



C C LAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 1224

INTERIM REPORT

2022



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Corporate Information

DIRECTORS

Executive directors

Mr. Cheung Chung Kiu (*Chairman*)
Dr. Lam How Mun Peter
(*Deputy Chairman & Managing Director*)
Mr. Wong Chi Keung (*Deputy Chairman*)
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Independent non-executive directors

Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

AUDIT COMMITTEE

Mr. Lam Kin Fung Jeffrey (*Chairman*)
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

NOMINATION COMMITTEE

Mr. Cheung Chung Kiu (*Chairman*)
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

REMUNERATION COMMITTEE

Mr. Leung Yu Ming Steven (*Chairman*)
Mr. Cheung Chung Kiu
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Dr. Wong Lung Tak Patrick

AUTHORISED REPRESENTATIVES

Dr. Lam How Mun Peter
Mr. Leung Chun Cheong

COMPANY SECRETARY

Ms. Cheung Fung Yee

WEBSITE

www.ccland.com.hk

SECURITIES CODES

Shares
1224.HK

USD300 million 5.20% guaranteed notes due 2025
40850.HK

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Wanchai, Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

Bermuda
Conyers Dill & Pearman

Hong Kong
Woo, Kwan, Lee & Lo
Ronald Tong & Co

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong branch share registrar and transfer office
Tricor Secretaries Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
Industrial and Commercial Bank of China (Asia) Limited
China CITIC Bank International Limited

Management Discussion and Analysis

On behalf of the Board of Directors (the “Directors” or the “Board”) of C C Land Holdings Limited (the “Company”), I am pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2022.

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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:

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

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

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

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

Management Discussion and Analysis

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:

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

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.

Management Discussion and Analysis

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.

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).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 30 June 2022, details of the interests and short positions of each of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Interests in shares of the Company (long positions)

Name of directors	Capacity in which interests are held	Number of shares held	Approximate percentage ⁴
Cheung Chung Kiu	Interest of controlled corporation	2,724,239,906 ¹	70.17
Lam How Mun Peter	Beneficial owner	486,753	0.01
Leung Chun Cheong	Beneficial owner	667,000	0.02

(b) Interests in shares and debentures of the Company's associated corporation (long positions)

(i) Shares

Name of director	Name of associated corporation	Capacity in which interests are held	Number of shares held	Approximate percentage ⁴
Cheung Chung Kiu	The Cross-Harbour (Holdings) Limited (stock code: 32)	Interest of controlled corporation	258,415,585 ²	69.33
Cheung Chung Kiu	Instant Glory International Limited	Interest of controlled corporation	1 ³	50

(ii) Debentures

Name of director	Name of associated corporation	Capacity in which interests are held	Amount of debentures held	Amount of debentures in same class in issue
Cheung Chung Kiu	Perfect Point Ventures Limited	Beneficial owner	US\$100,000,000	US\$300,000,000
Lam How Mun Peter	Perfect Point Ventures Limited	Beneficial owner	US\$1,000,000	US\$300,000,000

Notes:

- Such shares were held directly by Fame Seeker Holdings Limited, which was wholly-owned by Windsor Dynasty Limited ("Windsor Dynasty"), which was in turn wholly-owned by Cheung Chung Kiu ("Mr. Cheung").
- Such shares were held directly by Rose Dynamics Limited, which was wholly-owned by Windsor Dynasty.
- Such share was held directly by Victory Trend Holdings Limited, which was wholly-owned by Mr. Cheung.
- Approximate percentage refers to the aggregate interests of a director in the shares of such company expressed as a percentage (rounded to two decimal places) of the issued share capital of such company as at 30 June 2022.

Save as disclosed above, as at 30 June 2022, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Disclosure of Interests

SHARE OPTIONS

On 21 May 2015, the Company adopted a share option scheme (“2015 Scheme”), details of which were disclosed in the Company’s circular dated 16 April 2015. No share options have been granted under the 2015 Scheme since its adoption and up to 30 June 2022.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 30 June 2022, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity in which interests are held	Number of shares held	Approximate percentage ²
Windsor Dynasty	Interest of controlled corporation	2,724,239,906 ¹	70.17

Notes:

1. Please refer to Note 1 to the paragraph “Interests in shares of the Company (long positions)” of the section headed “Directors’ and Chief Executive’s Interests and Short Positions” above.
2. Approximate percentage refers to the aggregate interest which the shareholder held or had short positions in the shares of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 30 June 2022.
3. All of the interests disclosed above represent long positions.

Save as disclosed above, as at 30 June 2022, the Company had not been notified of any interests or short positions of any other person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

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 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.

UPDATE ON DIRECTORS' INFORMATION

Mr. Lam Kin Fung Jeffrey ceased to be the chairman of Independent Commission Against Corruption Complaints Committee in March 2022 and a director of The Hong Kong Mortgage Corporation Limited on 27 June 2022 respectively.

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.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As disclosed by the Company in its announcement dated 16 September 2021 (the "Announcement"), Relevant Advance amounting to approximately HK\$4,624,003,000 had been made by the Group to the JV Group on 16 September 2021 on an interest-free and unsecured basis with no fixed repayment term in support of the obligations of the Obligors (all being members of the JV Group).

As at 30 June 2022, such Relevant Advance made by the Group to the JV Group continued to exceed 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules for the Company, and were on an interest-free and unsecured basis with no fixed repayment term as set out below:

	HK\$'000
Shareholder's loan	1,647,398
Guarantee given for the outstanding payment in connection with the acquisition of the Project by the JV Group	47,588
Guarantee and loan financing undertaking in connection with banking facilities granted to the JV Group	2,268,496
Total amount	3,963,482

Note: All capitalized terms used in this section have the same meanings ascribed to them in the Announcement.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 9 October 2019, the Company was granted a 36-month term loan facility for an aggregate amount of HK\$2,300,000,000 under a facility agreement, pursuant to which, it is (among other matters) an event of default if Mr. Cheung, save for certain exceptions, (i) directly or indirectly, is not or ceases to be the shareholder holding the largest shareholding of the Company; (ii) does not or ceases to hold beneficially (directly or indirectly) of 35% or more of the issued share capital of the Company (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or (iii) does not or ceases to have control of the Company. Upon the occurrence of an event of default which is continuing, commitments of the lenders or any part thereof under the facility agreement may immediately be cancelled, and/or all or any part of the loans under the facility, together with accrued interest, and all other amounts accrued or outstanding under the facility agreement and other ancillary finance documents may become immediately due and payable, and/or all or any part of the loans under the facility may become payable on demand.

Other Information

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

The Group had provided financial assistance to, and guarantee for, affiliated companies in the aggregate amount of HK\$11,538,652,000, which represented approximately 39.7% of the Group's total assets as at 30 June 2022.

In accordance with the requirement under Rule 13.22 of the Listing Rules, the pro forma combined balance sheet of those affiliated companies as at 30 June 2022 is presented below:

	Combined balance sheet HK\$'000
Non-current assets	5,046,083
Current assets	38,671,243
Current liabilities	(16,136,217)
Non-current liabilities	(11,019,651)
Net assets	16,561,458
Share capital	6
Reserves	16,557,154
Non-controlling interests	4,298
Total equity	16,561,458

As at 30 June 2022, the consolidated attributable interest of the Group in these affiliated companies amounted to HK\$8,266,048,000.

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.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to the Group's management and staff for their diligence, loyalty and dedication. We are also grateful to our shareholders, strategic partners and bankers for their support and trust which have contributed towards the Group's success.

By order of the Board

Lam How Mun Peter

Deputy Chairman & Managing Director

Hong Kong, 23 August 2022

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

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

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	240,935	230,576
OTHER COMPREHENSIVE INCOME/(LOSS)		
<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 losses	–	(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	(1,398,967)	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)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	(1,398,967)	74,089
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	(1,158,032)	304,665

Consolidated Statement of Financial Position

30 June 2022

	Notes	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
NON-CURRENT ASSETS			
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	12	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
CURRENT ASSETS			
Trade receivables	10	15,633	21,690
Loans and interest receivables	11	–	51,417
Prepayments, deposits and other receivables	12	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
CURRENT LIABILITIES			
Other payables and accruals		316,677	392,932
Derivative financial instruments		–	16,766
Interest-bearing bank and other borrowings	13	2,136,252	9,214,290
Tax payable		84,551	97,544
Total current liabilities		2,537,480	9,721,532
NET CURRENT ASSETS/(LIABILITIES)		3,168,514	(2,683,286)
TOTAL ASSETS LESS CURRENT LIABILITIES		26,554,739	22,241,228
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	13	7,004,766	1,488,680
Notes payable	14	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
EQUITY			
Issued capital	15	388,233	388,233
Reserves		16,816,511	18,052,190
Total equity		17,204,744	18,440,423

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to equity owners of the Company					
	Issued capital HK\$'000 (Unaudited)	Share premium account HK\$'000 (Unaudited)	Exchange fluctuation reserve** HK\$'000 (Unaudited)	Cash flow hedge reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
At 1 January 2022	388,233	11,977,078*	532,683*	(5,203)*	5,547,632*	18,440,423
Profit for the period	-	-	-	-	240,935	240,935
Other comprehensive income/(loss) for the period:						
Cash flow hedge:						
Changes in fair value of hedging instruments arising during the period	-	-	-	35,580	-	35,580
Share of other comprehensive loss of joint ventures	-	-	(11,043)	-	-	(11,043)
Share of other comprehensive income of associates	-	-	-	12,417	-	12,417
Exchange differences:						
Translation of foreign operations	-	-	(1,435,921)	-	-	(1,435,921)
Total comprehensive income/(loss) for the period	-	-	(1,446,964)	47,997	240,935	(1,158,032)
Final 2021 dividend approved	-	-	-	-	(77,647)	(77,647)
At 30 June 2022	388,233	11,977,078*	(914,281)*	42,794*	5,710,920*	17,204,744

* These reserve accounts comprise the consolidated reserves of HK\$16,816,511,000 (31 December 2021: HK\$18,052,190,000) in the consolidated statement of financial position.

** The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations.

	Attributable to equity owners of the Company							
	Issued capital HK\$'000 (Unaudited)	Share premium account HK\$'000 (Unaudited)	Exchange fluctuation reserve** HK\$'000 (Unaudited)	Cash flow hedge reserve HK\$'000 (Unaudited)	Fair value reserve (recycling) HK\$'000 (Unaudited)	Fair value reserve (non-recycling) HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
At 1 January 2021	388,233	11,977,078	607,342	(13,540)	(171)	2,343,961	5,111,370	20,414,273
Profit for the period	-	-	-	-	-	-	230,576	230,576
Other comprehensive income/(loss) for the period:								
Debt investments at fair value through other comprehensive income:								
Changes in fair value	-	-	-	-	(46,313)	-	-	(46,313)
Reclassification adjustment for gains included in the consolidated statement of profit or loss	-	-	-	-	(7,904)	-	-	(7,904)
- Reversal of impairment losses	-	-	-	-	(7,904)	-	-	(7,904)
Equity investments at fair value through other comprehensive income:								
Changes in fair value	-	-	-	-	-	(108,700)	-	(108,700)
Share of other comprehensive loss of joint ventures	-	-	(6,680)	-	-	-	-	(6,680)
Share of other comprehensive income/(loss) of associates	-	-	(241)	2,670	-	-	-	2,429
Exchange differences:								
Translation of foreign operations	-	-	241,257	-	-	-	-	241,257
Total comprehensive income/(loss) for the period	-	-	234,336	2,670	(54,217)	(108,700)	230,576	304,665
Final 2020 dividend approved	-	-	-	-	-	-	(77,647)	(77,647)
At 30 June 2021	388,233	11,977,078	841,678	(10,870)	(54,388)	2,235,261	5,264,299	20,641,291

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Note	Six months ended 30 June 2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		128,725	260,580
Interest received		5,320	78,809
Dividend received		730	787
Tax paid, net		(23,427)	(60,390)
Interest paid		(171,883)	(177,410)
Net cash flows from/(used in) operating activities		(60,535)	102,376
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from redemption of debt investments at fair value through other comprehensive income		–	968,750
Proceeds from disposal of financial assets at fair value through profit or loss		–	64,690
Decrease/(increase) in pledged deposits		248,240	(656,217)
Investment in joint ventures		(962,513)	(1,832,317)
Advance from a joint venture		33,506	37,300
Repayment of an amount due from a joint venture		–	237,359
Investment in associates		(21,258)	(47,820)
Return of capital from associates		49	61,756
Advance to associates		(37,319)	(919,732)
Repayment of an amount due from an associate		36,795	–
Interest received from bank deposits		2,240	5,226
Purchase of items of property and equipment		(1,325)	(185)
Net cash flows used in investing activities		(701,585)	(2,081,190)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments		(7,573)	(8,053)
Dividends paid	7	(77,647)	(77,647)
New bank borrowings		219,170	1,830,844
Repayment of bank and other borrowings		(986,710)	(444,359)
Net cash flows from/(used in) financing activities		(852,760)	1,300,785
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(1,614,880)	(678,029)
Cash and cash equivalents at beginning of period		4,357,747	5,528,650
Effect of foreign exchange rate changes, net		(13,333)	6,351
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
		2,729,534	4,856,972
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,729,534	4,805,599
Non-pledged time deposits with original maturity of less than three months when acquired		–	51,373
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows		2,729,534	4,856,972

Notes to Condensed Consolidated Financial Information

30 June 2022

1. BASIS OF PREPARATION

C C Land Holdings Limited (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 Company and its subsidiaries (collectively referred to as the “Group”) are described in note 3 to the condensed consolidated financial information.

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 to the condensed consolidated financial information.

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.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

- (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 (Unaudited)					
	Property development and investment		Treasury investment		Total	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Segment revenue						
Revenue from external customers	261,849	266,899	2,790	76,585	264,639	343,484
Segment results	615,538	246,163	(137,573)	225,227	477,965	471,390
Corporate and unallocated expenses					(29,110)	(28,515)
Finance costs					(192,831)	(202,048)
Profit before tax					256,024	240,827

Notes to Condensed Consolidated Financial Information

30 June 2022

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	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue		
<i>Interest income</i>		
Interest income from debt investments	–	63,822
Interest income from loans receivable	2,060	11,976
	2,060	75,798
<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	2,649	–
Other lease payments, including fixed payments	259,200	266,899
	261,849	266,899
Dividend income from listed equity investments	730	787
	262,579	267,686
	264,639	343,484
Other income and gains, net		
Bank interest income	2,240	5,226
Interest income from amounts due from associates	78,677	59,460
Fair value gains on derivative financial instruments – transactions not designated as hedge accounting	37,019	30,980
Fair value gains on financial assets at fair value through profit or 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	958	496
	118,894	275,943

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of owned assets	19,884	19,872
Depreciation of right-of-use assets	8,054	10,796
	27,938	30,668
Fair value losses on investment properties, net	2,144*	42,507*
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	115,060*	(129,642)
Fair value gains on derivative financial instruments – transactions not designated as hedge accounting	(37,019)	(30,980)
Foreign exchange differences, net	30,687*	(12,448)
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Loans and interest receivables, net	(1,052)	(6,887)
Prepayments, deposits and other receivables, net	34,567	71,041
Debt investments at fair value through other comprehensive income	–	(7,904)
	33,515	56,250
Employee benefit expense (including directors' remuneration):		
Wages and salaries	68,508	71,345
Pension scheme contributions**	3,838	3,798
	72,346	75,143

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

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

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.

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10. TRADE RECEIVABLES

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

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 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
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
	15,633	21,690

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 losses ("ECLs") of these rental receivables is minimal.

11. LOANS AND INTEREST RECEIVABLES

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

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

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11. LOANS AND INTEREST RECEIVABLES *(continued)*

Notes:

- (i) As at 31 December 2021, the loans receivable was stated at amortised cost with fixed interest rate. The credit terms 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:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
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
	(1,052)	(7,031)
Exchange realignment	–	(18)
At the end of the period/year	–	1,052

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 ECLs.

An impairment analysis is performed at each reporting date by considering the ECLs, 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. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Prepayments	4,124	4,155
Deposits and other receivables	13,259	10,038
Due from associates (note)	1,382,758	1,444,056
Total prepayments, deposits and other receivables	1,400,141	1,458,249
Less: Impairment allowance	(89,375)	(57,286)
	1,310,766	1,400,963
Less: Portion classified as non-current assets	(4,573)	(814,008)
Portion classified as current assets	1,306,193	586,955

Note: As at 30 June 2022, the amounts due from associates, which were stated at amortised cost, included an aggregate principal amount of RMB1,139,054,000 (equivalent to HK\$1,335,538,000) (31 December 2021: RMB1,169,054,000 (equivalent to HK\$1,432,682,000)) and the relevant interest receivable from associates of RMB40,273,000 (equivalent to HK\$47,220,000) (31 December 2021: RMB9,281,000 (equivalent to HK\$11,374,000)). The principal amounts bear interest ranging from 9% to 18.25% (31 December 2021: 9% to 9.39%) per annum and were repayable within 1 year (31 December 2021: in 1 to 2 years).

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12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Deposits and other receivables mainly represent rental deposits, deposits with vendors and receivables from counterparties which have no history of default. The financial assets included in the above balances and the amounts due from associates were not overdue.

An impairment analysis is performed at each reporting date by considering the ECLs, which are estimated by applying the probability of default approach with reference to the risks of default of the counterparties. As at 30 June 2022, except for the amounts due from associates with a gross amount of HK\$1,382,758,000 which were categorised within Stage 3 (31 December 2021: HK\$1,444,056,000 which were categorised within Stage 2) due to the increased credit risk of the controlling shareholder of the associates, all of them were categorised within Stage 1 for the measurement of ECLs. The probability of default applied on the amounts due from associates ranged from 5.69% to 7.73% (31 December 2021: 0.33% to 9.51%) and the loss given default was estimated to be approximately 94% (31 December 2021: 62%).

The movements in the loss allowance for the impairment of financial assets included in prepayments, deposits and other receivables are as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
At the beginning of the period/year	57,286	2,533
Impairment losses, net	34,567	53,348
Exchange realignment	(2,478)	1,405
At the end of the period/year	89,375	57,286

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2022 (Unaudited)			31 December 2021 (Audited)		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
Current						
Bank loans – secured	HIBOR+0.5%	On demand	300,000	HIBOR+1%/ Sterling Overnight Index Average ("SONIA")+0.5%	On demand	536,900
	N/A	N/A	–	LIBOR+1.5%	2022	6,531,111
Bank loans – unsecured	HIBOR+1.85%	2022	1,606,284	HIBOR+1.85%	2022	1,829,127
Current portion of long term bank loans – secured	SONIA+1.5%	2022 to 2023	54,093	SONIA+1.5%	2022	59,796
Other loan – unsecured	3.85%	2022	175,875	3.85%	2022	257,356
			<u>2,136,252</u>			<u>9,214,290</u>
Non-current						
Bank loans – secured	SONIA+1.5%	2023 to 2027	7,004,766	SONIA+1.5%	2023 to 2024	1,488,680
			<u>9,141,018</u>			<u>10,702,970</u>

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13. INTEREST-BEARING BANK AND OTHER BORROWINGS *(continued)*

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Analysed into:		
Bank loans repayable:		
On demand	300,000	536,900
Within one year	1,660,377	8,420,034
In the second year	54,173	59,884
In the third to fifth years, inclusive	6,950,593	1,428,796
	8,965,143	10,445,614
Other loan repayable:		
Within one year	175,875	257,356
	9,141,018	10,702,970

Notes:

- (a) Certain of the Group's bank facilities are secured by certain of the Group's assets with aggregate carrying amounts as listed below:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Property and equipment	72,041	73,087
Investment properties	13,776,581	15,239,280
Pledged deposits	300,000	548,240

- (b) As at 30 June 2022, except for the other loan of HK\$175,875,000 (31 December 2021: HK\$257,356,000) which bears interest at fixed rate, all bank borrowings bear interest at floating interest rates.

- (c) The carrying amounts of the Group's bank and other borrowings which are denominated in the following currencies are as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
HK\$	1,906,284	1,839,627
GBP	7,058,859	8,605,987
RMB	175,875	257,356
	9,141,018	10,702,970

- (d) The Group's bank borrowings of HK\$7,058,859,000 (31 December 2021: HK\$8,079,587,000) are secured by pledges over the equity interests of certain subsidiaries of the Group.

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14. NOTES PAYABLE

	Principal at original currency	Contractual interest rate (%) per annum	Maturity	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
2021 Notes	US\$300,000,000	5.20	2025	2,310,795	2,308,613

In September 2021, the Group issued a guaranteed notes with an aggregate principal amount of US\$300,000,000 (equivalent to HK\$2,325,000,000) at a coupon rate of 5.2% per annum, which are listed on the Stock Exchange (the "2021 Notes"). The net proceeds, after deducting the issuance expenses, amounted to HK\$2,307,371,000. The 2021 Notes are guaranteed by the Company and will mature in 2025.

The Group, at its option, can redeem the 2021 Notes in whole, but not in part, at any time prior to the maturity date at the redemption prices (principal amount) plus accrued interest up to the redemption date, as set forth in the written agreement between the Group and the trustees of the 2021 Notes.

At 30 June 2022, the fair value for the 2021 Notes amounted to HK\$2,250,251,000 (31 December 2021: HK\$2,289,753,000), which is based on market price from a financial institution at the reporting date.

15. SHARE CAPITAL

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
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

16. COMMITMENTS

The Group had the following commitments at the end of the reporting period:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Contracted, but not provided for:		
Capital contribution payable to a joint venture	137,157	–
Capital contributions payable to associates	3,908	8,252
	141,065	8,252

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above is as follows:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Contracted, but not provided for	1,732,467	2,481,401

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17. FINANCIAL GUARANTEES

- (a) As at 30 June 2022, the Group has given a guarantee to a vendor in connection with the acquisition of a freehold land held by a joint venture amounted to HK\$47,588,000 (31 December 2021: HK\$105,280,000).
- (b) As at 30 June 2022, the Group has given guarantees to banks in connection with facilities granted to joint ventures up to HK\$3,014,096,000 (31 December 2021: HK\$2,509,349,000), and the related banking facilities were utilised to the extent of HK\$2,665,275,000 (31 December 2021: HK\$1,782,197,000).
- (c) As at 30 June 2022, the Group has given guarantees to banks and an independent third party in connection with facilities granted to associates up to HK\$2,161,813,000 (31 December 2021: HK\$2,172,125,000), and the related facilities were fully utilised as at 30 June 2022 and 31 December 2021.
- (d) As at 30 June 2022, the Group has given guarantees to certain financial institutions in connection with the cost overrun guarantee in respect of the project developments costs of a joint venture up to HK\$785,194,000 (31 December 2021: HK\$868,560,000).

The Group did not recognise any liabilities in respect of such financial guarantees as the directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant.

18. PLEDGE OF ASSETS

Details of the Group's bank loans which are secured by the assets of the Group, are included in note 13 to the condensed consolidated financial information.

19. RELATED PARTY TRANSACTIONS

- (a) Outstanding balances with related parties before impairment allowances:

	30 June 2022 HK\$'000 (Unaudited)	31 December 2021 HK\$'000 (Audited)
Due from associates	1,382,758	1,444,056
Due to a joint venture	149,717	130,901

- (b) As at 30 June 2022, the Group has given guarantees to (i) a vendor in connection with the acquisition of a freehold land held by a joint venture; (ii) banks in connection with banking facilities granted to joint ventures and associates; (iii) independent third parties in connection with loan facilities granted to an associate; (iv) certain financial institutions in connection with the Group's cost overrun guarantee in respect of the project development costs of a joint venture, and the Group has placed a pledged deposit of HK\$23,813,000 (31 December 2021: HK\$26,341,000) in a bank in connection with a banking facility granted to a joint venture. Further details of these guarantees are given in note 17 to the condensed consolidated financial information.
- (c) Compensation of key management personnel of the Group:

	Six months ended 30 June 2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Short term employee benefits	19,353	18,823
Post-employment benefits	669	645
Total compensation paid to key management personnel	20,022	19,468

- (d) Guaranteed notes held by the directors of the Company:

As at 30 June 2022, the directors held 2021 Notes of principal US\$101,000,000 (31 December 2021: US\$100,500,000) with interest expenses of HK\$20,800,000 (six months ended 30 June 2021: Nil) incurred for the period. The contractual interest rates of 2021 Notes were 5.20%.

20. FAIR VALUE MEASUREMENT

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted bank balances, trade receivables, financial assets included in prepayments, deposits and other receivables, loans and interest receivables, current portion of financial liabilities included in other payables and accruals and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the directors of the Company is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The financial controller reports directly to the directors of the Company and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors of the Company. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the non-current portion of interest-bearing bank borrowings, notes payable and non-current portion of financial liabilities included in other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings, notes payable and financial liabilities included in other payables as at 30 June 2022 and 31 December 2021 was assessed to be insignificant. Management has assessed that the fair values of the non-current portion of interest-bearing bank borrowings, notes payable and financial liabilities included in non-current portion of other payables approximate to their carrying amounts.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted fund investments are derived from the net asset value per share of the investments or latest transaction prices. The directors of the Company believe that the estimated fair values which are recorded in the consolidated statement of financial position with net changes in fair value recognised in the statement of profit or loss are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with credit ratings ranging from A- to AA- (31 December 2021: A- to AA-). Derivative financial instruments, including the forward currency contracts and interest rate swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

As at 30 June 2022 and 31 December 2021, the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

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20. FAIR VALUE MEASUREMENT *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
As at 30 June 2022 (Unaudited)				
Financial assets at fair value through profit or loss:				
Listed equity investments	236,091	–	–	236,091
Unlisted fund investments	–	1,000,097	–	1,000,097
Derivative financial instruments	–	55,998	–	55,998
	236,091	1,056,095	–	1,292,186
As at 31 December 2021 (Audited)				
Financial assets at fair value through profit or loss:				
Listed equity investments	274,768	–	–	274,768
Unlisted fund investments	–	1,076,480	–	1,076,480
	274,768	1,076,480	–	1,351,248

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 June 2022.

	Fair value measurement using significant observable inputs (Level 2) HK\$'000
As at 31 December 2021 (Audited)	
Derivative financial instruments	16,766

During the period, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2021: Nil).

21. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This unaudited interim condensed consolidated financial information was approved by the board of directors on 23 August 2022.