, and 1 % in other currencies.

The Group's key financial ratios remain strong with the average debt cost at 3.1% (six months ended 30 June 2020: 3.3%). The Group continues to maintain a high level of liquidity. Total assets as at the end of June 2021 were HK$35.7 billion, of which approximately 22% was current in nature. Net current liabilities were HK$3.9 billion as a result of reclassification of certain non-current liabilities to current portion due to the maturity dates of respective loans. The refinancing of these liabilities is expected to commence in second half of the year.

As at 30 June 2021, the owners' equity was HK$20.6 billion (31 December 2020: HK$20.4 billion) and the net assets value per share was HK$5.32 (31 December 2020: HK$5.26).

Contingent Liabilities/Financial Guarantees

At 30 June 2021, 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$215 million (31 December 2020: HK$211 million).

2. Guarantees given to a bank in connection with a facility granted to a joint venture up to HK$826 million (31 December 2020: HK$1,042 million).

3. Guarantees given to a bank and an independent third party in connection with facilities granted to associates up to HK$1,492 million (31 December 2020: HK$1,503 million).

4. Guarantees given to certain financial institutions in connection with the Group's equity contribution commitment in a joint venture and the cost overrun guarantee in respect of the project development costs of the joint venture in the amounts of HK$135 million and HK$888 million respectively (31 December 2020: HK$735 million and HK$871 million respectively).

Pledge of Assets

As at 30 June 2021, investment properties, bank deposits, and property and equipment in the respective amount of HK$15.5 billion, HK$0.7 billion and HK$74 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 rates and liquidity risks and to provide a degree of certainty in respect of costs.

The Group hedges its foreign investments with bank borrowings and/or forward currency exchange contracts to offset against any unexpected and unfavorable currency movements, which may result in a loss on translation of the net foreign investment into Hong Kong dollars. During the period, the Group has entered into forward currency exchange contract to hedge its currency exposure for a foreign currency liability due for repayment in the first half of 2022.

EMPLOYEES

As at 30 June 2021, the Group employed a total of 126 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$53 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 2021, 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 2021.

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 2021.

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 2021.

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 2021.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM 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 2021 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 2021

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.