

**【For Immediate Release】**



**C C LAND ANNOUNCES 2008 INTERIM RESULTS**  
**Building a Solid Foundation for Future Profitability**

**Financial Highlights**

	For the six months ended 30 June		
<i>HK\$' 000</i>	2008	2007	Change
Turnover	<b>479,831</b>	459,984	+4.3%
Gross profit	<b>35,589</b>	77,507	-54.1%
Other income and gains	<b>225,017</b>	100,546	+123.8%
Profit attributable to equity holders	<b>39,620</b>	572,990	-93.1%
Earnings per share ( <i>HK cents</i> )			
Basic	<b>1.83</b>	31.74	-94.2%
Diluted	<b>1.82</b>	31.73	-94.3%

(16 September 2008 – 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 interim results for the six months ended 30 June 2008.

During the period under review, C C Land recorded a turnover of HK\$479.8 million, representing a 4.3% increase when compared with the same period last year. Profit attributable to equity holders amounted to HK\$39.6 million, representing a decrease of 93.1% when compared with the profit of the same period last year of HK\$573.0 million which was mainly attributable to a tax credit of HK\$506.3 million. During the period under review, there were a number of non-recurrent and non-operational expenses, including HK\$35.4 million arising from an equity-settled share option expense, HK\$39.0 million exchange losses due to the Renminbi appreciation in the currency conversion for the Group’s project companies and expenses of HK\$2.9 million (of which HK\$1.7 million was attributable to the Group) in connection with the closure of a manufacturing facility. Excluding these non-recurrent and non-operational expenses, the Group’s profit attributable to equity holders would have been HK\$115.7 million. Basic earnings per share amounted to 1.83 HK cents (2007: 31.74 HK cents). The Group does not recommend the payment of any interim dividend (2007: nil).

During the period, the property sales and rental income of the Group recognized were HK\$150.8 million and HK\$5.9 million respectively, representing 32.7% of the total revenue when compared with only 2.2% of the total revenue in the same period of last year. In addition, a gain on partial disposal of interest in a subsidiary of property business was recorded at HK\$138.4 million. The above showed that the transformation of the Group into PRC property business is being cemented. On the other hand, the unfavorable global market led to a loss of HK\$4.0 million and HK\$3.4 million in the manufacturing business segment and the treasury investment business respectively.

Commenting on the Company's interim results, Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land said, "With the nationwide weakening market sentiments and the adverse impact from the Sichuan earthquake, the first half of 2008 was full of challenges for property developers in Western China. Despite the unfavorable market conditions, C C Land managed to obtain encouraging responses from the pre-sales of our projects and continued to acquire premium land sites at reasonable price during the period so as to further strengthen our foothold in Western China."

Due to the interruption of property construction and sales in Chongqing and Chengdu after the earthquake in May 2008, the Group's operations was temporarily affected. In the first half of 2008, the Group's contracted sales area and completed area amounted to approximately 51,200 sq. m. and 77,322 sq. m. respectively. In addition, the investment property contributed a revaluation gain of HK\$25.9 million which confirms the property price of Chongqing is on an upward trend.

The Group has exercised great caution in acquiring new land sites. During the period, C C Land acquired one plot of land in Tongnanxian, Chongqing, adding around 866,666 sq. m. in GFA to the Group's portfolio. The average land cost of the new land bank is only RMB180 per sq. m. GFA. Currently the Group possesses an aggregate land bank of about 12.4 million sq. m. GFA (attributable GFA about 9.0 million sq. m.) spanning Chongqing, Sichuan, Chengdu, and Kunming. The average land cost is about RMB1,200 per sq. m. which is relatively low given most of the land sites are in the prime locations of the city / town centres. In terms of usage, about 78.8% of the land bank is for residential use and the remaining 21.2% for offices, commercial and other developments. In terms of location, around 62.3% of the land bank is located in Chongqing whilst 37.7% is in Sichuan, Chengdu, and Kunming. Currently the Group has 13 projects in various stages of development.

C C Land maintains a healthy financial position. The Company successfully signed a HK\$1.95 billion 3-Year term credit facility with a consortium of Hong Kong banks in January 2008. This indicates the financial community's confidence in the Group and its business prospects. As of 30 June 2008, the Group's net gearing was at a relatively low level of 7.3%.

Dr. Lam said, "We have adjusted our project development schedule and sales strategies to deal with the uncertain market conditions. Given that our land portfolio comprises valuable land sites, the Group aims to sell the projects at suitable timing and prices in order to maximise the true value of our projects. Our strategy has been endorsed by the recent sales results – the launch of our new project in Chengdu - Sky Villa Phase One . On 6 September 2008, the first day of its launch, 131 units out of the first batch of 150 units on offer were sold, generating a total turnover of RMB150 million with a take-up rate close to 90%. For existing projects like No. 1 Peak Road and Verakin New Park City, the average selling prices during the period under review increased by about 8% and 30% respectively when compared with the prices of last year."

Chongqing and Chengdu were named the "Comprehensive Reform Trial Zones" in 2007. Apart from this, the State Council issued a document (No.21) on 30 June 2008 unveiling supportive measures for Sichuan's recovery from the May earthquake. It is believed that the government will continue to introduce preferential policies and relief measures to support the recovery and development of the Sichuan Province.

Such policies will assist the Chengdu property market to recover after the tragic earthquake . This in turn will benefit Chongqing and the Sichuan Province. The encouraging GDP growths in Chongqing and Chengdu were at 15.2% and 11.2% respectively while the national average was 10.4% only, providing the driving force for the growth in the property market in Chongqing and Chengdu.

Going forward, Dr. Lam said, "Although the overall property market in China is uncertain, in light of the favorable government policies and strong economy in Chongqing and Chengdu, we have great confidence in the property market prospects of Western China. C C Land will continue to timely revise our project development schedule and sales strategies in order to better utilize our land portfolio. We will also continue to acquire quality land bank with selected criteria as well as further diversify our source of income by developing a balanced project portfolio. With our premium land portfolio, strong financial position, strong local knowledge and seasoned management team, C C Land has built a solid foundation for future profitability. "

### **About C C Land**

C C Land is principally engaged in the property development business in Western China. It has projects with a total GFA about 12.4 million sq. m. (attributable GFA about 9.0 million sq. m.) in Chongqing, Sichuan, Chengdu, and Kunming. In light of the sustained economy growth in China, C C Land is well-poised to be one of the leading property developers in Western China by leveraging its management expertise, quality land banks, and solid financial position. The Group is a constituent stock of the Morgan Stanley Capital International Hong Kong Index, Hang Seng Composite Index Series and Hang Seng Free-float Index Series.

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