

[For Immediate Release]



## C C LAND ANNOUNCES 2019 INTERIM RESULTS

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### Strategic Deployment of Group's Resources to Build Up an International Investment Property Portfolio

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**Net Profit Up 24% to HK\$84.5 million**

#### Financial Highlights

<i>HK\$'000</i>	For the six months ended 30 June		<b>Change</b>
	<b>2019</b>	2018	
Revenue	<b>279,014</b>	305,371	<b>-8.6%</b>
Gross profit	<b>273,197</b>	304,243	<b>-10.2%</b>
Other income and gains, net	<b>130,717</b>	90,591	<b>+44.3%</b>
Profit before tax	<b>103,374</b>	77,086	<b>+34.1%</b>
Profit attributable to shareholders	<b>84,541</b>	68,341	<b>+23.7%</b>
Earnings per share (HK cents) — Basic and Diluted	<b>2.18</b>	1.76	<b>+23.9%</b>
Interim dividend per share (HK cents)	<b>Nil</b>	Nil	<b>N/A</b>

(26 August 2019 – Hong Kong) **C C Land Holdings Limited** (“C C Land” or the “Company”, together with its subsidiaries collectively known as the “Group”; stock code: 1224) is pleased to announce its interim results for the six months ended 30 June 2019.

In the first half of the year, the Group achieved a total revenue of HK\$279.0 million (six months ended 30 June 2018: HK\$305.4 million) which represents a decrease of 8.6% compared with the same period last year. The rental income for the first half of the year decreased to HK\$239.9 million from HK\$251.3 million in the first half of 2018. The decrease resulted from the depreciation of approximately 6% of the average exchange rate of the GBP against the HK\$ compared with the first half of 2018, but was partially offset by the lease renewals and rent reviews during the period. Treasury investments contributed a revenue of HK\$39.1 million and, together with the rental income, generated a combined revenue of HK\$279.0 million, which decreased by HK\$26.4 million or 8.6% against the first half of 2018.

The treasury investment segment recorded a net fair value loss of HK\$97.8 million, as the sum result of a gain of HK\$42.0 million accounted for in the consolidated statement of profit or loss, and a loss of HK\$139.8 million as recorded in the consolidated statement of comprehensive income (six months ended 30 June 2018: fair value loss of HK\$98.8 million in the consolidated statement of profit or loss and fair value gain of HK\$196.5 million in the consolidated statement of comprehensive income respectively). The realized loss for the period was HK\$5.4 million (six months ended 30 June 2018: HK\$1.6 million).

The profit attributable to shareholders for the period amounted to HK\$84.5 million (six months ended 30 June 2018: HK\$68.3 million). The basic earnings per share for the period were HK2.18 cents (six months

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ended 30 June 2018: HK1.76 cents). The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

By end June 2019, the Group held a portfolio of 3 commercial properties, totalling 985,000 square feet ("sqf") of office, retail and car parking spaces located in two countries namely, the United Kingdom and Australia. In terms of area, the United Kingdom assets accounted for 89% of the portfolio while 11% of the portfolio was owned by the Group through a joint venture in Melbourne.

The Leadenhall Building is one of the iconic buildings in Central London. Judging from its full occupancy, the building is a much sought after destination for different businesses. This 46-storeyed office building is a crown jewel asset of the Group and will be held by the Group as an investment property for long term capital growth. It has approximately 610,000 sqf of office and retail space, and is fully multi-let with a weighted average unexpired lease term of approximately 11 years with over 8 years on a term-certain basis. The building's tenant base includes a number of renown 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 GBP40.2 million. The rental yield is approximately 3.5% per annum. The rental income for the six months ended 30 June 2019 was GBP16.0 million (six months ended 30 June 2018: GBP 16.2 million).

One Kingdom Street offers approximately 265,000 sqf of high quality Grade A office accommodation and some parking spaces. With elegant glazed exteriors, a warm welcoming functional entrance hall, and natural light, the building has created a productive and enjoyable working environment. The building captures an annual rental income of approximately GBP15.0 million, equivalent to an annual yield of 5.0%. It is fully let throughout the year to reputable major tenants. The rental income for the six months ended 30 June 2019 was GBP7.6 million (six months ended 30 June 2018: GBP 7.2 million).

Rent reviews for One Kingdom Street and The Leadenhall Building were conducted during late 2018 and the first half of 2019 respectively. The weighted average increase in rental rates of One Kingdom Street achieved on renewals that commenced during the period was 4.3%. The property managers continue to focus on building a harmonious relationship with the tenants, working to ensure to fully utilize the buildings' spaces, and meeting the tenants' business and overall needs.

In April 2019, the Group's joint venture completed the acquisition of a freehold B-grade office building with 110,000 sqf within the Melbourne CBD, Australia, at a consideration of AUD112 million. The Group holds an effective interest of 41.9% in the building which is currently vacant for carrying out renovation and refurbishment work to upgrade it to a high quality A-grade office building.

As at 30 June 2019, the Group had one joint venture property development project in each of London and Hong Kong. The Group's net investment in joint venture projects was HK\$3,239 million, a decrease from HK\$3,652 million at 31 December 2018, largely due to the disposal of the 42.86% effective interest in a PRC property development project located in Zhuzhou City, Hunan Province. The Group realized a cash profit of HK\$55 million from the disposal of the Zhuzhou Project.

Nine Elms Square, a three-phased development in the South Bank of the London River Thames is situated on a ten-acre parcel of land adjacent to the new American Embassy. The first phase of this project includes three luxurious residential buildings totalling approximately 680,000 sqf of saleable area. Construction, which is proceeding normally, commenced in late 2018 and is expected to be completed by second half of 2021. The Group has a 50% interest in the Nine Elms Square Project.

The Harbourside HQ is strategically located close to the junction of MTR Kwun Tong line and Shatin to Central Link, as well as near to the Tate's Cairn and Eastern Harbour Crossing, making it easily accessible and well connected to different districts of Hong Kong. In its unique location, Harbourside HQ commands a thorough harbour view panning from the Lei Yue Mun straits to Victoria Harbour. It 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. The cost of acquisition was HK\$7.5 billion in which the Group has a 25% ownership interest. The rental yield is about 2% per annum.

In June 2019, the Group completed a successful first time issue of 3-year guaranteed notes due 2022 and raised a total of US\$250 million as general working capital with a coupon rate of 6.35% per annum. The proceed has not been used as at 30 June 2019.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded, "London, where the lion share of the Group's property projects are located, has undergone changes throughout the past few years, primarily related to Brexit. The current political and economic uncertainties have impacted market sentiments. However, London's position is unique in that it has a transparent and trusted legal system, international connectivity, a universally accepted language, and open attitude to overseas businesses. The Group is confident that London will retain its position as a top global financial centre. With its financial strength and experience, the Group is confident of its ability to outstay and overcome any market uncertainty. On the other hand, the current situation will make available more opportunities for the Group should major corrections occur."

"The Group will continue to diversify its asset base and will maintain a disciplined approach while achieving its goal to expand its portfolio."

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### **About C C Land**

Headquartered in Hong Kong, the core business of C C Land is property development and investment as well as treasury investments. The Group started to build its global property portfolio since early 2017, and now has both investment and development projects in the United Kingdom, Australia, Hong Kong and mainland China. The Group's business strategy is to have a balanced property portfolio with both stable recurring rental income and property sales revenue in developed cities worldwide.

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