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 2011

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 2011 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2011 HK$'000**	2010 HK$'000 *(Restated)*
CONTINUING OPERATIONS			
REVENUE	3, 4	**4,856,633**	1,525,923
Cost of sales		**(3,539,554)**	(1,282,412)
Gross profit		**1,317,079**	243,511
Other income and gains	4	**233,818**	308,189
Selling and distribution costs		**(276,351)**	(176,366)
Administrative expenses		**(413,519)**	(281,966)
Other expenses		**243,371**	313,776
Finance costs	5	**(51,354)**	(30,792)
Share of profits and losses of jointly-controlled entities		**(27,732)**	(9,814)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	**1,025,312**	366,538
Income tax expense	7	**(649,688)**	(142,597)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**375,624**	223,941
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation	8	**41,171**	31,620
PROFIT FOR THE YEAR		**416,795**	255,561

	Note	2011 HK$'000	2010 HK$'000
Attributable to:			
Owners of the parent		**300,995**	260,082
Non-controlling interests		**115,800**	(4,521)
		416,795	255,561
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
For the year			
- Basic and diluted		**HK11.79 cents**	HK10.15 cents
From continuing operations			
- Basic and diluted		**HK10.32 cents**	HK9.07 cents

Details of dividends are disclosed in Note 9 to this results announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2011 HK$'000	2010 HK$'000
PROFIT FOR THE YEAR	**416,795**	255,561
OTHER COMPREHENSIVE INCOME		
Available-for-sale investments:		
Changes in fair value	**(19,196)**	(107,255)
Deferred tax	**4,799**	26,814
	(14,397)	(80,441)
Share of other comprehensive income of jointly-controlled entities	**58,340**	49,200
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries and a jointly-controlled entity	**-**	(7,575)
Exchange differences on translation of foreign operations	**566,305**	373,134
	566,305	365,559
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**610,248**	334,318
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,027,043**	589,879
Attributable to:		
Owners of the parent	**838,395**	550,711
Non-controlling interests	**188,648**	39,168
	1,027,043	589,879

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**155,907**	266,935
Investment properties		**372,949**	338,323
Prepaid land lease payments		**784,860**	1,899,345
Investments in jointly-controlled entities		**1,129,249**	1,082,627
Investments in associates		**-**	1,105
Held-to-maturity investments		**115,391**	114,969
Available-for-sale investments		**696,920**	822,491
Properties under development		**7,350,068**	7,164,334
Interests in land use rights for property development		**3,150,527**	-
Total non-current assets		**13,755,871**	11,690,129
CURRENT ASSETS			
Properties under development		**12,072,015**	7,608,781
Completed properties held for sale		**1,184,707**	1,006,981
Prepaid land lease payments		**18,128**	42,551
Inventories		**21,600**	82,170
Trade and bills receivables	11	**38,262**	113,101
Prepayments, deposits and other receivables		**943,290**	710,985
Convertible note receivable – loan portion		**-**	37,178
Equity investments at fair value through profit or loss		**369,045**	131,006
Tax recoverable		**157,912**	40,829
Deposits with brokerage companies		**1,539**	1,027
Pledged deposits		**152,075**	153,774
Restricted bank balances		**2,543,736**	1,165,456
Time deposits with original maturity over three months		**71,543**	-
Cash and cash equivalents		**3,986,532**	4,560,752
		21,560,384	15,654,591
Non-current asset and assets of a disposal group classified as held for sale	8	**327,001**	65,803
Total current assets		**21,887,385**	15,720,394
CURRENT LIABILITIES			
Trade and bills payables	12	**1,937,009**	961,663
Other payables and accruals		**8,660,286**	6,076,986
Call option liability		**-**	75,766
Loans from non-controlling shareholders of subsidiaries		**666,155**	688,303
Interest-bearing bank and other borrowings		**2,065,320**	1,389,879
Tax payable		**767,666**	114,788
Consideration payable on acquisition of subsidiaries		**1,100**	1,100
		14,097,536	9,308,485
Liabilities directly associated with the assets classified as held for sale	8	**70,030**	7,067
Total current liabilities		**14,167,566**	9,315,552
NET CURRENT ASSETS		**7,719,819**	6,404,842
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,475,690**	18,094,971

	Note	2011 HK$'000	2010 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**5,034,261**	2,898,889
Deferred tax liabilities		**1,835,769**	1,980,258
Total non-current liabilities		**6,870,030**	4,879,147
Net assets		**14,605,660**	13,215,824
EQUITY			
Equity attributable to owners of the parent			
Issued capital	13	**254,392**	255,996
Reserves		**12,727,397**	12,009,730
		12,981,789	12,265,726
Non-controlling interests		**1,623,871**	950,098
Total equity		**14,605,660**	13,215,824

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. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs 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.

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 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010*

Improvements to HKFRSs 2010 issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

(i) HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

(ii) HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

(iii) HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

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 (to be discontinued in 2012)
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, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

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 2011

	Continuing operations				Discontinued operation	
	Sale of travel bags	**Treasury investment**	**Property development and investment**	**Total continuing operations**	**Sale of packaging products**	**Total Group**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Segment revenue						
Sales to external customers	**154,421**	**7,599**	**4,694,613**	**4,856,633**	**418,660**	**5,275,293**
Segment results	**(5,476)**	**3,946**	**1,122,477**	**1,120,947**	**46,092**	**1,167,039**
Corporate and unallocated income				**2,415**	**-**	**2,415**
Corporate and unallocated expenses				**(46,696)**	**-**	**(46,696)**
Finance costs				**(51,354)**	**-**	**(51,354)**
Profit before tax				**1,025,312**	**46,092**	**1,071,404**
Other segment information:						
Share of profits and losses of:						
Jointly-controlled entities	**-**	**-**	**(27,732)**	**(27,732)**	**-**	**(27,732)**
Associates	**-**	**-**	**-**	**-**	**(480)**	**(480)**
Capital expenditure*	**534**	**-**	**739,987**	**740,521**	**159**	**740,680**
Depreciation	**1,766**	**41**	**22,490**	**24,297**	**5,663**	**29,960**
Amortisation of prepaid land lease payments	**80**	**-**	**20,707**	**20,787**	**573**	**21,360**
Fair value gains on investment properties	**-**	**-**	**18,206**	**18,206**	**-**	**18,206**
Fair value losses on equity investments at fair value through profit or loss, net	**-**	**50,372**	**-**	**50,372**	**-**	**50,372**
Write-back of impairment of trade receivables	**-**	**-**	**-**	**-**	**294**	**294**
Write-back of impairment losses recognised in respect of the Group's properties portfolio	-	-	**294,235**	**294,235**	-	**294,235**
Investments in jointly-controlled entities	**-**	**-**	**1,129,249**	**1,129,249**	**-**	**1,129,249**
Investments in associates	**-**	**-**	**-**	**-**	**625**	**625**

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments including assets from the acquisition of a subsidiary.

Year ended 31 December 2010

	Continuing operations				Discontinued operation	
	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total continuing operations HK$'000	Sale of packaging products HK$'000	Total Group HK$'000
Segment revenue						
Sales to external customers	175,573	15,804	1,334,546	1,525,923	391,052	1,916,975
Segment results	1,912	11,463	401,870	415,245	35,847	451,092
Corporate and unallocated income				45,512	-	45,512
Corporate and unallocated expenses				(63,427)	(46)	(63,473)
Finance costs				(30,792)	-	(30,792)
Profit before tax				366,538	35,801	402,339
Other segment information:						
Share of profits and losses of:						
Jointly-controlled entities	-	-	(9,814)	(9,814)	-	(9,814)
Associates	-	-	-	-	(638)	(638)
Capital expenditure in respect of items of property, plant and equipment	436	-	13,353	13,789	2,605	16,394
Depreciation	1,790	73	14,434	16,297	6,835	23,132
Amortisation of prepaid land lease payments	76	-	41,528	41,604	572	42,176
Fair value gains on investment properties	-	-	32,620	32,620	-	32,620
Fair value losses on equity investments at fair value through profit or loss, net	-	271	-	271	-	271
Fair value loss on a call option liability	-	-	5,281	5,281	-	5,281
Impairment/(write-back of impairment) of trade receivables	-	-	(88)	(88)	612	524
Write-back of impairment losses recognised in respect of the Group's properties portfolio	-	-	362,160	362,160	-	362,160
Investments in jointly-controlled entities	-	-	1,082,627	1,082,627	-	1,082,627
Investments in associates	-	-	-	-	1,105	1,105

Geographical information

(a) Revenue from external customers

	2011 HK$'000	2010 HK$'000 *(Restated)*
Mainland China	**4,747,127**	1,381,412
Hong Kong	**33,719**	46,537
Europe	**41,795**	59,409
North and South America	**7,709**	15,660
India	**15,993**	13,227
Others	**10,290**	9,678
	4,856,633	1,525,923

The revenue information from continuing operations 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 from continuing operations of approximately HK$142,123,000 (2010: HK$151,389,000) was derived from sales by the 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 from continuing operations is as follows:

	2011	2010
	HK$'000	HK$'000
		(Restated)
Revenue		
Sale of goods	**154,421**	175,573
Sale of properties	**4,679,270**	1,314,125
Gross rental income	**13,766**	13,400
Losses on disposal of equity investments at fair value through profit or loss, net	**(30,711)**	-
Dividend income from listed investments	**15,359**	10,169
Dividend income from unlisted investments	**889**	935
Interest income from a convertible note receivable	**1,072**	2,280
Interest income from held-to-maturity investments	**22,567**	9,441
	4,856,633	1,525,923
Other income and gains		
Bank interest income	**62,582**	21,687
Other interest income	**9,032**	-
Exchange gains, net	**55,761**	-
Gain on bargain purchase of a subsidiary	**-**	1,648
Gain on disposal of a jointly-controlling entity	**-**	164,802
Gain on disposal of subsidiaries	**36,192**	83,926
Gain on disposal of available-for-sale investments	**48,929**	-
Write-back of impairment of trade receivables	**-**	88
Fair value gains on investment properties	**18,206**	32,620
Others	**3,116**	3,418
	233,818	308,189

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2011 **HK$'000**	2010 HK$'000
Interest on bank loans, overdrafts and other loans wholly repayable:		
Within five years	**290,856**	142,284
Beyond five years	**7,683**	4,286
	298,539	146,570
Less: Interest capitalised	**(247,185)**	(115,778)
	51,354	30,792

6. PROFIT BEFORE TAX

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

	2011 **HK$'000**	2010 HK$'000 *(Restated)*
Cost of inventories sold	**141,244**	152,380
Cost of properties sold	**3,394,413**	1,124,460
Write-back of allowance for obsolete inventories	**-**	(904)
Write-back of impairment losses recognised in respect of the Group's properties portfolio	**(294,235)**	(362,160)
Depreciation	**24,297**	16,297
Less: Amount capitalised	**(1,036)**	(598)
	23,261	15,699
Amortisation of prepaid land lease payments	**20,787**	41,604
Minimum lease payments under operating leases in respect of land and buildings	**6,349**	3,720
Auditors' remuneration	**4,625**	4,130
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**289,701**	184,334
Equity-settled share option expense	**30**	19,272
Pension scheme contributions	**5,865**	4,271
Less: Amount capitalised	**(55,985)**	(31,850)
	239,611	176,027
Foreign exchange differences, net	**55,761**	1,056
Gross rental income, net of business tax	**(13,766)**	(13,400)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**3,897**	4,055
Net rental income	**(9,869)**	(9,345)

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 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.

	2011 HK$'000	2010 HK$'000 *(Restated)*
Group:		
Current charge for the year		
Hong Kong	**3,645**	385
Mainland China	**375,570**	88,668
	379,215	89,053
Underprovision/(overprovision) in prior years		
Hong Kong	**1,086**	-
Mainland China	**17,341**	(7,286)
	18,427	(7,286)
Land appreciation tax charge for the year	**485,722**	30,928
Deferred tax	**(233,676)**	29,902
	649,688	142,597

8. NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) Discontinued operation – Packaging Business

On 29 December 2011, the Group announced its proposal to spin-off and separately list the business of manufacturing and sale of packaging products and display products of the Group (the "Packaging Business") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group has on 29 December 2011 submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange. As at 31 December 2011, the proposed spin-off was subject to the approval of the Stock Exchange and the final decision of the Board of the Company and the Packaging Business was classified as a discontinued operation.

The results of the Packaging Business for the year are presented below:

	2011 HK$'000	2010 HK$'000
Revenue	**418,660**	391,052
Cost of sales	**(333,017)**	(315,438)
Gross profit	**85,643**	75,614
Other income and gains	**3,564**	1,408
Selling and distribution costs	**(14,969)**	(14,668)
Administrative expenses	**(27,960)**	(24,976)
Other expenses	**294**	(939)
Share of profits and losses of associates	**(480)**	(638)
Profit before tax from the discontinued operation	**46,092**	35,801
Income tax expense	**(4,921)**	(4,181)
Profit for the year from the discontinued operation	**41,171**	31,620
Attributable to:		
Owners of the parent	**37,509**	27,570
Non-controlling interests	**3,662**	4,050
	41,171	31,620

The major classes of assets and liabilities of the Packaging Business classified as a discontinued operation as at 31 December 2011 are as follows:

	2011
	HK$'000
Assets	
Property, plant and equipment	**119,592**
Prepaid land lease payments	**19,395**
Investments in associates	**625**
Inventories	**39,007**
Trade and bills receivables	**45,916**
Prepayments, deposits and other receivables	**4,553**
Cash and cash equivalents	**59,798**
Assets classified as a discontinued operation	**288,886**
Liabilities	
Trade and bills payables	**38,329**
Other payables and accruals	**29,783**
Tax payable	**901**
Deferred tax liabilities	**1,017**
Liabilities directly associated with the assets classified as a discontinued operation	**70,030**
Net assets directly associated with the discontinued operation	**218,856**

The net cash flows incurred by the Packaging Business are as follows:

	2011	2010
	HK$'000	HK$'000
Operating activities	**45,179**	37,292
Investing activities	**670**	(2,547)
Financing activities	**(51,386)**	(24,698)
Net cash inflow/(outflow)	**(5,537)**	10,047

	2011	2010
Basic and diluted earnings per share from the discontinued operation	**HK1.47 cents**	HK1.08 cents

The calculation of basic and diluted earnings per share from the discontinued operation are based on:

	2011	2010
Profit attributable to ordinary equity holders of the parent from the discontinued operation	**HK$37,509,000**	HK$27,570,000
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**2,553,213,041**	2,563,291,362

(b) Non-current asset and a disposal group classified as held for sale – Sichuan Hengchen

The assets and liabilities related to the 60% equity interest in Sichuan Hengchen Real Estate Development Company Limited ("Sichuan Hengchen") had been presented as held for sale as at 31 December 2010 following the decision of the Board of the Company on 30 November 2010 to dispose of Sichuan Hengchen. Sichuan Hengchen is principally engaged in property development and investment. The partial disposal of 30% equity interest in Sichuan Hengchen has been completed on 30 March 2011 at a consideration of RMB30 million.

Following completion of the first 30% disposal, the Group ceased to have control over Sichuan Hengchen thereafter. The Group has accounted for the investment retained in Sichuan Hengchen as an associate held for sale which was stated at its fair value at the date the control was lost and was presented as a non-current asset held for sale of HK$38,115,000 as at 31 December 2011. The disposal of the remaining 30% equity interest in Sichuan Hengchen is expected to be completed in 2012 at a consideration of RMB30 million plus a premium of 1.25% per month on the consideration calculated for the period from 1 January 2011 to the completion date of the disposal.

9. DIVIDENDS

	2011	2010
	HK$'000	HK$'000
Final proposed subsequent to the reporting period - HK$0.04 (2010: HK$0.04) per ordinary share	101,757	102,248

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.

The final dividend will be payable in cash with a scrip dividend alternative subject to the approval of the Company's shareholders of the relevant resolutions regarding the proposed final dividend and the granting of a general mandate unconditionally to the directors to issue shares at the forthcoming annual general meeting and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new shares to be issued.

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

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,553,213,041 (2010: 2,563,291,362) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2011 and 2010 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

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

	2011	2010
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**263,486**	232,512
From a discontinued operation	**37,509**	27,570
	300,995	260,082

11. 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. 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:

	2011			2010		
	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	**25,069**	**9,802**	**34,871**	88,279	16,471	104,750
1 to 2 months	**-**	**-**	**-**	-	2,464	2,464
2 to 3 months	**-**	**-**	**-**	-	3,209	3,209
Over 3 months	**-**	**3,391**	**3,391**	-	2,678	2,678
	25,069	**13,193**	**38,262**	88,279	24,822	113,101

12. TRADE AND BILLS PAYABLES

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

	2011 HK$'000	2010 HK$'000
Within 1 month	**1,406,370**	584,882
1 to 2 months	**126,100**	40,549
2 to 3 months	**137,060**	27,495
Over 3 months	**267,479**	308,737
	1,937,009	961,663

The trade and bills payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

13. SHARE CAPITAL

	2011 HK$'000	2010 HK$'000
Shares		
Authorised:		
5,000,000,000 (2010: 5,000,000,000) ordinary shares of HK$0.10 (2010: HK$0.10) each	**500,000**	500,000
Issued and fully paid:		
2,543,923,258 (2010: 2,559,957,258) ordinary shares of HK$0.10 (2010: HK$0.10) each	**254,392**	255,996

During the year, the Company repurchased a total of 16,034,000 (2010: 12,676,000) shares at an average price of HK$2.11 per share (2010: HK$2.80 per share) in the open market on the Stock Exchange, all of which were subsequently cancelled by the Company.

14. COMPARATIVE AMOUNTS

On 29 December 2011, the Group announced its proposal to spin-off and separately list the Packaging Business on the Stock Exchange. Accordingly, the operating segment of sale of packaging products was classified as discontinued operation and the comparative information of this segment was reclassified from a continuing operation to a discontinued operation.

RESULTS

The Group achieved a record high revenue of HK$5,275.3 million (including HK$4,856.6 million from continuing operations and HK$418.7 million from a discontinued operation of the Group's packaging business) for the year ended 31 December 2011, an 175% increase from HK$1,917.0 million of 2010. The property business recorded a revenue of HK$4,694.6 million (2010: HK$1,334.6 million). The revenue of the packaging and luggage business were HK$418.7 million (2010: HK$391.0 million) and HK$154.4 million (2010: HK$175.6 million) respectively with the treasury investment business accounting for the remaining revenue balance of HK$7.6 million (2010: HK$15.8 million). The profit attributable to shareholders for the year ended 31 December 2011 was HK$301.0 million (2010: HK$260.1 million mainly attributable to a gain of HK$248.7 million on the disposal of subsidiaries and a jointly controlled entity). The basic earnings per share for the year were HK11.79 cents (2010: HK10.15 cents).

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK$0.04 (2010: HK$0.04) per share to shareholders who are registered on the Register of Members of the Company at the close of business on 28 May 2012. The directors also propose that the shareholders entitled to the proposed final dividend be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the proposed final dividend ("Scrip Dividend Scheme").

The Scrip Dividend Scheme is conditional upon shareholders' approval of the relevant resolutions regarding the proposed final dividend and the granting of a general mandate unconditionally to the directors to issue shares at the annual general meeting of the Company to be held on 18 May 2012 ("AGM") and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new shares to be issued under the Scrip Dividend Scheme. A circular containing details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about 1 June 2012. The dividend warrants and the share certificates for the Scrip Dividend Scheme will be sent to shareholders by ordinary mail on or about 29 June 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 16 May 2012 to Friday, 18 May 2012, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, 15 May 2012.

The Register of Members of the Company will also be closed from Thursday, 24 May 2012 to Monday, 28 May 2012, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 23 May 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Year 2011 is a significant milestone for the Group. After entering into the property business in the PRC six years ago, the Group is moving onto the harvest stage. For the year ended 31 December 2011, the Group's revenue reached a record high of HK$5,275.3 million, an increase of 175% over the last year. The increase was mainly due to the substantial increase in the number of property projects delivered during the year.

The property business reported a revenue of HK$4,694.6 million, representing an increase of 252% compared with the revenue of HK$1,334.6 million in the corresponding year. The property business, now the core business of the Group, accounted for 89% of the Group's total revenue. The profit from the property business was HK$420.2 million (2010: HK$229.3 million which included a gain of HK$248.7 million on the disposal of subsidiaries and a jointly controlled entity). The booked gross profit margin of the property business has improved from 14.4% in 2010 to 27.5% as a result of the growth in the average selling price ("ASP") of contract sales recognized in the year. If the effect of land cost on the fair values adjustment on the acquisition of the land banks in the Yubei and Verakin New Park City were excluded, the booked gross profit margin would have been 43.5% in 2011 (2010: 20.9%). During the year, a gain of HK$36.2 million before tax was recorded on the completion of the disposal of the Group's 30% interest in the Binjiang New Town Project in Meishan, Pengshan County, Sichuan.

For the manufacturing business, softer than expected economic recovery in the global markets as well as rising production costs in China have led to a challenging time for manufacturers in Year 2011. To a certain extent, consumer confidence and willingness to spend are impacted by the economic uncertainty as a result of high unemployment in the United States and Europe. To counter the challenging markets, the Group continued to strengthen its control over operating costs and improve the productivity and efficiency in the manufacturing process so as to enhance competitiveness, reducing the impact and as a result both domestic and export markets achieved a remarkable growth in both revenue and sales volume. The manufacturing business as a whole recorded a revenue of HK$573.1 million (2010: HK$566.6 million) and a net profit of HK$35.3 million (2010: HK$33.2 million) respectively.

The treasury investment business reported a loss of HK$0.8 million (2010: a profit of HK$11.5 million). The loss was mainly due to the volatile stock market during the year. There was a gain of HK$48.9 million realized on the partial disposal of the available-for-sale investments held by the Group. In addition, there were dividend income and interest income from investment in notes receivable totalling HK$38.3 million and realized and unrealized loss on listed securities amounting to HK$30.7 million and HK$50.4 million respectively (2010: dividend income and interest income of HK$15.8 million, and unrealized loss on listed securities of HK$0.3 million).

Other income recorded fair value gains on investment properties of HK$18.2 million (2010: HK$32.6 million) and gains of HK$36.2 million on the disposal of the Binjiang New Town Project mentioned above (2010: gains on disposal of three land lots of HK$248.7 million).

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.

The profit attributable to shareholders for the year amounted to HK$301.0 million (2010: HK$260.1 million). The basic earnings per share for the year were HK11.79 cents (2010: HK10.15 cents).

PRC Property Development and Investment Business

The Group continues to focus its property business in Western China, predominantly in Chongqing and Chengdu which are predominantly end-user markets. The two cities have seen strong economic growth with the GDP growth of Chongqing and Chengdu for the year of 2011 reaching 16.4% and 15.4% respectively, which are much higher than the nation's average of 9.2% in the year.

Besides having the only inland free-trade zone in China, Chongqing has 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. The Group believes it will benefit greatly from the setting up of the Liangjiang New Area since its core land bank with a remaining Gross Floor Area ("GFA") of about 2.7 million square metres ("sqm") is situated at one of the most prime locations within this New Area.

Chengdu, capital of the Sichuan province, is a centre 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 infrastructure 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

During the year, the Group's property sales revenue was HK$4,679.3 million (RMB3,826.0 million) (2010: HK$1,314.1 million (RMB1,129.7 million)) against a total booked GFA sales of 609,300 sqm (2010: 202,700 sqm), mainly from eight property projects, six in Chongqing and two in Chengdu. The revenue from property sales and booked GFA represented a growth of 256% and 201% respectively over the corresponding year of 2010. For 2011, the ASP of recognized sales increased by 12.7% to RMB6,280 per sqm. The overall booked gross profit margin for the year increased by 13.1 percentage points to 27.5% from 14.4% in 2010.

The table below summarizes the recognized sales revenue by projects for 2011:

Locations	Projects	Usage	GFA (sqm)	Sales Revenue Net of Business Tax (RMB'000)	ASP Net of Business Tax (RMB)	The Group's Interest
Chongqing	i-City Phases I, II & III	Residential	99,150	580,800	5,860/sqm	100%
		Office	12,320	125,800	10,210/sqm	
		Commercial	5,190	126,300	24,350/sqm	
		Car Park	7,610	21,500	88,630/unit	
	No. 8 Peak Road	Residential	35,300	342,100	9,690/sqm	100%
		Car Park	7,400	8,100	65,460/unit	
	One Central Midtown & 9 Central Midtown	Residential	96,760	679,600	7,020/sqm	100%
		Office	26,280	273,700	10,420/sqm	
	Riverside One, Wanzhou – Phases I & II	Residential	53,460	214,600	4,020/sqm	100%
		Commercial	7,900	55,000	6,960/sqm	
		Car Park	6,820	14,500	63,490/unit	
	Verakin New Park City – Zone I	Residential	113,230	574,800	5,080/sqm	51%
	Verakin Le Charme	Residential	44,180	176,300	3,990/sqm	26%
		Commercial	9,630	99,100	10,290/sqm	
		Car Park	5,400	11,500	88,720/unit	
	Others	Residential/ Commercial/ Car Park	12,170	49,900		
Chengdu	Sky Villa Phase I	Residential	21,930	275,000	12,540/sqm	51%
		Car Park	12,140	25,800	68,130/unit	
	Lagonda Gardens	Residential	32,020	164,900	5,150/sqm	100%
		Commercial	410	6,700	16,180/sqm	
TOTAL			609,300	3,826,000		

In terms of location, Chongqing accounted for 88% (2010: 57%) and 89% (2010: 75%) of the recognized revenue and booked area respectively, while Chengdu accounted for the remaining 12% (2010: 43%) and 11% (2010: 25%) of the recognized revenue and booked area. In terms of usage, about 79% (2010: 93%) were for residential and the balance for non-residential purposes.

As at 31 December 2011, the unrecognized revenue was approximately RMB8,524 million, representing area pre-sold amounted to 1,010,500 sqm, out of which, about RMB592 million are from projects which are completed and pre-sold. The revenue can be recognized when the buyers collect the properties. This has laid a solid foundation for Year 2012. 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.

Seven projects were completed on schedule in 2011. The total GFA completed by the Group in 2011 amounted to approximately 653,100 sqm, representing an increase of 85% over that of 2010. Details are as follows:

Projects	**Usage**	**GFA** (sqm)	**Percentage of Area Sold as at 31 December 2011**	**The Group's Interest**
Chongqing				
i-City Phase III	Residential	46,400	40	100%
	Office	23,600	100	
	Commercial	13,500	24	
	Others	26,000		
No. 8 Peak Road	Residential	39,000	95	100%
	Commercial	900		
	Others	9,500		
One Central Midtown & 9 Central Midtown	Residential	99,800	99	100%
	Office	31,700	100	
	Commercial	8,200	73	
	Others	34,700		
Riverside One, Wanzhou Phase II	Residential	53,300	100	100%
Verakin New Park City - Zone I	Residential	113,500	100	51%
	Others	28,300		
Verakin Le Charme	Residential	44,200	100	26%
	Commercial	16,600	63	
	Others	7,200		
Chengdu				
Lagonda Gardens	Residential	52,300	66	100%
	Commercial	3,100	13	
	Others	1,300		
TOTAL		653,100		

Silver Lining, the Group's pilot project in Kunming, completed its construction work in late 2011 and will start delivery to its buyers in the first half of 2012.

Contract Sales

Chinese authorities have been targeting inflation and the surge in property prices by tightening the credit markets. The property market is facing the most difficult time under the policy tightening environment. The Government launched the property tax trial program in Chongqing and Shanghai in January 2011. The program was considered to be a strong weapon against the property market. However, the two cities have collected only very limited amount of property taxes as the program mainly targets the high-end properties. The massive social housing scheme in Chongqing is mainly for rental and is a different market segment from the Group's business.

On the other hand, with the implementation of home purchase restriction in Chengdu from early 2011, the property market there slowed down. On the contrary, since there is no home purchase restriction in Chongqing, the property market in Chongqing was still doing well up to September 2011, after which time, when the bad market sentiments in the first-tier cities filtered through, the Chongqing homebuyers began to adopt a wait-and-see attitude and the sales performance of the Group's Chongqing property was accordingly affected. The turnover of the second half year dropped 27% percent from 523,200 sqm of the second half of 2010 to 382,000 sqm. The total contract sales achieved in 2011 were RMB6.4 billion which showed a 10% increase from the previous year but was 15% below the target while the sales volume decreased 9.1% to 740,800 sqm from the previous year.

Thirteen projects were launched during the year, out of which, four were new projects. Verakin New Park City, L'Ambassadeur and Sky Villa were the top three projects, contributing most of the contract sales. The distribution of the 2011 contract sales was 83.8%, 15.7% and 0.5% from Chongqing, Chengdu, and other districts respectively. The breakdown of the contract sales in 2011 is as follows:

Projects	Usage	Approximate Contract Sales Area (sqm)	Approximate Contract Sales Revenue (RMB'000)	Approximate Contract ASP Before Business Tax (RMB)
Chongqing				
L'Ambassadeur Phases I, II & III	Residential	136,500	1,089,300	8,000/sqm
	Commercial	1,400	22,800	16,600/sqm
Verakin New Park City - Zones I, J, K, L, M, N, O, P & W	Residential	287,600	2,205,200	7,700/sqm
	Commercial	8,800	138,900	15,800/sqm
i-City Phases I, II & III	Residential	15,300	120,700	7,900/sqm
	Commercial	5,600	136,600	24,300/sqm
	Office	23,600	255,800	10,800/sqm
	Car Park	9,100	27,200	93,800/unit
Riverside One, Wanzhou Phases I, II & III	Residential	40,900	219,400	5,400/sqm
	Commercial	8,500	77,900	9,200/sqm
	Car Park	10,900	25,000	78,200/unit
Phoenix County Phase I	Residential	46,200	525,800	11,400/sqm
Mansions on the Peak	Residential	3,300	106,400	32,500/sqm
Academic Heights Phase I	Residential	15,800	89,200	5,600/sqm
One Central Midtown & 9 Central Midtown	Commercial	6,000	164,700	27,600/sqm

Others	Residential/ Commercial/ Office/Car park	26,700	142,100	
		646,200	5,347,000	
Chengdu				
Sky Villa Phases I & II	Residential	29,500	528,700	17,900/sqm
	Car Park	14,000	44,400	102,600/unit
Villa Royale Phases I & II	Residential	21,500	297,400	13,800/sqm
	Car Park	4,300	11,500	99,800/unit
Lagonda Gardens	Residential	20,600	112,000	5,400/sqm
	Commercial	400	7,100	17,200/sqm
		90,300	1,001,100	
Other Districts				
Silver Lining	Residential	2,600	22,000	8,300/sqm
Dazhou Project Phase I	Residential	1,700	8,400	4,800/sqm
		4,300	30,400	
TOTAL		740,800	6,378,500	

The overall ASP during the year is RMB8,600 per sqm, a 21% increase from last year. The increase in ASP was partly because of the launching of higher end products and partly due to property price increases in subsequent phases of various projects. The ASPs for Chongqing and Chengdu were RMB8,300 per sqm and RMB11,100 per sqm respectively. In terms of usage, about 84% were for residential and 16% for non-residential properties. The ASPs for residential, commercial and carparks were RMB8,600 per sqm, RMB13,600 per sqm and RMB91,900 per unit respectively.

Property Projects Under Development

The GFA of newly commenced construction in 2011 reached a total of 2.1 million sqm representing a 50% increase from 1.4 million sqm in 2010. As at 31 December 2011, the total area under construction was about 3.5 million sqm with 16 projects in different stages of development.

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 2 million sqm of which about 358,000 sqm was newly acquired in the first half of 2011. The newly acquired area, Zones L, M and O, adjacent to the original site are planned to be developed as an extension of the existing project. These land lots will provide low density residential property with community facilities such as supermarkets, clinics, schools and a sports centre.

Zone W is a high-rise apartment project providing 4,006 residential units and 64 commercial units with a total GFA of about 243,000 sqm. As at 31 December 2011, nearly all the residential units were sold at an ASP of RMB6,100 per sqm, and over 94% of commercial area were sold at an ASP of RMB17,400 per sqm. Zone W is expected to be completed in 2012.

Zone J, a high-end residential town-house development, provides 444 residential units or a total GFA of about 78,000 sqm. The sale of Zone J progressed well during the year. As at 31 December 2011, about 94% residential units were sold at an ASP of RMB11,000 per sqm which was 9% higher than that of the previous year. Zone J is planned for completion in 2012.

Zone P, a high-rise apartment project with a few commercial units, with a total GFA of about 99,000 sqm was first launched for pre-sales in May 2011. Over 94% of the residential units of Zone P were sold at an ASP of RMB6,200 per sqm. All 18 commercial units of Zone P were sold as at 31 December 2011 at an ASP of RMB17,100 per sqm. Zone P is expected to be completed in 2013.

Zone N, a high-rise apartment development, with a total GFA of about 233,000 sqm was first launched for pre-sales in July 2011. Over 73% launched residential units with a GFA of 104,000 sqm were sold as at 31 December 2011 at an ASP of RMB6,400 per sqm. Zone N is scheduled for completion in 2013.

Construction works of Zone L, M and O started in the second half of 2011. Zone L is a low-rise residential property with a total GFA of about 88,000 sqm. Zone M is a mixed town-house and high-rise apartment development with a total GFA of 234,000 sqm. Zone O is a high-rise apartment development with a total GFA of 36,000 sqm. Zone L will be completed in 2013 and Zone M and O are scheduled to be completed in 2014.

Mansions on the Peak (御府) – a project with a total GFA of about 60,000 sqm comprising of 46 luxury villas with a world-class resort style clubhouse and shops. Construction works of the clubhouse have been completed. The construction of the villas is in progress. The pre-sales of these villas was launched in late December 2011. Three villas were sold at an ASP of RMB32,000 per sqm as at 31 December 2011. The project is expected to be completed in the second half of 2012.

L'Ambassadeur (山頂道國賓城) – a four-phased development project of high-rise apartments with a total GFA of about 494,000 sqm. Construction works of all four phases were underway during the year. As at 31 December 2011, about 96% of Phase I residential area of about 93,000 sqm were sold at an ASP of RMB7,700 per sqm and over 88% launched residential area of Phase II of about 93,000 sqm were sold at an ASP of RMB8,100 per sqm. The first and second phases of the project are expected to be completed in 2012. A batch of 16,000 sqm residential area for Phase III was launched for pre-sales in November 2011 with about 5,600 sqm sold at an ASP of RMB7,200 per sqm. Phase III is scheduled for completion in 2013.

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 616,000 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.

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 180,000 sqm. Construction works of Phase I have been completed. The 4 residential towers and SOHO building started delivery progressively in July and December 2011 respectively. One Central Midtown has a total of 1,446 residential units with an aggregate GFA of 100,000 sqm. 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 624 units with a GFA of 32,000 sqm were sold at an ASP of RMB11,200 per sqm as at 31 December 2011. 36 commercial units of Phase I with a GFA of about 8,100 sqm were launched for pre-sales in December 2011 and over 77% commercial units were sold at an ASP of RMB27,600 per sqm as at 31 December 2011.

Construction works of Phases II and III comprising of an up-market shopping mall, a 5-star hotel with an associated serviced apartment block, 2 Grade-A office towers commenced in June 2011. Phases II and III of the project are expected to be completed in 2014.

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 399,000 sqm. The first phase provides a total GFA of about 79,000 sqm of residential and retail property. Pre-sales was first launched in January 2011. As at 31 December 2011, over 74% of the residential units were pre-sold at an ASP of RMB11,400 per sqm. The first phase of the project is scheduled for delivery in 2012. Construction works of Phase II with a construction area of about 87,000 sqm are underway as at 31 December 2011 and are scheduled for completion in 2014.

Riverside One, Wanzhou (濱江壹號) – a project located in the Jiangnan New District in Wanzhou for development into an integrated complex, consisting of high-end residential town-houses, high-rise apartments and retail outlets with a total GFA of about 407,000 sqm.

Phase I with a GFA of 68,000 sqm was completed and delivered in 2010. Part of Phase II, a low-rise residential property, with a total GFA of about 102,000 sqm was completed and started to deliver progressively in September 2011 with the remaining part of about 49,000 sqm to be completed in the first half of 2012. All residential units of Phase II were sold as at 31 December 2011 with an ASP of RMB4,700 per sqm which was 40% higher than that of Phase I. Commercial units and car park spaces of Phase II were launched for pre-sales in April and May 2011 respectively. Over 91% of the commercial units and over 97% of car park spaces have been pre-sold as at 31 December 2011. The commercial units' ASP was about RMB9,300 per sqm which was 33% higher than that of Phase I. Phase III of the project, a high-rise apartment development, commenced construction in May 2011 and pre-sales was first launched in September 2011. As at 31 December 2011, about 40,000 sqm GFA were sold at an ASP of about RMB5,400 per sqm. It is expected to be completed in 2014.

Academic Heights (春華秋實) – a three-phased high-end residential town-house and high-rise apartment project situated in the Xiyong University City with a total GFA of about 467,000 sqm. Xiyong University City is a satellite city of the municipality noted for its advanced urban design, and is designated to be an education, research and high technology district. Construction of the first phase with a total GFA of about 138,000 sqm commenced in June 2011. Town-house residential area of Phase I of about 25,000 sqm was first launched for pre-sales in December 2011 and over 63% of the area were sold at an ASP of RMB5,600 per sqm as at 31 December 2011. Phase I of the project is planned for completion and delivery in 2013.

Bishan Verakin New Park City (璧山•同景國際城) – a project located in the Ludao New District in Bishan County which will be developed into an integrated complex, consisting of high-end residential town-houses, high-rise apartments and retail outlets with a total GFA of about 826,000 sqm. It takes 5 minutes to travel from Bishan County to the University City through the Bishan Tunnel and, Metro Line No. 1 is expected to connect Bishan County with Chongqing city centre in 2013. The project will be developed in six phases. The first phase of the project is expected to commence construction in the first half of 2012 and pre-sales will be launched in 2012.

Jiangbei Project (江北項目) – a 25% equity interest joint venture project having a total GFA of about 1,354,000 sqm located along the north bank of the inner city section of the Jialing River, Jiangbei District, Chongqing. This 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 Grade-A office tower, 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. The project will be built in three phases with the first phase planned to commence construction in the first half of 2012.

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. Towers 1 and 2 of Phase I were completed and delivered in 2010. Delivery of Tower 3, the last tower of Phase I, took place in March 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 still underway. Three towers of Phase II will be completed and delivered in the second half of 2012 with the remaining 2 towers to be delivered in the second half of 2013. Over 59% of the Phase II residential units were sold as at 31 December 2011. The average ASP for the year has increased to RMB18,000 per sqm which is about 14% higher than the previous year's average of RMB15,800 per sqm. Construction works of Phase III with a total GFA of about 215,000 sqm in 6 towers are currently in progress.

Brighton Place & Plaza (光華逸家) – a high-end residential project located in Guanghua New City, Qingyang District with a total GFA of about 349,000 sqm. The project is in close proximity to Guanghua Avenue and is equipped with comprehensive ancillary facilities. The project is divided into three phases for development. Phase I with a total GFA of about 85,000 sqm will commence construction in early 2012. Pre-sales of Phase I was first launched in mid March 2012, about 428 units, representing 97% of the launched area, were subscribed on the first day of launch at an ASP of RMB7,300 per sqm.

Villa Royale (城南逸家) – a luxury villa and town-house project with a total GFA of about 272,000 sqm in the Shuangliu County, Chengdu. The project is just 8 minutes by car 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 show units and clubhouse facilities, and the second phase of a total GFA of about 61,000 sqm are under construction. The first and second phases of the project are scheduled for completion and delivery in 2012 and 2013 respectively. As at 31 December 2011, 77% of Phase I was sold at an ASP of RMB13,200 per sqm. Pre-sales of Phase II was first launched in April 2011. Construction works of Phase III of the project commenced in April 2011.

La Concorde (牧山逸家) – a high-end villa project with a total GFA of about 249,000 sqm in the Huayuan Town, Xinjin County, Chengdu, a suburban district approximately 15 kilometres southwest 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. Construction works of display units and clubhouse have commenced in May 2011. 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 2012.

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 – a famous tourist location. Foundation works of the first 2 phases of villa developments with a total GFA of about 158,000 sqm are currently in progress.

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 178,000 sqm commenced in January 2011 and pre-sales of the first batch of residential area of about 67,000 sqm was launched in November 2011. Phase I is expected to be completed in 2013.

First City, Guiyang (中渝•第一城) – a pilot project in Guiyang with a planned total GFA of about 1,363,000 sqm, comprising of town-houses, low-rise and high-rise residential towers, Grade-A office towers and commercial property. The project is situated in the Jinyang New District which is a new urban district located 12 kilometres northwest of the old city centre of Guiyang. As a new city district of Guiyang, it will focus on government, finance, real estate, high-tech, aerospace and commercial services. The first phase of the project has a total GFA of about 183,000 sqm. Construction works of Phase I will begin in the first half of 2012. Pre-sales is scheduled to be launched in 2012.

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 – 2015	399,000	100%
-Mansions on the Peak	2012	60,000	100%
-Lot #10	2014	436,000	100%
-L'Ambassadeur	2012 – 2014	494,000	100%
-Lot #17-1	2014 or after	210,000	100%
-Lot #9	2014 or after	305,000	100%
-Lot #19	2014 or after	260,000	100%
-Lot #4	2014 or after	557,000	100%
-Lot #3-1	2014 or after	260,000	100%
-Others	2014 or after	91,000	100%
Chongqing, Jiangbei District	2014 or after	1,354,000	25%
Chongqing, Nan'an District			
-Verakin New Park City	2012 – 2017	1,520,000	51%
-Ertang Project	2014 or after	598,000	26%
Chongqing, Wanzhou District			
-Riverside One, Wanzhou	2012 – 2014	286,000	100%
-Wanzhou Project	2014 or after	271,000	100%
Chongqing, Shapingba District			
-Academic Heights	2013 – 2015	467,000	100%
Chongqing, Bishan County, Ludao New District	2014 or after	826,000	26%
Chongqing Rongchang County	2014 or after	157,000	26%
Chengdu, Dujiangyan District, Yutang Town			
-Villa Splendido	2014 or after	230,000	60%
Chengdu, Jinjiang District			
-Sky Villa	2012 – 2015	482,000	51%
Chengdu, Shuangliu County			
-Villa Royale	2012 – 2015	272,000	51%
Chengdu, Xinjin County			
-La Concorde	2014 or after	249,000	51%
Chengdu, Qingyang District			
- Brighton Place & Plaza	2014 or after	349,000	51%
Sichuan, Dazhou, Tongchuan District	2013 – 2015	413,000	100%
Guiyang, Jinyang New District			
-First City, Guiyang	2013 or after	1,363,000	85%
TOTAL		11,909,000	

Land Bank

The Group's strategy to expand business into other key cities in Western China enables it to benefit from the economic growth in the region while diversifying risks.

During the year, the Group extended its territory into Guiyang. Besides Chongqing, the Group has land bank in four other cities, namely Chengdu, Dazhou, Guiyang and Kunming. As at the report date, the Group's land bank stood at 11.9 million sqm GFA (attributable GFA amounted to about 8.0 million sqm) held for development. The average land cost is around RMB2,070 per sqm. The land bank portfolio is sufficient for development for the next 5 to 6 years. The main land bank located at the Yubei District, Liangjiang New Area, Chongqing, accounting for 33% in terms of size of the Group's attributable land bank, is of the highest value due to its excellent location, and to the maturity of its neighborhood. A large portion of the Group's trophy investments properties will be developed on this core land bank.

Under the tightening policy, developers have become more cautious in their cashflow management. Land prices have softened. The Group has maintained its prudent land bank acquisition strategy. Backed by its strong financial position with a net gearing ratio only at 2.7% as at 31 December 2011, during the year, the Group acquired 6 parcels of land at a total consideration of RMB4.9 billion, adding a total GFA of about 3.8 million sqm, with the newly acquired land at an ASP of RMB1,300 per sqm:

1. The Group acquired at a total consideration of about RMB235.7 million, through its 51% owned subsidiary holding the Verakin New Park City Project, 3 land plots adjacent to the Group's Verakin New Park City Project in Chongqing, with a GFA of about 358,000 sqm. These lots were being developed as an extension of the Verakin New Park City. The accommodation value for this acquisition is approximately RMB660 per sqm GFA.

2. The Group acquired an 85% interest in a land lot in the Jinyang New District, Guiyang, Guizhou Province through the listing-for-sale process. The remaining 15% interest is owned by a local developer which has strong local knowledge and experience. The total consideration for the land lot is RMB728 million. The newly acquired land lot has a GFA of approximately 1,363,000 sqm with an accommodation value of about RMB530 per sqm GFA. It is planned for the development of a mega residential and commercial project.

3. The Group acquired a 51% interest of two adjacent land lots in Ludao New District, Bishan County, Chongqing, through its 51% owned subsidiary holding the Verakin New Park City Project, at a total consideration of RMB1 billion. The land lots acquired have a permitted GFA of approximately 826,000 sqm with an accommodation value of about RMB1,210 per sqm. The Group has a 26% attributable interest in the acquired land lots.

4. The Group acquired a land lot in Guanghua New City, Qingyang District, Chengdu through its 51% owned subsidiary holding the Sky Villa Project. The total consideration of the land lot is approximately RMB767 million. The newly acquired land lot has a GFA of approximately 349,000 sqm with an accommodation value of about RMB2,200 per sqm. The land lot is planned for the development of a high-rise residential and commercial project.

5. The Group acquired a 51% interests in a land lot in Nan'an District, Chongqing at a total consideration of about RMB1,884.7 million, through its 51% owned subsidiary holding the Verakin New Park City Project, with a permitted GFA of about 598,000 sqm. The accommodation value for this acquisition is approximately RMB3,150 per sqm GFA. It is planned for the development of a mega residential and commercial project. The Group has a 26% attributable interest in the acquired land lot.

6. The Group acquired two adjacent land lots in Wanzhou District, Chongqing through the listing-for-sale process. The land lots are close to one of the Group's developing projects, Riverside One, Wanzhou. The total consideration of the land lots is RMB298 million. The land lots acquired have a permitted GFA of approximately 271,000 sqm with an accommodation value of RMB1,100 per sqm. The land lots are planned for the development of a residential and commercial project.

After the year ended 31 December 2011, the Group acquired a 51% interests in a land lot in Rongchang County, Chongqing at a total consideration of about RMB124.7 million, through its 51% owned subsidiary holding the Verakin New Park City Project, with a permitted GFA of about 157,000 sqm. The accommodation value for this acquisition is approximately RMB790 per sqm GFA. It is planned for the development of a residential project. The Group has a 26% attributable interest in the acquired land lot.

The newly acquired projects are located in areas where first-time homebuyers made up the mainstream demand. Construction works of these land lots are already underway to ensure a good asset turnover rate. These acquisitions are quality land lots at extremely reasonable prices and will supplement the Group's earnings base and further add value to the Group.

During the year, to further refine its land bank portfolio, the Group disposed of its 30% interest in the Binjiang New Town Project in Meishan, Pengshan County, Sichuan which resulted in a gain of HK$36.2 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 of Total GFA**
				Total	**Attributable**		
Commercial	28,000	9,000	35,000	984,000	824,000	1,056,000	8.6
Residential	2,000		35,000	5,933,000	3,583,000	5,970,000	48.7
Office			18,000	1,255,000	1,104,000	1,273,000	10.4
Hotel & serviced apartment			20,000	591,000	505,000	611,000	5.0
Town-house & villa				1,094,000	693,000	1,094,000	8.9
Others (Car-park spaces and other auxiliary facilities)	53,000	11,000	145,000	2,052,000	1,311,000	2,261,000	18.4
TOTAL	83,000	20,000	253,000	11,909,000	8,020,000	12,265,000	100.0

In respect of the total 70,000 sqm completed residential and commercial properties held for sale, about 31% have been pre-sold and are pending delivery.

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

Locations	**Total GFA** (sqm)	**Attributable GFA** (sqm)	**Percentage of Total GFA**
Chongqing	8,551,000	5,621,000	71.8
Sichuan			
- Chengdu	1,582,000	827,000	13.3
- Dazhou	413,000	413,000	3.5
Guizhou			
- Guiyang	1,363,000	1,159,000	11.4
TOTAL	11,909,000	8,020,000	100.0

Around 72% of the land bank held for development is located in Chongqing whilst 28% is in Chengdu, Dazhou, Guiyang and Kunming. In terms of usage, about 64% of the land held for development is for residential, hotel and serviced apartments as well as town-house and villa use and the remaining 36% for office, commercial and other developments.

Investment Property

Inflation and Reminbi appreciation have made commercial properties a good investment which provides attractive return in the long term.

As of 31 December 2011, the Group's portfolio of investment properties was 83,049 sqm (2010: 83,203 sqm) of which approximately 34.1% were commercial properties, 2.9% were residential properties and 63.0% were car parks and auxiliary facilities.

During the year, the portfolio's fair value appreciated by approximately HK$18.2 million to HK$372.9 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$13.8 million for the year ended 31 December 2011 (2010: HK$13.4 million).

Investment Property Under Development

China's strategy to develop its western regions is very supportive for doing business in Chongqing and Chengdu which would remain attractive for investors. Chongqing is entering a new phase of economic development. Compared with the coastal areas, the operating costs for business in Chongqing are lower. Convenient transportation is another favourable factor. Both Chongqing and Sichuan have a huge population providing enough labor forces to support the economic sector. China is also moving forward to relying on domestic consumption in the long run. The economic momentum in these regions as a result would attract investors to increase their investment in the commercial sector.

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. This land bank 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 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-sales 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. One Central Midtown and 9 Central Midtown started delivery in the second half of 2011. Other phases of Lot #10 are currently under development and are expected to be completed by 2014.

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 5-star luxury hotel and serviced apartment project on this lot. The 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 97,000 sqm and has started construction during the year and is scheduled to be completed by the year of 2014.

Bank Financing

Prudent cashflow management is considered to be the key to success. To ensure the funding can cope with the fast growing of the Group, the Group has obtained a 3-year term facility of HK$600 million in Hong Kong at the end of 2011. As at 31 December 2011, the net gearing of the Group was 2.7% (2010: net cash).

Investor Relations

The Group strives to provide investors with updates and accurate information on the Group's latest major development. The Group believes effective communication is two-ways and therefore also encourages investors to give feedback to the Group. To achieve easy access to information on the Company's latest major development, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website, www.ccland.com.hk, under the column of "Investor Relations".

To facilitate on-going dialogues with the investment community, the Group held analyst briefings after the results announcement. Global roadshows were conducted during the year to enable overseas investors to better understand the Group's performance. The management of the Group also actively participated in investment forums organized by leading international investment banks. During the year, site visits and property tours were arranged to give institutional investors a better understanding of the Group's property projects under development.

Besides the company's business development, the Company also updates the investors about the latest national and local government policy on the China property market. The China property business sector is very much policy related. The China property stocks have experienced a very volatile year in 2011. The home purchase restrictions spread from the first-tier cities to the second and third-tier cities during the year. Chongqing is one of the two cities which implemented the property tax. The investors are very concerned about the effects the new policies have on the property markets in Chongqing. Understanding the China property market enhances the investors' understanding of the future development of the Group.

To keep the investors updated on the sales progress of the Group, monthly updates on the property sales figures were released during the year. Therefore, a stable and close relationship has been established between the Company and the investment community. The Group also maintains an updated distribution list of investors to provide them with updated information through e-mails. The Group believes continuous communication is extremely important especially in a volatile stock market.

Manufacturing Business

Just like other manufacturer, the Group is facing rising operating costs, higher raw material prices brought about by inflation, rising wages and social security contributions due to national policies, and a rising Renminbi. Nevertheless, the Group mitigated the impact of these increases by strengthening cost controls and increasing sales of our products. The Group continues to perform well in the manufacturing business following the favorable results in 2010, recording growth in both revenue and profit in year 2011.

The Packaging Business generated a revenue growth of 7.1% to HK$418.7 million (2010: HK$391.0 million) but the luggage business recorded a decrease in revenue by 12.1% to HK$154.4 million (2010: HK$175.6 million). Correspondingly, the segmental contribution to the Group for the packaging and luggage businesses yield a profit of HK$41.3 million and reported a loss of HK$6.0 million respectively.

Packaging Business

As the global economy moved on from the financial crisis and consumers steadily regained confidence, the financial year 2011 was another rewarding year with encouraging result for the Packaging Business. Demand for the packaging products showed marked improvement, resulting in a revenue growth of 7.1% to HK$418.7 million for the year ended 31 December 2011 (2010: HK$391.0 million) primarily due to increased orders from existing customers as a result of the improved market growth. Packaging Business focuses on the export market – Europe, North and South America and Asia. Europe accounted for 37.0% of the Packaging Business revenue for the financial year 2011, representing a decrease of 10.2% as compared to HK$172.4 million for 2010 mainly attributed to the sluggish economies in most of our main European markets. However, the loss of business from Europe was offset by growth from North and South America and Asia. Sales of packaging products to these regions achieved significant growth, with revenue reaching HK$83.5 million and HK$180.3 million, an increase of 29.9% and 16.9% over the last year respectively, for North and South America and Asia.

In light of rising inflation, the Packaging Business was confronted with the pressure of escalating costs in raw materials and production overheads. Notwithstanding these unfavorable factors, our utmost effort in maintaining the high operational efficiency partly offset the rising costs impact. Besides, the Group was able to pass on part but not all of the increase in costs to the customers due to intensive price competition. As a result, the operating profit was HK$41.3 million representing an increase of 30.3% as compared to the last financial year. The increase in profit came from higher level of sales and a slight increase in profit margin.

Luggage Business

The positive performance in the first half reflected the combination of an overall improvement in product pricing and volume growth. The demand for the luggage products softened in the second half of the year. For the whole of this year, luggage business recorded a net decrease in revenue to HK$154.4 million (2010: HK$175.6 million) and operating result recorded at a loss of HK$6.0 million (2010: a profit of HK$1.5 million). The loss in 2011 was mainly attributed to the combined effects of (i) the decrease in production capacity because of lower customer orders resulting from tight inventory control by many of our customers, and (ii) change in sales mix with dominant products sold with lower margins.

Geographically, Europe continued to be the key export market for the luggage business. Sales to Europe result in a drop to HK$41.8 million, accounting for 27.1% of the luggage business revenue, and representing a decrease of 6.7% compared to 33.8% in Year 2010. This decrease was partly due to weaker consumer sentiment in Europe. Sales to North and South America also continually declined to HK$7.7 million, accounting for 5.0% of the luggage business revenue which is in line with the change of market strategy and focused efforts to enlarge the market share in China. Although there has been a decrease in sales volume to Europe and the United States, this is partly offset by growth from China. The China market remains the main growth driver for the luggage business following the setting up of a support team. The revenue from the Chinese market was HK$52.5 million, accounting for 34.0% of the luggage business revenue representing an increase of 11.9% over the prior year.

Other Business

The share of the loss from the 30% owned associated company, Technical International Holdings Limited, amounted to HK$0.5 million (2010: HK$0.6 million). The business environment for this company's products remains challenging. The associated company had taken steps in reducing operating costs, whilst leveraging on new products to improve its performance in the coming year.

Treasury Investment Business

The treasury investments segment recorded a loss for the year of HK$0.8 million (2010: a profit of HK$11.5 million). There was a gain of HK$48.9 million realized on the partial disposal of the available-for-sale investments held by the Group. Dividend income and interest income from investment in notes receivable totaled HK$38.3 million (2010: HK$15.8 million). However, realized and unrealized loss on listed securities amounted to HK$30.7 million and HK$50.4 million respectively (2010: unrealized loss on listed securities of HK$0.3 million).

In view of the shrinking interest returns on bank deposits, the Group shifted its investment to a portfolio of listed securities and unlisted investment funds. To maintain a prudent treasury investment portfolio, the value of the portfolio is limited to no more than 10% of the total asset of the Group.

PROSPECTS

PRC Property Development and Investment Business

According to the National Development and Reform Commission (NDRC), China's top economy planning body, the State Council has approved its 2011-2015 Western Development Program. A NDRC official said the Program aims to boost the economic development of the western regions, targeting higher GDP/income growths than national averages, and an urbanization ratio of over 45% at the end of the 12th Five-Year Planning period (from Year 2011 to Year 2015). The Group remains positive on China's residential and commercial property markets, especially in Western China, in the long term as more people are moving into cities, creating demand for various property products.

Looking forward, the government will look to consolidate the achievements of the property market tightening measures introduced since 2010. Measures to curb speculation will remain in place and be strictly implemented to bring home prices to reasonable levels. However, local Chinese banks will maintain their support for mortgage demands from first-time homebuyers, and price their mortgages at reasonable interest rates.

As near term policy relaxation is not expected, the first-time homebuyers are the key customers to support the residential property market. Therefore, the Group has adjusted its product mix to build more mid-end products with a smaller lump sum price tag per unit which are the more preferred products in the market. To remain competitive, the Group may consider lowering its price for certain slow-moving projects. At the same time, the Group is planning to launch its first project in Guiyang which is an up-and-coming city with affordable property ASPs. As a result, the overall target ASP of the Group for 2012 will be around RMB7,600 per sqm, about 13% down from that of 2011. However, the target sales area will be up 18% to 877,000 sqm with a target contract sales value of approximately RMB6.8 billion for 2012 (2011: RMB6.4 billion).

As at 31 December 2011, the contract sales yet to be delivered amounted to RMB8,524 million, representing a pre-sold GFA of 1,010,500 sqm. Together with the contract sales in January and February 2012 of RMB383 million, representing 46,500 sqm, the total unrecognized contract sales to be delivered in 2012 and beyond amounted to RMB8,907 million.

The target completion areas for Years 2012 and 2013 are 1,009,000 sqm and 1,301,000 sqm respectively. For 2012, 86% of the target completion delivery residential areas have been pre-sold as at 29 February 2012. As the office tower of i-City Phase III and certain blocks of the Riverside One, Wanzhou Phase II were completed at the end of 2011, the delivery of certain portions for these two projects will be in the first half of 2012. Completion schedule for Years 2012 and 2013 is as follows:

Locations	Projects	Residential Area (sqm)	Commercial/ Car park/ Other Area (sqm)	Total Construction Area (sqm)	The Group's Interests
Year 2012					
Chongqing	Mansions on the Peak	37,000	23,000	60,000	100%
	Riverside One, Wanzhou Phase II	24,000	25,000	49,000	100%
	Phoenix County Phase I	62,000	17,000	79,000	100%
	L'Ambassadeur Phase I	93,000	39,000	132,000	100%
	L'Ambassadeur Phase II	105,000	50,000	155,000	100%
	Verakin New Park City — Zone W	194,000	49,000	243,000	51%
	Verakin New Park City — Zone J	72,000	6,000	78,000	51%
Chengdu	Sky Villa Phase II	57,000	-	57,000	51%
	Villa Royale Phase I	48,000	12,000	60,000	51%
Kunming	Silver Lining	55,000	41,000	96,000	70%
TOTAL		747,000	262,000	1,009,000	
Year 2013					
Chongqing	Phoenix County Phase II	56,000	31,000	87,000	100%
	L'Ambassadeur Phase III	78,000	24,000	102,000	100%
	Academic Heights Phase I	104,000	34,000	138,000	100%
	Verakin New Park City — Zone K	42,000	1,000	43,000	51%
	Verakin New Park City — Zone N	174,000	59,000	233,000	51%
	Verakin New Park City — Zone P	79,000	20,000	99,000	51%
	Verakin New Park City — Zone L	67,000	21,000	88,000	51%
Chengdu	Sky Villa Phase II	45,000	44,000	89,000	51%
	Villa Royale Phase II	46,000	15,000	61,000	51%
Dazhou	Dazhou Project Phase I	133,000	45,000	178,000	100%
Guiyang	First City, Guiyang Phase I	94,000	89,000	183,000	85%
TOTAL		918,000	383,000	1,301,000	

The Group has adjusted its development schedule to maintain a low inventory level. For the more popular projects, more new construction will be started, while postponing new construction on the slow-moving projects. The Group expects the total area for construction start-up in 2012 to be around 1.5 million sqm. Together with the area under construction of 3.5 million sqm as at 31 December 2011, the total area under development is expected to be over 5.0 million sqm at the end of 2012—about 42% of the Group's total land bank.

To ensure sustainable rapid growth, taking into account of the Group's financial position, the Group will continue to exercise a focused and selective approach to replenish its land bank through various channels to build a solid foundation for future profitability. Besides adding presence to its current cities in Chongqing, Chengdu, Guiyang and Kunming, the Group will also look at suitable land lots at other key Western China cities such as Xian for diversification and continue to increase its output in the coming years to achieve an average growth rate of at least 20% per annum.

As at 31 December 2011, the outstanding land premium is about RMB2.4 billion. The expected construction cost for 2012 is about RMB6 to 7 billion. The Group will continue to be prudent in its cashflow management and keep its gearing at a healthy level.

Manufacturing Business

Looking ahead to year 2012, the global economic condition has become more complicated and fast changing. Unemployment is high in most developed countries which threatens to weaken consumer sentiment. Rising raw material prices and labour costs in China and the appreciation of Renminbi will continue to exert pressure on the Group's production costs. The Group will continue to exercise stringent cost control measures and improve its productivity to minimize margin impact and stay competitive. As a result, the Group remains cautiously optimistic of its performance in the coming years. On 2 March 2012, a listing application was submitted to the Stock Exchange for a spin-off and separate listing of the Group's Packaging Business. The Group believes the spin-off can unlock the value of the Packaging Business, and return it to the shareholders.

The outlook of overseas luggage markets is likely to be clouded by the uncertain economic conditions in Europe and the United States in the near future. The sudden and steep drop of orders for the luggage business in the second half of year 2011 is still prevailing. The Group does not envisage the luggage business to return to profitability in the foreseeable future. As part of the efforts for resources consolidation, the Group announced its decision in February 2012 the disposal of its entire equity interest in Ensure Success Holdings Limited for a total consideration of HK$20 million. Ensure Success Holdings Limited held 60% interest in Hoi Tin Universal Limited which is engaged in the manufacturing and sale of luggage products. The disposal was completed on 26 March 2012. After the disposal, the Group recorded a loss of approximately HK$13.9 million. The disposal would enable the Group to further streamline its business and commit the available resources of the Group to its principal business of property development in Western China.

After the spin-off of the Packaging Business and disposal of the luggage business, the Group will principally become a property company. This will give investors a well clear cut picture of the Group's performance in the property business and answer the investment needs of different types of investors.

FINANCIAL REVIEW

Investments

At 31 December 2011, 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$1,181.4 million (31 December 2010: HK$1,105.6 million). The amount of dividends, interest and other income from investments for the year was HK$39.9 million (2010: HK$22.8 million).

Liquidity and Financial Resources

As of 31 December 2011, the Group's aggregate cash and bank balances and time deposits amounted to HK$6,753.9 million (31 December 2010: HK$5,880.0 million) which included HK$152.1 million (31 December 2010: HK$153.8 million) of deposits pledged to banks. Total borrowings amounted to HK$7,099.6 million (31 December 2010: HK$4,288.8 million). About 65.3% of the total borrowings are in RMB and the remaining 34.7% are in Hong Kong Dollars and US Dollars. About 29.1% are repayable within one year and the remaining 70.9% are long term borrowings. The average borrowing interest rate for the year ended 31 December 2011 was 4.80% (2010: 3.98%) per annum.

The structure of the Group's bank borrowings as at 31 December 2011 is summarized below:

Currency of Bank Loans	**Total**	**Due within One Year**	**Due more than One Year but not exceeding Two Years**	**Due more than Two Years but not exceeding Five Years**	**Beyond Five Years**
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
RMB	4,635.1	1,518.6	2,296.2	788.2	32.1
HK$	2,452.2	534.4	1,917.8	-	-
US$	12.3	12.3	-	-	-
	7,099.6	2,065.3	4,214.0	788.2	32.1

Secured debts accounted for approximately 65.3% of total borrowings as at 31 December 2011 (31 December 2010: 55.8%).

As at 31 December 2011, the Group was at a net borrowing position of HK$345.7 million after netting off total bank and other borrowings against cash balance (31 December 2010: net cash position of HK$1,591.2 million). Details are as follows:

	31 December 2011 HK$ million	31 December 2010 HK$ million
Cash and bank balances and time deposits	**6,753.9**	5,880.0
Less: Total bank and other borrowings	**(7,099.6)**	(4,288.8)
Net cash/(borrowing) position	**(345.7)**	1,591.2

The net gearing ratio of the Group as at 31 December 2011 was 2.7%, calculated by total borrowings less bank balances and cash divided by owners' equity. The net gearing position was mainly due to the land premium paid for the new land lots acquired during the year. Property development expenditures in the year were about RMB7,050 million (including payment of land acquisition costs and construction costs of RMB2,470 million and RMB4,580 million respectively). These payments were mainly financed by internal resources generated from cash received from property sales and external bank borrowings. The cash collection ratio for the property business was 74% for the year 2011.

As at 31 December 2011, the Group had a total undrawn bank loan facilities of HK$1,229 million (including the 3-year syndicate facility obtained by the Group at the end of 2011). As the borrowings were increased, the total finance costs increased by approximately 104% as compared to the previous year and amounted to HK$298.5 million. The finance cost of the Group was 4.80% per annum (total finance cost divided by average borrowings).

The owners' equity was HK$12,981.8 million (31 December 2010: HK$12,265.7 million) and the net asset value per share is HK$5.10 (31 December 2010: HK$4.79).

Contingent Liabilities/Financial Guarantees

At 31 December 2011, the Group had the following contingent liabilities/financial guarantees:

a. Guarantees given to banks in connection with facilities granted to a jointly-controlled entity and associates in the amount of HK$350.0 million (2010: HK$350.0 million) and HK$9.0 million (2010: HK$9.0 million) respectively.

b. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$4,090.1 million (2010: HK$2,288.6 million).

Pledge of Assets

At 31 December 2011, the Group has pledged the following assets:

a.	Leasehold properties as security for general banking facilities granted to the Group.	HK$5.4 million
b.	Fixed deposits as security for general banking facilities granted to the Group.	HK$152.1 million
c.	Properties under development, prepaid land lease payments and investment properties pledged to secure banking facilities granted to the Group.	RMB7,997.8 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 potential exchange fluctuations are included as an element in the Group's product costing. On account of the relatively short time required for revenue recognition for this business, the foreign exchange exposure is considered minimal. However, for the Packaging Business, the Group entered into US/RMB currency hedging contracts commencing from July 2011. 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 2012, the Group entered into an agreement to dispose of its entire interest in Ensure Success Holdings Limited at a consideration of HK$20 million. Ensure Success Holdings Limited held 60% interest in Hoi Tin Universal Limited which is engaged in the manufacturing and sale of luggage products. The estimated loss on disposal is approximately HK$13.9 million and the transaction was completed on 26 March 2012.

2. On 2 March 2012, a listing application was submitted to the Stock Exchange for a spin-off and separate listing of the Group's Packaging Business on the Main Board of the Stock Exchange. The listing application and the final structure of the spin-off are subject to the Stock Exchange's approval and the final decision of the Board.

EMPLOYEES

At 31 December 2011, the Group had approximately 3,496 employees. The Group remunerates its staff based on their merit, qualification and competence. 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 2011, an amount of HK$0.1 million (2010: HK$19.3 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 16,034,000 shares of HK$0.10 each on the Stock Exchange at an aggregate consideration of HK$33,874,700. 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 HK$	Lowest price paid per share HK$	Aggregate consideration HK$
April 2011	600,000	2.68	2.60	1,583,140
May 2011	3,164,000	2.85	2.71	8,798,710
June 2011	2,680,000	2.80	2.71	7,390,610
July 2011	432,000	2.60	2.57	1,119,200
August 2011	585,000	2.07	2.02	1,204,300
September 2011	8,573,000	1.98	1.27	13,778,740
TOTAL	16,034,000			33,874,700

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 2011.

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 2011 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, 28 March 2012

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 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.