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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 2014

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 2014 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2014 HK\$'000	2013 HK\$'000
REVENUE	3, 4	10,299,888	6,844,850
Cost of sales		(7,587,444)	(4,720,846)
Gross profit		2,712,444	2,124,004
Other income and gains	4	844,041	480,307
Selling and distribution expenses		(397,620)	(387,256)
Administrative expenses		(463,806)	(451,969)
Other expenses		(18,640)	(27,942)
Finance costs	5	(159,763)	(90,293)
Share of profits and losses of:			
Joint ventures		(24,173)	(13,913)
Associates		(13,448)	(14,571)
PROFIT BEFORE TAX	6	2,479,035	1,618,367
Income tax expense	7	(1,388,923)	(955,449)
PROFIT FOR THE YEAR		1,090,112	662,918

	Note	2014 HK\$'000	2013 HK\$'000
Attributable to:			
Owners of the parent		1,068,280	505,395
Non-controlling interests		<u>21,832</u>	<u>157,523</u>
		<u>1,090,112</u>	<u>662,918</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted		<u>HK41.27 cents</u>	<u>HK19.53 cents</u>

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014	2013
	HK\$'000	HK\$'000
PROFIT FOR THE YEAR	1,090,112	662,918
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investments:		
Changes in fair value	133,193	91,277
Deferred tax	(23,863)	945
Reclassification adjustment for a gain on disposal of available-for-sale investments included in the consolidated statement of profit or loss	(97,806)	-
	11,524	92,222
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries	(81,132)	(12,562)
Exchange differences on translation of foreign operations	(47,025)	489,007
	(128,157)	476,445
Share of other comprehensive income of joint ventures	4,807	(2,143)
Share of other comprehensive income of associates	(5,866)	48,363
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(117,692)	614,887
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	(117,692)	614,887
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	972,420	1,277,805
Attributable to:		
Owners of the parent	957,226	1,057,787
Non-controlling interests	15,194	220,018
	972,420	1,277,805

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2014 HK\$'000	2013 HK\$'000
NON-CURRENT ASSETS			
Property and equipment		184,099	169,884
Investment properties		421,666	411,330
Prepaid land lease payments		121,068	124,048
Golf club membership		10,540	10,540
Investments in joint ventures		439,947	30,576
Investments in associates		1,503,311	1,280,688
Available-for-sale investments		690,448	593,865
Properties under development		7,324,735	8,817,886
Interests in land use rights for property development		961,336	2,169,803
Consideration receivable on disposal of a subsidiary		290,922	-
Deferred tax assets		147,076	63,724
Total non-current assets		12,095,148	13,672,344
CURRENT ASSETS			
Properties under development		18,993,862	17,008,302
Completed properties held for sale		6,084,612	5,450,528
Prepaid land lease payments		2,565	2,574
Prepayments, deposits and other receivables		1,965,948	1,949,268
Equity investments at fair value through profit or loss		848,057	312,864
Available-for-sale investments		38,789	-
Prepaid income tax and land appreciation tax		115,525	170,534
Deposits with brokerage companies		58,030	1,652
Pledged deposits		1,880,790	781,247
Restricted bank balances		1,357,267	3,079,115
Time deposits with original maturity over three months		-	69,074
Cash and cash equivalents		6,280,933	5,706,852
		37,626,378	34,532,010
Non-current assets classified as held for sale	8	-	1,491,434
Total current assets		37,626,378	36,023,444
CURRENT LIABILITIES			
Trade and bills payables	11	4,510,638	3,597,205
Other payables and accruals		11,930,179	14,220,545
Loans from non-controlling shareholders of subsidiaries		559,821	1,088,971
Interest-bearing bank borrowings		4,152,564	3,563,358
Tax payable		2,939,012	2,244,193
Consideration payable on acquisition of subsidiaries		18,847	202,125
Total current liabilities		24,111,061	24,916,397
NET CURRENT ASSETS		13,515,317	11,107,047
TOTAL ASSETS LESS CURRENT LIABILITIES		25,610,465	24,779,391

	Note	2014 HK\$'000	2013 HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		7,929,438	7,530,630
Deferred tax liabilities		1,136,902	1,297,838
Consideration payable on acquisition of subsidiaries		-	100,513
Total non-current liabilities		<u>9,066,340</u>	<u>8,928,981</u>
Net assets		<u>16,544,125</u>	<u>15,850,410</u>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	258,822	258,822
Reserves		<u>14,538,245</u>	<u>13,926,337</u>
		14,797,067	14,185,159
Non-controlling interests		<u>1,747,058</u>	<u>1,665,251</u>
Total equity		<u>16,544,125</u>	<u>15,850,410</u>

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.

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, and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The 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 assets classified as 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 POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year’s financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	<i>Investment Entities</i>
Amendments to HKAS 32 Amendments to HKAS 39	<i>Offsetting Financial Assets and Financial Liabilities Novation of Derivatives and Continuation of Hedge Accounting</i>
HK(IFRIC)-Int 21 Amendment to HKFRS 2 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Levies Definition of Vesting Condition¹</i>
Amendment to HKFRS 3 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Accounting for Contingent Consideration in a Business Combination¹</i>
Amendment to HKFRS 13 included in <i>Annual Improvements 2010-2012 Cycle</i>	<i>Short-term Receivables and Payables</i>
Amendment to HKFRS 1 included in <i>Annual Improvements 2011-2013 Cycle</i>	<i>Meaning of Effective HKFRSs</i>

¹ Effective from 1 July 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

- (a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.
- (b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.
- (c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.
- (d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.
- (e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.
- (f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.
- (g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

3. OPERATING SEGMENT INFORMATION

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

- Property development and investment segment – Development and investment of properties located in Mainland China
- Treasury investment segment – Investments in securities and notes receivable, and provision of financial services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss 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.

Information regarding the reportable segments is presented below.

Reportable segment information

Year ended 31 December 2014

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
Segment revenue			
Sales to external customers	<u>10,281,514</u>	<u>18,374</u>	<u>10,299,888</u>
Segment results	<u>2,500,698</u>	<u>173,025</u>	<u>2,673,723</u>
Corporate and unallocated income			5,500
Corporate and unallocated expenses			(40,425)
Finance costs			<u>(159,763)</u>
Profit before tax			<u>2,479,035</u>
Other segment information:			
Share of profits and losses of:			
Joint ventures	(24,173)	-	(24,173)
Associates	(13,448)	-	(13,448)
Capital expenditure in respect of items of property and equipment	44,090	-	44,090
Depreciation	26,388	10	26,398
Amortisation of prepaid land lease payments	2,554	-	2,554
Fair value gains on investment properties	5,950	-	5,950
Fair value gains on equity investments at fair value through profit or loss, net	-	60,517	60,517
Write-down of completed properties held for sale to net realisable value	91,661	-	91,661
Write-down of properties under development to net realisable value	233,277	-	233,277
Impairment of an other receivable	12,676	-	12,676
Investments in joint ventures	439,947	-	439,947
Investments in associates	<u>1,503,311</u>	<u>-</u>	<u>1,503,311</u>

Year ended 31 December 2013

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
Segment revenue			
Sales to external customers	6,829,073	15,777	6,844,850
Segment results			
	1,679,976	68,091	1,748,067
Corporate and unallocated income			2,088
Corporate and unallocated expenses			(41,495)
Finance costs			(90,293)
Profit before tax			1,618,367
Other segment information:			
Share of profits and losses of:			
Joint ventures	(13,913)	-	(13,913)
Associates	(14,571)	-	(14,571)
Capital expenditure in respect of items of property and equipment	17,065	-	17,065
Depreciation	28,428	21	28,449
Amortisation of prepaid land lease payments	12,634	-	12,634
Fair value gains on investment properties	18,260	-	18,260
Fair value losses on equity investments at fair value through profit or loss, net	-	27,942	27,942
Write-down of completed properties held for sale to net realisable value	208,925	-	208,925
Investments in joint ventures	30,576	-	30,576
Investments in associates	1,280,688	-	1,280,688

Geographical information

(a) Revenue from external customers

Over 90% of the Group's revenue is derived from external customers of the Group's operations in Mainland China.

(b) Non-current assets

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

Information about major customer

For the years ended 31 December 2013 and 2014, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents gross proceeds from sale of properties, net of business tax and other sales related taxes from the sale of properties; gains/losses on disposal of equity investments at fair value through profit or loss, net; gross rental income received and receivable from leased properties; and dividend and interest income from listed and unlisted investments during the year.

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

	2014 HK\$'000	2013 HK\$'000
<u>Revenue</u>		
Sale of properties	10,244,128	6,798,444
Gross rental income	23,080	19,986
Gains/(losses) on disposal of equity investments at fair value through profit or loss, net	(4,496)	795
Dividend income from listed equity investments	27,994	19,290
Dividend income from unlisted equity investments	4,174	1,303
Interest income from unlisted debt investments	5,008	5,032
	<u>10,299,888</u>	<u>6,844,850</u>
	2014 HK\$'000	2013 HK\$'000
<u>Other income and gains</u>		
Bank interest income	83,474	85,618
Other interest income	89,321	54,867
Exchange gains, net	-	19,503
Gains on disposal of subsidiaries, net	497,523	171,910
Gains on disposal of available-for-sale investments	97,806	83,168
Gain on disposal of land quota	-	40,222
Fair value gains on investment properties	5,950	18,260
Fair value gains on equity investments at fair value through profit or loss, net	60,517	-
Gain on disposal of items of property and equipment	133	-
Others	9,317	6,759
	<u>844,041</u>	<u>480,307</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2014 HK\$'000	2013 HK\$'000
Interest on bank loans wholly repayable within five years	728,738	642,762
Interest on bank loans wholly repayable beyond five years	18,203	15,567
Interest on other loan wholly repayable within five years	49,220	75,660
	<u>796,161</u>	<u>733,989</u>
Less: Interest capitalised	(636,398)	(643,696)
	<u>159,763</u>	<u>90,293</u>

6. PROFIT BEFORE TAX

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

	2014	2013
	HK\$'000	HK\$'000
Cost of properties sold	7,258,456	4,507,743
Write-down of completed properties held for sale to net realisable value	91,661	208,925
Write-down of properties under development to net realisable value	233,277	-
Depreciation	26,398	28,449
Less: Amount capitalised	(2,396)	(2,493)
	24,002	25,956
Amortisation of prepaid land lease payments	2,554	12,634
Minimum lease payments under operating leases in respect of land and buildings	14,290	9,459
Auditors' remuneration	6,890	6,290
Impairment of an other receivable	12,676	-
Employee benefit expense (including directors' remuneration):		
Wages and salaries	362,141	346,653
Pension scheme contributions	15,223	11,307
Less: Amount capitalised	(124,918)	(109,878)
	252,446	248,082
Foreign exchange differences, net	5,964	(19,503)
Gross rental income, net of business tax	(23,080)	(19,986)
Direct operating expenses (including repairs and maintenance) arising on rental-earning properties	4,050	4,178
Net rental income	(19,030)	(15,808)

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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.

	2014	2013
	HK\$'000	HK\$'000
Group:		
Current charge for the year		
Hong Kong	103	667
Mainland China	844,443	655,413
	844,546	656,080
Underprovision in prior years		
Hong Kong	-	61
Mainland China	546	4,904
	546	4,965
Land appreciation tax charge for the year	806,610	639,806
Deferred tax	(262,779)	(345,402)
Total tax charge for the year	1,388,923	955,449

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Details of the non-current assets classified as held for sale are as follows:

	Notes	2014	2013
		HK\$'000	HK\$'000
<u>Assets</u>			
Interests in land use rights for property development	8(a)	-	1,452,133
Investment in an associate	8(b)	-	39,301
Non-current assets classified as held for sale		-	1,491,434

- (a) Interests in land use rights for property development classified as held for sale –
Ho Yeung Group

On 13 November 2013, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Ho Yeung Group Limited (“Ho Yeung”), and together with its subsidiary, the “Ho Yeung Group”) and a shareholder’s loan owed by the Ho Yeung Group to the Group for a total consideration of HK\$1,827,747,000.

The Ho Yeung Group is principally engaged in property development and investment in Mainland China. The disposal of the Ho Yeung Group was completed on 15 January 2014. The major assets of the Ho Yeung Group comprised interests in land use rights for property development amounting to HK\$1,452,133,000 which were classified as non-current assets held for sale and were presented separately in the consolidated statement of financial position as at 31 December 2013.

(b) Investment 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 a 30% equity interest in Sichuan Hengchen was completed on 30 March 2011.

Upon 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 as at 31 December 2013. The disposal of this remaining 30% equity interest in Sichuan Hengchen was completed in 2014.

9. DIVIDENDS

	2014 HK\$'000	2013 HK\$'000
Proposed final		
– HK\$0.05 (2013: HK\$0.045) per ordinary share	<u>129,411</u>	<u>116,470</u>

The final dividend for the year ended 31 December 2014 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 years ended 31 December 2013 and 2014.

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

The calculation of the 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 in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2014 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

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

	2014 HK\$'000	2013 HK\$'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>1,068,280</u>	<u>505,395</u>
	Number of shares	
	2014	2013
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>2,588,223,112</u>	<u>2,588,010,924</u>

11. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2014 HK\$'000	2013 HK\$'000
Within 1 year	<u>4,510,638</u>	<u>3,597,205</u>

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle.

12. SHARE CAPITAL

	2014 HK\$'000	2013 HK\$'000
Authorised:		
5,000,000,000 (2013: 5,000,000,000) ordinary shares of HK\$0.10 (2013: HK\$0.10) each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid:		
2,588,223,112 (2013: 2,588,223,112) ordinary shares of HK\$0.10 (2013: HK\$0.10) each	<u>258,822</u>	<u>258,822</u>

During the year ended 31 December 2013, 423,217 ordinary shares of HK\$0.10 each in the Company were issued at HK\$2.40 per share as scrip dividends.

RESULTS

The Group achieved a record high revenue of approximately HK\$10,299.9 million in 2014, up 50.5% year-on-year. Net profit surged by 64.4% year-on-year to a record high of HK\$1,090.1 million. There are non-recurring gains from the disposal of the Zhaomu Mountain project and the Wanzhou project in Chongqing, which yielded profits before tax of approximately HK\$457.4 million and HK\$90.0 million respectively. The Group attained a profit attributable to shareholders for the year ended 31 December 2014 of HK\$1,068.3 million (2013: HK\$505.4 million), an increase of about 111.4% from that of last year. The basic earnings per share for the year rose by 111.3% to 41.27 HK cents (2013: 19.53 HK cents).

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK\$0.05 (2013: HK\$0.045) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 1 June 2015. Subject to approval at the forthcoming annual general meeting ("AGM"), dividend warrants will be sent to shareholders on or about 10 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 19 May 2015 to Thursday, 21 May 2015, 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 with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Monday, 18 May 2015.

The Register of Members of the Company will also be closed from Thursday, 28 May 2015 to Monday, 1 June 2015, 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 with Tricor Secretaries Limited of the above address for registration by 4:30 p.m. on Wednesday, 27 May 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued to focus its property development and investment business in Western China. Most of its projects are located in the provincial capitals of Western China where the GDP growth is higher than the national average. Last year the Chinese economy experienced a stage of adjustment in its economic and social development. The economic growth slowed to an actual GDP growth of 7.4% (2013: 7.7%). The poor sentiment for the real estate market resulted in a fall in both transaction volume and selling prices across the country.

In order to keep the property market on a healthy, balanced and sustainable growth, the Central Government has relaxed its tightening policies on the property sector, resulting in more buyers being granted better mortgage terms, thus promoting sales. At the end of 2014, in major cities, there were clear signs of stabilization of the property market which is expected to have little risk of a major downturn due to the underlying fundamentals in China.

Recognized Revenue

The property sales revenue was HK\$10,244.1 million (RMB8,110.9 million) (2013: HK\$6,798.4 million (RMB5,383.3 million)) against a total booked gross floor area (“GFA”) sales of 1,135,500 sqm (2013: 719,700 sqm). The revenue from property sales and booked GFA represented an increase of 50.7% and 57.8% respectively from those of last year. The substantial increase in sales revenue and booked GFA was mainly attributable to more properties delivered and recognized as revenue in the year. The recognized revenue mainly came from 8 projects in Chongqing, 3 projects in Chengdu and 1 project in Guiyang. As most of the projects recognized revenues in the previous year 2013 were from high-end residential projects which carried higher average selling price (“ASP”) and gross profit margins, the ASP of recognized sales in 2014 slightly decreased by 4.5% from RMB7,480 per sqm in 2013 to RMB7,140 per sqm in 2014. However, the Group recorded a higher transaction volume of 44,900 sqm from the sale of office units with a higher ASP, which compensated for the lower ASP for residential apartments delivered in 2014, resulting in slightly similar ASP as in the previous year. The booked gross profit margin for 2014 was 29.1% (2013: 33.7%). A provision for impairment of HK\$324.9 million was made in respect of certain development properties in the year (2013: HK\$208.9 million). After the provision, the gross profit margin of the Group’s property development and investment business in 2014 was 26.2% (2013: 30.9%).

The recognized sales revenues by projects for 2014 are as follows:

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 Phases I, II, III & IV	Residential	93,200	700,500	7,520/sqm	92%
	Commercial	4,400	70,300	15,820/sqm	
	Car Park	16,100	54,100	133,850/unit	
Riverside One, Wanzhou Phases I, II & III	Residential	172,200	850,100	4,940/sqm	100%
	Commercial	6,000	69,500	11,510/sqm	
	Car Park	29,600	74,100	80,670/unit	

i-City Phases I, II & III	Residential	10,700	80,400	7,520/sqm	92%
	Commercial	4,300	61,000	14,350/sqm	
	Car Park	800	3,100	125,160/unit	
Zhongyu Plaza					
- Tower 6	Office	30,000	443,500	14,790/sqm	74%
- Tower 8	Office	14,900	245,200	16,470/sqm	92%
Phoenix County Phases I, II & III	Residential	98,400	723,700	7,350/sqm	100%
	Commercial	300	5,000	19,320/sqm	
	Car Park	500	1,900	129,730/unit	
Academic Heights Phases I & II	Residential	78,600	372,600	4,740/sqm	92%
	Commercial	500	10,400	21,350/sqm	
Verakin New Park City	Residential	85,900	775,500	9,030/sqm	51%
	Commercial	3,500	53,200	15,140/sqm	
	Car Park	35,700	74,500	74,380/unit	
Bishan Verakin New Park City – Zone B	Residential	100,300	475,300	4,740/sqm	26%
	Commercial	4,500	76,100	16,880/sqm	
Others	Residential/ Commercial/ Car Park	11,900	108,600		
Chengdu					
Brighton Place & Plaza Phases I,II, III & IV	Residential	167,400	1,218,700	7,280/sqm	51%
	Commercial	4,900	179,100	36,410/sqm	
Villa Royale Phases I & II	Residential	16,000	211,200	13,170/sqm	51%
	Car Park	3,800	14,100	140,660/unit	
Sky Villa Phases I & II	Residential	15,300	272,700	17,820/sqm	51%
	Car Park	11,900	40,800	122,040/unit	
Others	Residential	600	3,100	5,090/sqm	
Guiyang					
First City, Guiyang Phase I	Residential	79,600	576,200	7,240/sqm	85%
	Commercial	9,200	144,700	15,670/sqm	
Other districts					
Radiant Bay Phase I	Residential	21,300	100,100	4,710/sqm	100%
Silver Lining	Residential	2,100	16,200	7,750/sqm	64%
	Car Park	1,100	5,400	144,810/unit	
TOTAL		1,135,500	8,110,900		

In terms of location, the contributions to recognized revenue and booked area in terms of percentage respectively were as follows:

	Recognized Revenue		Booked Area	
	2014	2013	2014	2013
Chongqing	65%	74%	71%	78%
Chengdu	24%	18%	19%	11%
Guiyang	9%	1%	8%	1%
Other districts	2%	7%	2%	10%
Total	100%	100%	100%	100%

In terms of usage, about 79% (2013: 87%) is for residential and the balance for non-residential purposes.

As at 31 December 2014, the unrecognized revenue was approximately RMB11.3 billion, representing a pre-sold area of 1.3 million sqm, out of which, about RMB9.6 billion are from projects which are completed or expected to be completed in 2015. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the property delivered to the purchaser.

Eight projects were completed on schedule in 2014. The total GFA completed by the Group in the year amounted to approximately 1,199,500 sqm (2013: 1,171,000 sqm). Details are as follows:

Projects	Usage	GFA (sqm)	Percentage of Area Sold as at 31 December 2014	The Group's Interest
Chongqing				
L' Ambassadeur Phase IV	Residential	71,100	99%	92%
	Commercial	17,200		
	Others	13,500		
Zhongyu Plaza				
- Tower 6	Office	34,100	91%	74%
- Towers 8 & 9	Office	106,100	20%	92%
Riverside One, Wanzhou Phase III	Residential	182,600	98%	100%
	Commercial	22,500	58%	
	Others	34,200	85%	
Phoenix County Phase III	Residential	97,400	100%	100%
	Others	22,600		
Academic Heights Phase II	Residential	118,100	69%	92%
	Commercial	3,600		
	Others	42,900		
Verakin New Park City				
- Zone O	Residential	21,800	99%	51%
	Commercial	800		
	Others	9,800		
- Zone M	Residential	64,800	92%	
Bishan Verakin New Park City	Residential	119,300	90%	26%
	Commercial	11,800	64%	
	Others	22,500		
Chengdu				
Brighton Place & Plaza Phases I, II, III & IV	Residential	169,100	99%	51%
	Commercial	10,500	56%	
	Others	3,200		
TOTAL		<u>1,199,500</u>		

Contract Sales

In the first few months of 2014, the Central Government continued to implement the restrictive measures on the real estate market. A strong wait-and-see sentiment in the market had dampened the buying desire from first-time home buyers and from up-graders. With this adverse market sentiment, the Group recorded decreases in both the contract volume and floor area sold compared with last year.

In 2014, the group launched its first project in Xi'an which recorded satisfactory sales performance.

The total contract sales achieved during the year was RMB5,753.7 million (2013: RMB9,775.7 million) from 26 projects in 6 cities, with a pre-sold area totaling 757,500 sqm (2013: 1,132,400 sqm), representing a decrease of 41.1% and 33.1% respectively when compared with those of last year, and was 47.7% below the annual sales target of RMB11 billion. The overall ASP decreased by 11.9% to RMB7,600 per sqm from RMB8,630 per sqm in 2013. The decrease was mainly attributed to the change in project contribution and product mix when compared with those of last year.

In addition to the contract sales above, as at 31 December 2014, a total of 139,000 sqm at a value of RMB1,300 million was subscribed for, which will be converted to contract sales in the coming months.

Twenty six projects were launched for presales in 2014. Of this total, five were new projects, namely Residence Serene and Verakin Joyful City in Chongqing, Residence du Lac in Chengdu, Zhongyu Metropolis in Xi'an and Florentia Town in Guiyang.

The breakdown of the contract sales in 2014 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 & IV	Residential	8,900	83,000	9,380/sqm
	Commercial	600	18,700	31,820/sqm
	Car Park	15,700	55,600	141,150/unit
Verakin New Park City	Residential	36,100	383,200	10,620/sqm
	Commercial	12,500	300,200	24,030/sqm
	Office	51,700	396,100	7,650/sqm
	Car Park	35,000	77,200	78,750/unit
Bishan Verakin New Park City - Zones A, B & C	Residential	36,800	181,900	4,920/sqm
	Commercial	5,200	98,300	18,800/sqm
Verakin Joyful City Phase I	Residential	31,800	142,100	4,460/sqm
	Commercial	200	5,200	23,740/sqm
Riverside One, Wanzhou Phases II & III	Residential	27,000	122,200	4,530/sqm
	Commercial	2,200	24,100	10,730/sqm
	Car Park	9,600	24,600	81,590/unit
Phoenix County Phases I, II & III	Residential	62,100	539,600	8,690/sqm
	Commercial	1,600	40,300	24,790/sqm
	Car Park	500	2,100	137,270/unit
Academic Heights Phases I, II & III	Residential	45,300	197,600	4,370/sqm
	Commercial	900	20,300	23,170/sqm
Residence Serene Phases I & II	Residential	14,100	100,600	7,130/sqm
	Commercial	100	6,400	54,810/sqm
	Office	1,200	17,800	14,350/sqm
Mansions on the Peak	Residential	700	30,000	42,980/sqm
Others	Residential/ Commercial/ Car park	10,600	51,700	
		410,400	2,918,800	
Chengdu				
Sky Villa Phases II & III	Residential	18,500	317,200	17,160/sqm
	Car Park	1,900	7,900	147,040/unit
Sky Villa Condominiums	Residential	5,700	63,900	11,250/sqm
	Commercial	2,400	107,900	44,820/sqm
Brighton Place & Plaza Phases II, IV & V	Residential	800	6,500	7,880/sqm
	Commercial	3,800	156,200	40,730/sqm
	Office	11,200	104,400	9,310/sqm
Villa Royale Phases I, II, III & V	Residential	14,000	206,500	14,730/sqm
	Car Park	1,900	8,400	150,000/unit

Residence du Paradis Phases I & II	Residential	53,900	324,200	6,020/sqm
	Commercial	1,900	40,400	21,400/sqm
Residence du Lac Phase I	Residential	41,800	262,100	6,280/sqm
	Commercial	2,900	51,900	18,130/sqm
Others	Residential	600	3,200	
		<u>161,300</u>	<u>1,660,700</u>	

Guiyang

First City, Guiyang Phases I, II, III & IV	Residential	51,200	311,300	6,080/sqm
	Commercial	26,400	336,900	12,790/sqm
	Car Park	8,000	3,500	120,620/unit
Florentia Town Phase I	Residential	16,200	77,600	4,790/sqm
	Commercial	1,500	33,600	22,970/sqm
		<u>103,300</u>	<u>762,900</u>	

Xi'an

Zhongyu Metropol Phases I & II	Residential	43,400	209,600	4,830/sqm
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Other Districts

Silver Lining	Residential	1,400	10,900	8,010/sqm
	Car Park	200	1,100	150,000/unit
Radiant Bay Phases I & II	Residential	37,500	189,700	5,060/sqm
		<u>39,100</u>	<u>201,700</u>	

TOTAL		<u>757,500</u>	<u>5,753,700</u>	
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The breakdown of the contract sales for 2014 from Chongqing, Chengdu, Guiyang, Xi'an and other districts were 50%, 29%, 13%, 4% and 4% respectively. The ASPs breakdown by location is as follows:

ASP (RMB per sqm)	2014	2013	Percentage change
Chongqing	7,110	8,330	-14.6%
Chengdu	10,290	9,890	+4.0%
Guiyang	7,390	8,920	-17.2%
Xi'an	4,830	N/A	N/A
Others	5,170	5,160	-
Overall for the Group	7,600	8,630	-11.9%

In terms of usage, about 65% (2013: 66%) were for residential and 35% (2013: 34%) for non-residential properties. The ASPs breakdown by usage is as follow:

ASP (RMB)	2014	2013	Percentage change
Residential (per sqm)	6,880	7,530	-8.6%
Commercial (per sqm)	22,000	20,110	+9.4%
Office (per sqm)	7,810	11,890	-34.3%
Carparks (per unit)	101,150	136,010	-25.6%

Land Bank

The Group has continued its strategy to develop its business in key cities of Western China. After taking into consideration the macro-economic condition, market change and sales results, the Group decided not to make any new land acquisition in year 2014.

As at the report date, the Group was in possession of a land bank of 12.3 million sqm GFA (attributable GFA amounting to about 8.5 million sqm) which is sufficient for 5-6 years' of development. The projects are in five cities namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an. The average GFA land cost is around RMB 1,930 per sqm.

To further consolidate its land bank resources, the Group completed the disposal of its projects in Zhaomu Mountain and Wanzhou District, Chongqing, at the considerations of about RMB1,425.5 million and RMB459 million respectively. The disposal enabled the Group to pool more resources to step up the development of its commercial property portfolio in the Jiazhou Zone in the Yubei District, Chongqing. The disposal for these two projects resulted in a total pre-tax gain of approximately HK\$547.4 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	Properties held for Own Use	Completed Properties held for Sale	Land held for Development		Total GFA (sqm)	Percentage of Total GFA
	GFA (sqm)	GFA (sqm)	GFA (sqm)	Total GFA (sqm)	Attributable GFA (sqm)		
Commercial	28,000	11,000	164,000	1,717,000	1,283,000	1,920,000	14.1
Residential	2,000		296,000	5,251,000	3,329,000	5,549,000	40.6
Office			98,000	1,568,000	1,198,000	1,666,000	12.2
Hotel & serviced apartment			6,000	234,000	113,000	240,000	1.8
Townhouse & villa			134,000	327,000	222,000	461,000	3.4
Others (Car-park spaces and other auxiliary facilities)	53,000	11,000	501,000	3,247,000	2,382,000	3,812,000	27.9
TOTAL	83,000	22,000	1,199,000	12,344,000	8,527,000	13,648,000	100.0

In terms of usage, about 47% of the land held for development is for residential, hotel and serviced apartments as well as townhouse and villa use and the remaining 53% for office, commercial and other developments. In respect of the total 430,000 sqm completed residential, townhouse and villa properties held for sale, about 51% 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	6,328,000	3,961,000	51.2
Sichuan			
- Chengdu	1,998,000	1,019,000	16.2
- Dazhou	247,000	247,000	2.0
Guiyang	3,145,000	2,674,000	25.5
Xi'an	626,000	626,000	5.1
TOTAL	12,344,000	8,527,000	100.0

Around 51% and 16% of the land bank held for development are located in Chongqing and Chengdu respectively, whilst 33% is in Dazhou, Guiyang and Xi'an.

There were 20 projects in different stages of development during the year. The total area under construction as at 31 December 2014 was about 4.8 million sqm which is about 39% of the Group's total land bank.

As at the report date, details of the Group's land bank held for development are as follows:

Locations/Project Names	Expected Completion Date	GFA (sqm)	The Group's Interest
Chongqing, Yubei District			
-Phoenix County	2015	184,000	100%
-Zhongyu Plaza			
- Hotel portion	2017	80,000	46%
- Others	2015	209,000	92%
-Residence Serene	2015 – 2016	296,000	92%
-Lot #17-1	2017 or after	210,000	92%
-Lot #9	2017 or after	657,000	92%
-Lot #4	2016 or after	752,000	92%
-Lot #3-1	2017 or after	361,000	92%
-Xinpaifang	2017 or after	26,000	92%
-Others	2017 or after	91,000	92%
Chongqing, Jiangbei District	2015 or after	1,029,000	25%
Chongqing, Nan'an District			
-Verakin New Park City	2016 or after	614,000	51%
Chongqing, Shapingba District			
-Academic Heights	2015	206,000	92%
-Verakin Joyful City	2017 or after	676,000	51%
Chongqing, Bishan County, Ludao New District			
-Bishan Verakin New Park City	2015 or after	791,000	26%
Chongqing, Rongchang County			
-Verakin Riviera	2015	146,000	25%
Chengdu, Jinjiang District			
-Sky Villa	2015	215,000	51%
-Sky Villa Condominiums	2015	125,000	51%

Chengdu, Shuangliu County			
-Villa Royale	2015 or after	142,000	51%
Chengdu, Qingyang District			
-Brighton Place & Plaza	2015	186,000	51%
Chengdu, Yizhou Avenue			
-C C Land Plaza	2017 or after	117,000	51%
Chengdu, Huafu Avenue			
-Residence du Lac	2015 or after	398,000	51%
Chengdu, LongQuan Yi District			
-Residence du Paradis	2015 or after	815,000	51%
Sichuan, Dazhou, Tongchuan District			
-Radiant Bay	2015 or after	247,000	100%
Guiyang, Guanshanhu District			
-First City, Guiyang	2015 or after	1,191,000	85%
Guiyang, WuDang District			
-Florentia Town	2017 or after	641,000	85%
Guiyang, Hefei Road			
-Concordia City	2017 or after	1,313,000	85%
Xi'an, Weiyang District			
-Zhongyu Metropol	2016 or after	626,000	100%
TOTAL		12,344,000	

To support its sustainable development, the Group will continue to seize opportunities to expand its land bank at best value and will determine its investment scale based on the sales performance and financial resources on hand.

Investment Property

Chongqing, the Southwest China's economic hub, has established itself as a manufacturing centre for key industries, and an active business center in the upper Yangtze River region. Chongqing achieved a GDP growth rate of 10.9% in 2014 which topped all the provinces in China. Chongqing will benefit from China's new urbanization drive which is expected to increase in population. It had just announced a 1.6 trillion Renminbi funding for the construction of massive infrastructure projects. The broadened economic base will create employment, good opportunities for economic growth, and commercial property developments in the region. The Group stands to benefit greatly from these developments as its base is established in the region.

As at 31 December 2014, the book value of the investment properties of the Group measured at fair value with a total GFA of approximately 83,107 sqm was HK\$421.7 million (2013: HK\$ 411.3 million) of which HK\$5.9 million arose from the increase in fair value during the year under review. The fair value was determined by an independent professional valuer based on its current operation mode adopted by the Group in respect of investment properties and the expected rental income to be generated. The valuation gains on investment properties were mainly a result of the increased value of the commercial portion held by the Group during the year.

The Group's property investment in the core land bank in the Yubei district is developing into one of the most important centers in Chongqing. Four commercial land lots are situated in the core land bank, namely, Lot Nos. 3, 4, 9 and 10, which are being developed into hotels, commercial and residential complexes.

As of 31 December 2014, Lot Nos. 4 & 10 with a total leasable and saleable GFA of about 961,000 sqm was under construction. The portfolio consists of the following projects:

- a. the shopping mall and the car park area of "Zhongyu Plaza" in Lot No. 10 is expected to be completed in 2015 with a total leasable and saleable GFA of about 209,000 sqm.

- b. construction work has commenced for Lot No.4, which will be developed to be one of the largest and high-end shopping and entertainment centers in Western China with a total leasable and saleable GFA of about 752,000 sqm. The Group has entered into a pre-leasing agreement with Taiwan Shin Kong Mitsukoshi, operator of a chain of department stores in Taiwan and China, to lease a GFA of approximately 250,000 sqm of the project's commercial space. The mode of co-operation is purely based on lease arrangements consisting of rental fee levied on two factors, namely, area occupied and monthly turnover amount. The department store is expected to commence operation in 2016.

It is the intention of the Group to lease out the Group's investment properties, although the possibility of selling some units should attractive offers arise cannot be ruled out. The Group will assess the market environment from time to time to determine the appropriate proportion of the investment properties for lease and sale respectively.

The rental income for investment properties in the year was approximately HK\$23.1 million, as compared with approximately HK\$20.0 million last year. The rental income was generated from the existing investment properties, representing an annual growth of 15.5%.

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK\$172.9 million (2013: HK\$67.4 million). There was a gain of HK\$97.8 million (2013: HK\$83.2 million) realized on the disposal of available-for-sale investments held by the Group. The realized losses and unrealized gains on listed securities amounted to HK\$4.5 million and HK\$60.5 million respectively (2013: realized gains and unrealized losses on listed securities were HK\$0.8 million and HK\$27.9 million respectively). Dividend income and interest income from investment in notes receivable totaled HK\$22.9 million (2013: HK\$15.0 million).

Financial Position

The Group has maintained a healthy financial position during the year. As of 31 December 2014, the Group had aggregate cash and bank balances and time deposits amounting to HK\$9,519.0 million (2013: HK\$9,636.3 million). The Group monitors its capital on the basis of the gearing ratio. The net gearing ratio of the Group as at 31 December 2014 was 17.3% (2013: 10.3%) calculated by total borrowings less cash and bank balances and time deposits divided by owners' equity. The increase in gearing ratio was mainly due to the payment of land premium and related costs as well as construction costs of RMB553.4 million and RMB4,983.6 million respectively. These payments were mainly financed by internal resources generated from cash received from property presales and external bank borrowings. The slow down in contract sales has affected the receipt of pre-sale proceeds. The average borrowing interest rate for the year ended 31 December 2014 was 6.58% (2013: 6.73%) per annum which is relatively low in the market.

The cash collection ratio for the property business was 118% during the year.

CORPORATE STRATEGY AND OUTLOOK

The macro-regulatory environment had deterred potential homebuyers. As the market momentum slowed in 2014, homebuyers adopted a 'wait-and-see' attitude and continued to stay away from the property market. Housing supply and turnover in most cities reached a historic low. Government measures aimed at attracting homebuyers began to surface in September. These included improving the availability of mortgages and better mortgage terms for first-time homebuyers, as well as for second-time buyers who have repaid their first mortgage. It is expected that China will continue to adopt a prudent monetary policy and ensure economic drive in implementing reforms. The favorable policies boosted consumer confidence and are likely to provide some support to sales. The fall in housing sales eased in the last quarter of 2014, and was particularly evident in the first-tier cities.

These changes should help activity in the housing market to regain momentum in the months ahead if the economic background continues to improve. The Group believes that, due to the progress of urbanization, return of strong demand from the increase in disposable income of residents, and the release of demand from upgraders, which are the driving forces for the sustainable growth of the real estate market, there is still room for growth for the real estate industry.

In respect of land acquisitions, the Group will carefully screen and assess each and every opportunity based on future market supply and consumption preferences of home buyers. To ensure sustainable growth, the Group continues to ensure that it always has sufficient funding to expand resources land reserves with high potential profitability. The Group believes maintaining a land bank which is sufficient for five to six years' of development is an optimal size to support the future growth of the Group.

Chongqing will benefit from China's new urbanization drive, and is expected to result in population increase. The outlook for the office and retail market is expected to remain stable. The Group will continue to develop and keep its trophy commercial properties for rental purposes.

With more new launches, the contract sales performance is expected to pick up accordingly. The contract sales target for 2015 is RMB8 billion, approximately 39% more than its 2014 contract sales. This will be achieved from the sales of 21 projects in 5 cities. The unrecognized contract sales amounted to RMB11.3 billion representing a pre-sold GFA of 1.3 million sqm. Together with the contract sales for the first two months of 2015, the total unrecognized contract sales to be delivered in 2015 and beyond amounted to RMB12 billion.

Completion of properties in 2015 and 2016 will be 2,584,000 sqm and 1,449,000 sqm respectively with details set out below:

Locations	Projects	Residential Area (sqm)	Commercial/ Car park/ Other Area (sqm)	Total Area (sqm)	The Group's Interests
Year 2015					
Chongqing	Phoenix County Phases II & III	143,000	41,000	184,000	100%
	Zhongyu Plaza	-	209,000	209,000	92%
	Academic Heights Phase III	124,000	82,000	206,000	92%
	Residence Serene Phase I	-	116,000	116,000	92%
	Verakin New Park City –Zone M	128,000	42,000	170,000	51%
	Bishan Verakin New Park City –Zone A	54,000	38,000	92,000	26%
Chengdu	Sky Villa Phase III	157,000	58,000	215,000	51%
	Sky Villa Condominiums	80,000	45,000	125,000	51%
	Brighton Place & Plaza Phases I, II, III, IV & V	-	186,000	186,000	51%
	Residence du Paradis Phase I	162,000	77,000	239,000	51%
	Residence du Lac Phase I	142,000	68,000	210,000	51%
	Villa Royale Phases III, IV & V	75,000	10,000	85,000	51%
Dazhou	Radiant Bay Phases I & II	50,000	-	50,000	100%
Guiyang	First City, Guiyang Phases II, III & IV	155,000	342,000	497,000	85%
TOTAL		1,270,000	1,314,000	2,584,000	

Year 2016

Chongqing	Residence Serene Phase II	132,000	48,000	180,000	92%
	Lot No. 4	-	250,000	250,000	92%
	Verakin New Park City				
	-Zone S	-	97,000	97,000	51%
	-Zone U	-	103,000	103,000	51%
	Bishan Verakin New Park City				
	-Zone C	72,000	23,000	95,000	26%
	-Zone D	90,000	29,000	119,000	26%
Chengdu	Residence du Paradis Phase II	186,000	131,000	317,000	51%
Dazhou	Radiant Bay Phase II	36,000	6,000	42,000	100%
Guiyang Xi'an	First City, Guiyang Phase III	60,000	-	60,000	85%
	Zhongyu Metropol Phases I & II	164,000	22,000	186,000	100%
TOTAL		740,000	709,000	1,449,000	

For 2015 and 2016 respectively, 65% and 18% of the target completion residential areas have been pre-sold as at 28 February 2015. The target completion area for year 2015 are 2,584,000 sqm, which is about 115% higher when compared with the 2014 completion area of 1,199,500 sqm.

As at 31 December 2014, the Group has a total of 20 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in 2015 to be around 2.6 million sqm. Together with the area under construction of 4.8 million sqm as at 31 December 2014, the total area under development at the end of 2015 is expected to be over 7.4 million sqm - about 60% of the Group's total land bank.

As at 31 December 2014, the outstanding land premium is about RMB542 million. The expected construction cost for 2015 is about RMB7.5 billion.

The Group will continue to adopt a prudent and cautious investment strategy and will from time to time consider any investment and/or cooperation opportunities that may lower the Group's financial commitments and enhance returns from its projects in order to accelerate further growth of the Group. The Group will closely monitor changes of the market condition and demand, making timely and appropriate adjustment to the development plan in order to maintain satisfactory sales progress, maximize the performance of its operation and generate the greatest returns for its shareholders.

FINANCIAL REVIEW**Investments**

For the sake of strategic investment with growth potential, and in view of the shrinking interest returns on bank deposits, the Group instead has identified certain investment opportunities and invested its unused cash in a portfolio of listed and unlisted equity securities and unlisted investment funds. To maintain a prudent investment portfolio, the value of the portfolio is limited to no more than 10% of the total asset of the Group.

At 31 December 2014, 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\$1,577.3 million (31 December 2013: HK\$906.7 million) which is about 3.2% of the total assets of the Group. The Group will monitor closely the usage of unused cash and adjust the size of its investment portfolio. Owing to the price fluctuation in the Hong Kong stock market during the year, the Group recorded an unrealized fair value gains of HK\$60.5 million on listed investment (2013: unrealized fair value losses of HK\$27.9 million). The amount of dividends and interest income from investments for the year was HK\$37.2 million (2013: HK\$25.6 million).

Liquidity and Financial Resources

The Group will continue to adopt a prudent financial policy. Finance and fund utilization activities are subject to effective centralized management and supervision. While continuing to maintain the current relationship with major bankers, the Group is also exploring other funding channels and optimizing its capital structure so as to enhance its risk resistance capabilities.

As of 31 December 2014, the Group's financial position is healthy, ready for future capital expansion while maintaining a sufficiently high level of fixed deposits and bank balances amounting to HK\$9,519.0 million (31 December 2013: HK\$9,636.3 million) which included HK\$1,880.8 million (31 December 2013: HK\$781.2 million) of deposit pledged to banks. Of the cash and bank balances, the carrying amount of restricted cash was approximately HK\$1,357.3 million (31 December 2013: approximately HK\$3,079.1 million). According to the relevant laws and regulations of the PRC, the Group was required to place certain amount of pre-sales proceeds into designated bank accounts as guarantees for the development of the relevant properties.

An analysis by currency denomination of the cash and bank balances is as follows:

	2014		2013	
	HK\$'M	Percentage	HK\$'M	Percentage
Renminbi	8,506.2	89.3	8,321.6	86.4
Hong Kong Dollars	1,010.0	10.6	1,302.7	13.5
United States Dollars	2.8	0.1	12.0	0.1
Total	9,519.0	100.0	9,636.3	100.0

As at 31 December 2014 the Group's working capital (current assets less current liabilities) amounted to approximately HK\$13,515.3 million (31 December 2013: HK\$11,107.0 million). The Group's current ratio (current assets over current liabilities) was 1.6 times (31 December 2013: 1.4 times). The unutilized banking facilities of the Group amounted to HK\$1,982 million as at 31 December 2014 (31 December 2013: HK\$678 million), most of which are arranged on a medium to long term basis, which helps to minimize refinancing risk. The Group mainly relies upon internally generated funds as well as bank borrowings to ensure long term stability and healthy development of the Group whilst monitoring the gearing position from time to time to minimize the risks.

Total borrowings amounted to HK\$12,082.0 million (31 December 2013: HK\$11,094.0 million). The average borrowing interest rate for the year ended 31 December 2014 was 6.58% (31 December 2013: 6.73%) per annum. The total finance costs increased by approximately 77.0 % as compared to last year and amounted to HK\$159.8 million (31 December 2013: HK\$90.3 million), after capitalization of HK\$636.4 million (31 December 2013: HK\$643.7 million) into the cost of properties under development. Secured debts accounted for approximately 71% of total borrowings as at 31 December 2014 (31 December 2013: 66%). As at 31 December 2014, the Group was at a net borrowing position of HK\$2,563.0 million after netting off total bank borrowings against cash balance (31 December 2013: net borrowing position of HK\$1,457.7 million). The increase in the net borrowing balance was mainly due to the funding required for the payment of land premium and related costs of about RMB553.4 million and the payment of construction costs of about RMB5.0 billion during the year.

The maturity profile of the bank borrowings, and the cash and bank balances and time deposits as at 31 December 2014 were as follows:

Currency of Bank Loans	RMB HK\$'M	HK\$ HK\$'M	US\$ HK\$'M	Total HK\$'M	Percentage
Bank borrowings repayable:					
- Within 1 year or on demand	2,317.5	1,835.1	-	4,152.6	34.4
- In the second year	3,560.9	2,911.0	-	6,471.9	53.5
- In the third to fifth years, inclusive	730.3	660.0	-	1,390.3	11.5
- Beyond five years	67.2	-	-	67.2	0.6
Total bank borrowings	6,675.9	5,406.1	-	12,082.0	100.0
Less: Cash and bank balances and time deposits	(8,506.2)	(1,010.0)	(2.8)	(9,519.0)	
Net borrowing position	(1,830.3)	4,396.1	(2.8)	2,563.0	

The owners' equity was HK\$14.8 billion (31 December 2013: HK\$14.2 billion) and the net assets value per share was HK\$5.72 (31 December 2013: HK\$5.48).

Contingent Liabilities/Financial Guarantees

At 31 December 2014, the Group had the following contingent liabilities/financial guarantees:

- a. Guarantees given to banks in connection with facilities granted to an associate in the amount of HK\$526.1 million (31 December 2013: HK\$526.1 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\$7,072.7 million (31 December 2013: HK\$7,492.6 million).

Pledge of Assets

At 31 December 2014, the Group has pledged the following assets:

- a. Leasehold properties as security for general banking facilities granted to the Group. HK\$84.3 million
- b. Bank balances and time deposits as security for general banking facilities granted to the Group. HK\$1,880.8 million
- c. Properties under development, completed properties held for sales and investment properties pledged to secure banking facilities granted to the Group. RMB13,169.2 million
- d. 100% equity holdings of a subsidiary of the Group in the PRC. RMB202.1 million

Exchange Risks

As the Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Group. No currency hedging arrangements were made as at 31 December 2014. The Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

EMPLOYEES

As of 31 December 2014, the Group had approximately 2,206 employees in China and Hong Kong (31 December 2013: 1,932 employees) and incurred employee costs in the amount of approximately HK\$377 million (31 December 2013: HK\$358 million). The Group reviews the remuneration policies and packages on a regular basis and remunerates its employees based on their merit, qualification, competence and the prevailing market condition. In order to attract, retain and motivate employees, the Group has also established an incentive bonus scheme to reward employees based on their performance and the Group's performance as a whole. Employees are also eligible for share options under the Company's share option scheme at the discretion of the Board. For the years ended 31 December 2014 and 31 December 2013, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other employee benefits include contributions to mandatory provident funds, and medical insurance.

CORPORATE GOVERNANCE

During the year, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to 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 year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

SCOPE OF WORK OF ERNST & YOUNG

The figures in this announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's independent auditors, Ernst & Young ("EY"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by EY on this announcement.

REVIEW OF ANNUAL RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's consolidated results for the year ended 31 December 2014.

PUBLICATION OF RESULTS ANNOUNCEMENT 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 Company's 2014 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, 25 March 2015

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.