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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

The board of directors (the "Board") of C C Land Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2012 together with comparative figures for the corresponding period in 2011 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**Six months ended 30 June** **2012** **(Unaudited)** **HK$'000**	2011 (Unaudited) HK$'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	3, 4	**3,711,756**	1,058,037
Cost of sales		**(2,563,897)**	(694,161)
Gross profit		**1,147,859**	363,876
Other income and gains	4	**131,401**	185,475
Selling and distribution costs		**(132,234)**	(117,107)
Administrative expenses		**(179,330)**	(172,351)
Other expenses		**(88,395)**	(207)
Finance costs		**(25,845)**	(28,838)
Share of profits and losses of jointly-controlled entities		**(13,829)**	(13,158)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	5	**839,627**	217,690
Income tax expense	6	**(556,748)**	(95,251)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**282,879**	122,439
DISCONTINUED OPERATIONS			
Profit for the period from discontinued operations	7	**12,279**	22,647
PROFIT FOR THE PERIOD		**295,158**	145,086

	Note	Six months ended 30 June 2012 (Unaudited) HK$'000	2011 (Unaudited) HK$'000 (Restated)
Attributable to:			
Owners of the parent		**204,795**	151,550
Non-controlling interests		**90,363**	(6,464)
		295,158	145,086
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted for profit for the period		**HK7.91 cents**	HK5.82 cents
Basic and diluted for profit from continuing operations		**HK7.41 cents**	HK5.05 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2012 (Unaudited) HK$'000	2011 (Unaudited) HK$'000
PROFIT FOR THE PERIOD	**295,158**	145,086
Available-for-sale investments:		
Changes in fair value	**(23,713)**	2,034
Reclassification adjustment for a loss on disposal included in the consolidated income statement	**6,593**	-
Deferred tax	**(571)**	(509)
	(17,691)	1,525
Share of other comprehensive income of jointly-controlled entities	**(4,846)**	21,332
Exchange fluctuation reserve:		
Exchange differences on translation of foreign operations	**(75,051)**	261,304
Release upon disposal of subsidiaries	**(4,467)**	-
	(79,518)	261,304
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(102,055)**	284,161
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**193,103**	429,247
Attributable to:		
Owners of the parent	**113,315**	404,123
Non-controlling interests	**79,788**	25,124
	193,103	429,247

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2012 (Unaudited) HK$'000**	31 December 2011 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**121,629**	155,907
Investment properties		**375,580**	372,949
Prepaid land lease payments		**761,552**	784,860
Investments in jointly-controlled entities		**1,120,180**	1,129,249
Held-to-maturity investments		**-**	115,391
Available-for-sale investments		**643,172**	696,920
Properties under development		**8,521,615**	7,350,068
Interests in land use rights for property development		**1,354,805**	3,150,527
Total non-current assets		**12,898,533**	13,755,871
CURRENT ASSETS			
Properties under development		**13,126,872**	12,072,015
Completed properties held for sale		**2,042,731**	1,184,707
Prepaid land lease payments		**22,425**	18,128
Inventories		**-**	21,600
Trade and bills receivables	10	**1,685**	38,262
Prepayments, deposits and other receivables		**1,354,344**	943,290
Equity investments at fair value through profit or loss		**111,825**	369,045
Tax recoverable		**224,974**	157,912
Deposits with brokerage companies		**7,655**	1,539
Pledged deposits		**171,733**	152,075
Restricted bank balances		**1,902,862**	2,543,736
Time deposits with original maturity over three months		**-**	71,543
Cash and cash equivalents		**4,980,848**	3,986,532
		23,947,954	21,560,384
Non-current asset and assets of disposal groups classified as held for sale/distribution	7	**683,782**	327,001
Total current assets		**24,631,736**	21,887,385
CURRENT LIABILITIES			
Trade and bills payables	11	**2,306,303**	1,937,009
Other payables and accruals		**8,605,908**	8,660,286
Loans from non-controlling shareholders of subsidiaries		**1,080,561**	666,155
Interest-bearing bank and other borrowings		**3,205,701**	2,065,320
Tax payable		**1,060,441**	767,666
Consideration payable on acquisition of subsidiaries		**1,100**	1,100
		16,260,014	14,097,536
Liabilities directly associated with the assets classified as held for sale/distribution	7	**146,204**	70,030
Total current liabilities		**16,406,218**	14,167,566

	Note	30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
NET CURRENT ASSETS		**8,225,518**	7,719,819
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,124,051**	21,475,690
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**4,720,527**	5,034,261
Deferred tax liabilities		**1,635,457**	1,835,769
Total non-current liabilities		**6,355,984**	6,870,030
Net assets		**14,768,067**	14,605,660
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	**258,780**	254,392
Reserves		**12,807,051**	12,727,397
		13,065,831	12,981,789
Non-controlling interests		**1,702,236**	1,623,871
Total equity		**14,768,067**	14,605,660

Notes:

1. BASIS OF PREPARATION

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

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2012 were authorised for issue in accordance with a resolution of the directors on 27 August 2012.

These unaudited interim condensed consolidated financial statements of the Group are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2011.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 below.

These unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties and certain equity and debt investments, which have been measured at fair value. Non-current asset and disposal groups held for sale are stated at the lower of its carrying amount and fair value less cost to sell. These unaudited interim condensed consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements.

HKFRS 1 Amendments	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of HKAS 12 Amendments, the adoption of these new and revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these unaudited interim condensed consolidated financial statements.

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

HKAS 12 *Income Taxes - Deferred Tax: Recovery of Underlying Assets* (Amendments)

HKAS 12 Amendments include a rebuttable presumption that the carrying amount of investment property measured using the fair value model in HKAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale.

The Group has investment properties measured at fair value and all such investment properties are held with the objective to consume substantially all of their economic benefits over time, rather than through sale. Accordingly, the Group continues to measure deferred tax liabilities arising from the fair value changes of their investment properties using tax rate that would apply on recovery of the assets through use. Therefore the adoption of the amendments has no impact on the financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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 sale of watch boxes, gift boxes, eyewear cases, bags and pouches, and display units (discontinued operation (note 7(a)))
Sale of travel bags segment	–	Manufacture and sale of soft luggage, travel bags, backpacks and briefcases (discontinued operation (note 7(b)))
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

For the six months ended 30 June 2012 – unaudited

	Continuing operations			**Discontinued operations**			
	Treasury investment HK$'000	**Property development and investment HK$'000**	**Total continuing operations HK$'000**	**Sale of packaging products HK$'000**	**Sale of travel bags HK$'000**	**Total discontinued operations HK$'000**	**Total Group HK$'000**
Segment revenue							
Sales to external customers	**(738)**	**3,712,494**	**3,711,756**	**168,007**	**31,675**	**199,682**	**3,911,438**
Segment results	**15,253**	**891,331**	**906,584**	**15,677**	**(2,173)**	**13,504**	**920,088**
Corporate and unallocated income			**1,720**			**-**	**1,720**
Corporate and unallocated expenses			**(42,832)**			**-**	**(42,832)**
Finance costs			**(25,845)**			**(40)**	**(25,885)**
Profit before tax			**839,627**			**13,464**	**853,091**

For the six months ended 30 June 2011 – unaudited

	Continuing operations			Discontinued operations			
	Treasury investment HK$'000	Property development and investment HK$'000	Total continuing operations HK$'000	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Total discontinued operations HK$'000	Total Group HK$'000
Segment revenue							
Sales to external customers	30,155	1,027,882	1,058,037	209,161	93,188	302,349	1,360,386
Segment results	116,343	146,961	263,304	24,444	1,541	25,985	289,289
Corporate and unallocated income			1,720			-	1,720
Corporate and unallocated expenses			(18,496)			-	(18,496)
Finance costs			(28,838)			(788)	(29,626)
Profit before tax			217,690			25,197	242,887

4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 30 June	
	2012 (Unaudited) HK$'000	2011 (Unaudited) HK$'000 (Restated)
Revenue		
Sale of properties	**3,699,792**	1,020,613
Gross rental income	**7,982**	6,380
Losses on disposal of equity investments at fair value through profit or loss, net	**(7,411)**	-
Dividend income from listed investments	**3,930**	14,400
Dividend income from unlisted investments	**916**	889
Interest income from a convertible note receivable	**-**	1,072
Interest income from held-to-maturity investments	**-**	7,452
Interest income from available-for-sale investments	**6,547**	7,231
	3,711,756	1,058,037

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
		(Restated)
Other income and gains		
Bank interest income	**35,103**	24,734
Other interest income	**2,456**	5,629
Exchange gains, net	**-**	18,155
Fair value gains on equity investments at fair value through profit or loss, net	**-**	35,826
Gain on disposal of available-for-sale investments	**87,714**	50,596
Gain on disposal of subsidiaries	**-**	36,192
Gain on disposal of items of property, plant and equipment	**-**	384
Fair value gains on investment properties	**5,287**	13,877
Others	**841**	82
	131,401	185,475

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
		(Restated)
Cost of properties sold	**2,562,110**	692,063
Depreciation	**11,066**	11,135
Less: Amount capitalised	**(604)**	(498)
	10,462	10,637
Amortisation of prepaid land lease payments	**11,248**	21,174
Interest on bank and other borrowings wholly repayable:		
Within five years	**189,109**	127,218
Beyond five years	**6,803**	-
	195,912	127,218
Less: Interest capitalised	**(170,067)**	(98,380)
	25,845	28,838
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**129,224**	115,439
Equity-settled share option expense	**-**	30
Pension scheme contributions	**3,832**	2,563
Less: Amount capitalised	**(54,434)**	(26,503)
	78,622	91,529
Loss/(gain) on disposal of subsidiaries	**11,935**	(36,192)

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
		(Restated)
Current charge for the period		
Mainland China	**361,929**	56,192
Underprovision in prior periods		
Hong Kong	**1,046**	-
Mainland China	**8,158**	52
	9,204	52
Land appreciation tax charge for the period	**375,856**	121,995
Deferred tax	**(190,241)**	(82,988)
Total tax charge for the period from continuing operations	**556,748**	95,251

7. NON-CURRENT ASSET AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE/DISTRIBUTION

(a) Discontinued operation - Packaging Business

On 29 December 2011, the Group announced its proposal to spin-off its business of manufacturing and sale of packaging products and display products (the "Packaging Business") through separate listing of its wholly-owned subsidiary, Qualipak International Holdings Limited ("Qualipak") on the Main Board of 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 Listing Rules. As at the end of the reporting periods, the proposed spin-off was subject to the approval of the Stock Exchange and the Packaging Business was classified as a discontinued operation. The assets and liabilities attributable to the Packaging Business have been classified as a disposal group held for distribution and are presented separately in the consolidated statement of financial position.

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

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue	**168,007**	209,161
Cost of sales	**(133,986)**	(163,493)
Gross profit	**34,021**	45,668
Other income and gains	**1,668**	1,713
Selling and distribution costs	**(6,979)**	(4,452)
Administrative expenses	**(11,857)**	(17,895)
Other expenses	**(684)**	277
Share of profits and losses of associates	**(492)**	(867)
Profit before tax from the discontinued operation - Packaging Business	**15,677**	24,444
Income tax expense	**(1,188)**	(2,555)
Profit for the period from the discontinued operation - Packaging Business	**14,489**	21,889
Attributable to:		
Owners of the parent	**14,225**	19,758
Non-controlling interests	**264**	2,131
	14,489	21,889

The major classes of assets and liabilities of the Packaging Business classified as a discontinued operation as at 30 June 2012 and 31 December 2011 are as follows:

	30 June	31 December
	2012	2011
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Assets		
Property, plant and equipment	**119,736**	119,592
Prepaid land lease payments	**19,395**	19,395
Investments in associates	**133**	625
Inventories	**37,515**	39,007
Trade and bills receivables	**46,642**	45,916
Prepayments, deposits and other receivables	**6,511**	4,553
Pledged time deposits	**7,506**	-
Cash and cash equivalents	**62,900**	59,798
Assets classified as a discontinued operation - Packaging Business	**300,338**	288,886
Liabilities		
Trade and bills payables	**40,664**	38,329
Other payables and accruals	**33,943**	29,783
Tax payable	**2,096**	901
Deferred tax liabilities	**1,011**	1,017
Liabilities directly associated with the assets classified as a discontinued operation - Packaging Business	**77,714**	70,030
Net assets directly associated with the discontinued operation - Packaging Business	**222,624**	218,856

At 30 June 2012, certain of the leasehold land and buildings of the Packaging Business with a net book value of HK$5,434,000 (31 December 2011: HK$5,434,000) and time deposits of HK$7,506,000 (31 December 2011: Nil) were pledged to secure general banking facilities granted to the Packaging Business.

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

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Operating activities	**21,449**	11,559
Investing activities	**(7,626)**	550
Financing activities	**(10,721)**	83,004
Net cash inflow	**3,102**	95,113

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Basic and diluted earnings per share from the discontinued operation - Packaging Business	**HK0.55 cents**	HK0.75 cents

The calculation of basic and diluted earnings per share from Packaging Business are based on:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation - Packaging Business	**HK$14,225,000**	HK$19,758,000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	**2,587,799,895**	2,602,397,187

(b) Discontinued operation - Luggage Business

On 1 February 2012, the Group entered into a sale and purchase agreement with an independent third party and a non-controlling shareholder of Hoi Tin Universal Limited ("Hoi Tin (HK)"), a then 60% owned subsidiary of the Company, to dispose of its entire 100% equity interest in Ensure Success Holdings Limited ("Ensure Success") for an aggregate consideration of HK$20 million. Ensure Success and its subsidiaries engage in the manufacture and sale of soft luggage, travel bags, backpacks and briefcases (the "Luggage Business"). The Group has decided to cease the Luggage Business because it plans to focus its resources on the property development and investment business. The disposal of the Luggage Business was completed on 26 March 2012.

The results of the Luggage Business for the period are presented below:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue	**31,675**	93,188
Cost of sales	**(30,005)**	(82,185)
Gross profit	**1,670**	11,003
Other income and gains	**337**	316
Selling and distribution costs	**(714)**	(2,051)
Administrative expenses	**(3,455)**	(7,406)
Other expenses	**(11)**	(321)
Finance costs	**(40)**	(788)
Profit/(loss) before tax from the discontinued operation - Luggage Business	**(2,213)**	753
Income tax credit	**3**	5
Profit/(loss) for the period from the discontinued operation - Luggage Business	**(2,210)**	758
Attributable to:		
Owners of the parent	**(1,303)**	496
Non-controlling interests	**(907)**	262
	(2,210)	758

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

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Operating activities	**2,549**	802
Investing activities	**617**	(83)
Financing activities	**(1,428)**	(1,472)
Net cash inflow/(outflow)	**1,738**	(753)

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Basic and diluted earnings/(loss) per share from the discontinued operation - Luggage Business	**HK(0.05) cents**	HK0.02 cents

The calculations of basic and diluted earnings/(loss) per share from the Luggage Business are based on:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to ordinary equity holders of the parent from the discontinued operation - Luggage Business	**HK$(1,303,000)**	HK$496,000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings/(loss) per share calculation	**2,587,799,895**	2,602,397,187

(c) Interests in an associate classified as held for sale - Sichuan Hengchen

On 30 November 2010, the Group entered into a share transfer agreement with a non-controlling shareholder of Sichuan Hengchen Real Estate Development Company Limited ("Sichuan Hengchen") to dispose of its entire 60% equity interest in Sichuan Hengchen. Sichuan Hengchen is principally engaged in property development and investment in Mainland China. 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 and 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$37,904,000 (31 December 2011: HK$38,115,000) as at 30 June 2012. The disposal of the remaining 30% equity interest in Sichuan Hengchen is expected to be completed in second half of 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.

(d) Disposal group classified as held for sale - Keen Star Group

On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star Limited ("Keen Star") and a shareholder's loan owed by Keen Star to the Group of HK$135,747,000 for a total consideration of HK$408,212,000. Keen Star and its subsidiary (collectively as "Keen Star Group") is principally engaged in property development and investment in Mainland China. The disposal of Keen Star Group is expected to be completed in early 2013 and the assets and liabilities of Keen Star Group have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

The major classes of assets and liabilities of Keen Star Group classified as held for sales as at 30 June 2012 are as follows:

	30 June 2012 (Unaudited) HK$'000
Assets	
Property, plant and equipment	**2,042**
Properties under development	**333,109**
Prepayments, deposits and other receivables	**4,439**
Cash and cash equivalents	**5,950**
Assets classified as held for sale	**345,540**
Liabilities	
Trade payables	**35**
Other payables and accruals	**7**
Loans from a non-controlling shareholder	**68,448**
Liabilities directly associated with the assets classified as held for sale	**68,490**
Net assets directly associated with the disposal group - Keen Star Group	**277,050**
Cumulative income or expense recognised in other comprehensive income	
Exchange fluctuation reserve	**11,588**

8. DIVIDENDS

During the six months ended 30 June 2012, the Company declared a final dividend of HK$0.04 per share amounting to HK$101,757,000 for the year ended 31 December 2011 with a scrip alternative offered to shareholders to elect to receive the final dividend by an allotment of new shares in lieu of cash (six months ended 30 June 2011: cash dividend of HK$0.04 per share amounting to HK$102,248,000 was declared and paid for the year ended 31 December 2010). A scrip dividend of HK$72,484,000 was paid on 19 June 2012 by issuing 43,876,637 ordinary shares of HK$0.10 each in the Company at a market value determined to be HK$1.652 per share and a cash dividend of HK$29,273,000 was paid.

On 28 June 2012, the Board declared a conditional special interim dividend which was to be satisfied by way of a distribution in specie of the entire 100% interest in the issued share capital of Qualipak to qualifying shareholders of the Company (the "Distribution"), which was subject to the listing of the shares of Qualipak on the Main Board of the Stock Exchange becoming unconditional (six months ended 30 June 2011: Nil). Under the Distribution, each qualifying shareholder of the Company would be entitled to receive one share of Qualipak for every whole multiple of twenty shares of the Company held by the qualifying shareholders.

9. 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 period attributable to ordinary equity holders of the parent of HK$204,795,000 (six months ended 30 June 2011: HK$151,550,000) and the weighted average number of ordinary shares of 2,587,799,895 (six months ended 30 June 2011: 2,602,397,187) in issue during the period, as adjusted to reflect the scrip dividend issued during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2012 and 2011 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:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**191,873**	131,296
From discontinued operations	**12,922**	20,254
	204,795	151,550

	Number of shares	
	Six months ended 30 June	
	2012	2011
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	**2,587,799,895**	2,602,397,187

10. TRADE AND BILLS RECEIVABLES

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

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

	30 June 2012			31 December 2011		
	Neither past due nor impaired (Unaudited) HK$'000	**Past due but not impaired (Unaudited) HK$'000**	**Total (Unaudited) HK$'000**	Neither past due nor impaired (Audited) HK$'000	Past due but not impaired (Audited) HK$'000	Total (Audited) HK$'000
Less than 1 month	**1,638**	**47**	**1,685**	25,069	9,802	34,871
1 to 2 months	**-**	**-**	**-**	-	-	-
2 to 3 months	**-**	**-**	**-**	-	-	-
Over 3 months	**-**	**-**	**-**	-	3,391	3,391
	1,638	**47**	**1,685**	25,069	13,193	38,262

11. TRADE AND BILLS PAYABLES

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

	30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
Within 1 month	**1,595,120**	1,406,370
1 to 2 months	**202,017**	126,100
2 to 3 months	**109,623**	137,060
Over 3 months	**399,543**	267,479
	2,306,303	1,937,009

The trade payables are non-interest-bearing.

12. SHARE CAPITAL

	30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
Authorised:		
5,000,000,000 (31 December 2011: 5,000,000,000) ordinary shares of HK$0.10 (31 December 2011: HK$0.10) each	**500,000**	500,000
Issued and fully paid:		
2,587,799,895 (31 December 2011: 2,543,923,258) ordinary shares of HK$0.10 (31 December 2011: HK$0.10) each	**258,780**	254,392

During the period ended 30 June 2012, 43,876,637 ordinary shares of HK$0.10 each in the Company were issued at HK$1.652 per share as scrip dividends.

13. COMPARATIVE AMOUNTS

The comparative consolidated income statement has been re-presented as if the operations classified as discontinued operations during the current period had been discontinued at the beginning of the comparative period (note 7(a) & (b)).

INTERIM DIVIDEND

Save as disclosed below, the directors do not recommend the payment of any further interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: Nil).

On 28 June 2012, the Board declared a conditional special interim dividend which was to be satisfied by way of the Distribution, which was subject to the listing of the shares of Qualipak on the Main Board of the Stock Exchange becoming unconditional. Under the Distribution, each qualifying shareholder of the Company would be entitled to receive one share of Qualipak for every whole multiple of twenty shares of the Company held by the qualifying shareholders. The Distribution was completed on 11 July 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Year 2012 is a one of transformation for the Group. During the period, the Group undertook a series of corporate restructuring exercises to streamline its businesses. Following the disposal of its luggage business in March 2012, and the successful spin-off of the Packaging Business as a separate listed company on the Main Board of the Stock Exchange in July 2012, the Group is able to focus principally on its core business of property development in Western China, and present to the investors a clear picture of the Group's performance in the property business and, at the same time, unlocking and returning to its shareholders the value of the Packaging Business in the form of securities.

For the six months ended 30 June 2012, the Group's revenue from its continuing operations of property development and investment business and treasury investment business reached a record high of HK$3,711.8 million, a substantial increase of 251% over the same period of last year. The profit attributable to shareholders for the period was HK$204.8 million, representing a significant increase of about 35% over the same period of last year. Excluding the one-off expenses of HK$16.4 million in professional fees and other expenses incurred in the preparation for the spin-off and separate listing of the Packaging Business during the period and HK$11.9 million loss incurred from the disposal of the luggage business, the profit would be HK$233.1 million.

Other incomes recorded a fair value gain on investment properties of HK$5.3 million (six months ended 30 June 2011: HK$13.9 million) and gains of HK$87.7 million (six months ended 30 June 2011: HK$50.6 million) on partial disposals of the available-for-sale investments.

Other expenses sharply increased by HK$88.2 million to HK$88.4 million as a result of recording an unrealized loss on listed securities amounting to HK$71.7 million and loss on disposal of the Group's luggage business of HK$11.9 million.

Despite the challenging operating environment during the period under review, with the Group's extensive experience and strong market position in the packaging products industry, the Packaging Business, which was classified as a discontinued operation, recorded a revenue and profit of HK$168.0 million (six months ended 30 June 2011: HK$209.2 million) and HK$14.5 million (six months ended 30 June 2011: HK$21.9 million) respectively.

The profits attributable to shareholders for the period amounted to HK$204.8 million (six months ended 30 June 2011: HK$151.6 million). The basic earnings per share for the period were HK7.91 cents (six months ended 30 June 2011: HK5.82 cents).

Property Development

The Group continues to focus its property business in Western China where the fundamental demands for housing remains strong. In addition to Chongqing and Chengdu, the Group launched its first project in Guiyang in May 2012. These three cities have strong economic growth with the GDP growth of Chongqing, Chengdu, and Guiyang for the first half year of 2012 reaching 14.0%, 13.3% and 15.8% respectively, which are much higher than the nation's average of 7.8% in the same period.

Recognized Revenue

During the six months ended 30 June 2012, the Group's property sales revenue was HK$3,699.8 million (RMB3,015.4 million) (six months ended 30 June 2011: HK$1,020.6 million (RMB854.0 million)) against a total booked gross floor area ("GFA") of 431,600 sqm (six months ended 30 June 2011: 128,500 sqm). The revenue from property sales and booked GFA represented a substantial growth of 263% and 236% respectively over the corresponding period of 2011 as more projects were completed and delivered in the first half of 2012. The average selling price ("ASP") of recognized sales increased by 5.1% to RMB 6,990 per sqm (six months ended 30 June 2011: RMB6,650 per sqm) during the period under review. Overall booked gross margin for the period was 31% (six months ended 30 June 2011: 32%). If the effects of the fair value adjustment on the acquisition of the land banks in the Yubei and Verakin New Park City on land cost were excluded, the booked gross profit margin would have been 47% (six months ended 30 June 2011: 48%).

The recognized sales revenue by projects for the six months ended 30 June 2012 are as follows:

Locations	**Projects**	**Usage**	**GFA** (sqm)	**Sales Revenue Net of Business Tax** (RMB'000)	**ASP Net of Business Tax** (RMB)	**The Group's Interest**
Chongqing	L'Ambassadeur Phase I	Residential	86,900	633,000	7,290/sqm	100%
	Phoenix County Phase I	Residential	24,900	273,200	10,960/sqm	100%
	i-City Phases I, II & III	Residential Office Commercial Car Park	4,300 7,800 1,800 1,700	31,100 80,400 45,800 5,000	7,210/sqm 10,350/sqm 24,590/sqm 90,070/unit	100%
	One Central Midtown & 9 Central Midtown	Residential Office	900 3,900	9,800 42,700	10,540/sqm 11,180/sqm	100%
	Riverside One, Wanzhou – Phase II	Residential	28,900	108,500	3,760/sqm	100%
	Verakin New Park City – Zone W	Residential	192,600	1,116,500	5,800/sqm	51%
	Others	Residential/ Commercial/ Car Park	3,000	24,300		
Chengdu	Villa Royale Phase I	Residential	26,100	325,400	12,480/sqm	51%
	Others	Residential/ Commercial/ Car Park	2,900	11,600		
Kunming	Silver Lining	Residential	45,900	308,100	6,710/sqm	70%
TOTAL			431,600	3,015,400		

In terms of geographic location, Chongqing accounted for 79% (six months ended 30 June 2011: 73%) and 83% (six months ended 30 June 2011: 81%) of the recognized revenue and booked GFA respectively, while Chengdu and Kunming accounted for the remaining 21% (six months ended 30 June 2011: 27%) and 17% (six months ended 30 June 2011: 19%) of the recognized revenue and booked GFA respectively. In terms of property usage, about 94% (six months ended 30 June 2011: 78%) was for residential and the balance was for non-residential purposes.

As at 30 June 2012, the unrecognized revenue was approximately RMB8,149 million, representing a pre-sold GFA of 956,300 sqm. 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. About RMB816 million of the unrecognized revenue is from projects which have been completed and pre-sold. The revenue will be recognized when the buyers physically collect the properties. This has laid a solid foundation for the second half of 2012.

Six projects were completed on schedule in the first half of 2012. The total GFA completed by the Group in the period under review amounted to approximately 597,200 sqm. Details are as follows:

Projects	**Usage**	**GFA** (sqm)	**Percentage of Area Sold as at 30 June 2012**	**The Group's Interest**
Chongqing				
L'Ambassadeur Phase I	Residential	93,400	96	100%
	Commercial	15,600	16	
	Others	21,500		
Phoenix County Phase I	Residential	36,400	95	100%
Verakin New Park City - Zone W	Residential	194,100	100	51%
	Commercial	3,800	93	
	Others	33,300		
Riverside One, Wanzhou Phase II	Residential	28,700	100	100%
	Commercial	8,300	55	
	Others	10,600	99	
Chengdu				
Villa Royale Phase I	Residential	48,400	69	51%
	Commercial	6,100		
	Others	11,000	66	
Kunming				
Silver Lining	Residential	54,800	84	70%
	Commercial	14,800		
	Others	16,400		
TOTAL		597,200		

Contract Sales

The Central Government has imposed a series of tightening housing policies and measures since 2010 to curb the overheating property market, which include higher down payments, higher mortgage loan interest rates, a ban on third-home mortgage, property tax trials and the construction of social housing. These measures have been effective as some cities reported decreased property transaction volumes and month-on-month declines in housing prices. In view of the weak global economy, the Chinese authorities have recently taken steps to loosen its monetary policies. The central bank has cut the interest rate and reserve ratio requirements in the past few months in an effort to boost lending. With more favourable mortgage terms available to the first home buyers, the sales of residential properties began to pick up since March of 2012.

According to the sales schedule of the Group for 2012, several more projects will be launched in the second half of 2012. As a result, during the first half of 2012, the Group recorded contract sales of RMB2,816.2 million (six month ended 30 June 2011: RMB3,243.8 million), representing a decrease of about 13% from that of the corresponding period in 2011, and about 41% of the 2012 sales target of RMB6,800 million. The total contract sales area reached approximately 372,500 sqm of GFA (six months ended 30 June 2011: 358,800 sqm), representing an increase of about 4% from that of the corresponding period in 2011. As first-time homebuyers are the key customers to support the residential property market, the Group has adjusted its product mix to offer more mid-end products with smaller lump sum price tag per unit which, in turn, resulted in the decrease of the overall ASP of contract sales by about 16% to RMB7,600 per sqm in the first half of 2012 from RMB9,000 per sqm for the same period of 2011. On the other hand, to boost the sales of the units in Chengdu which was greatly affected by the home-purchase restriction, small downward adjustments were made to the ASP to increase competitiveness. The new pricing strategy proved effective and the sales of Chengdu rebounded. Geographically, the ASP for Chongqing, Chengdu and Guiyang were RMB7,000 per sqm (six months ended 30 June 2011: RMB8,500 per sqm), RMB8,900 per sqm (six months ended 30 June 2011: RMB11,800 per sqm), and RMB7,600 per sqm respectively.

Twelve projects were launched during the period, out of which, two were new projects, namely, Brighton Place & Plaza in Chengdu and First City in Guiyang. During the period, Verakin New Park City, Brighton Place & Plaza, and Sky Villa were the top three projects, contributing most of the contract sales. The distribution of the first half of 2012 contract sales was 57.2%, 35.7% and 7.1% from Chongqing, Chengdu, and other districts respectively.

The breakdown of the contract sales in the first half of 2012 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	16,500	136,800	8,300/sqm
	Commercial	1,100	19,400	18,000/sqm
Verakin New Park City - Zones J, K, L, M, N, O & P	Residential	121,900	881,400	7,200/sqm
	Commercial	3,900	55,700	14,100/sqm
Riverside One, Wanzhou Phases I, II & III	Residential	30,800	167,400	5,400/sqm
	Car Park	7,000	18,900	89,200/unit
Phoenix County Phases I & II	Residential	14,800	158,200	10,700/sqm
Academic Heights Phase I	Residential	29,300	135,700	4,600/sqm
Others	Residential/ Commercial/ Office/Car park	4,700	37,200	
		230,000	1,610,700	

Chengdu

Sky Villa Phase II	Residential	18,700	299,600	16,000/sqm
	Car Park	5,000	17,200	117,100/unit
Brighton Place & Plaza Phases I & II	Residential	79,200	592,600	7,500/sqm
	Commercial	100	6,300	42,300/sqm
Villa Royale Phases I & II	Residential	6,700	78,800	11,800/sqm
	Car Park	1,800	6,500	141,300/unit
Lagonda Gardens	Residential	1,000	5,700	5,500/sqm
		112,500	1,006,700	

Other Districts

First City, Guiyang Phase I	Residential	19,000	144,200	7,600/sqm
Silver Lining	Residential	600	4,100	7,100/sqm
Dazhou Project Phase I	Residential	10,400	50,500	4,900/sqm
		30,000	198,800	
TOTAL		372,500	2,816,200	

In terms of property usage, about 96% was for residential and 4% for non-residential properties. The ASPs for residential, commercial, office and carparks were RMB7,600 per sqm, RMB23,100 per sqm, RMB11,500 per sqm and RMB104,100 per unit respectively.

As at 30 June 2012, the Group recorded RMB922 million of subscription sales which will be converted to contract sales in the coming months.

Property Projects Under Development

There were sixteen projects in different stages of development during the period. The total area under construction as at 30 June 2012 was about 3.5 million sqm.

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	369,000	100%
-Mansions on the Peak	2012	58,000	100%
-Lot #10	2014	436,000	100%
-L'Ambassadeur	2012 – 2014	362,000	100%
-Lot #17-1	2014 or after	210,000	100%
-Lot #9	2014 or after	305,000	100%
-Lot #19	2014 or after	296,000	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	1,369,000	25%
Chongqing, Nan'an District			
-Verakin New Park City	2012 – 2017	1,373,000	51%
-Ertang Project	2014 or after	598,000	26%
Chongqing, Wanzhou District			
-Riverside One, Wanzhou	2014	237,000	100%
-Wanzhou Project	2014 or after	271,000	100%
Chongqing, Shapingba District			
-Academic Heights	2013 – 2015	509,000	100%
Chongqing, Bishan County, Ludao New District			
-Bishan Verakin New Park City	2014 or after	833,000	26%
Chongqing Rongchang County	2014 or after	157,000	26%
Chengdu, Jinjiang District			
-Sky Villa	2012 – 2015	481,000	51%
Chengdu, Shuangliu County			
-Villa Royale	2013 – 2015	204,000	51%
Chengdu, Xinjin County			
-La Concorde	2014 or after	249,000	51%
Chengdu, Qingyang District			
-Brighton Place & Plaza	2014 or after	365,000	51%
Sichuan, Dazhou, Tongchuan District	2013 – 2015	413,000	100%
Guiyang, Jinyang New District			
-First City, Guiyang	2013 or after	1,343,000	85%
TOTAL		11,346,000	

Land Bank

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

During the period, the Group has land bank in four major cities, namely Chongqing, Chengdu, Dazhou and Guiyang. As at the report date, the Group's land bank stood at 11.3 million sqm GFA (attributable GFA amounted to about 7.6 million sqm) held for development. The average land cost is around RMB2,090 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 34% 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.

The Group has maintained its prudent land banking strategy. Having acquired 6 parcels of land for a total GFA of about 3.8 million sqm in 2011, the Group bought only one land lot during the period. 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 this land lot.

During the period, to further refine its land bank portfolio, the Group entered into an agreement to dispose all of its 60% interest in the Villa Splendido Project in Yutang Town, Dujiangyan District, Chengdu at a consideration of RMB332 million. The disposal is expected to be completed in year 2013 with an estimated profit before tax of RMB159 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	80,000	1,198,000	932,000	1,315,000	11.1
Residential	2,000		64,000	5,296,000	3,219,000	5,362,000	45.1
Office			5,000	1,493,000	1,226,000	1,498,000	12.6
Hotel & serviced apartment			18,000	485,000	437,000	503,000	4.2
Town-house & villa			34,000	816,000	500,000	850,000	7.2
Others (Car-park spaces and other auxiliary facilities)	53,000	11,000	237,000	2,058,000	1,319,000	2,359,000	19.8
TOTAL	83,000	20,000	438,000	11,346,000	7,633,000	11,887,000	100.0

In respect of the total 98,000 sqm completed residential and town-house & villa properties held for sale, about 27% 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	8,291,000	5,416,000	73.1
Sichuan			
- Chengdu	1,299,000	663,000	11.5
- Dazhou	413,000	413,000	3.6
Guizhou			
- Guiyang	1,343,000	1,141,000	11.8
TOTAL	11,346,000	7,633,000	100.0

Around 73% of the land bank held for development is located in Chongqing whilst the balance is in Chengdu, Dazhou and Guiyang. In terms of usage, about 58% of the land held for development is for residential, hotel and serviced apartments as well as town-house and villa use and the remaining 42% for office, commercial and other developments.

Investment Property

As of 30 June 2012, the Group's portfolio of investment properties comprises an aggregate of 82,923 sqm (31 December 2011: 83,049 sqm) of which approximately 34.2% was commercial properties, 2.8% was residential properties and 63.0 % was car parks and auxiliary facilities.

As of 30 June 2012, the book value of the investment properties of the Group totalled HK$375.6 million. In compliance with relevant accounting standards, the Group has conducted an evaluation for its investment properties. The portfolio's fair value appreciated by approximately HK$5.3 million to HK$375.6 million, the majority of which was the revaluation gain recognized in relation to the commercial properties. Moreover, leasing performance has been stable with a leasing rate of over 76%. The total attributable gross rental income from the investment properties amounted to approximately HK$8.0 million for the period ended 30 June 2012 (six months ended 30 June 2011: HK$6.4 million). On the back of growing demand, driven by business expansion and the prime location of the Group's commercial property sites, the Group will develop a portfolio of premier investment properties in the years ahead.

Investment Property Under Development

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

Four commercial land lots of the Group's core land bank are situated in the Yubei District, namely, Lot Nos. 3, 4, 9 and 10. Construction on the first commercial land lot, No. 10, started in May 2009, and the pre-sales of the residential project (One Central Midtown) and SOHO project (9 Central Midtown) on this land lot were 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 office block 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 office block project has an aggregate GFA of approximately 97,000 sqm and is scheduled to be completed by the year of 2014.

Treasury Investment Business

The treasury investments segment recorded a gain for the period of HK$14.2 million (six months ended 30 June 2011: HK$116.3 million). There were gains of HK$87.7 million (six months ended 30 June 2011: HK$50.6 million) realized on the partial disposals of available-for-sale investments held by the Group. Dividend income and interest income from investment in notes receivable totalled HK$6.7 million (six months ended 30 June 2011: HK$30.2 million). However, realized and unrealized loss on listed securities amounted to HK$7.4 million and HK$71.7 million respectively (six months ended 30 June 2011: unrealized gain on listed securities of HK$35.8 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 assets of the Group.

Financial Position

The Group maintained a strong financial position during the period. As of 30 June 2012, the Group had aggregate cash and bank balances and time deposits amounting to HK$7,055.4 million (31 December 2011: HK$6,753.9 million). The net gearing ratio of the Group as at 30 June 2012 was 6.7% (31 December 2011: 2.7%) calculated by total borrowings less bank balances and cash divided by owners' equity. The increase in gearing ratio was mainly due to the payment of property development costs of about RMB3,037 million for payment of land premium and related costs as well as construction costs of RMB753 million and RMB2,284 million respectively. These payments were mainly financed by internal resources generated from cash received from property pre-sales and external bank borrowings. The cash collection ratio for the property business was 71% during the period under review. The average borrowing interest rate for the period ended 30 June 2012 was 5.26% (six months ended 30 June 2011: 4.36%) per annum which is relatively low in the market.

PROSPECTS

Although the Central Government has eased its monetary policy to boost the economy which in turn provides liquidity to the property market, measures to curb speculation are expected to remain in place throughout the year. However, new controlling measures are not expected. As a result, the Group expects property prices to be stable in the second half of the year. Affordability has improved due to income growth which also stimulates purchases from strong end-user demand. As more projects will be launched in the second half of 2012, the sales performance of the second half of 2012 should be better than that of the first half. The Group has confidence to achieve its 2012 contract sales target of RMB6.8 billion.

As at 30 June 2012, the unrecognized contract sales amounted to RMB8,149 million, representing a pre-sold GFA of 956,300 sqm. Together with the contract sales in July 2012 of RMB571 million, representing 71,700 sqm, the total unrecognized contract sales to be delivered in the second half of 2012 and beyond amounted to RMB8,720 million.

The target completion areas for the second half of 2012 and year 2013 are 390,000 sqm and 1,308,000 sqm respectively. Together with the completion area of 597,200 sqm for the first half of 2012, the target completion area for 2012 is 987,200 sqm. For the second half of 2012 and 2013 respectively, 83% and 47% of the target completion residential areas have been pre-sold as at 31 July 2012. As a result, the Group has a very low inventory level.

Completion schedule for the second half of 2012 and year 2013 is as follows:

Locations	Projects	Residential Area (sqm)	Commercial/ Car park/ Other Area (sqm)	Total Area (sqm)	The Group's Interests
Second Half of 2012					
Chongqing	Mansions on the Peak	36,000	22,000	58,000	100%
	Phoenix County Phase I	25,000	17,000	42,000	100%
	L'Ambassadeur Phase II	105,000	50,000	155,000	100%
	Verakin New Park City–Zone J	72,000	6,000	78,000	51%
Chengdu	Sky Villa Phase II	57,000	-	57,000	51%
TOTAL		295,000	95,000	390,000	

Year 2013					
Chongqing	Phoenix County Phase II	56,000	37,000	93,000	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	51,000	10,000	61,000	51%
Dazhou	Dazhou Project Phase I	134,000	44,000	178,000	100%
Guiyang	First City, Guiyang Phase I	91,000	93,000	184,000	85%
TOTAL		921,000	387,000	1,308,000	

The Group started its new construction in 2012 according to its original development schedule. The GFA of newly commenced construction in the first half of 2012 was around 0.7 million sqm. As at 30 June 2012, the Group has a total of 16 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in second half of 2012 to be around 1.4 million sqm, making up a total area of about 2.1 million sqm for the whole year. Together with the area under construction of 3.5 million sqm as at 30 June 2012, the total area under development at the end of 2012 is expected to be over 4.9 million sqm - about 43% of the Group's total land bank. To ensure its long-term development, the Group will continue its efforts to acquire land banks with great upside development potential. Besides adding presence to its current cities in Chongqing, Chengdu, Guiyang and Kunming, the Group will continue to look for suitable land lots at other Western China cities for diversification, and for co-operation opportunities with foreign as well as domestic investors with an aim to expand its output in the coming years.

As at 30 June 2012, the outstanding land premium is about RMB1.9 billion. The expected construction cost for the second half of 2012 is about RMB3.0 billion. The Group will continue to be prudent in its cash flow management and keep its gearing at a healthy level in order to support its long term growth.

FINANCIAL REVIEW

Investments

At 30 June 2012, 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$755.0 million (31 December 2011: HK$1,181.4 million). Owing to the price fluctuation in the Hong Kong stock market for the period under review, the Group recorded a realized loss and an unrealized fair value loss of HK$7.4 million and HK$71.7 million respectively on listed securities held by the Group. The amount of dividends, interest and other income from investments for the period was HK$11.4 million (six months ended 30 June 2011: HK$31.0 million).

Liquidity and Financial Resources

As of 30 June 2012, the Group had aggregate cash and bank balances and time deposits amounting to HK$7,055.4 million (31 December 2011: HK$6,753.9 million) which included HK$171.7 million (31 December 2011: HK$152.1 million) of deposit pledged to banks. An analysis by currency denomination of the cash and bank deposit is as follows:

Currency	**30 June 2012** HK$'M	31 December 2011 HK$'M
Renminbi	**6,085.1**	6,477.6
Hong Kong Dollars	**903.5**	163.3
United States Dollars	**66.8**	113.0
	7,055.4	6,753.9

The following table shows the current ratio, working capital, and un-utilized banking facilities:

	30 June 2012	31 December 2011
Current ratio (Current assets over current liabilities)	**1.50 times**	1.54 times
Working Capital (Current assets less current liabilities)	**HK$8,226 million**	HK$7,720 million
Un-utilized banking facilities	**HK$1,035 million**	HK$1,229 million

The structure of the Group's bank borrowings as at 30 June 2012 is summarized below:

Currency of Bank Loans	**Total** HK$'M	**Due within One Year** HK$'M	**Due more than One Year but not exceeding Two Years** HK$'M	**Due more than Two Years but not exceeding Five Years** HK$'M	**Beyond Five Years** HK$'M
RMB	4,888.8	2,620.1	1,158.5	1,019.4	90.8
HK$	3,037.4	585.6	2,035.6	416.2	-
	7,926.2	3,205.7	3,194.1	1,435.6	90.8

The average borrowing interest rate for the period ended 30 June 2012 was 5.26% (six months ended 30 June 2011: 4.36%) per annum. Finance costs charged to the consolidated income statement for the six months ended 30 June 2012 amounted to HK$25.8 million (30 June 2011: HK$28.8 million) after capitalization of HK$170.1 million (30 June 2011: HK98.4 million) into the cost of properties under development.

Secured debts accounted for approximately 61.7% of total borrowings as at 30 June 2012 (31 December 2011: 65.3%).

As at 30 June 2012, the Group was at a net borrowing position of HK$870.8 million (31 December 2011: HK$345.7 million). Details are as follows:

	30 June 2012 HK$'M	31 December 2011 HK$'M
Cash and bank balances and time deposits	**7,055.4**	6,753.9
Less: Total bank and other borrowings	**(7,926.2)**	(7,099.6)
Net borrowing position	**(870.8)**	(345.7)

The owners' equity was HK$13,065.8 million (31 December 2011: HK$12,981.8 million) and the book value net assets per share is HK$5.05 (31 December 2011: HK$5.10). After the distribution of the special interim dividend by way of distribution in specie of the entire 100% interest in the Packaging Business in July 2012, the book value of net assets per share will be adjusted to HK$4.96.

Contingent Liabilities/Financial Guarantees

At 30 June 2012, the Group had the following contingent liabilities/financial guarantees:

a. Guarantees given to banks in connection with facilities granted to a jointly-controlled entity in the amount of HK$350 million (31 December 2011: HK$350 million).

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$3,885.2 million (31 December 2011: HK$4,090.1 million).

Pledge of Assets

At 30 June 2012, the Group has pledged the following assets:

a.	Leasehold properties as security for general banking facilities granted to the Group.	HK$47.5 million
b.	Fixed deposits as security for general banking facilities granted to the Group.	HK$179.2 million
c.	Properties under development, prepaid land lease payments, completed properties held for sale and investment properties pledged to secure banking facilities granted to the Group.	RMB8,533.7 million

Exchange Risks

The Group's property business mainly operates in the PRC. Sales transactions and all major cost items are denominated in RMB. Therefore, the foreign exchange exposure for the property business is considered minimal. The directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

EVENT AFTER THE REPORTING PERIOD

Following the approval by the Stock Exchange, the spin-off and separate listing of the Packaging Business on the Stock Exchange was completed on 12 July 2012, details of which are set out in the prospectus of Qualipak dated 28 June 2012. Upon the spin-off of the Packaging Business, the Group's entire 100% interest in Qualipak was distributed in specie as special interim dividend to the Company's qualifying shareholders and Qualipak ceased to be a subsidiary of the Company thereafter.

EMPLOYEES

At 30 June 2012, the Group had approximately 1,513 employees in China and Hong Kong excluding those of the Packaging Business. The Group remunerates its staff based on their merit, qualification, work experience, competence and the prevailing market wage level. 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 period ended 30 June 2012, no equity-settled share option expense (six months ended 30 June 2011: HK$0.1 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 period under review, the Company complied with the code provisions set out in the Code on Corporate Governance Practices (the "old CG Code") for the period from 1 January 2012 to 31 March 2012 and thereafter the enhanced Corporate Governance Code and Corporate Governance Report which came into effect on 1 April 2012 (the "revised CG Code") as set out in Appendix 14 of the Listing Rules, save for the deviations explained below.

The Company deviated from Code Provision A.4.1 of the old CG Code and the revised CG Code (the "Codes") in that none of the existing non-executive directors of the Company are appointed for a specific term. Nevertheless, the tenure of non-executive directors is governed by the Company's Bye-laws which stipulate that every director shall be subject to retirement by rotation at the annual general meeting at least once every three years. The Company considers that such arrangement is consistent with the requirements of Code Provision A.4.1 of the Codes.

The Company also deviated from Code Provision D.1.4 of the revised CG Code in that the Company has not yet prepared formal letters of appointment for its directors, with the exception of Mr. Tsang Wai Choi, setting out the key terms and conditions of their appointment. Given that all existing directors have served on the Board for more than 4 years and always meet the expectation of the Company, the Company considers that the directors understand the relevant duties and responsibilities applied to them as directors of the Company.

In respect of Code Provision A.6.7 of the revised CG Code, Independent Non-executive Director, Mr. Lam Kin Fung Jeffrey was unable to attend the special general meeting of the Company held on 8 June 2012 due to his other engagement.

Notwithstanding the above deviations, 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 Codes.

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 code of conduct regarding securities transactions by directors. Specific enquiries have been made of all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2012.

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 unaudited interim condensed consolidated financial statements for the six months ended 30 June 2012.

PUBLICATION OF THE RESULTS AND INTERIM 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 2012 Interim 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, 27 August 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. Leung Chun Cheong and Mr. Leung Wai Fai 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.