C C Land Holdings Limited
中渝置地控股有限公司*

(Incorporated in Bermuda with limited liability)
Website: www.ccland.com.hk
(Stock Code: 1224)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	2010 HK$'000	2009 HK$'000
REVENUE	3, 4	**1,916,975**	1,080,638
Cost of sales		**(1,595,420)**	(875,441)
Gross profit		**321,555**	205,197
Other income and gains	4	**308,968**	80,212
Selling and distribution costs		**(185,190)**	(55,781)
Administrative expenses		**(314,709)**	(247,475)
Other expenses		**312,959**	56,117
Finance costs	5	**(30,792)**	(27,949)
Share of profits and losses of:			
Jointly-controlled entities		**(9,814)**	(16,592)
Associates		**(638)**	(1,004)
PROFIT/(LOSS) BEFORE TAX	6	**402,339**	(7,275)
Income tax expense	7	**(146,778)**	(35,651)
PROFIT/(LOSS) FOR THE YEAR		**255,561**	(42,926)

* *For identification purposes only*

	Notes	2010	2009
Attributable to:			
Owners of the parent		**260,082**	(58,358)
Non-controlling interests		**(4,521)**	15,432
		255,561	(42,926)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted		**HK10.15 cents**	HK(2.51) cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2010 **HK$'000**	2009 HK$'000
PROFIT/(LOSS) FOR THE YEAR	**255,561**	(42,926)
Available-for-sale investments:		
Changes in fair value	**(107,255)**	128,351
Deferred tax	**26,814**	(32,088)
	(80,441)	96,263
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries and a jointly-controlled entity	**(7,575)**	-
Exchange differences on translation of foreign operations	**422,334**	16,101
	414,759	16,101
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**334,318**	112,364
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**589,879**	69,438
Attributable to:		
Owners of the parent	**550,711**	53,153
Non-controlling interests	**39,168**	16,285
	589,879	69,438

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		2010	2009
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**266,935**	269,971
Investment properties		**338,323**	297,094
Prepaid land lease payments		**1,899,345**	2,258,873
Investments in jointly-controlled entities		**1,082,627**	726,268
Investments in associates		**1,105**	1,743
Convertible note receivable - loan portion		**-**	35,650
Held-to-maturity investments		**114,969**	-
Available-for-sale investments		**822,491**	900,599
Properties under development		**7,164,334**	5,920,718
Interests in land use rights for property development		**-**	986,864
Total non-current assets		**11,690,129**	11,397,780
CURRENT ASSETS			
Properties under development		**7,608,781**	4,486,862
Completed properties held for sale		**1,006,981**	233,011
Prepaid land lease payments		**42,551**	49,839
Inventories		**82,170**	51,410
Trade and bills receivables	10	**113,101**	72,902
Prepayments, deposits and other receivables		**710,985**	338,575
Convertible note receivable – loan portion		**37,178**	-
Equity investments at fair value through profit or loss		**131,006**	11,632
Tax recoverable		**40,829**	8,325
Deposits with brokerage companies		**1,027**	6,420
Pledged deposits		**153,774**	1,000
Restricted bank balances		**1,165,456**	533,237
Time deposits with original maturity over three months		**-**	993,913
Cash and cash equivalents		**4,560,752**	2,256,445
		15,654,591	9,043,571
Non-current asset and assets of a disposal group classified as held for sale		**65,803**	102,539
Total current assets		**15,720,394**	9,146,110
CURRENT LIABILITIES			
Trade payables	11	**961,663**	919,911
Other payables and accruals		**6,076,986**	1,660,390
Call option liability		**75,766**	68,297
Due to a related party		**-**	20,000
Loans from non-controlling shareholders of subsidiaries		**688,303**	608,144
Interest-bearing bank and other borrowings		**1,389,879**	576,057
Tax payable		**114,788**	59,802
Consideration payable on acquisition of subsidiaries		**1,100**	1,100
		9,308,485	3,913,701
Liabilities directly associated with the assets classified as held for sale		**7,067**	-
Total current liabilities		**9,315,552**	3,913,701
NET CURRENT ASSETS		**6,404,842**	5,232,409
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,094,971**	16,630,189

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**2,898,889**	2,166,437
Deferred tax liabilities		**1,980,258**	1,908,095
Total non-current liabilities		**4,879,147**	4,074,532
Net assets		**13,215,824**	12,555,657
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	**255,996**	257,263
Reserves		**12,009,730**	11,550,372
		12,265,726	11,807,635
Non-controlling interests		**950,098**	748,022
Total equity		**13,215,824**	12,555,657

Notes:

1. BASIS OF PREPARATION

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 (the "HKICPA"), 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, derivative financial instruments and certain equity investments, which have been measured at fair value. A disposal group held for sale is stated at the lower of its carrying amount and fair value less cost to sell. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

<u>Basis of consolidation</u>
Basis of consolidation from 1 January 2010
The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity, and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

Basis of consolidation prior to 1 January 2010
Certain of the above-mentioned requirements have been applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests (formerly known as minority interests), prior to 1 January 2010, were accounted for using the parent entity extension method, whereby the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying amount of such investment at 1 January 2010 has not been restated.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

Other than as further explained below regarding the impact of the HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKFRS 5 included in *Improvements to HKFRSs 2008*, amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009*, amendment to HK Interpretation 4, and HK Interpretation 5, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements.*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limit to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1 January 2010.

(b) Amendments to HKFRS 5 resulting from *Improvements to HKFRSs 2008* clarify that if an entity is committed to a sale plan involving the loss of control of a subsidiary, all of the subsidiary's assets and liabilities are classified as held for sale when certain criteria are met in respect of the controlling interest, regardless of whether the entity will retain any non-controlling interest after the sale. In addition, the entity should make the disclosures required for a discontinued operation when the subsidiary is a disposal group that meets the definition of a discontinued operation.

(c) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows:* Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases:* Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 *Leases - Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009.* Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

The Group has reassessed its leases in Hong Kong and Mainland China, previously classified as operating leases, upon the adoption of the amendments. The classification of leases in Mainland China remained as operating leases. As substantially all the risks and rewards associated with the leases in Hong Kong have been transferred to the Group, the leases in Hong Kong should be classified as finance leases under "property, plant and equipment". Since the Group's leasehold land situated in Hong Kong have been included in "property, plant and equipment" in the prior year, the application of the amendments has no significant impact on the Group.

(d) HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* sets out the conclusion reached by the HKICPA that the classification of a term loan as current or non-current liability shall be determined by reference to the rights and obligations of the lender and borrower, as contractually agreed between the two parties and in force as of the reporting date.

On this basis, loans subject to loan agreements which include a clause which gives the lender the unconditional right to call the loan at any time shall be classified by the borrower as current in its statement of financial position. In this regard, the probability of the lender choosing to exercise its rights within the next twelve months after the reporting date is not relevant.

As the interpretation is a clarification of an existing standard, it is immediately effective on issuance, and should be adopted retrospectively. It was issued on 29 November 2010.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

Sale of packaging products segment	–	Manufacture and trading of watch boxes, gift boxes, spectacles cases, bags and pouches, and display units
Sale of travel bags segment	–	Manufacture and trading of soft luggage, travel bags, backpacks and briefcases
Treasury investment segment	–	Investments in securities and notes receivables, and provision of financial services
Property development and investment segment	–	Development and investment of properties located in Mainland China

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding these reportable segments is presented below.

Reportable segment information

Year ended 31 December 2010

	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total HK$'000
Segment revenue					
Sales to external customers	**391,052**	**175,573**	**15,804**	**1,334,546**	**1,916,975**
Segment results	**35,847**	**1,912**	**11,463**	**401,870**	**451,092**
Corporate and unallocated income					**45,512**
Corporate and unallocated expenses					**(63,473)**
Finance costs					**(30,792)**
Profit before tax					**402,339**
Other segment information:					
Share of profits and losses of:					
Jointly-controlled entities	**-**	**-**	**-**	**(9,814)**	**(9,814)**
Associates	**(638)**	**-**	**-**	**-**	**(638)**
Capital expenditure in respect of items of property, plant and equipment	**2,605**	**436**	**-**	**13,353**	**16,394**
Depreciation	**6,835**	**1,790**	**73**	**14,434**	**23,132**
Amortisation of prepaid land lease payments	**572**	**76**	**-**	**41,528**	**42,176**
Fair value gains on investment properties	**-**	**-**	**-**	**32,620**	**32,620**
Fair value losses on equity investments at fair value through profit or loss, net	**-**	**-**	**271**	**-**	**271**
Fair value loss on a call option liability	**-**	**-**	**-**	**5,281**	**5,281**
Impairment/(write-back of impairment) of trade receivables	**612**	**-**	**-**	**(88)**	**524**
Write-back of impairment losses recognised in respect of the Group's properties portfolio	**-**	**-**	**-**	**362,160**	**362,160**
Investments in jointly-controlled entities	**-**	**-**	**-**	**1,082,627**	**1,082,627**
Investments in associates	**1,105**	**-**	**-**	**-**	**1,105**

Year ended 31 December 2009

	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total HK$'000
Segment revenue					
Sales to external customers	294,671	132,438	6,392	647,137	1,080,638
Segment results	21,324	(4,086)	7,655	37,841	62,734
Corporate and unallocated income					43,554
Corporate and unallocated expenses					(85,614)
Finance costs					(27,949)
Loss before tax					(7,275)
Other segment information:					
Share of profits and losses of:					
Jointly-controlled entities	-	-	-	(16,592)	(16,592)
Associates	(1,004)	-	-	-	(1,004)
Capital expenditure in respect of items of property, plant and equipment	462	173	-	9,207	9,842
Depreciation	7,462	1,769	73	10,979	20,283
Amortisation of prepaid land lease payments	573	75	-	47,268	47,916
Fair value gains on investment properties	-	-	-	47,557	47,557
Fair value gains on equity investments at fair value through profit or loss, net	-	-	3,196	-	3,196
Fair value loss on a conversion option derivative	-	-	31	-	31
Fair value loss on a call option liability	-	-	-	8,073	8,073
Impairment/(write-back of impairment) of trade receivables	(541)	49	-	-	(492)
Write-back of impairment losses recognised in respect of the Group's properties portfolio	-	-	-	146,871	146,871
Investments in jointly-controlled entities	-	-	-	726,268	726,268
Investments in associates	1,743	-	-	-	1,743

Geographical information

(a) Revenue from external customers

	2010 HK$'000	2009 HK$'000
Mainland China	**1,381,412**	669,533
Hong Kong	**150,116**	97,719
Europe	**231,859**	170,407
North and South America	**79,934**	97,106
Others	**73,654**	45,873
	1,916,975	1,080,638

The revenue information above is based on the location of the customers.

(b) Non-current assets

Over 90% of the Group's non-current assets are located in Mainland China.

Information about a major customer

Revenue of approximately HK$151,389,000 (2009: HK$120,123,000) was derived from sales by sale of travel bags segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts; gross proceeds from sale of properties, net of business tax; net gains/(losses) on disposal of equity investments at fair value through profit or loss; gross rental income received and receivable from investment 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:

	2010	2009
	HK$'000	HK$'000
Revenue		
Sale of goods	**566,625**	427,109
Sale of properties	**1,314,125**	626,899
Gross rental income	**13,400**	13,458
Gains on disposal of equity investments at fair value through profit or loss, net	**-**	4,217
Dividend income from listed investments	**10,169**	5,926
Dividend income from unlisted investments	**935**	841
Interest income from a convertible note receivable	**2,280**	2,188
Interest income from held-to-maturity investments	**9,441**	-
	1,916,975	1,080,638
Other income and gains		
Bank interest income	**21,711**	8,434
Other interest income	**-**	698
Exchange gains, net	**-**	1,629
Gain on deemed bargain purchase of subsidiaries	**-**	4,614
Gain on bargain purchase of non-controlling interests	**-**	6,544
Gain on bargain purchase of a subsidiary	**1,648**	-
Fair value gains on equity investments at fair value through profit or loss, net	**-**	3,196
Gain on disposal of interests in land use rights	**-**	2,736
Gain on disposal of a jointly-controlling entity	**164,802**	-
Gain on disposal of subsidiaries	**83,926**	-
Write-back of impairment of trade receivables	**-**	492
Fair value gains on investment properties	**32,620**	47,557
Others	**4,261**	4,312
	308,968	80,212

5. FINANCE COSTS

	2010	2009
	HK$'000	HK$'000
Interest on bank loans, overdrafts and other loans wholly repayable:		
Within five years	**142,284**	94,711
Beyond five years	**4,286**	-
	146,570	94,711
Less: Interest capitalised	**(115,778)**	(66,762)
	30,792	27,949

6. PROFIT/(LOSS) BEFORE TAX

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

	2010 HK$'000	2009 HK$'000
Cost of inventories sold	**466,905**	354,745
Cost of properties sold	**1,124,460**	516,266
Write-back of allowance for obsolete inventories	**(940)**	(488)
Depreciation	**23,132**	20,283
Less: Amount capitalised	**(598)**	(321)
	22,534	19,962
Amortisation of prepaid land lease payments	**42,176**	47,916
Minimum lease payments under operating leases in respect of land and buildings	**5,319**	5,089
Auditors' remuneration	**4,490**	3,760
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**278,224**	190,636
Equity-settled share option expense	**19,272**	43,379
Pension scheme contributions	**5,248**	4,570
Less: Amount capitalised	**(31,850)**	(12,030)
	270,894	226,555
Foreign exchange differences, net	**1,378**	(1,629)
Gross rental income, net of business tax	**(13,400)**	(13,458)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**4,055**	4,430
Net rental income	**(9,345)**	(9,028)

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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.

	2010 HK$'000	2009 HK$'000
Group:		
Current charge for the year		
Hong Kong	**4,496**	3,689
Mainland China	**88,668**	39,484
	93,164	43,173
Underprovision/(overprovision) in prior years		
Hong Kong	**58**	(7,702)
Mainland China	**(7,286)**	4,605
	(7,228)	(3,097)
Land appreciation tax charge for the year	**30,928**	28,523
Deferred tax	**29,914**	(32,948)
	146,778	35,651

8. DIVIDENDS

	2010 HK$'000	2009 HK$'000
Final proposed subsequent to the reporting period - HK$0.04 (2009: HK$0.03) per ordinary share	102,398	76,799

The final dividend 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 current and prior years.

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

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,563,291,362 (2009: 2,328,731,888) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2010 and 2009 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

10. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 60 days, extending up to 105 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. No credit terms are granted to the customers of the Group's property development and investment business. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interest-bearing.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the due date and net of provisions, is as follows:

	2010			2009		
	Neither past due nor impaired HK$'000	**Past due but not impaired HK$'000**	**Total HK$'000**	Neither past due nor impaired HK$'000	Past due but not impaired HK$'000	Total HK$'000
Less than 1 month	**88,279**	**16,471**	**104,750**	59,367	9,425	68,792
1 to 2 months	**-**	**2,464**	**2,464**	-	1,315	1,315
2 to 3 months	**-**	**3,209**	**3,209**	-	1,717	1,717
Over 3 months	**-**	**2,678**	**2,678**	-	1,078	1,078
	88,279	**24,822**	**113,101**	59,367	13,535	72,902

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period is as follows:

	2010 HK$'000	2009 HK$'000
Within 1 month	**584,882**	120,790
1 to 2 months	**40,549**	28,727
2 to 3 months	**27,495**	61,727
Over 3 months	**308,737**	708,667
	961,663	919,911

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days. As at 31 December 2009, included in the trade payables balance was an amount of HK$254,554,000 arising from the acquisition of a parcel of land which was interest-bearing at 5.31% per annum and secured by the pledge of the Group's equity interests in Chengdu Zhongyi Property Development Company Limited. The amount was fully settled during the year.

12. SHARE CAPITAL

	2010	2009
	HK$'000	HK$'000
Shares		
Authorised:		
5,000,000,000 (2009: 5,000,000,000) ordinary shares of HK$0.10 (2009: HK$0.10) each	**500,000**	500,000
Issued and fully paid:		
2,559,957,258 (2009: 2,572,633,258) ordinary shares of HK$0.10 (2009: HK$0.10) each	**255,996**	257,263

During the year, the Company repurchased a total of 12,676,000 shares at an average price of HK$2.80 per share in the open market on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), all of which were subsequently cancelled by the Company.

RESULTS

The Group achieved a record high revenue of HK$1,917.0 million for the year ended 31 December 2010, a 77.4% increase from HK$1,080.6 million of 2009. The property business recorded a revenue of HK$1,334.6 million (2009: HK$647.1 million). The revenue of the packaging and luggage business were HK$391.0 million (2009: HK$294.7 million) and HK$175.6 million (2009: HK$132.4 million) respectively, with the treasury investment business accounting for the remaining revenue balance of HK$15.8 million (2009: HK$6.4 million). The profit attributable to shareholders for the year ended 31 December 2010 was HK$260.1 million, against a loss of HK$58.4 million in the previous year. The basic earnings per share for the year was 10.15HK cents, compared to the basic loss per share of 2.51HK cents in 2009.

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK$0.04 (2009: HK$0.03) per share to our shareholders whose names appear on the Register of Members of the Company on 17 May 2011. Subject to approval at the forthcoming Annual General Meeting, dividend warrants will be sent to shareholders on or about 26 May 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 13 May 2011 to 17 May 2011 (both days inclusive), during this period no share transfers will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company to be held on 17 May 2011 and to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 12 May 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Year 2010 marks a turnaround for the Group. Since the Group's reorganization in late 2006 and moving into the PRC property business, the Group is now entering the harvest stage. During the year under review, the Group achieved a record high revenue of HK$1,917.0 million, representing an increase of 77.4% compared with HK$1,080.6 million in 2009. The increase in revenue was mainly due to the increased revenue from the property business as more projects were completed and delivered, as well as increased sales from the packaging and luggage business.

The property business reported a revenue of HK$1,334.6 million, representing an increase of 106.2% compared with the revenue of HK$647.1 million in 2009. The property business accounted for 69.6% of the Group's total revenue, and is now firmly the core business and key contributor of the Group. The profit from the property business was HK$229.3 million (2009: a loss of HK$29.4 million), which included recognized gains (before tax) of approximately HK$248.7 million from the disposal of the Group's interests in three land lots during a process to further enhance the quality of its land bank. The booked gross profit margin of the property sales dropped to 14.4% which is 3.2 percentage points lower than that of 2009. The drop was due to the fact that most of the revenue recognized was from four completed projects which were launched for pre-sale during the period from late 2008 to mid-2009 when the property market was weak, and comprised of their first phases when the asking prices were set at more conservative levels. Excluding the effect of the fair value adjustment on the acquisition of land use rights through the acquisition of the land banks in Yubei and Verakin New Park City, the gross profit margin would have been 20.9% in 2010.

For the manufacturing business, the pace of recovery was a pleasant surprise. The markets in most developed countries showed signs of recovery in 2010. The overall operating environment and market sentiments have improved. Both the domestic and export markets achieved remarkable growth in revenue and sales volume. The manufacturing business as a whole recorded a revenue of HK$566.6 million (2009: HK$427.1 million) and a net profit of HK$33.2 million (2009: HK$14.2 million) respectively. To counter keen market competition, the Group continues to monitor resources allocation and cost control for its manufacturing business so as to strengthen its competitiveness.

The treasury investment business reported a gain of HK$11.5 million (2009: HK$14.8 million including recording a tax credit of HK$7.7 million). This was mainly due to an interest income of HK$11.7 million from investment in notes receivable during the year. The unrealized loss on listed securities reflected in the year amounted to HK$0.3 million (2009: unrealized gain of HK$3.2 million).

Other incomes recorded a fair value gain on investment properties of HK$32.6 million, and gains on disposal of subsidiaries and a jointly-controlled entity amounting to HK$248.7 million coming from the above-mentioned land disposals.

Other expenses recorded an equity-settled share option expense which was non-operational and non-cash in nature amounting to HK$19.8 million (2009: HK$44.0 million). The write back of HK$362.2 million (2009: HK$146.9 million) of impairment in value of the Group's interest in land resulted in a credit of HK$313.0 million (2009: HK$56.1 million). This was the result of the significant improvement in the market conditions of the property market in the PRC during the year. The impairments were related to the adjustment in market value of the land lots in 2008.

The increase in marketing and distribution costs and administrative expenses was mainly due to the expansion of the property business and launching of more projects for pre-sales during the year.

PRC Property Development and Investment Business

The Group continues to focus its property business in Western China, predominantly in Chongqing and Chengdu. The two cities have seen strong economic growth with the GDP growth of Chongqing in 2010 and Chengdu for the first three quarters of 2010 reaching 17.1% and 15.3% respectively, which are much higher than the nation's average of 10.3% in 2010.

Besides having the only inland free-trade zone in China, Chongqing has just announced the setting up of the Liangjiang New Area (兩江新區) - China's third economic development zone after Shanghai's Pudong New Area and Tianjin's Binhai at a sub-provincial level. The setting up of this New Area is considered a landmark move in the development of Western China, boosting economy and narrowing the gap between the east and the west. A large number of large overseas corporations have set up their offices in the Airport Industrial Park (空港工業園) which is in the northern part of Chongqing and is one of the key development areas for the establishment of the Liangjiang New Area. The Group believes it will benefit greatly from the setting up of the Liangjiang New Area since its core land bank with a Gross Floor Area ("GFA") of about 3.1 million square metres ("sqm") is situated at one of the most prime locations within this New Area. Facing the historically toughest tightening measures in China, Chongqing is less affected. The major reasons are the healthy affordability - housing price averages only around RMB5,000 per sqm in terms of GFA and housing demand is still robust, and the rapidly developing economy and rapid urbanization. As a result, the housing price is still holding firm.

Chengdu, capital of the Sichuan province, is a center for science and technology as well as business and trade, acting as an important transportation and telecommunication hub for Western China. The city already has a mature information infra-structure and industrial system. These qualities have led to the arrival of foreign investors in various industries. Chengdu is rapidly urbanizing to promote the regional investment and consumption demand.

Recognized Revenue

The Group's property sales revenue was HK$1,314.1 million (RMB1,129.7 million) for the year ended 31 December 2010 (2009: HK$626.9 million (RMB552.3 million)) against a total GFA of 202,700 sqm (2009: 124,800 sqm). The revenue from property sales represented a growth of 109.6% over 2009 as a result of more projects having been completed on schedule and revenue recognized in the year included proceeds from Verakin New Park City Zone H, i-City Phase I, Riverside One, Wanzhou Phase I and Sky Villa Phase I. The recognized average selling price ("ASP") increased by 26% to RMB5,570 per sqm (2009: RMB4,420 per sqm) for the year due to the change in the type of products delivered under the Sky Villa Project which achieved a higher ASP than the projects recognized in the previous year. In spite of the higher ASP, the booked gross profit margin was only 14.4% which is 3.2 percentage points below that of 2009 for reasons mentioned under "Business Review" above. With the growth in the ASP of contract sales in the year, the Group expects a healthy increase in the gross profit margin in the coming years. The recognized sales revenue by projects for the year ended 31 December 2010 are as follows:

Locations	**Projects**	**Usage**	**GFA** (sqm)	**Sales Revenue Net of Business Tax** (RMB'000)	**ASP Net of Business Tax** (RMB)	**The Group's Interest**
Projects completed before 31 December 2009						
Chongqing	No. 1 Peak Road	Residential	3,200	19,300	5,930/sqm	100%
		Car Park	3,400	7,800	97,400/unit	
	Verakin New Park City - Zones A, B & G	Residential	25,400	102,600	4,040/sqm	61%
		Commercial	3,800	39,600	10,450/sqm	
	Others		2,400	6,000		
Projects completed in 2010						
Chongqing	Verakin New Park City - Zone H	Residential	16,400	111,900	6,820/sqm	61%
	i-City Phase I	Residential	47,200	171,700	3,640/sqm	100%
		Commercial	1,100	21,000	18,780/sqm	
	Riverside One, Wanzhou Phase I	Residential	49,800	158,600	3,180/sqm	100%
Chengdu	Sky Villa Phase I	Residential	42,900	479,100	11,170/sqm	51%
		Car Park	7,100	12,100	56,890/unit	
TOTAL			202,700	1,129,700		

In terms of location, Chongqing accounted for 57% of the recognized revenue and the remaining 43% came from Chengdu. In terms of usage, about 92.3% were for residential and the balance for non-residential purposes.

As at 31 December 2010, the unrecognized revenue was approximately RMB6,146 million, most of which will be recognized in 2011. The recognition of this revenue will depend on the time of completion of the relevant projects, the issuance of occupation permits and delivery of the completed units to the buyers.

The total GFA completed by the Group in 2010 amounted to approximately 353,000 sqm, representing an increase of 194% over that of 2009. Details are as follows:

Projects	**Usage**	**GFA** (sqm)	**Percentage of Area Sold as at 31 December 2010**	**The Group's Interest**
Chongqing				
Verakin New Park City - Zone H	Residential	17,000	99	61%
	Others	9,000		
i-City Phase I	Residential	50,000	96	100%
	Others	10,000		
i-City Phase II	Residential	96,000	83	100%
	Others	31,000		
Riverside One, Wanzhou Phase I	Residential	50,000	99	100%
Chengdu				
Sky Villa Phase I	Residential	65,000	99	51%
	Others	25,000		
TOTAL		353,000		

As i-City Phase II and Tower 3 of Sky Villa Phase I, together with GFA of 154,000 sqm, were completed at the end of December 2010 with delivery starting in early 2011, no revenue could be recognized from these projects for the financial year 2010. About 83% and 97% of the GFA of the residential area were respectively pre-sold as at the end of December 2010 for these two projects.

Contract Sales

Year 2010 is one full of challenges to the Chinese property developers. Following on the property market recovery in the second half of 2009, property prices and transaction volume were still on the way up at the beginning of 2010. The government has imposed tightening measures since April 2010 to cool off the overheated property market. These included higher down-payments and mortgage rates. The housing market as a result was hit particularly hard in the second quarter.

However, the strong economic growth in Chongqing and Chengdu continued to provide impetus to the property market. The tightening measures have not deterred the region's home buyers. With more amenities in place in the neighborhood of the Group's city core developments and the quality residential properties developed by the Group, ASP and volume rebounded in July 2010 and have maintained a growing trend. As a market driven mostly by first time home buyers, it is also less affected by the tightening of mortgage lending for second-home buyers.

In September 2010, the Group launched several projects including L'Ambassadeur Phase I, 9 Central Midtown and Lagonda Gardens which enjoyed satisfactory response from the market. Over 90% of the launched units of L'Ambassadeur Phase I, and 9 Central Midtown were subscribed for as at 31 December 2010. With the Company's massive development of its main land bank getting into gear, the Group has built a respectable reputation in the local markets, which will help accelerate sales and command premiums over the coming years.

In 2010, the contract sales of the Group amounted to RMB5,801.1 million (2009: RMB1,702.0 million), representing a growth of 241% over that of the previous year. The total contract sales area reached approximately 815,400 sqm (2009: 299,500 sqm) of GFA. It represented an increase of 172% over that of the previous year. Twelve projects (2009: 5 projects) were available for pre-sale in 2010. Most of these projects are situated in prime locations and therefore generated overwhelming market response, often selling out within days or weeks upon release. The 2010 contract sales has exceeded the sales target for the year of RMB3.4 billion by 70%. The ASPs increased across the board. The ASPs for most of the projects launched in 2010 were above the management's expectation and the average reached RMB7,100 per sqm which was about 25% higher than that of RMB5,700 per sqm in the previous year. With the growth in the ASPs, the Group expects a much higher booked gross profit margin for 2011.

The breakdown for the contract sales in 2010 is as follows:

Projects	**Usage**	**Approximate Contract Sales Area** (sqm)	**Approximate Contract Sales Revenue** (RMB'000)	**Approximate Contract ASP Before Business Tax** (RMB)
Chongqing				
No. 1 Peak Road	Residential	300	2,100	6,300/sqm
	Car Park	3,400	8,200	102,500/unit
No. 8 Peak Road	Residential	33,800	344,600	10,200/sqm
L'Ambassadeur Phase I	Residential	40,500	306,000	7,600/sqm
Verakin New Park City – Zones G, H, I, J & W	Residential	277,900	1,669,100	6,000/sqm
	Commercial	3,300	29,100	8,700/sqm
i-City Phases I, II & III	Residential	63,600	409,000	6,400/sqm
	Commercial	5,400	128,800	23,800/sqm
Riverside One, Wanzhou Phases I & II	Residential	73,000	341,000	4,700/sqm
	Commercial	8,600	58,900	6,900/sqm
	Car Park	6,200	14,000	67,900/unit
One Central Midtown	Residential	97,100	730,700	7,500/sqm
9 Central Midtown	Office	28,300	311,900	11,000/sqm
Verakin Le Charme	Residential	44,100	186,400	4,200/sqm
	Commercial	2,000	71,100	36,500/sqm
	Car Park	4,300	9,700	94,300/unit
		691,800	4,620,600	
Chengdu				
Sky Villa Phases I & II	Residential	36,300	574,700	15,800/sqm
	Car Park	11,700	24,000	66,100/unit
Villa Royale Phase I	Residential	15,600	194,100	12,500/sqm
	Car Park	3,100	8,200	100,000/unit
Lagonda Gardens	Residential	13,800	74,700	5,400/sqm
		80,500	875,700	
Kunming				
Silver Lining	Residential	43,100	304,800	7,100/sqm
TOTAL		815,400	5,801,100	

For the 2010 contract sales, about 80%, 15% and 5% came from Chongqing, Chengdu and Kunming respectively. The ASPs for Chongqing and Chengdu were RMB6,700 per sqm and RMB10,900 per sqm respectively. In terms of usage, about 89% were for residential and 11% for non-residential properties.

For 2010, the subscription sales was around RMB6,693 million against a GFA of around 869,800 sqm (2009: RMB1,942 million and 332,000 sqm respectively).

For the two months ending 28 February 2011, the contract sales amount and area jumped to RMB1,159.1 million and 127,700 sqm respectively, representing an increase of 187% and 103% over those of the same period in the previous year.

Property Projects Under Development

There were 17 projects in different stages of development during the year. The total area under construction as at 31 December 2010 was about 2.2 million sqm.

Chongqing Projects

Verakin New Park City (同景國際城) – a high-end multi-phased residential and commercial project with a total GFA of about 1.6 million sqm. In May 2010, one of the town-house developments, Zone H with a GFA of about 26,000 sqm started delivery to the buyers. Construction works of Zone I, a low-rise residential property with a GFA of about 150,000 sqm, are in progress and this zone is expected to be completed in the second half of 2011. To date, nearly all the residential units of Zone I were sold at an ASP of RMB5,500 per sqm which was 11% higher than that of previous year. Zone W is a high-rise apartment project providing 4,006 residential units or a total GFA of about 243,000 sqm. A substantial portion of the development is designated for residential use and only a minor portion for commercial use. It was first launched for pre-sales in May 2010. As at 31 December 2010, over 90% of the residential areas were sold at an ASP of RMB6,100 per sqm. Zone W is scheduled to be completed in 2012. Another high-end residential town-house development, Zone J, provides 444 residential units or a total GFA of about 76,000 sqm. The first batch of about 16,000 sqm was launched for pre-sales in November 2010 and of this, over 86% was sold. Foundation work for Zone K with a GFA of about 42,000 sqm is currently in progress and construction work will commence in the first half of 2011.

Mansions on the Peak (御府) – a project with a total GFA of about 58,000 sqm comprising of 46 luxury villas with a world-class resort style clubhouse and shops. Construction works of clubhouse facilities have largely been completed. The pre-sales of these villas is planned for the first half of 2011 and the project is expected to be completed in the first half of 2012.

No. 8 Peak Road (山頂道 8 號) – a development providing a planned total GFA of about 56,000 sqm made up of 8 low-rise condominium blocks and a few retail units. Construction works are still underway during the year and delivery is planned for the second half of 2011. The pre-sales was first launched in July 2010. As at 31 December 2010, over 85% of the condominium units were sold at an ASP of RMB10,200 per sqm.

L'Ambassadeur (山頂道國賓城) – a four-phased development project of high-rise apartments with a total GFA of about 482,000 sqm. Construction works of the first phase of a total GFA of 134,000 sqm commenced in January 2010. Phase I residential area of about 93,000 sqm was launched in September and November 2010. Over 90% of the launched units were sold at an ASP of RMB7,700 per sqm as at 28 February 2011. The first phase is expected to be completed in 2012. Construction works of the second phase of a total GFA of 143,000 sqm commenced in October 2010 and pre-sales is scheduled to be launched in the first half of 2011.

One Central Midtown (都會首站), 9 Central Midtown (都會 9 號) & Lot #10 – a landmark development in the Group's Yubei main land bank that provides a planned total GFA of about 614,000 sqm, comprising of an up-market shopping mall, a 5-star hotel with an associated serviced apartment block, 2 Grade-A office towers, a SOHO building, and 4 high-rise residential towers with retail podiums. The master plan is undergoing final approval by the local authority. Phase I comprises of 4 residential towers (One Central Midtown), a SOHO building (9 Central Midtown), retail spaces and car parking spaces with a total GFA of about 185,000 sqm. Construction works of Phase I have largely been completed and the 4 residential towers and SOHO building were topped out during the year. One Central Midtown has a total of 1,446 residential units with an aggregate GFA of 101,000 sqm. Pre-sales of the first 3 residential towers took place in January and April 2010 and all units were sold as at 31 December 2010. Tower 4 was then launched for pre-sales in September 2010 and over 96% of residential units were sold. The ASP for the 4 towers is about RMB7,500 per sqm. For 9 Central Midtown, capitalizing on its superior geographical location and project quality, all 600 launched units with a GFA of 31,000 sqm spanning 25 storeys were sold out at an ASP of RMB11,000 per sqm on the first day of launch. The first phase of the project is expected to be completed in the second half of 2011. Phases II and III comprising of an up-market shopping mall, a 5-star hotel, 2 Grade-A office towers are scheduled to commence construction in the second half of 2011.

i-City (愛都會) – a three-phased development project near the new Yubei train terminal, providing a total GFA of about 300,000 sqm of mixed residential and commercial property. Delivery of Phase I with an aggregate GFA of about 60,000 sqm started in May 2010. The sales of the residential part of Phase I was a resounding success with only a handful of units left as at 31 December 2010. Phase II with a total GFA of about 127,000 sqm was completed in December 2010 and will be delivered to the buyers in early 2011. As at 31 December 2010, about 83% of Phase II residential units were sold at an ASP of RMB5,800 per sqm which was 50% higher than that of Phase I. Phase III with a total GFA of about 113,000 sqm consists of a residential tower, an office tower and a mixed hotel and serviced apartment tower. Construction works of the third phase of the project have started. The residential tower with a GFA of about 27,000 sqm was launched for pre-sales in October 2010 and continued to be well received by the Chongqing market. Over 43% of the residential area were sold. The third phase of the project is expected to be completed in the second half of 2011.

Phoenix County (梧桐郡) – a high-end residential town-house and high-rise apartment project near the new Yubei train terminal with a total GFA of about 415,000 sqm. The first phase provides a total GFA of about 95,000 sqm of residential and retail property. Construction works of Phase I began in May 2010. Pre-sales was launched in January 2011. On the first day of launch, a total of 69 units, representing 96% of the units launched, with a GFA of about 10,600 sqm were sold, generating a subscription sales of approximately RMB114 million at an ASP of RMB10,830 per sqm. The first phase of the project is scheduled for delivery in 2012.

Riverside One, Wanzhou (濱江壹號) – a project located in the Jiangnan New District in Wanzhou and will be developed into an integrated complex, consisting of high-end residential property, retail outlets, and an office building with a total GFA of about 404,000 sqm. The first phase of the residential portion with a GFA of about 50,000 sqm was completed and delivered to buyers in August 2010. All the residential units of Phase I were sold. Phase I commercial area and car parks with a GFA of about 18,000 sqm is scheduled to be completed and delivered in early 2011. Construction of Phase II with a total GFA of about 102,000 sqm commenced in April 2010 and pre-sales was launched in June 2010. All residential units of Phase II were sold with an ASP of RMB4,700 per sqm which was 40% higher than that of Phase I. Phase II is scheduled for completion in the second half of 2011.

Verakin Le Charme (同景•南門金階) – a residential project located in the Fuling District of Chongqing with a total GFA of about 71,000 sqm for residential and commercial development. The pre-sales of the residential development with 492 units or 45,000 sqm was launched in early March 2010 and received overwhelming response. As at 31 December 2010, all residential units were sold at an ASP of RMB4,200 per sqm. The commercial area with 42 units or 16,900 sqm was launched for pre-sales in July 2010. The project is planned for completion in the second half of 2011.

Jiangbei Project (江北項目) – a 25% equity interest joint venture project having a total GFA of about 1,362,000 sqm located along the north bank of the inner city section of the Jialing River, Jiangbei District, Chongqing. The project is one of the largest riverside developments in the city, having a river frontage of about 750 metres. An international city complex will be built that will provide high-end residential premises, a luxury 5-star hotel, Grade-A office towers, service apartments, and large-scale business and retail property. A 320-metre tall multifunctional tower will be built which will be a landmark for the district. Foundation work is about to start. The project will be built in three phases with the first phase planned to commence construction in the second half of 2011.

Chengdu Projects

Sky Villa (四海逸家) – a high-end residential project located in the Jinjiang District with a total GFA of about 572,000 sqm. The first phase comprises of 682 residential units or about 90,000 sqm GFA occupying 3 towers. Nearly all the residential units of Phase I have been sold as at 31 December 2010. Phase I was completed in December 2010 and delivery of Towers 1 and 2 of Phase I has already begun. Delivery of Tower 3 is scheduled to take place in early 2011. Phase II comprises of 5 towers with a total of 1,079 residential units or a total GFA of 146,000 sqm. Construction of the second phase is in progress and is expected to be completed in 2012. Towers 5, 1, 2 and 4 of Phase II with a total of 843 units or a total GFA of 79,200 sqm were launched for pre-sales in February, May, October 2010 and January 2011 respectively. About half of the units of Tower 1, 2 and 5 were sold as at 31 December 2010. The current ASP has increased to RMB16,000 per sqm which is about 30% higher than the previous year's average of RMB12,300 per sqm. Construction works of Phase III with a total GFA of about 215,000 sqm commenced in November 2010 and are expected to be completed in 2013.

Villa Royale (城南逸家) – a luxury villa and town-house project with a total GFA of about 312,000 sqm in Shuangliu County, Chengdu. The project is just 8 minutes away from the southern extension of the Chengdu South Renmin Road. Shuangliu County is a highly developed transportation hub and presently the sole aviation hub in Chengdu. It is the largest air traffic centre in Western China. The project is located opposite to the Sichuan University campus along a river bank and will be developed in phases. The first phase of the project with a total GFA of about 70,000 sqm, of which about 10,000 sqm are for display units and clubhouse facilities, is under construction and pre-sales was first launched in May 2010. The first phase of the project is scheduled for completion and delivery in 2012.

La Concorde (牧山逸家) – a high-end villa project with a total GFA of about 249,000 sqm in Huayuan Town, Xinjin County, Chengdu, a suburban district approximately 15 kilometres south-west of Chengdu. The project is close to the Shuangliu International Airport and the site has been cleared and upgraded by the local government from rural land into one for low-density residential property development. Foundation works of Phase I with a construction area of about 68,000 sqm are currently in progress. Construction is scheduled to commence in the first half of 2011.

Lagonda Gardens (都江逸家) – a low-rise residential project with a total GFA of about 59,000 sqm in the Dujiangyan District - a famous tourist location. It will provide 456 residential units and 77 commercial units and car parks. Construction works began in February 2010. All the residential area of about 53,000 sqm have been launched for pre-sales and over 26% of the GFA were sold as at 31 December 2010. The project is scheduled for delivery in the first half of 2011.

Villa Splendido (禮里山莊) – a high-end villa and a 5-star hotel project with a total GFA of about 230,000 sqm in the Dujiangyan District. Foundation work of the first 2 phases with a total GFA of about 158,000 sqm of residential area has started. Construction will commence in the first half of 2011. Phases I and II are scheduled to be completed in 2012 and 2013 respectively.

Projects in Other Districts

Dazhou Project (雍河灣) – a residential project located in the Tongchuan District with a total GFA of about 413,000 sqm. Construction works of Phase I with a GFA of about 180,000 sqm commenced in January 2011 and pre-sales is planned to be launched in the second half of 2011. Phase I is scheduled for completion in 2012.

Silver Lining (雲都國際) – a pilot project in Kunming with a total GFA of about 94,000 sqm, comprising of residential, serviced apartments and commercial property. Construction works commenced in early 2010. Pre-sales of the residential and serviced apartments was launched in June 2010 and received overwhelming response. As at 31 December 2010, over 78% of all residential and service apartment GFA were sold. The development is expected to be completed in the second half of 2011.

As at the report date, details of the projects held for development are as follows:

Locations/Project Names	Expected Completion Date	GFA (sqm)	The Group's Interest
Chongqing, Yubei District			
-Phoenix County	2012 - 2013	415,000	100%
-i-City	2011	113,000	100%
-Mansions on the Peak	2012	58,000	100%
-One Central Midtown, 9 Central Midtown & Lot #10	2011 - 2014	614,000	100%
-No. 8 Peak Road	2011	56,000	100%
-L'Ambassadeur	2012 - 2013	482,000	100%
-Lot #17-1	2013 or after	250,000	100%
-Lot #9	2013 or after	346,000	100%
-Lot #19	2013 or after	260,000	100%
-Lot #4	2013 or after	528,000	100%
-Lot #3-1	2013 or after	260,000	100%
-Others	2013 or after	109,000	100%
Chongqing, Jiangbei District	2013 or after	1,362,000	25%
Chongqing, Nan'an District			
-Verakin New Park City	2011 - 2017	1,308,000	61%
-Century Road, Zones L, M & O	2013 or after	301,000	31%
Chongqing, Wanzhou District			
-Riverside One, Wanzhou	2011 - 2013	354,000	100%
Chongqing, Shapingba District			
-Academic Heights	2013 or after	423,000	100%
Chongqing, Fuling District, Nanmenshan			
-Verakin Le Charme	2011	71,000	31%
Chengdu, Dujiangyan District, Xujia Town			
-Lagonda Gardens	2011	59,000	100%
Chengdu, Dujiangyan District, Yutang Town			
-Villa Splendido	2012 - 2014	230,000	60%
Chengdu, Jinjiang District			
-Sky Villa	2012 - 2015	482,000	51%
Chengdu, Shuangliu County			
-Villa Royale	2012 - 2015	312,000	51%
Chengdu, Xinjin County			
-La Concorde	2013 or after	249,000	51%
Sichuan, Dazhou, Tongchuan District	2012 - 2015	413,000	100%
Guiyang, Jinyang New District	2013 or after	1,070,000	85%
Kunming-Silver Lining	2011	94,000	70%
TOTAL		10,219,000	

Land Bank

Land bank is the cornerstone for future profitability of a property developer. The Group has persistently maintained a prudent strategy in land bank acquisition by sourcing high quality land lots at reasonable prices and with great potential for development. The Group will only consider land lots suitable for immediate development following completion of acquisition, thereby maintaining a balance between achieving rapid development and effective risk management. The Group currently holds a land bank portfolio sufficient for the coming 5 to 6 years of development.

As at the report date, the Group had 15 land lots in its land bank portfolio of approximately 10.2 million sqm GFA (attributable GFA amounted to about 7.6 million sqm) held for development. The average land cost is around RMB1,920 per sqm. The relatively low cost ensures a high profit margin in the future. The Group's land bank portfolio covers Chongqing, Chengdu, key cities in Sichuan, Guiyang, and Kunming. These locations are with solid economic foundation and strong development potential, and where the real estate markets are still in the early stage of development. Within its portfolio, the main land bank located at the Yubei District, Liangjiang New Area, Chongqing, accounting for 40% of the Group's attributable land bank, are of the highest value due to their excellent location, and to the maturity of its neighbourhood. A large portion of the Group's trophy investments properties will be developed on these land lots.

During the year, the Group added to its land bank one land lot located in the Fuling District of Chongqing. In February 2010, the Group, through its 61% owned subsidiary holding the Verakin New Park City Project, acquired 51% equity interest in, and a corresponding share of the aggregate shareholder's loan to, a company at a total consideration of around RMB43.4 million. The acquired company holds a piece of land in Nanmenshan, Fuling District, Chongqing, on which an on-going project known as Verakin Le Charme is being developed. The Group's effective interest in the project is around 31.1%. The land site has a total GFA of about 71,000 sqm for residential and commercial development. The acquisition GFA cost was about RMB850 per sqm. One month after the acquisition, the project was launched for pre-sale and was sold out at an ASP of RMB4,200 per sqm.

Subsequent to the year of 2010, the Group made the following acquisitions to replenish its land bank.

1. The Group acquired at a total consideration of about RMB106.9 million 51% interest, through its 61% owned subsidiary holding the Verakin New Park City Project, in 3 land plots adjacent to the Group's Verakin New Park City Project in Chongqing, with a GFA of about 301,000 sqm. These lots will be developed as an extension of the Verakin New Park City. The Group has an effective interest of around 31.1% and the accommodation value for this acquisition is approximately RMB700 per sqm GFA.

2. The Group acquired an 85% interest in a land lot in the Jinyang New District, Guiyang, Guizhou Province through listing-for-sale. The total consideration for the land lot is RMB728.0 million. The newly acquired land lot has a permitted GFA of approximately 1,070,000 sqm with an accommodation value of RMB680 per sqm GFA. It is planned for the development of a mega residential and commercial project.

During the year, to refine its land bank portfolio, the Group disposed of the following parcels of land. The proceeds will be used to fund land bank acquisition in the future.

1. The Group's 60% interest in the Jintang Project, Chengdu at a consideration of HK$340 million. A profit before tax of HK$21.1 million was recognized (HK$86 million impairment loss previously provided for the land interest was written back in the previous year).

2. The Group's 100% interest in Tongnanxian Project, Chongqing, at a consideration of HK$66 million, with a profit before tax of HK$62.8 million recognized in the year. The Tongnanxian Project has a GFA of about 867,000 sqm.

3. The Group also completed the disposal of the 50% interest in the Wen Jiang Project, Chengdu, with a profit before tax of HK$164.8 million recognized in the year.

4. The Group disposed of its 60% interest in Binjiang New Town Project in Meishan, Pengshan County, Sichuan at a consideration of RMB60 million. The disposal is expected to be completed in year 2011 with an estimated profit before tax of RMB29 million.

As at the report date, the Group's land bank has a well-diversified portfolio. The breakdown by usage is as follows:

Usage	Completed Properties held for Investment GFA (sqm)	Properties held for Own Use GFA (sqm)	Completed Properties held for Sale GFA (sqm)	Land held for Development GFA (sqm)		Total GFA (sqm)	Percentage
				Total	Attributable		
Commercial	28,000	9,000	12,000	982,000	847,000	1,031,000	9.8
Residential	3,000		123,000	4,727,000	3,568,000	4,853,000	46.0
Office				877,000	785,000	877,000	8.3
Hotel & serviced apartment				528,000	414,000	528,000	5.0
Town-house & villa				1,488,000	912,000	1,488,000	14.1
Others (Car-park spaces and other auxiliary facilities)	53,000	11,000	96,000	1,617,000	1,113,000	1,777,000	16.8
TOTAL	84,000	20,000	231,000	10,219,000	7,639,000	10,554,000	100.0

The Group held a total of 335,000 sqm of completed properties which included investment properties, properties held for sale and for own use. Out of the 231,000 sqm completed properties held for sale, a total of 149,000 sqm from i-City Phase II and Sky Villa Phase I - Tower 3 will be delivered in early 2011. In respect of the total 123,000 sqm completed residential properties held for sales, about 84% have been sold and are pending delivery.

The breakdown of land bank held for development by location is as follows:

Locations	Total GFA (sqm)	Attributable GFA (sqm)	Percentage of Total GFA
Chongqing	7,310,000	5,522,000	71.6
Sichuan			
- Chengdu	1,332,000	728,000	13.0
- Dazhou	413,000	413,000	4.0
Guizhou			
- Guiyang	1,070,000	910,000	10.5
Yunnan			
- Kunming	94,000	66,000	0.9
TOTAL	10,219,000	7,639,000	100.0

Around 72% of the land bank is located in Chongqing whilst 28% is in Chengdu, key cities in Sichuan, Guiyang and Kunming. In terms of usage, about 66% of the land bank is for residential, hotel and serviced apartment as well as town-house and villa use and the remaining 34% for offices, commercial and other developments.

Investment Properties

The Group's investment property portfolio as at 31 December 2010 amounted to approximately 83,203 sqm GFA (2009: 83,982 sqm), comprising of approximately 34.0% in commercial properties, 3.1% in residential properties, 62.9% in car parks and auxiliary facilities.

During the year, the portfolio's fair value appreciated by approximately HK$32.6 million to HK$338.3 million, the majority of which was the revaluation gain recognized in relation to the commercial properties. The rental income from the investment properties amounted to approximately HK$13.4 million for the year (2009: HK$13.5 million).

Investment Properties Under Development

The Group's core land bank in the Yubei District is situated right at the heart of the Yubei District of Chongqing, a district where the regional government administration offices, light rail and underground transport systems, major highway junctions and a new rail transportation hub are located. The Yubei district is only 20 minutes by car from the Chongqing Airport. The Group's core land bank in the Yubei District has been earmarked for development as separate but interlinked projects, consisting of hotels, commercial and residential complexes. Internationally renowned architects and designers have been enlisted to help develop these projects. In view of the prime location of these projects, the Group intends to keep the trophy commercial properties for rental purposes and is expected to build up the investment property portfolio in the coming four years. Once completed, this portfolio will form a solid base of recurrent rental income and cash flow for the Group.

Four commercial land lots of the Group's core land bank are situated in the Yubei District, namely, Lot Nos. 3, 4, 9 and 10. Construction on the first commercial land lot, No. 10, started in May 2009, and the pre-sale of the residential project (One Central Midtown) and SOHO project (9 Central Midtown) on this land lot was launched in January 2010 and September 2010 respectively with great success.

The Group has also formed a strategic partnership with New World China Land Limited ("NWCL"), a leading property developer and hotel operator in China, to jointly develop a five-star luxury hotel and serviced apartment project on this lot. The equity interest of this jointly-developed project is held as to 80% by the Group and 20% by NWCL. The hotel and serviced apartment project has an aggregate GFA of approximately 96,000 sqm and is scheduled to be completed by the year of 2014.

Investor Relations

The stock market was very volatile in the year of 2010. A lot of government policies were introduced during the year. As the Group's property business is in China, which is very much policy affected, the stock price is very sensitive to government tightening measures. Chongqing was one of the first two cities which implemented the property tax. Investors are very concerned about the tax's effect on the buyers in Chongqing. Detailed interpretation and explanation how they will affect the Group's business is important for investors to have a better understanding on the future outlook of the Group. The property tax is mainly targeting the high-end residential property which accounts for only a small percentage of the property market and the tax amount is insignificant when compared with the purchase price. The Group believes that its impact is minimal.

In addition to the Group's global road shows after the results announcement, the management of the Company also actively participated in investment forums organized by leading international investment banks. Conference calls were conducted when necessary. Site visits and property tours were arranged to give investors a better understanding of the Group's development projects.

In order to give investors timely information on the business progress of the Group, the Group started to release monthly update on its sales performance from January 2010. Investors can also access the Group's information on its corporate website, www.ccland.com.hk under the "Investor Relations" column. The Group also maintains an updated distribution list of investors to provide them with updated information through emails. The Group believes continuous communication is extremely important especially in a volatile stock market.

Manufacturing Business

In the financial year 2010, the manufacturing business in the face of rising materials and labour costs and recurring Renminbi appreciation continued its notable growth from 2009. The Group achieved an increase in revenue and achieved a proportionally higher growth in profit. The main reasons for the increase were the global economic rebound and increasing market demand of our products following a period of consolidation.

The packaging and luggage business generated a revenue growth of 32.7% to HK$391.0 million (2009: HK$294.7 million) and 32.6% to HK$175.6 million (2009: HK$132.4 million) respectively. Correspondingly, the segmental contribution to the Group for the packaging and luggage business yielded a profit of HK$31.7 million and HK$1.5 million respectively.

Packaging Business

The packaging business reported a sharp increase in revenue and profit. The revenue increase was mainly due to improved sales in the European markets during the year under review, and as a result of retail markets in most developed countries starting to show signs of recovery towards the end of 2009. The revenue for the year ended 31 December 2010 was HK$391.0 million, representing an increase of 32.7% as compared to HK$294.7 million for 2009. Europe continues to be the largest market accounting for 44.1% of the revenue for the financial year 2010. Sales of packaging products in Europe grew by 18.6% over the previous financial year, primarily due to restocking by customers.

In 2010, the packaging business was confronted with surging raw materials prices and labour costs. Notwithstanding these unfavorable factors, the Group took measures to contain cost, improve productivity through more efficient processes and minimizing material wastage. As a result, the Group was able to improve its gross profit margin.

Luggage Business

The luggage business returned to profitability. A sharp improvement in profit was seen in the first half of 2010 but the business suffered slight setbacks in the fourth quarter due to (i) an exceptional claim of HK$0.6 million from a customer and (ii) level of sales lower than expected in the second half of the financial year. The net profit for year 2010 worked out to be HK$1.5 million compared with a net loss of HK$4.5 million for 2009. The profit rebound resulted from the increase in sales revenue and improved profit margin. The gross profit rose on a change in sales mix with a view to focusing on products with a higher profit margin and effective cost control measures. The Group also abandoned the low margin products to make room in its production capacities to cater for the production of higher margin products.

Sales to markets in the US decreased significantly as the demand remains soft. Conversely, sales to China, Europe and other Asian markets grew. In view of a marked increase in customer demand in China which began last year with government-led stimulus programmes, the Group adjusted its marketing strategy and focused efforts to enlarge its market share in China. Sales to China increased to HK$46.9 million, accounting for 26.7% of the revenue which represents an increase of 109.3% over the previous financial year. On the export front, export sales during the year reached HK$128.7 million, representing an increase of 17.0% when compared to the sales in 2009.

Other Business

The share of the loss from the 30% owned associated company, Technical International Holdings Limited, amounted to HK$0.6 million (2009: HK$1.0 million). The business environment for this company's products remains challenging. The company had taken steps to reduce operating costs, whilst leveraging on new products to improve its performance in the coming year.

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK$11.5 million (2009: HK$14.8 million). This was mainly from interests and dividend income earned during the year.

In view of the shrinking interest returns on bank deposits, the Group invested instead in a portfolio of listed securities and unlisted investment funds.

PROSPECTS

PRC Property Development and Investment Business

Year 2011 will be another challenging year for the Chinese property developers. The China's economy fundamentals will remain strong and in order to control inflation, the credit market and liquidity will continue to be tightened. New measures such as property tax and home purchase restriction will likely be applied in more cities in China. However, the government's new restrictions on property transactions should facilitate a more healthy and stable development of the property markets in the months ahead. The increased supply of public and low cost housing will provide sufficient residences for lower-income families and will lead to a healthy property market with less government interference in the long run. Tax levies on houses are not seen to be excessive, and should promote a better balance between supply and demand in the property market. The property tax in Chongqing should have very little impact on Chongqing's property market since it is imposed only on high-end properties which account for only a small proportion of the city's total developments. In the absence of any further drastic regulatory measures, the property sector should have a stable outlook.

The Central Government has recently announced a renewed emphasis to support the 'Go West' policy which should strengthen Chongqing's role as the regional economic hub. Chongqing has the most solid and complete industrial base in the western region. The new Liangjiang New District, the status of the special economic zone and heavy investment in roads, railways, and other infrastructure projects will attract new investments as well as industry upgrading.

The Group's high quality and well-designed real estate projects had received high recognition which helps to establish the Group as one of the leading developers across the cities and in the regions where the Group has projects running. The Group will continue to leverage on its excellent land bank and expertise, and will continue to accelerate its assets turnover to strengthen its market presence.

The Group plans to launch 12 projects in 2011, with a total saleable area of approximately 820,000 sqm against a target contract sales of RMB7.5 billion, representing a growth of 30% compared with the contract sales for 2010. Details of the sales schedule are:

Locations	**Projects**	**Saleable Area** (sqm)	**The Group's Interest**
Chongqing	i-City	60,000	100%
	One Central Midtown	8,000	100%
	Mansions on the Peak	29,000	100%
	Phoenix County	64,000	100%
	L'Ambassadeur	140,000	100%
	Riverside One, Wanzhou	29,000	100%
	Verakin New Park City	260,000	61%
Chengdu	Sky Villa	65,000	51%
	Villa Royale	25,000	51%
	Villa Splendido	36,000	60%
	Lagonda Gardens	24,000	100%
Dazhou	Dazhou Project	80,000	100%
TOTAL		820,000	

For 2011 and 2012 respectively, 82% and 40% of the target delivery residential areas have been pre-sold as at 28 February 2011.

Delivery Schedule for Years 2011 and 2012 is as follows:

Locations	**Projects**	**Residential Area** (sqm)	**Commercial / Car park / Other Area** (sqm)	**Total Construction Area** (sqm)	**The Group's Interests**
Year 2011					
Chongqing	One Central Midtown & Lot #10 Phase I	101,000	84,000	185,000	100%
	No. 8 Peak Road	39,000	17,000	56,000	100%
	Riverside One, Wanzhou Phases I & II	82,000	38,000	120,000	100%
	Verakin Le Charme	45,000	26,000	71,000	31%
	Verakin New Park City - Zone I	122,000	28,000	150,000	61%
	i-City Phase II	96,000	31,000	127,000	100%
	i-City Phase III	45,000	68,000	113,000	100%
Chengdu	Sky Villa Phase I – Tower 3	21,000	6,000	27,000	51%
	Lagonda Gardens	53,000	6,000	59,000	100%
Kunming	Silver Lining	53,000	41,000	94,000	70%
TOTAL		657,000	345,000	1,002,000	

Year 2012

Chongqing	Mansions on the Peak	34,000	24,000	58,000	100%
	Phoenix County Phase I	63,000	32,000	95,000	100%
	Phoenix County Phase II	56,000	32,000	88,000	100%
	L'Ambassadeur Phase I	93,000	41,000	134,000	100%
	L'Ambassadeur Phase II	103,000	40,000	143,000	100%
	Verakin New Park City - Zone W	202,000	41,000	243,000	61%
	Verakin New Park City - Zone J	76,000	-	76,000	61%
Chengdu	Sky Villa Phase II	102,000	44,000	146,000	51%
	Villa Royale Phase I	42,000	28,000	70,000	51%
	Villa Splendido	19,000	4,000	23,000	60%
Dazhou	Dazhou Project	134,000	46,000	180,000	100%
TOTAL		924,000	332,000	1,256,000	

The GFA of newly commenced construction in 2010 amounted to 1.4 million sqm. The Group expects that the GFA of newly commenced construction in 2011 to be 1.9 million sqm, representing a 36% increase from that of 2010. As at 31 December 2010, the Group has a total of 17 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in 2011 to be around 1.9 million sqm, together with the area under construction as at 31 December 2010, the total area under development in 2011 is expected to be over 4 million sqm - about 40% of its total land bank.

Being in a net cash position the Group is financially strong and, to ensure its long-term development, it will continue its efforts to acquire land banks with great upside development potential by means of merger or acquisition of target property development companies, and through normal channels from the government. Besides adding presence to its current cities, the Group will also look at suitable land lots at other key Western China cities like Guiyang, Kunming, and Xian for diversification and to increase its output in the coming years at an average growth rate of at least 20% per annum.

Manufacturing Business

Despite uncertainties in the global economic situation, the recovery in the manufacturing sector is well grounded and is expected to continue. However, cost pressure is continuing and would put further stress on the profit margin. Price increases for metals and other materials have led to higher overall cost of materials. In response to this adverse factor, the Group will draw on more qualified suppliers for better terms and pricing and will also intensify its product design efforts to optimize material costs. Workers' wages have been rising since the labour shortage seen in recent years, along with China's accelerating industrialization. The rising wages added cost pressures, and have to be met by increase in productivity to minimize unit costs. The Group is making every effort to re-engineer products at lower costs and seek productivity gains through more efficient processes to better gross profit margin in the future. The Group also will continue to exercise tight control over operating costs to restrain further increase in expenses.

The US economy expanded 3.1% in the fourth quarter of 2010 over the previous quarter. Falling consumer confidence and companies more intent on cutting costs have led to the slow recovery. It could take some time for the economy to regain the level achieved before the 2008 crisis. The outlook for the packaging business remains cautious as the US is one of the important markets for the packaging company. However, the recent level of orders received and sales forecasts provided by our customers suggest that the European economies have lately shown signs of stabilizing. It has yet to be seen whether unemployment will rise to dent economic growth. In spite of these uncertainties and the slow US market growth, the diversity of the customer base and product quality should enable the packaging business to repeat at least its performance in the coming financial year.

The luggage company is facing improved competition in terms of marketing and pricing in the Asian and European markets. China is leading the economic growth among other regions. The Group will devote more efforts to enhance its market share. Currently, the order book is satisfactory. The new orders from China and Europe account for a significant proportion of orders on hand. These are expected to bring more profitability to the luggage operations in the coming fiscal year.

FINANCIAL REVIEW

Investments

At 31 December 2010, the Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by companies listed on the Stock Exchange) with a carrying value of HK$1,105.6 million (31 December 2009: HK$947.9 million). The amount of dividends, interest and other income from investments for the year was HK$22.8 million (2009: HK$9.0 million).

Liquidity and Financial Resources

As of 31 December 2010, the Group had a sound financial position. The cash balance (including cash and bank balances and time deposits) amounted to HK$5,880.0 million (31 December 2009: HK$3,784.6 million) which included HK$153.8 million (31 December 2009: HK$1.0 million) of deposit pledged to banks. The increase in cash balance was mainly from the proceeds of property sales. Total borrowings amounted to HK$4,288.8 million (31 December 2009: HK$2,742.5 million). The increase in the bank borrowings is mainly from RMB long-term loans. About 56% of the total borrowings are in RMB and the remaining 44% are in Hong Kong Dollars and US Dollars. About 32% are repayable within one year and the remaining 68% are long-term borrowings. The average borrowing interest rate for the year ended 31 December 2010 was 3.98% (2009: 3.55%) per annum.

The Group's bank borrowings as at 31 December 2010 are summarized as follow:

	31 December 2010 HK$ million	**31 December 2009** HK$ million
Bank borrowings		
Denominated in RMB	2,392.9	979.0
Denominated in HK$	1,862.9	1,749.1
Denominated in US$	33.0	14.4
Total bank borrowings	4,288.8	2,742.5
Ageing analysis		
Repayable within one year	1,389.9	576.0
In the second year	1,504.5	1,842.8
In the third to fifth years	1,363.8	323.7
Beyond five years	30.6	-
Total bank borrowings	4,288.8	2,742.5

Secured debts accounted for approximately 55.8% of total borrowings as at 31 December 2010 (31 December 2009: 35.7%).

As at 31 December 2010, the Group has a net cash position of HK$1,591.2 million, after netting off total bank and other borrowings against cash balance (31 December 2009: HK$1,042.1 million). Details are as follows:

	31 December 2010 HK$ million	**31 December 2009** HK$ million
Cash balance	5,880.0	3,784.6
Less: Total bank and other borrowings	(4,288.8)	(2,742.5)
Net cash position	1,591.2	1,042.1

In terms of the Group's available financial resources as at 31 December 2010, the group had a total undrawn bank loan facility of HK$2,125 million. The strong financial position enables the Group to reap the benefits of investment opportunities as and when they arise.

The owners' equity was HK$12,265.7 million (31 December 2009: HK$11,807.6 million).

Contingent Liabilities/Financial Guarantees

At 31 December 2010, the Group had the following contingent liabilities/financial guarantees:

1. Guarantees given to banks in connection with facilities granted to a jointly-controlled entity and associates in the amount of HK$350 million (31 December 2009: nil) and HK$9.0 million (31 December 2009: HK$13.5 million) respectively.

2. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$2,288.6 million (31 December 2009: HK$614.9 million).

Pledge of Assets

At 31 December 2010, the Group has pledged the following assets:

1.	Leasehold properties as security for general banking facilities granted to the Group.	HK$5.6 million
2.	Fixed deposits as security for general banking facilities granted to the Group.	HK$153.8 million
3.	Properties under development, prepaid land lease payments and investment properties pledged to secure banking facilities granted to the Group.	RMB4,526.3 million

Exchange Risks

The sales and purchase transactions of the Group's manufacturing business are primarily conducted in US dollars, Hong Kong dollars and/or RMB. The Group does not carry out currency hedging for these transactions but includes potential exchange fluctuations as an element in product costing. On account of the relatively short time required for revenue recognition for this business, the foreign exchange exposure is considered minimal. For the Group's property business, sales transactions and all major cost items are denominated in RMB. Therefore the foreign exchange exposure for the property business is minimal.

EVENTS AFTER THE REPORTING PERIOD

1. On 1 February 2011, Chongqing Verakin Real Estate Company Limited ("Chongqing Verakin") entered into an agreement to acquire from the Verakin Group Company Limited 51% interest of the registered capital in, and 51% share of the aggregate shareholder's loans advanced or to be advanced to, Chongqing Lian Xing Investment Company Limited ("Chongqing Lian Xing") for a total consideration of RMB106,915,443. Chongqing Lian Xing has 3 land plots lying adjacent to the Verakin New Park City owned by Chongqing Verakin, which can be developed as an extension of the project. The acquisition was in line with the business strategy of the Company to expand its quality land bank and real estate development in Western China.

2. On 22 March 2011, the Group acquired an 85% interest in a land lot in the Jinyang New District, Guiyang, Guizhou Province through listing-for-sale. The total consideration for the land lot is RMB728.0 million. The acquisition was in line with the business strategy of the Company to extend its land bank to other key cities in Western China.

EMPLOYEES

At 31 December 2010, the Group had approximately 4,287 employees. The Group remunerates its staff based on their merit, qualification and competence. Salaries of employees are maintained at competitive level and are reviewed annually with close reference to the relevant labour market and economic situation. 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 year ended 31 December 2010, an amount of HK$19.3 million (2009: HK$43.4 million) was charged off as equity-settled share option expense to the income statement. Other benefits include contributions to a provident fund scheme, mandatory provident fund, and medical insurance.

CORPORATE GOVERNANCE

During the year under review, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), save for a slight deviation from Code Provision A.4.1 of the Code in that none of the existing non-executive directors of the Company are appointed for a specific term. Nevertheless, the length of tenure of non-executive directors is governed by the Company's Bye-laws which require every director to retire by rotation at the annual general meeting at least once every three years. A retiring director is eligible for re-election. This stipulation is consistent with the requirements of Code Provision A.4.1 of the Code. As such, notwithstanding the slight deviation, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are on terms no less exacting than the required standard set out in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own codes 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

During the year, the Company had repurchased a total of 12,676,000 shares of HK$0.10 each on the Stock Exchange at an aggregate consideration of HK$35,475,190. All of the repurchased shares were subsequently cancelled. The repurchases were effected by the directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration
		HK$	HK$	HK$
February 2010	4,176,000	2.83	2.77	11,681,210
April 2010	2,720,000	2.93	2.85	7,819,140
May 2010	5,780,000	2.84	2.59	15,974,840
TOTAL	12,676,000			35,475,190

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's consolidated results for the year ended 31 December 2010.

PROPOSED ADOPTION OF CHINESE NAME AS SECONDARY NAME

The Board proposes to formally adopt the Chinese name "中渝置地控股有限公司", which is the Company's Chinese name for identification purposes only, as its secondary name subject to (i) the passing of a special resolution by the shareholders of the Company at the forthcoming annual general meeting; and (ii) the approval by the Registrar of Companies in Bermuda.

A circular containing, among other matters, details of the proposed adoption of the Chinese name as the secondary name of the Company, and the notice of convening the forthcoming annual general meeting of the Company will be despatched to the shareholders of the Company as soon as practicable.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website at www.ccland.com.hk and the HKExnews website at www.hkexnews.hk. The 2010 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, 29 March 2011

As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Lam Hiu Lo, Mr. Leung Chun Cheong, Mr. Leung Wai Fai, Ms. Poon Ho Yee Agnes, Dr. Wong Kim Wing and Mr. Wu Hong Cho as Executive Directors; Mr. Wong Yat Fai as Non-executive Director; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.