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## **C C Land Holdings Limited**

**中渝置地控股有限公司**

*(Incorporated in Bermuda with limited liability)*

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

(Stock Code: 1224)

### **ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The board of directors (the “Board”) of C C Land Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2015 together with comparative figures for the previous year as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Notes	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
REVENUE	3, 4	<b>6,620,237</b>	10,299,888
Cost of sales		<b>(4,758,076)</b>	(7,587,444)
Gross profit		<b>1,862,161</b>	2,712,444
Other income and gains	4	<b>2,679,940</b>	844,041
Selling and distribution expenses		<b>(280,076)</b>	(397,620)
Administrative expenses		<b>(414,235)</b>	(463,806)
Other expenses		<b>(344,206)</b>	(18,640)
Finance costs	5	<b>(158,452)</b>	(159,763)
Share of profits and losses of:			
Joint ventures		<b>(35,312)</b>	(24,173)
Associates		<b>14,100</b>	(13,448)
<b>PROFIT BEFORE TAX</b>	6	<b>3,323,920</b>	2,479,035
Income tax expense	7	<b>(1,682,307)</b>	(1,388,923)
<b>PROFIT FOR THE YEAR</b>		<b>1,641,613</b>	1,090,112

	Note	2015 HK\$'000	2014 HK\$'000
Attributable to:			
Owners of the parent		1,366,665	1,068,280
Non-controlling interests		<u>274,948</u>	<u>21,832</u>
		<u><b>1,641,613</b></u>	<u>1,090,112</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
	9		
Basic and diluted		<u><b>HK52.80 cents</b></u>	<u>HK41.27 cents</u>

Details of dividends are disclosed in Note 8 to this results announcement.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2015 HK\$'000	2014 HK\$'000
<b>PROFIT FOR THE YEAR</b>	<u>1,641,613</u>	<u>1,090,112</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investments:		
Changes in fair value	390,372	133,193
Deferred tax	(16,689)	(23,863)
Reclassification adjustment for a loss/(gain) on disposal included in the consolidated statement of profit or loss	3,834	(97,806)
Release upon disposal of subsidiaries	<u>(177,720)</u>	<u>-</u>
	<u>199,797</u>	<u>11,524</u>
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries	(1,774,953)	(81,132)
Exchange differences on translation of foreign operations	(333,528)	(47,025)
	<u>(2,108,481)</u>	<u>(128,157)</u>
Share of other comprehensive income of joint ventures	(198)	4,807
Share of other comprehensive income of associates	(65,067)	(5,866)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>(1,973,949)</u>	<u>(117,692)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<u>(1,973,949)</u>	<u>(117,692)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>(332,336)</u></u>	<u><u>972,420</u></u>
Attributable to:		
Owners of the parent	(536,454)	957,226
Non-controlling interests	<u>204,118</u>	<u>15,194</u>
	<u><u>(332,336)</u></u>	<u><u>972,420</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2015 HK\$'000	2014 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property and equipment		21,977	184,099
Investment properties		-	421,666
Prepaid land lease payments		-	121,068
Golf club membership		10,540	10,540
Investments in joint ventures		125,992	439,947
Investments in associates		283,550	1,503,311
Available-for-sale investments		3,489,172	690,448
Properties under development		671,340	7,324,735
Interests in land use rights for property development		-	961,336
Consideration receivables on disposal of subsidiaries		1,140,382	290,922
Deferred tax assets		12,440	147,076
Total non-current assets		5,755,393	12,095,148
<b>CURRENT ASSETS</b>			
Properties under development		997,117	18,993,862
Completed properties held for sale		300,935	6,084,612
Prepaid land lease payments		-	2,565
Prepayments, deposits and other receivables		6,113,444	1,965,948
Equity investments at fair value through profit or loss		756,456	848,057
Available-for-sale investments		-	38,789
Prepaid income tax and land appreciation tax		15,927	115,525
Deposits with brokerage companies		3,916	58,030
Pledged deposits		303,522	1,880,790
Restricted bank balances		65,009	1,357,267
Cash and cash equivalents		2,774,285	6,280,933
Total current assets		11,330,611	37,626,378
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	269,441	4,510,638
Other payables and accruals		830,527	11,930,179
Loans from non-controlling shareholders of subsidiaries		-	559,821
Interest-bearing bank borrowings		450,000	4,152,564
Tax payable		1,033,887	2,939,012
Consideration payable on acquisition of subsidiaries		-	18,847
Total current liabilities		2,583,855	24,111,061
<b>NET CURRENT ASSETS</b>		<b>8,746,756</b>	<b>13,515,317</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>14,502,149</b>	<b>25,610,465</b>

	Note	2015 HK\$'000	2014 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		350,000	7,929,438
Deferred tax liabilities		20,947	1,136,902
Total non-current liabilities		<u>370,947</u>	<u>9,066,340</u>
Net assets		<u>14,131,202</u>	<u>16,544,125</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	11	258,822	258,822
Reserves		13,872,380	14,538,245
		<u>14,131,202</u>	<u>14,797,067</u>
<b>Non-controlling interests</b>		<u>-</u>	<u>1,747,058</u>
Total equity		<u>14,131,202</u>	<u>16,544,125</u>

Notes:

## 1. BASIS OF PREPARATION

The Company is incorporated in Bermuda as an exempted company with limited liability and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The principal activities of the Group are described in note 3 below.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain equity and debt investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year’s financial statements.

*Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions*  
*Annual Improvements to HKFRSs 2010-2012 Cycle*  
*Annual Improvements to HKFRSs 2011-2013 Cycle*

The nature and the impact of each amendment is described below:

- (a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.
- (b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

*HKFRS 8 Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

*HKAS 16 Property, Plant and Equipment* and *HKAS 38 Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

*HKAS 24 Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

- (c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

**HKFRS 3 *Business Combinations*:** Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

**HKFRS 13 *Fair Value Measurement*:** Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

**HKAS 40 *Investment Property*:** Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group did not acquire any investment properties during the year.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

### **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 resources 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 and head office and corporate income and expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

Reportable segment information

**Year ended 31 December 2015**

	<b>Property development and investment HK\$'000</b>	<b>Treasury investment HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenue</b>			
Sales to external customers	<b>6,385,760</b>	<b>234,477</b>	<b>6,620,237</b>
<b>Segment results</b>	<b>3,138,776</b>	<b>393,132</b>	<b>3,531,908</b>
Corporate and unallocated income			<b>319</b>
Corporate and unallocated expenses			<b>(49,855)</b>
Finance costs			<b>(158,452)</b>
Profit before tax			<b>3,323,920</b>
<b>Other segment information:</b>			
Share of profits and losses of:			
Joint ventures	<b>(35,312)</b>	-	<b>(35,312)</b>
Associates	<b>14,100</b>	-	<b>14,100</b>
Capital expenditure in respect of items of property and equipment	<b>10,480</b>	-	<b>10,480</b>
Depreciation	<b>20,289</b>	-	<b>20,289</b>
Amortisation of prepaid land lease payments	<b>1,280</b>	-	<b>1,280</b>
Fair value losses on investment properties	<b>2,777</b>	-	<b>2,777</b>
Fair value gains on equity investments at fair value through profit or loss, net	-	<b>168,558</b>	<b>168,558</b>
Write-down of completed properties held for sale to net realisable value	<b>8,269</b>	-	<b>8,269</b>
Write-down of properties under development to net realisable value	<b>20,146</b>	-	<b>20,146</b>
Investments in joint ventures	<b>125,992</b>	-	<b>125,992</b>
Investments in associates	<b>283,550</b>	-	<b>283,550</b>



Year ended 31 December 2014

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Sales to external customers	10,281,514	18,374	10,299,888
<b>Segment results</b>	2,500,698	173,025	2,673,723
Corporate and unallocated income			5,500
Corporate and unallocated expenses			(40,425)
Finance costs			(159,763)
Profit before tax			2,479,035
<b>Other segment information:</b>			
Share of profits and losses of:			
Joint ventures	(24,173)	-	(24,173)
Associates	(13,448)	-	(13,448)
Capital expenditure in respect of items of property and equipment	44,090	-	44,090
Depreciation	26,388	10	26,398
Amortisation of prepaid land lease payments	2,554	-	2,554
Fair value gains on investment properties	5,950	-	5,950
Fair value gains on equity investments at fair value through profit or loss, net	-	60,517	60,517
Write-down of completed properties held for sale to net realisable value	91,661	-	91,661
Write-down of properties under development to net realisable value	233,277	-	233,277
Impairment of an other receivable	12,676	-	12,676
Investments in joint ventures	439,947	-	439,947
Investments in associates	1,503,311	-	1,503,311

Geographical information

(a) Revenue from external customers

Over 90% of the Group's revenue is derived from external customers of the Group's operations in Mainland China.

(b) Non-current assets

	2015 HK\$'000	2014 HK\$'000
Mainland China	959,853	10,791,846
Hong Kong	153,546	174,857
	<u>1,113,399</u>	<u>10,966,703</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

#### Information about major customer

For the years ended 31 December 2014 and 2015, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

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

Revenue represents gross proceeds from sale of properties, net of business tax and other sales related taxes from the sale of properties; gains/losses on disposal of equity investments at fair value through profit or loss, net; gross rental income received and receivable from leased properties; and dividend and interest income from listed and unlisted investments during the year.

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

	2015 HK\$'000	2014 HK\$'000
<u>Revenue</u>		
Sale of properties	6,370,817	10,244,128
Gross rental income	14,943	23,080
Gains/(losses) on disposal of equity investments at fair value through profit or loss, net	217,726	(4,496)
Dividend income from listed equity investments	16,703	27,994
Dividend income from unlisted equity investments	-	4,174
Interest income from unlisted debt investments	48	5,008
	<u>6,620,237</u>	<u>10,299,888</u>

	2015 HK\$'000	2014 HK\$'000
<u>Other income and gains</u>		
Bank interest income	84,699	83,474
Other interest income	84,633	89,321
Compensation for the termination of a joint venture project	22,797	-
Gains on disposal of subsidiaries, net	2,305,272	497,523
Gains on disposal of available-for-sale investments	-	97,806
Gain on disposal of investment properties	5,525	-
Fair value gains on investment properties	-	5,950
Fair value gains on equity investments at fair value through profit or loss, net	168,558	60,517
Gain on disposal of items of property and equipment	-	133
Others	8,456	9,317
	<u>2,679,940</u>	<u>844,041</u>

#### 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2015 HK\$'000	2014 HK\$'000
Interest on bank loans and other loans	598,362	796,161
Less: Interest capitalised	(439,910)	(636,398)
	<u>158,452</u>	<u>159,763</u>

## 6. PROFIT BEFORE TAX

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

	2015 HK\$'000	2014 HK\$'000
Cost of properties sold*	4,727,713	7,258,456
Write-down of completed properties held for sale to net realisable value*	8,269	91,661
Write-down of properties under development to net realisable value*	20,146	233,277
Depreciation	20,289	26,398
Less: Amount capitalised	<u>(1,613)</u>	<u>(2,396)</u>
	<u>18,676</u>	<u>24,002</u>
Amortisation of prepaid land lease payments	1,280	2,554
Minimum lease payments under operating leases	9,856	14,290
Auditors' remuneration	5,080	6,890
Impairment of an other receivable	-	12,676
Employee benefit expense (including directors' remuneration):		
Wages and salaries	306,748	362,141
Pension scheme contributions	11,304	15,223
Less: Amount capitalised	<u>(83,564)</u>	<u>(124,918)</u>
	<u>234,488</u>	<u>252,446</u>
Foreign exchange differences, net	335,000	5,964
Gross rental income, net of business tax	(14,943)	(23,080)
Direct operating expenses (including repairs and maintenance) arising on rental-earning properties*	1,948	4,050
Net rental income	<u>(12,995)</u>	<u>(19,030)</u>

\* These amounts are included in "Cost of sales" in the consolidated statement of profit or loss.

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	2015 HK\$'000	2014 HK\$'000
Current charge for the year		
Hong Kong	15,891	103
Mainland China	1,263,880	844,443
	<u>1,279,771</u>	<u>844,546</u>
Underprovision in prior years		
Mainland China	299	546
Land appreciation tax charge for the year	305,097	806,610
Deferred tax	97,140	(262,779)
Total tax charge for the year	<u>1,682,307</u>	<u>1,388,923</u>

## 8. DIVIDENDS

	2015 HK\$'000	2014 HK\$'000
Proposed final – HK\$0.055 (2014: HK\$0.05) per ordinary share	<u>142,352</u>	<u>129,411</u>

The final dividend for the year ended 31 December 2015 proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

No interim dividend was declared in respect of the years ended 31 December 2014 and 2015.

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

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

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2014 and 2015 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

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

	2015 HK\$'000	2014 HK\$'000
<u>Earnings</u> Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>1,366,665</u>	<u>1,068,280</u>
	<b>Number of shares</b>	
<u>Shares</u> Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>2,588,223,112</u>	<u>2,588,223,112</u>

## 10. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2015 HK\$'000	2014 HK\$'000
Within 1 year	<u>269,441</u>	<u>4,510,638</u>

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle.

## 11. SHARE CAPITAL

	2015 HK\$'000	2014 HK\$'000
Authorised: 5,000,000,000 (2014: 5,000,000,000) ordinary shares of HK\$0.10 (2014: HK\$0.10) each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid: 2,588,223,112 (2014: 2,588,223,112) ordinary shares of HK\$0.10 (2014: HK\$0.10) each	<u>258,822</u>	<u>258,822</u>

There was no movement in share capital during the year.

## 12. COMPARATIVE AMOUNTS

Due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements.

## RESULTS

The Group achieved a consolidated revenue of HK\$6,620.2 million, representing a decrease of approximately 35.7% compared to HK\$10,299.9 million in 2014. The Group's net profit increased by 50.6% year on year to a record high level of HK\$1,641.6 million. The Group attained a profit attributable to shareholders of HK\$1,366.7 million (2014: HK\$1,068.3 million). The basic earnings per share for the year was HK\$2.80 cents (2014: HK\$41.27 cents) representing an increase of 27.9%.

## FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK\$0.055 (2014: HK\$0.05) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 30 May 2016. Subject to approval at the forthcoming annual general meeting, dividend warrants will be sent to shareholders on or about 8 June 2016.

## CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Friday, 20 May 2016 ("AGM"). A notice of the AGM will be published and despatched to the shareholders in the manner as required under the Listing Rules in due course.

The Register of Members of the Company will be closed from Wednesday, 18 May 2016 to Friday, 20 May 2016, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Tuesday, 17 May 2016.

The Register of Members of the Company will also be closed from Thursday, 26 May 2016 to Monday, 30 May 2016, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of the above address for registration by 4:30 p.m. on Wednesday, 25 May 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSSINESS REVIEW

The property markets in many non-Tier 1 cities in the PRC during the year have remained generally weak despite the various measures adopted by the PRC government to support the industry. This uncertainty presents a particular challenge to the Group. To meet the challenges of a possible prolonged “winter” in the Western China property market, the Group sped up its efforts at inventory clearance in 2015. As a result, the following strategic disposals were completed in the year:

1. In June 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$6.9 billion (RMB5.5 billion), of its entire 92% interest in Starthigh International Limited which, through Chongqing Zhong Yu Property Development Company Limited (重慶中渝物業發展有限公司), held a property portfolio with a gross floor area (“GFA”) of approximately 3.4 million sqm in the Yubei and other districts in Chongqing and Yunnan. The transaction was completed in July 2015, and provided a gain on disposal of approximately HK\$741.5 million.
2. In July 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$2.6 billion (RMB2.1 billion), of all its entire interest in Joyview Group Limited which, through its 51% indirect beneficial interest in Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司), held most of the Group’s Chengdu projects (“CDGJ Projects”). The CDGJ Projects comprised of 7 projects under different stages of development, with a GFA of approximately 1.9 million sqm for mixed uses. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK\$800.8 million.
3. In September 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$542 million (RMB450 million), of all its entire interest in Win Peak Group Limited which, through its 51% indirect beneficial interest in Chongqing Verakin Real Estate Company Limited (重慶同景置業有限公司), held most of the Group’s projects in Nan’an District, Bishan County and Shapingba District of Chongqing (“Verakin Projects”). The Verakin Projects, with a GFA of approximately 2.3 million sqm, were under different stages of development consisting of residential, commercial, office and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK\$252.9 million.
4. In October 2015, the Group entered into an agreement to dispose, at a total consideration of HK\$1.75 billion, of all its entire interest in Merry Full Investments Limited which, through its 25% indirect beneficial interest in Chongqing Sino Land Company Limited (重慶尖置房地產有限公司), held the joint venture project of The Coronation in Chongqing. The Coronation has a total planned construction area of approximately 1.3 million sqm consisting of residential, office, commercial and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK\$205.3 million.
5. In November 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$1.3 billion (RMB1.1 billion), of all its entire interest in Full Jolly Investments Limited which, through its 85% indirect beneficial interest in Guiyang Zhongyu Real Estate Development Company Limited (貴陽中渝置地房地產開發有限公司), held all the Group’s projects in Guiyang (“Guiyang Projects”). The Guiyang Projects have a total completed and planned GFA of approximately 3.0 million sqm consisting of residential, commercial, office and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK\$126.7 million.

6. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$708 million (RMB600 million), of all its entire interest in Harbour Crest Holdings Limited which, through Chongqing Juxin Property Development (Group) Company Limited (重慶聚信房地產開發(集團)有限公司), held the project, Phoenix County, in Chongqing. Phoenix County has a total completed and planned GFA of approximately 96,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK\$177.5 million.
7. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$622 million (RMB530 million), of all its entire interest in Wealthy New Limited which, through Chongqing Lucky Boom Realty Company (重慶瑞昌房地產有限公司), held the completed project, Riverside One, Wanzhou, Chongqing. Riverside One has a total GFA of approximately 28,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK\$0.6 million.

Details of the above-mentioned transactions were already disclosed in the relevant announcements and circulars issued by the Company in 2015. These transactions will generate a total cash inflow equivalent to approximately HK\$14.4 billion in aggregate for the Group. As at the date of this announcement, the Group has outstanding consideration receivables of approximately HK\$2.9 billion in aggregate.

### Recognized Revenue

The property sales revenue was HK\$6,370.8 million (RMB5,109.2 million) (2014: HK\$10,244.1 million (RMB8,110.9 million)) against a total booked GFA sales of 683,500 sqm (2014: 1,135,500 sqm). The revenue from property sales and booked GFA represented a decrease of 37.8% and 39.8% respectively from those of last year due to the disposals mentioned above. The average selling price (“ASP”) of recognized sales in 2015 slightly increased by 4.8% from RMB7,140 per sqm in 2014 to RMB7,480 per sqm. The booked gross profit margin for 2015 was 25.8% (2014: 29.1%). The booked gross profit margin in 2015 would be 25.3% (2014: 26.0%) after the provision for impairment of HK\$28.4 million made in respect of certain development properties.

In terms of location, the contributions to recognized revenue and booked area in terms of percentage respectively were as follows:

	Recognized Revenue		Booked Area	
	2015	2014	2015	2014
Chongqing	52%	65%	61%	71%
Chengdu	33%	24%	19%	19%
Guiyang	10%	9%	13%	8%
Other districts	5%	2%	7%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

In terms of usage, about 75% (2014: 79%) is for residential and the balance for non-residential purposes.

As at 31 December 2015, the unrecognized revenue was approximately RMB681 million, against a pre-sold area of 142,000 sqm. All of them are from projects which are completed or expected to be completed in 2016. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the finished products delivered to the purchasers.

## **Contract Sales**

The Group's contract sales was RMB5,089.0 million in the year (2014: RMB5,753.7 million). The accumulated GFA pre-sold was 756,400 sqm, and the corresponding ASP was RMB6,730 per sqm, representing a decrease of 11.4% compared to RMB7,600 per sqm in 2014. The decrease in contract sales was due to the disposal of projects during the year which substantially reduced the number of projects available for sale.

## **Land Bank**

As at the date of this announcement, the Group's land bank stood at 850,000 sqm GFA which are located in two cities, Xi'an and Dazhou in Western China. The average accommodation value was RMB700 per sqm.

## **Treasury Investment Business**

The treasury investment segment recorded a profit of HK\$369.3 million (2014: HK\$172.9 million). The dividends and interests earned from investments totalled HK\$16.8 million (2014: HK\$22.9 million). The realized and unrealized gains on listed securities amounted to HK\$217.7 million and HK\$168.6 million respectively (2014: realized losses and unrealized gains on listed securities of HK\$4.5 million and HK\$60.5 million respectively).

## **Financial Position**

As at 31 December 2015, the Group held cash and bank balances and time deposits amounting to HK\$3,142.8 million (2014: HK\$9,519.0 million). The Group has a net cash balance of HK\$2,342.8 million as at 31 December 2015 (31 December 2014: net borrowings of HK\$2,563.0 million, and a gearing ratio of 17.3%). The average borrowing interest rate for the year was 6.81% (2014: 6.58%). As a result of the optimization of the capital structure following the disposal of the properties portfolios in the year, the Group's financing costs in 2016 will be substantially decreased from HK\$158.5 million in 2015.

The cash collection ratio for the property business was 103% during the year.

## **CORPORATE STRATEGY AND OUTLOOK**

Looking ahead, China's economy is expected to be steady in 2016. It is expected the government will expand supportive measures if real estate investment remained low despite an improvement in sales. Stable individual income growth and urbanization could provide some support for sales and home prices. In the long term, the Group believes the PRC real estate market will continue to remain stable.

Cash and bank balances and time deposits amounted to HK\$3,142.8 million on the balance sheet date (31 December 2014: HK\$9,519 million). With the proceeds from the disposal transactions noted under the section headed "Business Review" received up to the date of this announcement, the cash balance as at the date of this announcement increased to a total of approximately HK\$7.3 billion. This cash rich position enables the Group to look at potential investment opportunities with a keener eye, and to cherry pick the right ones, which may take the form of equity partnership, joint ventures or otherwise. Such investments will not be limited to second tier cities in Western China, as the Group has been making since 2006, and nor to China for that matter. The Group believes that greener pastures lie in mature projects in first tier cities, or other well developed countries globally.



There is no fixed timetable or urgency for acquisitions. Meanwhile the Group will continue to operate the property development business in the ordinary course of its business. The Group expects its two remaining projects, in Xi'an (Zhongyu Metropol Phases I and II) and Dazhou (Radiant Bay Phase II) respectively to be completed in 2016 with a total completion area of 256,000 sqm, out of which 68% of the residential areas have been pre-sold as at 29 February 2016. After the abovementioned strategic project disposals, the projects to be completed and available for sale in 2016 will be substantially reduced which will adversely affect the recognized revenue and contract sales in 2016 unless new projects are acquired.

## FINANCIAL REVIEW

### Investments

For the sake of strategic investment with growth potential, and in view of the shrinking interest returns on bank deposits, the Group has identified certain investment opportunities and invested its surplus cash in a portfolio of listed and unlisted equity securities, perpetual security and unlisted investment funds.

At 31 December 2015, the Group held a portfolio of listed equity securities, perpetual security (issued by a company listed on the Stock Exchange) and unlisted investment funds with a carrying value of HK\$4,245.6 million (31 December 2014: HK\$1,577.3 million). The Group recorded unrealized fair value gains of HK\$168.6 million (2014: HK\$60.5 million) on listed equity securities. The realized gains on listed equity securities for the year was HK\$217.7 million (2014: realized losses on listed equity securities of HK\$4.5 million), whereas the amount of dividends and interest income from investments for the year was HK\$16.8 million (2014: HK\$37.2 million).

### Liquidity and Financial Resources

Finance and fund utilization activities are subject to effective centralized management and supervision. The Group will continue to maintain the current relationship with major bankers, and will explore other funding channels when needed.

As of 31 December 2015, the Group's financial position is healthy. Cash and bank balances and time deposits amounted to HK\$3,142.8 million on the balance sheet date compared to the value of HK\$9,519.0 million as at 31 December 2014. The decrease in value was mainly the result of receiving only part of the consideration as per the agreement terms on realizing the properties portfolio in the year, and after the result of early repayment of bank borrowings. An amount of HK\$303.5 million (31 December 2014: HK\$1,880.8 million) deposit was pledged to banks.

An analysis by currency denomination of the cash and bank balances is as follows:

	2015		2014	
	HK\$'M	Percentage	HK\$'M	Percentage
Renminbi	947.2	30.1	8,506.2	89.3
Hong Kong Dollars	2,111.2	67.2	1,010.0	10.6
United States Dollars	84.4	2.7	2.8	0.1
<b>Total</b>	<b>3,142.8</b>	<b>100.0</b>	<b>9,519.0</b>	<b>100.0</b>

The Group's current ratio (current assets over current liabilities) was 4.4 times (31 December 2014: 1.6 times). There was no unutilized banking facility of the Group as at 31 December 2015 (31 December 2014: HK\$1,982 million).

Total borrowings amounted to HK\$800.0 million (31 December 2014: HK\$12,082.0 million). The average borrowing interest rate for the year ended 31 December 2015 was 6.81% (31 December 2014: 6.58%) per annum. Total borrowings as at 31 December 2015 are all secured (31 December 2014: 71%).

The maturity profile of the bank borrowings, and the cash and bank balances and time deposits as at 31 December 2015 were as follows:

<b>Currency of Bank Loans</b>	<b>RMB</b>	<b>HK\$</b>	<b>US\$</b>	<b>Total</b>	<b>Percentage</b>
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	
Bank borrowings repayable:					
- Within 1 year or on demand	-	450.0	-	450.0	56.3
- In the second year	-	350.0	-	350.0	43.7
<b>Total bank borrowings</b>	-	800.0	-	800.0	100.0
Less: Cash and bank balances and time deposits	(947.2)	(2,111.2)	(84.4)	(3,142.8)	
<b>Net cash position</b>	(947.2)	(1,311.2)	(84.4)	(2,342.8)	

The owners' equity was HK\$14.1 billion (31 December 2014: HK\$14.8 billion) and the net assets value per share was HK\$5.46 (31 December 2014: HK\$5.72).

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

At 31 December 2015, the Group had contingent liabilities/financial guarantee in respect of guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK\$695.0 million (31 December 2014: HK\$7,072.7 million).

### **Pledge of Assets**

At 31 December 2015, cash and bank balances and time deposits in the aggregate amount of HK\$303.5 million has been pledged as security for general banking facilities granted to the Group.

### **Exchange Risks**

As the Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Group. In view of the recent fluctuations of RMB exchange rates which may result in certain exchange risk to the Group's outstanding consideration receivables from the disposal of subsidiaries in 2015, the Group entered into a RMB hedging transaction in February 2016 at a favourable price to hedge for the RMB consideration received in March 2016. The directors will continue to closely monitor and manage the Group's exposure to fluctuations in the RMB exchange rates.

### **EMPLOYEES**

As of 31 December 2015, the Group employed approximately a total of 256 employees in China and Hong Kong (31 December 2014: 2,206 employees) and incurred employee costs in the amount of approximately HK\$318 million (31 December 2014: HK\$377 million). The Group remunerates its staff based on their merits, qualifications, competence and the prevailing market wage level. In order to attract, retain and motivate employees, the Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. For the years ended 31 December 2015 and 31 December 2014, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other benefits include contributions to mandatory provident funds and medical insurance.

## **CORPORATE GOVERNANCE**

During the year, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made of all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

## **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 year.

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this announcement have been agreed by the Company's independent auditors, Ernst & Young ("EY") to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on this announcement.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's consolidated results for the year ended 31 December 2015.

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

This results announcement is published on the Company's website at [www.ccland.com.hk](http://www.ccland.com.hk) and the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk). The Company's 2015 Annual Report will also be available on both websites and despatched to the shareholders of the Company in due course.

By order of the Board  
**Lam How Mun Peter**  
*Deputy Chairman and Managing Director*

Hong Kong, 23 March 2016

*As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Wong Chi Keung, Mr. Leung Chun Cheong and Mr. Leung Wai Fai as Executive Directors; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.*