

**【For Immediate Release】**



## **C C LAND ANNOUNCES 2009 ANNUAL RESULTS**

\* \* \*

**2009 contract sales increased by 274% to RMB1,702 million, 40% above target**

**2010 sales target up by 100% to RMB3.4 billion**

**Strong balance sheet at net cash position and low inventory level facilitate faster asset turnover**

### **Financial Highlights**

<i>HK\$' 000</i>	For the year ended 31 December		Change
	2009	2008	
Revenue	<b>1,080,638</b>	1,395,643	-22.6%
Gross profit	<b>205,197</b>	118,406	+73.3%
Loss before tax	<b>(7,275)</b>	(1,306,474)	N/A
Loss attributable to shareholders	<b>(58,358)</b>	(837,145)	N/A
Loss per share ( <i>HK cents</i> )	<b>(2.51)</b>	(38.70)	N/A
Final dividend ( <i>HK cents</i> )	<b>3</b>	2	+50.0%

(29 March 2010 – Hong Kong) C C Land Holdings Limited (“C C Land” or the “Company”, together with its subsidiaries collectively known as the “Group”; stock code: 1224) announced its annual results for the year ended 31 December 2009.

For the year ended 31 December 2009, the Group’s revenue decreased 22.6% to HK\$1,080.6 million. The decrease was mainly due to the reduction in revenue from the packaging and luggage business. A gross profit of HK\$205.2 million was recorded - a significant increase of 73.3% over that in 2008. The loss attributable to shareholders dwindled to HK\$58.4 million. The loss per share for the year was 2.51 HK cents (2008: loss of 38.70 HK cents). The Board recommends the payment of a final dividend of 3 HK cents per share for the year ended 31 December 2009 (2008: 2 HK cents).

The revenue generated from the property business was HK\$647.1 million, down 11.6% compared with that of 2008 because the Group reduced its pace of developments in 2008 due to market uncertainty, leading to a drop in completion and delivery of properties in 2009. The only project completed in 2009 is the residential portion of the Verakin New Park City Zone G, with a GFA of 120,000 sqm. Nevertheless, the property business accounted for 59.9% (2008: 52.5%) of the Group’s total revenue in 2009, signalling the Group’s successful transformation into a property developer since late 2006. The revenue for the year was also affected by the deferment to 2010 of the recognition of the gain of about RMB143 million from the disposal of the Group’s 50% interest in the Wen Jiang Project. As a result, the property business recorded

- Cont’d -

a loss attributable to the Group of HK\$29.4 million (2008: HK\$960.1 million, after the deduction of impairment in value of the Group's interest in land, net of deferred taxation, at a total of HK\$885.1 million). The loss also included the amortization of prepaid land lease payments of HK\$47.9 million (2008: HK\$57.0 million) and the write-back of impairment in value of the Group's interest in land, net of deferred taxation, of HK\$116.6 million.

The gross profit margin of the property business was 18%, posting an increase of 15 percentage points compared with that of last year. Excluding the fair value adjustment on the acquisition of land use rights on the land banks in Yubei and Verakin New Park City, the adjusted gross profit margin would be 31% for the year (2008: 22%).

For the year ended 31 December 2009, the Group's contract sales posted a significant growth of 274% to RMB1,702 million. The contract sales area also surged 245% to 299,500 sqm, which is about 40% above the targeted sales area of 213,200 sqm for 2009. During the year, five projects, namely No. 1 Peak Road, Verakin New Park City, i-City and Riverside, Wanzhou in Chongqing, as well as Sky Villa in Chengdu, were launched for pre-sale and were well-received by the market. Leveraging on the prime location and expected quality finish of the end products, most of the offered units were sold during the first week of launch and at a price premium of 10-15% compared with that of the projects in the neighborhood. The average selling price of the Group's properties in 2009 increased by about 15-20% compared with that in 2008. Such increases are a reflection of market strength and the quality of the Group's projects.

As at 31 December 2009, the unrecognized contract sales for 2009 amounted to approximately RMB1,499.6 million. The income recognition of these sales will depend on the time of construction completion, the issuance of the occupation permits and the delivery to the buyers. About 93% of the targeted residential completed area for 2010 was pre-sold as at 31 December 2009.

The Group is now poised for exponential growth. The area under construction as at 31 December 2009 was 1,100,000 sqm, which is approximately 3.7 times of the contract sales area in 2009. In addition, the 2010 target sales of the Group is RMB 3.4 billion, representing an y-o-y growth of 100%. Currently, the Group has 16 projects in various stages of development, including 10 projects in Chongqing, 4 projects in Chengdu, 1 project in Sichuan and 1 project in Kunming.

The revenue generated from the packaging and luggage business was HK\$294.7 million (2008: HK\$435.0 million) and HK\$132.4 million (2008: HK\$229.3 million) respectively. The manufacturing business recorded a profit of HK\$14.2 million (2008: a loss of HK\$49.8 million).

*C C Land Announces 2009 Annual Results*

*2009 contract sales increased by 274% to RMB1,702 million, 40% above target*

*2010 sales target up by 100% to RMB3.4 billion*

*Strong balance sheet at net cash position and low inventory level facilitate faster asset turnover*

*29 March 2010/ Page 3 of 4*

The Group's policy is to maintain a healthy capital structure and strong liquidity. As at 31 December 2009, its cash and bank balances and time deposits amounted to HK\$3,784.6 million and stood at a net cash position of HK\$1,042.1 million. The Group has a very low inventory level. The completed properties held for sale is only 0.65% of the total land bank. This forms a solid foundation for the Group to increase its asset turnover.

The Group's property business is focused in Western China where the outlook of economic development is promising and the demand for housing is massive and end-user driven. The GDP growth of Chongqing and Chengdu for 2009 was 14.9% and 14.7% respectively, ranking no. 3 and 4 respectively in China to outperform the national average of 8.7%. In terms of residential area sold, Chongqing ranked number two in China for 2009. The residential area sold in Chongqing and Chengdu in 2009 was 37.71 million sqm and 25.32 million sqm respectively, representing an increase of 41.2% and 112.5%.

C C Land always adopts a prudent strategy in land bank replenishment. During the year under review, the Group acquired four land lots, with three in Chengdu and one in Chongqing, aggregating 1,266,000 sqm in GFA. To refine the land bank portfolio and accelerate asset turnover, two projects, namely the Jintang County Project and Wen Jiang Project, with a total GFA of 3.1 million sqm, were sold at an estimated profit before tax (including write-back of land impairment) of HK\$267 million. During the year, the Group increased its equity interests in Chongqing Verakin Real Estate Company Limited, an indirect subsidiary of the Company, from 51% to 61% at a consideration of RMB25 million. The Group also increased its equity stake in the joint-venture company with the Sichuan Guojia Property Company Limited from 50% to 51%. This joint-venture company holds the Sky Villa Project, the Chengnan Project and the Mumashan Project in Chengdu. Additionally, the Group increased its stake from 95% to 100% in the Dazhou Project during the year.

Currently, the Group's total land bank totalled 11.0 million sqm in terms of GFA (attributable GFA of about 8.5 million sqm) which is sufficient for 7 to 8 years of development, spanning Chongqing, Sichuan, Chengdu, and Kunming, with an average land cost of about RMB1,680 per sqm. In terms of usage, about 80% of the land bank is for residential development and the remaining 20% for hotel and serviced apartment, offices and commercial developments. In terms of location, around 73% of the land bank is located in Chongqing whilst 27% is in Sichuan, Chengdu and Kunming.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, said, "Backed by our premium land portfolio, strong financial position, deep local knowledge and the strong local demand for quality residential properties, our contract sales in 2009 showed a strong growth. Thanks to the booming economy in Chongqing and Chengdu, we are highly optimistic about the medium to long-term growth in these regions."

- Cont'd -

*C C Land Announces 2009 Annual Results  
2009 contract sales increased by 274% to RMB1,702 million, 40% above target  
2010 sales target up by 100% to RMB3.4 billion  
Strong balance sheet at net cash position and low inventory level facilitate faster asset turnover  
29 March 2010/ Page 4 of 4*

“In 2010, we will be launching many more projects in Chongqing and Chengdu and are confident in achieving outstanding sales performance in the years ahead. Meanwhile, we will accelerate our development schedule in 2010 in a view to capturing the market opportunities in Western China while maximizing shareholder returns,” concluded Dr. Lam.

- End -

### **About C C Land**

C C Land is principally engaged in the property development business in Western China. It has a total land bank of about 11.0 million sqm in terms of GFA and about 8.5 million sqm in terms of attributable GFA, spanning across key Western China cities including Chongqing, Chengdu, Kunming and various other cities in Sichuan. Capitalizing on its management expertise, quality land banks, and solid financial position, C C Land is well positioned to develop into one of the leading property developers in Western China. The Company is a constituent stock of Hang Seng Composite Index Series and Hang Seng Free-float Index Series.

**For enquiries, please contact:**

**iPR Ogilvy Ltd.**

Natalie Tam / Crystal Chan / Joey Wan / Vicki Fong

Tel: (852) 2136 6182 / 2169 0049 / 2136 6954 / 2136 6184

Fax: (852) 3170 6606

Email: natalie.tam@iprogilvy.com / crystal.chan@iprogilvy.com/  
joey.wan@iprogilvy.com / vicki.fong@iprogilvy.com