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 2008

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 2008 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2008** **HK$'000**	2007 HK$'000
REVENUE	3, 4	**1,395,643**	910,759
Cost of sales		**(1,277,237)**	(770,813)
Gross profit		**118,406**	139,946
Other income and gains	4	**244,436**	547,763
Selling and distribution costs		**(65,247)**	(33,395)
Administrative expenses		**(248,741)**	(125,125)
Other expenses		**(1,298,468)**	(110,127)
Finance costs	5	**(40,584)**	(27,113)
Share of profits and losses of:			
Jointly-controlled entities		**(14,569)**	(4,271)
Associates		**(1,707)**	3,032
PROFIT / (LOSS) BEFORE TAX	6	**(1,306,474)**	390,710
Tax	7	**227,837**	512,901
PROFIT / (LOSS) FOR THE YEAR		**(1,078,637)**	903,611

* *For identification purposes only*

	Notes		
Attributable to:			
Equity holders of the parent		**(837,145)**	905,495
Minority interests		**(241,492)**	(1,884)
		(1,078,637)	903,611
DIVIDEND			
Proposed final	8	**42,893**	108,315
EARNINGS / (LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic		**(38.70) HK cents**	46.10 HK cents
Diluted		**N/A**	45.85 HK cents

CONSOLIDATED BALANCE SHEET

		2008	2007
		HK$'000	HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**286,668**	284,911
Investment properties		**250,294**	197,250
Prepaid land lease payments		**2,222,536**	25,061
Goodwill		**-**	39,259
Interests in jointly-controlled entities		**1,210,921**	894,452
Interests in associates		**2,747**	36,333
Convertible note receivable - loan portion		**34,212**	32,859
Available-for-sale equity investments		**150,757**	426,174
Properties under development		**6,901,012**	7,804,480
Interests in land use rights for property development		**389,098**	2,060,442
Pledged time deposits		**-**	611,572
Total non-current assets		**11,448,245**	12,412,793
CURRENT ASSETS			
Properties under development		**851,486**	710,300
Completed properties held for sale		**352,682**	158,871
Land development rights		**166,270**	290,358
Prepaid land lease payments		**58,066**	657
Inventories		**74,941**	82,437
Trade and bills receivables	10	**116,126**	147,842
Prepayments, deposits and other receivables		**551,522**	294,789
Equity investments at fair value through profit or loss		**5,855**	34,022
Conversion option derivative		**31**	1,858
Tax recoverable		**20,140**	9,515
Deposits with brokerage companies		**906**	12,748
Pledged time deposits		**328,167**	135,542
Restricted bank balances		**11,940**	28,594
Cash and cash equivalents		**1,665,469**	1,947,116
Total current assets		**4,203,601**	3,854,649

	Notes	2008 HK$'000	2007 HK$'000
CURRENT LIABILITIES			
Trade payables	11	**521,135**	471,613
Other payables and accruals		**478,630**	704,650
Loans from minority shareholders of subsidiaries		**48,463**	48,274
Interest-bearing bank and other borrowings		**940,566**	734,972
Tax payable		**25,648**	27,092
Due to a related party		**20,000**	19,970
Consideration payable on acquisition of subsidiaries		**3,100**	55,000
Consideration payable on acquisition of group of assets		**-**	542,372
Total current liabilities		**2,037,542**	2,603,943
NET CURRENT ASSETS		**2,166,059**	1,250,706
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,614,304**	13,663,499
NON-CURRENT LIABILITIES			
Consideration payable on acquisition of a subsidiary		**-**	2,000
Interest-bearing bank and other borrowings		**1,828,646**	918,639
Deferred tax liabilities		**1,898,014**	2,088,558
Total non-current liabilities		**3,726,660**	3,009,197
Net assets		**9,887,644**	10,654,302
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	12	**214,463**	216,538
Reserves		**9,018,254**	9,521,430
Proposed final dividend		**42,893**	108,315
		9,275,610	9,846,283
Minority interests		**612,034**	808,019
Total equity		**9,887,644**	10,654,302

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments and certain equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

2. IMPACT OF NEW AND REVISED HKFRSs

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements. The adoption of these new interpretations and amendments has had no significant effect on these financial statements.

HKAS 39 & HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instrument: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 11	*HKFRS 2 – Group and Treasury Share Transactions*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

Sale of packaging products segment	–	Manufacture and trading of watch boxes, gift boxes, spectacles cases, bags and pouches, and display units
Sale of travel bags segment	–	Manufacture and trading of soft luggage, travel bags, backpacks and briefcases
Treasury investment segment	–	Investments in securities and convertible notes, and provision of financial services
Property development and investment segment	–	Development and investment of properties located in Mainland China

In determining the Group's geographical segments, revenues are attributed to segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2008 and 2007.

Year ended 31 December 2008

	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total HK$'000
Segment revenue	434,953	229,285	(581)	731,986	1,395,643
Segment results	18,795	(32,520)	(9,004)	(1,128,265)	(1,150,994)
Unallocated corporate expenses					(172,866)
Unallocated corporate income					74,246
Share of profits and losses of:					
Jointly-controlled entities	-	-	-	(14,569)	(14,569)
Associates					(1,707)
Finance costs					(40,584)
Loss before tax					(1,306,474)
Tax					227,837
Loss for the year					(1,078,637)
Assets and liabilities					
Segment assets	272,725	126,597	47,722	13,883,838	14,330,882
Interests in jointly-controlled entities	-	-	-	1,210,921	1,210,921
Interests in associates					2,747
Tax recoverable	-	1,294	-	18,846	20,140
Unallocated corporate assets					87,156
Total assets					15,651,846
Segment liabilities	61,490	60,162	1,018	932,930	1,055,600
Tax payable	14	-	7,564	18,070	25,648
Deferred tax liabilities	922	545	38	1,896,509	1,898,014
Interest-bearing bank and other borrowings	-	31,769	-	2,737,443	2,769,212
Unallocated corporate liabilities					15,728
Total liabilities					5,764,202

	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total HK$'000
Other segment information					
Capital expenditure:					
Property, plant and equipment	**2,549**	**972**	**-**	**15,636**	**19,157**
Depreciation	**7,867**	**2,115**	**73**	**10,097**	**20,152**
Amortisation of prepaid land lease payments	**573**	**74**	**-**	**56,385**	**57,032**
Fair value losses on equity investments at fair value through profit or loss, net	**-**	**-**	**4,684**	**-**	**4,684**
Impairment/(write-back of impairment) of trade receivables	**627**	**(1,093)**	**-**	**(49)**	**(515)**
Write-back of impairment of other receivables	**-**	**-**	**-**	**(31,360)**	**(31,360)**
Fair value gains on investment properties	**-**	**-**	**-**	**(22,337)**	**(22,337)**
Impairment of goodwill	**8,968**	**23,818**	**-**	**-**	**32,786**
Impairment of interests in associates					**29,538**
Impairment losses recognised in respect of the Group's properties portfolio	**-**	**-**	**-**	**1,120,255**	**1,120,255**

Year ended 31 December 2007

	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total HK$'000
Segment revenue	411,141	419,408	18,805	61,405	910,759
Segment results	33,829	958	15,781	17,498	68,066
Unallocated corporate expenses					(131,429)
Unallocated corporate income					109,942
Excess over the cost of acquisition of subsidiaries	-	-	-	372,483	372,483
Share of profits and losses of:					
Jointly-controlled entities	-	-	-	(4,271)	(4,271)
Associates					3,032
Finance costs					(27,113)
Profit before tax					390,710
Tax					512,901
Profit for the year					903,611

	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Treasury investment HK$'000	Property development and investment HK$'000	Total HK$'000
Assets and liabilities					
Segment assets	253,259	185,860	70,379	14,728,292	15,237,790
Interests in jointly-controlled entities	-	-	-	894,452	894,452
Interests in associates					36,333
Tax recoverable	-	294	-	9,221	9,515
Unallocated corporate assets					89,352
Total assets					16,267,442
Segment liabilities	72,630	91,526	5,277	1,365,994	1,535,427
Tax payable	612	-	8,223	18,257	27,092
Deferred tax liabilities	1,040	737	-	2,086,781	2,088,558
Interest-bearing bank and other borrowings	-	40,431	-	1,613,180	1,653,611
Unallocated corporate liabilities					308,452
Total liabilities					5,613,140
Other segment information					
Capital expenditure:					
Property, plant and equipment	5,785	1,603	-	18,753	26,141
Investment properties	-	-	-	31,630	31,630
Depreciation	7,763	2,449	73	5,997	16,282
Amortisation of prepaid land lease payments	575	67	-	15	657
Fair value gains on equity investments at fair value through profit or loss, net	-	-	(2,177)	-	(2,177)
Impairment/(write-back of impairment) of trade receivables	(927)	1,872	-	(503)	442
Write-back of impairment of other receivables	-	-	-	(82,194)	(82,194)
Fair value gains on investment properties	-	-	-	(28,555)	(28,555)

Geographical segments

The following table provides an analysis of the Group's revenue by geographical segments based on the location of customers, irrespective of the origin of goods:

	Segment revenue	
	2008	2007
	HK$'000	HK$'000
Mainland China	**757,346**	88,754
Hong Kong	**151,848**	144,600
Europe	**237,306**	205,641
North and South America	**191,325**	409,338
Others	**57,818**	62,426
	1,395,643	910,759

An analysis of the carrying amounts of segment assets and capital expenditure, analysed based on the geographical areas in which the assets are located has not been presented, as more than 90% of the Group's assets are situated in the PRC, including Hong Kong.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts; gross proceeds from sale of properties, net of business tax; net gains/(losses) on disposal of equity investments at fair value through profit or loss; gross rental income received and receivable from investment properties and dividend income from listed and unlisted investments during the year.

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

	2008	2007
	HK$'000	HK$'000
Revenue		
Sale of goods	**664,237**	830,550
Sale of properties	**712,315**	43,752
Rental income	**12,019**	13,873
Gains/(losses) on disposal of equity investments at fair value through profit or loss, net	**(3,252)**	15,543
Dividend income from listed investments	**8,221**	2,657
Dividend income from unlisted investments	**-**	1,756
Others	**2,103**	2,628
	1,395,643	910,759
Other income and gains		
Interest income on bank deposits	**32,151**	54,664
Other interest income	**6,024**	-
Excess over the cost of acquisition of subsidiaries	**-**	372,483
Fair value gains on equity investments at fair value through profit or loss, net	**-**	2,177
Gain on partial disposal of an interest in a subsidiary	**138,392**	-
Gain on disposal of investment properties	**1,966**	-
Gain on disposal of items of property, plant and equipment	**111**	341
Write-back of impairment of trade receivables	**515**	-
Write-back of impairment of other receivables	**31,360**	82,194
Fair value gain on investment properties	**22,337**	28,555
Fair value gain on a conversion option derivative	**-**	115
Others	**11,580**	7,234
	244,436	547,763

5. FINANCE COSTS

	2008	2007
	HK$'000	HK$'000
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**143,990**	62,684
Imputed interest expense from consideration payable on acquisition of associates	**-**	13
Total interest	**143,990**	62,697
Less: Interest capitalised	**(103,406)**	(35,584)
	40,584	27,113

6. PROFIT/ (LOSS) BEFORE TAX

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

	2008	2007
	HK$'000	HK$'000
Cost of inventories sold	**373,655**	538,084
Cost of properties sold	**691,512**	42,875
Allowance for obsolete inventories	**2,880**	1,453
Depreciation	**20,152**	16,282
Less: Amount capitalised	**(376)**	(84)
	19,776	16,198
Amortisation of prepaid land lease payments	**57,032**	657
Minimum lease payments under operating leases in respect of land and buildings	**4,967**	3,044
Auditors' remuneration	**3,400**	3,008
Employee benefits expense (including directors' remuneration):		
Wages and salaries	**110,963**	58,817
Equity-settled share option expense	**59,556**	69,250
Retirement benefits scheme contributions	**2,561**	1,716
Less: Amount capitalised	**(12,861)**	(3,074)
	160,219	126,709
Foreign exchange differences, net	**38,537**	27,672
Gross rental income, net of business tax	**(12,019)**	(13,873)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**3,337**	2,646
Net rental income	**(8,682)**	(11,227)
Interest income from convertible note receivable	**(2,103)**	(2,628)

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. The lower Hong Kong profits tax rate is effective from the year of assessment 2008/2009, and so is applicable to the assessable profits arising in Hong Kong for the whole year ended 31 December 2008. Taxes on profits assessable in Mainland China have been calculated at the rates prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof.

	2008 HK$'000	2007 HK$'000
Group:		
Current charge for the year		
Hong Kong	**4,000**	6,937
Mainland China	**2,546**	6
	6,546	6,943
Overprovision in prior years		
Hong Kong	**(1,243)**	228
Mainland China	**(3,899)**	(5,600)
	(5,142)	(5,372)
Land appreciation tax charge for the year	**17,964**	-
Overprovision for land appreciation tax in prior years	**-**	(13,928)
Deferred tax	**(247,205)**	(500,544)
	(227,837)	(512,901)

8. DIVIDEND

	2008 HK$'000	2007 HK$'000
Proposed final – HK$0.02 (2007: HK$0.05) per ordinary share	**42,893**	108,315

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting. No interim dividend was declared in respect of the current and the prior years.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share amount for the prior year is based on the profit for that year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during that year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	2008	2007
	HK$'000	HK$'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	**(837,145)**	905,495

	Number of shares	
	2008	2007
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**2,162,913,430**	1,964,176,779
Effect of dilution – weighted average number of ordinary shares:		
Share options		10,623,238
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation		1,974,800,017

A diluted loss per share amount for the year ended 31 December 2008 has not been disclosed, as the share options outstanding during the year had an anti-dilutive effect on the basic loss per share for the current year.

10. TRADE AND BILLS RECEIVABLES

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

	2008			2007		
	Neither past due nor impaired HK$'000	**Past due but not impaired HK$'000**	**Total HK$'000**	Neither past due nor impaired HK$'000	Past due but not impaired HK$'000	Total HK$'000
Less than 1 month	**83,738**	**20,453**	**104,191**	107,052	21,995	129,047
1 to 2 months	**-**	**3,528**	**3,528**	-	6,360	6,360
2 to 3 months	**-**	**1,572**	**1,572**	-	3,809	3,809
Over 3 months	**-**	**6,835**	**6,835**	-	8,626	8,626
	83,738	**32,388**	**116,126**	107,052	40,790	147,842

11. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date is as follows:

	2008	2007
	HK$'000	HK$'000
Within 1 month	**278,246**	131,220
1 to 2 months	**15,299**	36,704
2 to 3 months	**6,572**	277,464
Over 3 months	**221,018**	26,225
	521,135	471,613

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

12. SHARE CAPITAL

	2008 HK$'000	2007 HK$'000
Shares		
Authorised:		
5,000,000,000 (2007: 5,000,000,000) ordinary shares of HK$0.1 (2007: HK$0.1) each	**500,000**	500,000
Issued and fully paid:		
2,144,633,258 (2007: 2,165,382,258) ordinary shares of HK$0.1 (2007: HK$0.1) each	**214,463**	216,538

RESULTS

Revenue for the Group increased by 53.2% over the financial year 2007 to HK$1,395.6 million. Despite the overall growth in revenue from the two core businesses, property and packaging, the Group attained a loss attributable to shareholders of HK$837.1 million for the year ended 31 December 2008 (2007: a profit of HK$905.5 million, which was mainly attributable to recording a tax credit of HK$506.3 million in respect of deferred tax liabilities, and to the reduction of the corporate income tax rate applicable to the Group's subsidiaries in China from 33% to 25% effective 1 January 2008).

Loss per share for the year was 38.70 HK cents, compared to earnings per share of 46.10 HK cents in 2007. A diluted loss per share has not been disclosed as no diluted events existed during 2008 (2007: diluted earnings per share of 45.85 HK cents).

FINAL DIVIDEND

The Directors are pleased to recommend a final dividend of HK$0.02 (2007: HK$0.05) per share to our shareholders whose names appear on the Register of Members of the Company on 15 May 2009. Subject to approval at the forthcoming Annual General Meeting, dividend warrants will be sent to shareholders on or about 25 May 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 13 May 2009 to 15 May 2009 (both days inclusive), during this period no share transfers will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company to be held on 15 May 2009 and to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 12 May 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue for the year ended 31 December 2008 increased by 53.2% over the previous financial year to HK$1,395.6 million as a result of an increase in revenue from its two core businesses, property and packaging, despite having been dented by a fall in revenue of the luggage business.

During the year ended 31 December 2008, the property business reported a revenue of HK$732.0 million, representing an increase of about 11 times when compared with the revenue of HK$61.4 million in the previous year. The loss attributable to the Group for the property business was HK$960.1 million (2007: a profit of HK$932.1 million), after taking into account an impairment in value of the Group's interests in land, net of deferred taxation, of HK$885.1 million (2007: Nil). The loss also included HK$42.1 million (2007: HK$30.0 million) of non-recurrent and non-operational expense of exchange losses due to Renminbi appreciation during the course of conversion of Hong Kong dollars/US dollars registered capital into Renminbi working capital for the Group's project companies in the PRC. Excluding these expenses, the net loss of the property business for the year would have been reduced to only HK$32.9 million.

The revenues of the packaging and luggage business were HK$434.9 million (2007: HK$411.2 million) and HK$229.3 million (2007: HK$419.4 million) respectively. The manufacturing business recorded a loss of HK$49.8 million (2007: a profit of HK$30.0 million), which included factory closure expenses of HK$2.9 million, writing off of goodwill amounting to HK$62.3 million arising from the acquisition of subsidiaries and an associate business operation in prior years, and an equity-settled share option expense of HK$0.6 million. Excluding the effects of these exceptional expenses, the profit for the year attributable to the manufacturing business amounted to HK$16.0 million. Rising raw material costs, operating and labour costs, and the appreciation of the Renminbi against the US dollar had affected profit margins of the manufacturing business, resulting in the fall in profits compared with 2007.

Other income recorded a gain of a total of HK$192.6 million (2007: HK$110.7 million) from the gain on disposal of partial interest in a subsidiary, recovery of receivables and fair value gains on investment properties.

Other expenses recorded an equity-settled share option expense which is non-operational and non-cash in nature amounting to HK$63.1 million (2007: HK$74.9 million) in respect of share options granted to certain directors, eligible employees of the Group and those who had served the Group.

The treasury investment business reported a loss of HK$9.1 million (2007: a profit of HK$14.9 million).

The increases in marketing and distribution costs, administrative expenses and finance costs are attributable to the expansion of the property business and the increase in the number of projects under development during the year.

In summary, the effects of non-operational expenses and non-cash expenses on the property and manufacturing business were HK$927.2 million and HK$65.2 million respectively. Eliminating such effects and the equity-settled share option expense of HK$63.1 million, the Group's operating profit attributable to shareholders for the year would have been HK$24.8 million. Detailed calculations are set out below:

	Property Business	Manufacturing Businesses	Treasury Investment Business	Corporate Items	Group
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
Loss for the year	(960.1)	(49.8)	(9.1)	(59.6)	(1,078.6)
Add: non-operational/ non-cash expenses					
- impairment in value of the Group's interests in land	885.1	-	-	-	885.1
- impairment of goodwill	-	62.3	-	-	62.3
- exchange losses	42.1	-	-	-	42.1
- factory closure expenses	-	2.9	-	-	2.9
- equity-settled share option expense	-	0.6	-	62.5	63.1
	(32.9)	16.0	(9.1)	2.9	(23.1)

	Property Business	Manufacturing Businesses	Treasury Investment Business	Corporate Items	Group
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
Attributable to:					
Shareholders of the Group	16.7	14.3	(9.1)	2.9	24.8
Minority interests	(49.6)	1.7	-	-	(47.9)
	(32.9)	16.0	(9.1)	2.9	(23.1)

THE PRC PROPERTY DEVELOPMENT AND INVESTMENT BUSINESS

In spite of the collapse of the global economy triggered by the US subprime mortgage crisis, China's economy was still able to achieve a satisfactory growth, with an year-on-year increase of 9.0% in 2008. The government's macroeconomic control measures, however, had profound effects on the property sector. In early 2008, overall transaction volumes and prices started to fall, with the rate of fall intensifying towards the second half of the year. With the deepening of the global financial crisis in the second half year, China's economic growth slowed sharply in the third quarter due to a slump in export. The Central Government, intent on maintaining a GDP growth rate of not less than 8% for 2009, reacted by implementing measures to boost domestic demand and consumption, earmarking RMB4 trillion to fund major infrastructure projects, to support flagging industries, to create jobs, and re-build Sichuan after the devastating earthquake. Previous restrictive measures on the property sector were relaxed or suspended. Interest rate cuts and lowering of bank reserve ratios to improve liquidity were carried out to encourage home purchases and help the developers. Other measures include reduced transaction costs, tax rebates, and lower down payments for property transactions. In recent months, these measures appear to be taking effect as transaction volumes begin to pick-up in many cities, especially where genuine end-user demands are strong, and speculative buying is not rife. Given a satisfactory economic growth, the increase in the household disposable income, the step up in urbanization rate, the need to acquire new housing and to upgrade are the driving forces supporting growth in the PRC property market in the medium to long-term.

The Group's focus is on the development of property projects in Western China, predominantly in Chongqing and Sichuan. The Group believes this is one of the highest economic growth regions in the PRC. On 26 January 2009, the State Council issued an opinion (Guofa (2009) No.3) on the planning of the reform and development of Chongqing. Chongqing is designated as the strategic hub in the upstream region of the Yangtze River and will play a proactive role in cooperation with coastal cities. To follow up on the above opinion issued by the State Council, on 16 March 2009, the Chongqing municipal government approved a master work plan with the aim to position Chongqing as the leading metropolitan area in Western and Central China. With a huge population of 31 million people and Chongqing being the city with the largest property transaction volume in China in February 2009, the real estate industry is certainly a pillar in Chongqing's economic development. All these will boost the economy and improve the living standards of Chongqing and will help build a solid foundation for its property market.

According to the Statistical Information of Chongqing and Chengdu, the GDP growths of Chongqing and Chengdu for the year 2008 were 14.3% and 12.1% respectively, outperforming the national average of 9%. For the year 2008, the area sold of commodity residential property in Chongqing and Chengdu amounted to 26.7 million sqm and 11.9 million sqm respectively, representing an year-on year decrease of 19% and 43% respectively.

During the year ended 31 December 2008, the Group recognized as sales a total of approximately 188,030 sqm of GFA, contributing to a revenue from property sales of HK$712.3 million (2007: 15,506 sqm and HK$43.8 million). The increases in GFA and revenue were about 11 times and 15 times more than those in the previous year respectively. The revenues were from the delivery of newly completed property units at Verakin New Park City, California One, and No. 1 Peak Road.

An analysis of the GFA recognized as revenue and the average selling prices for the year ended 31 December 2008 is set out below:

Project	Usage	Gross Floor Area (sqm)	Sales Revenue net of business tax (RMB'000)	Average Selling Price net of business tax (RMB)	Group's Interest
California One	Residential/ Office	52,129	172,791	3,315/sqm	100%
No. 1 Peak Road	Residential	33,392	171,487	5,136/sqm	100%
Verakin New Park City – Zone A & B	Residential Car Park	100,926 1,583	281,414 2,809	2,788/sqm 66,893/unit	51%
		188,030	628,501		

California One - a residential and office development, was completed in 2008. At 31 December 2008, all its units were sold and were recognized as revenue in the year.

No. 1 Peak Road - a high-end residential development, in which 38,593 sqm were sold as at 31 December 2008, achieved an average selling price of RMB5,082 per sqm of GFA. At 31 December 2008, 33,392 sqm were delivered and recognized as revenue.

Verakin New Park City - a high-end multi-phased residential and commercial project - Zone B, was completed in the year. At 31 December 2008, a total of 102,509 sqm were recognized as revenue, with 1,512 sqm ready for delivery to buyers and for recognition as revenue in 2009.

During the financial year ended 31 December 2008, the Group completed three projects with a total GFA of 234,555 sqm, an increase of 124% when compared with 104,495 sqm completed in the previous year. Details of the completed projects are as follows:

Project	Usage	GFA (sqm)	Group's Interest
California One	Residential/Office & Car Park	53,325	100%
No. 1 Peak Road	Residential & Car Park	103,908	100%
Verakin New Park City – Zone B	Residential/Retail & Car Park	77,322	51%
		234,555	

The total GFA expected to be completed in 2009 and 2010 are approximately 146,000 sqm and 250,000 sqm respectively.

During the year, the Group had pre-sold a total of approximately 86,900 sqm of properties, which generated sales of RMB454.9 million. The recognition of these sales will depend on the time of completion of construction, the issuance of occupation permits and delivery to the buyers.

The breakdown for the contracted sales in 2008 is as follows:

Project	Usage	Approximate Contracted Sales Area (GFA/sqm)	Approximate Contracted Sales Revenue (RMB'000)	Approximate Contracted Average Selling Price (RMB)
No. 1 Peak Road	Residential	19,200	94,020	4,900/sqm
Verakin New Park City – Zone G & H	Residential	52,400	230,600	4,400/sqm
Sky Villa	Residential	10,700	118,900	11,100/sqm
	Car Park	2,900	5,500	70,000/unit
i-City	Residential	1,700	5,900	3,470/sqm
Total		86,900	454,920	

Property Development

Chongqing Projects

Verakin New Park City (同景國際城) – A high-end multi-phased residential and commercial project with a total GFA of about 1.6 million sqm of which the Group has a 51% interest. Zone B with a GFA of about 77,000 sqm was completed during the year. Construction for Zone G and H is in progress. Zone G will provide about 146,000 sqm of residential and commercial property. Zone H is a town-house project with a GFA of about 26,000 sqm. Pre-sales of Zone G Phase II and Zone H commenced in the third and fourth quarters of 2008 respectively. Zone G and H are expected to be completed in the second half of 2009 and in the first half of 2010 respectively. Foundation work for Zone I with a GFA of about 150,000 sqm has been completed. Further construction work has been scheduled subject to the sales progress of Zone G and H projects.

Mansions on the Peak (御府) – Foundation work has been completed. Construction work of the building structure is expected to start in the second half of 2009. The development carries 46 villas with a total GFA of about 52,000 sqm and is expected to be completed in second half of 2011.

Lot # 15, 16 & 17-1 – The development would provide a planned GFA of about 550,000 sqm made up of residential and commercial units, and serviced apartments. The design plan was revised to comply with the government's request to lower the heights of several buildings adjacent to the nearby local governmental villa estate occupied by senior officials. Construction work is expected to commence in the second half of 2009.

Lot # 10-1 – A landmark development in our Yubei main land bank that provides a planned GFA of about 394,000 sqm, comprising an investment-grade shopping mall, a 5-star hotel with an associated serviced apartment block, several office towers, residential units and retail spaces. The master plan has been approved by the local authority. Construction of Phase I (Chongqing Midtown) with GFA about 143,000 sqm is expected to commence in the second quarter of 2009 and is expected to be completed by 2011.

i-City (愛都會) – A three phased development project near the new Yubei train terminal which provides a GFA of about 309,000 sqm of mixed residential and commercial property. Construction of the first phase of a GFA of about 63,000 sqm is in progress and pre-sales were launched in the December of 2008. The first phase of the project is expected to be completed in 2010.

Phoenix County (梧桐郡) – A high-end residential townhouse project near the new Yubei train terminal with a total GFA of about 413,000 sqm. The foundation work is in progress. The construction of the first phase with GFA of about 82,000 sqm will start in the third quarter of 2009 and is expected to be completed in 2011.

Riverside, Wanzhou (濱江壹號) – Located in the Jiangnan New District in the Wanzhou District, the project will be developed into an integrated complex, consisting of commercial facilities, an office building and high-end residential property with a total GFA of about 397,000 sqm. Foundation for the first phase of residential property with a GFA of about 73,000 sqm was started in December 2008 and construction will start in the second quarter of 2009. Phase I pre-sales is expected to take place in the second half of 2009.

Jiangbei Project – A 25% equity interest joint venture project along the north bank of the city center section of the Jialing River with a total GFA of about 1,020,000 sqm is planned to be developed into a high-end residential and commercial complex. The preliminary plans of the project are in the process of revision.

Chengdu Projects

Sky Villa (四海逸家) – A residential project located in the Jinjiang District with a total GFA of about 413,000 sqm. Construction of the first phase with a GFA of about 65,000 sqm consisting of three towers is in progress. The towers are under construction and pre-sales was launched in the third quarter of 2008. The first phase is expected to be completed in 2010.

Wen Jiang Project– A suburban high-end project in Chengdu with a total GFA of about 865,000 sqm is planned for the development of villas, townhouses, and low-rise apartment blocks. Construction work for Phase I with a GFA of about 47,000 sqm is scheduled to commence in the second half of 2009.

Kunming Project

Silver Lining (雲都國際) – The project in Kunming has a total GFA of about 62,000 sqm, comprising of residential, serviced apartments and commercial property. The construction work is to commence in the second half of 2009.

As at date of this report, 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	2011 or after	413,000	100.00%
- i-City	2010 or after	309,000	100.00%
- Mansions on the Peak	2011	52,000	100.00%
- 15, 16 & 17-1	2011 or after	813,000	100.00%
- 10-1	2011 - 2012	394,000	100.00%
- 9	2011 or after	365,000	100.00%
- 19	2011 or after	383,000	100.00%
- 4	2011 or after	597,000	100.00%
- 3-1	2011 or after	301,000	100.00%
- Others	2011 or after	131,000	100.00%
Chongqing, Jiangbei District			
- Huaxin Street, Jie Dao Qiao Bei Village and No. 1 Zhongxin Section	2011 or after	1,020,000	25.00%
Chongqing, Nan'an District			
- Verakin New Park City	2009 - 2017	1,477,000	51.00%
Chongqing, Wanzhou District			
- Riverside, Wanzhou	2010 or after	397,000	100.00%
Chongqing, Tongnanxian	2011 or after	867,000	100.00%
Chengdu, Dujiangyan District, Xujia Town	2011 or after	61,000	100.00%
Chengdu, Dujiangyan District, Yutang Town	2011 or after	187,000	60.00%
Chengdu, Jintang County	2011 or after	2,226,000	60.00%
Chengdu, Jinjiang District			
- Sky Villa	2010 - 2012	413,000	50.00%
Chengdu, Wen Jiang	2011 or after	865,000	50.00%
Meishan, Pengshan County			
- Binjiang New Town	2011 or after	1,000,000	60.00%
Sichuan, Dazhou, Tongchuan District	2011 or after	364,000	95.00%
Kunming			
- Silver Lining	2011	62,000	70.00%
Total		12,697,000	

Land Bank

There were heavy corrections in the PRC property market in 2008 following the economic downturn in major economies and the effect of China's macro-economic control policies. To preserve liquidity, and to maintain a healthy capital structure of the Group, during 2008, the Group only acquired one land lot for property development - a site with a total GFA of about 867,000 sqm in Tongnanxian, Chongqing, at a total consideration of RMB156 million with an average price of RMB180 per sqm. This will be developed into residential property with a GFA of about 780,000 sqm and commercial property with a GFA of about 87,000 sqm. This acquisition increased the Group's total land bank reserves held for development to a GFA of about 12.5 million sqm (attributable GFA amounts to about 9.1 million sqm) as at 31 December 2008.

In January 2009, the Group secured at auction another land lot with a GFA of about 187,000 sqm at an average price of RMB678 per sqm in Yutang Town, Dujiangyan District, Chengdu. The acquired site is part of the land lots put up for sale in land auctions by the PRC authority associated with the land development rights assigned to the Group in 2007. The Group has 60% equity interests in this land site. Including this acquisition, the land bank reserves held for development amount to a GFA of about

12.7 million sqm (attributable GFA amounts to about 9.2 million sqm) as at the date of this report.

The geographical locations of the land bank of the Group include Chongqing, Chengdu, the Sichuan Province, and Kunming. The Group will continue to maintain a consistent prudent land bank policy, and will replenish its land bank by acquiring only land lots with attractive upside development potential through the normal channels after careful consideration of market conditions and the Group's financial status, and the rate of consumption.

At the date of this report, the Group's total land bank stood at 12,892,000 sqm. The Group's land bank comprises 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)
				Total	Attributable	
Commercial	28,000	9,000	5,000	988,000	799,000	1,030,000
Residential	4,000		46,000	9,376,000	6,629,000	9,426,000
Office				360,000	345,000	360,000
Hotel & serviced apartment				297,000	203,000	297,000
Townhouse & villa				687,000	386,000	687,000
Others (Car-park spaces and other auxiliary facilities)	52,000	11,000	40,000	989,000	805,000	1,092,000
Total	**84,000**	**20,000**	**91,000**	**12,697,000**	**9,167,000**	**12,892,000**

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

Location	Total GFA (sqm)	Attributable GFA (sqm)	Percentage
Chongqing	7,519,000	6,030,000	59.2
Sichuan			
- Chengdu	3,752,000	2,147,000	29.5
- Pengshan	1,000,000	600,000	7.9
- Dazhou	364,000	346,000	2.9
Yunnan			
- Kunming	62,000	44,000	0.5
Total	12,697,000	9,167,000	100.0

Investment Property

The Group will continue to retain premium properties with excellent potential for capital appreciation as long term investments. The portfolio of investment properties will generate stable recurrent income and cash flow to the Group which will achieve a better balance in revenue and stability in income streams.

Completed Investment Properties

The total book value of the Group's investment properties amounted to HK$250.3 million as at 31 December 2008, with an aggregate GFA of 84,467 sqm. The portfolio comprises of properties of diversified usage: Commercial (33.5%), Residential (4.6%) and Car-park and auxiliary facilities

(61.9%). The prime locations of the Group's investment properties are responsible for the high overall occupancy rate at over 71%. Rental income during the year amounted to HK$12.0 million (2007: HK$13.9 million). According to an appraisal conducted by an independent valuer, the investment properties contributed a revaluation gain of HK$22.3 million (2007: HK$28.6 million) during the year under review. The revaluation gain confirms property prices in prime locations of Chongqing, where the Group's investment properties are located, are more resilient to market downturn.

A summary breakdown of the investment properties is shown below:

Property Location	Usage	Attributable GFA (sqm)	Occupancy Rate	The Group's Interest
California Garden,	Commercial	22,060	53.3%	100%
Longxi Town,	Residential	3,866	13.8%	100%
Yubei District,	Car park	15,646	100.0%	100%
Chongqing, PRC				
California City Garden,	Commercial	4,685	81.2%	100%
Longxi Town,	Car Park	12,094	100.0%	100%
Yubei District,	Auxiliary			
Chongqing, PRC	Facilities	2,565	100.0%	100%
Kechuang Building,	Car Park	2,823	100.0%	100%
Longxi Town,				
Yubei District,				
Chongqing, PRC				
Huijingtai,	Commercial	1,541	6.5%	100%
Longxi Town,	Car Park	10,951	100.0%	100%
Yubei District,				
Chongqing, PRC				
Chongqing International	Car Park	8,236	-	100%
Finance and Trade				
Development Area				
Underground Carpark				
Longxi Town,				
Yubei District,				
Chongqing, PRC				
Total		84,467		

Investment Properties Under Development

With the recently awarded Special Economic Zone status for Chongqing and Chengdu, which translates into massive Central Government's spending in Chongqing's infrastructures, preferential tax policies, and other supportive measures, we expect many large overseas corporations to be attracted to the region. A new Third New District is expected to be created in the Chongqing's New North Zone in the vicinity of the Group's main land bank. This district will enjoy the same privileges which have been accorded to Pudong of Shanghai, and the Binhai District of Tianjin. Development of investment properties is one of the strategies adopted by the Group to fully enjoy the benefit of future growth of Chongqing. Careful studies will be performed by the Group in order to maintain a balanced portfolio of properties developed for sale and held for investments.

In the 11th Five Year Plan, the Chongqing Municipal Government encourages intensive development in urban areas, and the northern part of Chongqing is the ideal site for the new city centre. Being the "North Window" of Chongqing, the Yubei District is strategically important in the whole development blueprint of Chongqing. 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, major highway junctions and a new rail transportation hub are located. It is only less than 20 minutes by car from the Chongqing Airport. Plans have been drawn to build more runways to expand the airport with a budget of RMB20 billion in anticipation of the rising status of Chongqing to lead Western China into the future. The Group's land bank in this area has been earmarked for development as separate but interlinked projects, consisting of hotels, commercial and residential complexes. 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.

SOCIAL RESPONSIBILITY

Being one of the leading property developers in Western China, the Group recognizes its responsibility of providing supports and assistance to the victims of the Sichuan Earthquake. Accordingly the Group made a donation of HK$9.0 million, out of which HK$5.6 million was for the rebuilding of two primary schools, one in Chongqing and one in Sichuan.

INVESTOR RELATIONS

The Group is committed to continuous communications with our shareholders and potential investors and believes that transparency can enhance corporate value. The Group understands instant responses to enquiries from investors are very important especially in a highly volatile stock market and there are always confusing messages circulating around. In addition to the Company's global roadshows after the results announcements, the management of the Company also actively participated in investment forums organized by leading international investment banks. Site visits and property tours were arranged to give investors a better understanding of the Group's development projects.

In order to give timely updates to the investors, the Group has a column under "Investor Relations" in its corporate website, www.ccland.com.hk. All investor-related information may be found in the column. The Group also maintains an updated distribution list of investors to provide them with information on the Group's latest development.

MANUFACTURING BUSINESS

During the financial year 2008, the manufacturing industry faced multiple challenges, particularly the continued rise in material and labour costs which had a direct negative impact on the Group's gross margin. These cost increases could not be easily transferred to customers during economy slowdowns when weakened demand caused a lot of uncertainties in the market.

The packaging business managed a revenue growth of 5.8% to HK$434.9 million (2007: HK$411.2 million). The revenue from the luggage business declined by 45.3% to HK$229.3 million due to the underperformance in the US market. Segmental contribution to the Group for the packaging and luggage business amounted to a profit of HK$15.3 million and a loss of HK$33.8 million respectively.

Packaging Business

The revenue for the year ended 31 December 2008 increased by 5.8% over the previous financial year to HK$434.9 million. This result was driven by the continued strong demand in Europe and Asia for the packaging products, and increasing orders for the point of sales display business from new customers.

Europe continues to be the largest market, accounting for 44.0% of the revenue for the financial year 2008. Sales to North America declined by 4.0% over the previous financial year to HK$74.6 million as customers in the United States reduced their inventories in anticipation of economic slowdown in 2009.

The packaging business continued to suffer from rising material and labour costs, and the appreciation of the Renminbi. These cost increases could not be entirely negated by raising sales prices under weak market conditions. The gross margin suffered during the financial year. The net profit was HK$15.3 million, after deducting impairment of goodwill in the point of sale display business of HK$8.9 million. The net profit margin however improved in the second half 2008, following the Group's ability to negotiate for higher sales prices, to contain operating costs, and to enhance operational efficiency in the manufacturing process. These improvements in the second half year have contributed to the marginal fall in the profit margin from 7.7% in the previous financial year to 5.6% in the financial year 2008.

Luggage Business

Following the efforts to improve our management of the entire operation and production process in the second quarter, we were able to report at our interim results announcement that the luggage business was able to return to a small but significant profit in the third quarter.

Unit volumes and turnover fell sharply during the year, as a result of an existing customer reducing its order maximum limit with each of its suppliers due to a change of its internal policy, and the luggage business responded by focusing on higher margin orders from other customers through new avenues. Although the revenue decreased 45.3 % to HK$229.3 million, the luggage business rebounded from an operating loss of HK$12.2 million in the first half of 2008 to an operating profit of HK$2.3 million in the second half of 2008. The operating loss for the year was HK$9.9 million. However, taking into account the impairment of goodwill for the Group's luggage business of HK$23.9 million, the net loss was HK$33.8 million.

The profit rebound is the result of our efforts to implement intense monitoring procedures throughout our production chain, while at the same time reducing our operating costs. Excluding restructuring and impairment charges, operating costs are now 22.0% lower than what they were in the first half of the financial year. Substantial lower levels of claims also contributed to the improvement. During the year, we reduced the headcount to further reduce our overhead, and took measures to step up productivity.

The financial position of the luggage business also improved after the working capital injection of HK$13 million from the holding company, and from net operating cash in-flows in the second half year. Excluding shareholders loan, net current assets as at 31 December 2008 stood at HK$7.3 million as compared with HK$3.4 million as at 31 December 2007.

Other Business

The share of loss (excluded an impairment of goodwill of HK$29.5 million) from the 30% owned associated company, Technical International Holdings Limited, amounted to HK$1.7 million (2007: a profit of HK$3.0 million). The business had been affected by the slowing major economies. However, the company has adopted a strategy of continued development of new products through a strong R&D team, which will stimulate sales, and allow the Company to grow as the major economies recover.

Treasury Investment Business

The Group's treasury investment segment recorded a loss for the year of HK$9.1 million (2007: a profit of HK$14.9 million) attributed to the global downturn of the capital markets. The investment policy remains conservative and positive return should prevail in the medium term.

PROSPECTS

The PRC Property Development and Investment Business

In China, the macro-economic control policies have taken its toll, as the high inflation seen in the first half of 2008 eased while the property market spiraled downwards. The sub-prime mortgage crisis and the financial crisis in the world caused severe depression in the global economy. China's exports fell as demands fell around the world.

The PRC government announced a RMB4 trillion stimulus package to stimulate domestic demand and consumption in an attempt to offset the slump in exports, to create jobs, and to re-build Sichuan after the devastating earthquake, in an attempt to maintain a GDP growth rate of not less than 8% for 2009. Supportive measures for both home buyers, and developers were implemented to revitalize and make healthy the property industry. After the market consolidation in 2008, we are seeing a return in the confidence of the buyers recently, with significant increases in sales volumes and housing prices edging up. We are optimistic about the medium and long-term growth and the strength of the property market in China, especially in our home ground, namely Western China.

The accelerated development in the central and western regions of China in recent years, the increase in the household disposable income, the rebuilding in Sichuan after the earthquake, Chongqing being a municipal province earmarked for rapid expansion in the future, together with the relevant government's supportive measures will stir the economic growth in Chongqing and Sichuan and hence build up an increasingly affluent consumer sector. The GDP growth rate in this region will continue to outperform the rest of the country.

The Group's strong balance sheet with low gearing level and low inventory level together form a solid foundation for its future growth. This also implies that the Group does not have any financial pressure to dump its valuable assets even in a downturn market. In order to maximize shareholders' return, the Group will monitor the market closely and react to the market demand by adjusting the property development schedule to avoid incurring unnecessary construction costs, and at the same time, building in an ability to respond quickly to capture the market should sentiments return. Land bank replenishment will be extremely cautious to preserve more cash in the balance sheet.

Manufacturing Business

The rate of output decline in the US and European economies is accelerating in recent months indicating that these developed economies are entering into or are in recession. Private consumption is likely to be hit by more sluggish earnings and higher levels of unemployment. Consumers withhold from spending on luxury items, negatively affecting the packaging business. Customers are unwilling to commit to large orders or long term contracts. Caught by rising operational costs and weakened demands, the Group expects 2009 to be a tough year. We have to react by reducing our operational costs and laying off workers. A decline in revenue is expected for 2009.

The luggage business is fundamentally back on track, with a return to profitability in the second half of 2008. We have decreased the capacity of our production facilities in response to reduced demand from our customers. Further streamlining of the production process is still in progress, with an aim to achieve better quality control of our products and improved efficiency. These restructuring activities will result in improved prospects for the luggage business.

The USA remains as the largest market for the Group. The US government has undertaken extraordinary measures, besides cutting rates, to ease monetary conditions. However there appears little sign of the downturn of the economy slowing, damaging prospects for future sales. Surprisingly we saw steady growth in business with our major customers in the USA in the second half of 2008. This may be due to consolidation amongst the manufacturers in the luggage industry. We have also expanded our customer base, turning to Asia and China, and found our products gaining acceptance from the consumers. We hope the European economies will suffer a shorter period of downturn as the Euro dollar has weakened which should improve competitiveness in exports.

FINANCIAL REVIEW

Investments

At 31 December 2008, the Group held a portfolio of listed securities with a market value of HK$5.9 million (31 December 2007: HK$34.0 million) and a convertible note of HK$34.2 million (31 December 2007: HK$34.7 million) issued by a company listed on The Stock Exchange of Hong Kong Limited. The amount of dividends, interest and other income from investments for the year was HK$10.3 million (2007: HK$7.0 million). The unrealized holding loss on listed securities reflected in the current year amounted to HK$4.7 million (2007: unrealized holding gain of HK$2.2 million). The Group's PRC subsidiary has investments in equity securities held for long term purposes amounting to HK$150.8 million (31 December 2007: HK$426.2 million).

Borrowings and Financial Leverage

At 31 December 2008, the Group had cash and bank balances of HK$2,005.6 million (31 December 2007: HK$2,722.8 million), which included HK$328.2 million (31 December 2007: HK$747.1 million) of deposits pledged to banks. The pledged deposit amounting to HK$325.0 million has been released subsequent to the balance sheet date.

At 31 December 2008, the Group's total borrowings amounted to HK$2,769.2 million (31 December 2007: HK$1,653.6 million). The Group's net debts were HK$763.6 million (31 December 2007: net cash of HK$1,069.2 million), and total equity was HK$9,275.6 million (31 December 2007: HK$9,846.2 million). The Group's net gearing ratio was approximately 8.2% as at 31 December 2008 (31 December 2007: Nil), calculated by total borrowings less cash divided by total equity.

The Group's bank borrowings as at 31 December 2008 are summarized as follows:

Currency of bank loans	Total HK$ million	Due within one year HK$ million	Due more than one year but not exceeding two years HK$ million	Due more than two years but not exceeding five years HK$ million
RMB	800.0	720.6	79.4	-
HK$	1,939.9	190.7	188.9	1,560.3
US$	29.3	29.3	-	-
	2,769.2	940.6	268.3	1,560.3

Secured debt accounted for approximately 29.0% of total borrowings as at 31 December 2008 (31 December 2007: 79.7%).

Contingent Liabilities / Financial Guarantees

At 31 December 2008, the Group had the following contingent liabilities:

a. Guarantees given to banks in connection with facilities granted to an associate in the amount of HK$13.5 million (2007: HK$13.5 million).

b. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group and its jointly-controlled entity's property units in the amount of HK$343.7 million (2007: HK$231.5 million) and HK$8.3 million (2007: Nil) respectively.

Pledge of Assets

At 31 December 2008, the Group has pledged the followings:

a.	Leasehold properties as security for general banking facilities granted to the Group.	HK$5.9 million
b.	Fixed deposits as security for general banking facilities granted to the Group. The pledge was released in January 2009.	HK$328.2 million

c. Properties under development, prepaid land lease payments, and investment properties pledged to secure banking facilities granted to the Group. RMB3,159.0 million

Exchange Risks

Sales and purchase transactions of the Group's manufacturing business are primarily conducted in US dollars, Hong Kong dollars and/or RMB, while transactions for the property business are dominated in RMB. The exposure to foreign exchange risk is minimal.

EMPLOYEES

At 31 December 2008, the Group had approximately 4,994 employees. The Group remunerates its staff based on their merit, qualification and competence. The Group has also established an incentive bonus scheme, in which the benefits are determined based on the performance of individual employees. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. Other benefits include contribution to a provident fund scheme or mandatory provident fund, and medical insurance.

During the year, options to subscribe for 1,760,000 shares in total at exercise prices of HK$7.02 and HK$11.30 per share respectively were granted on even dates under the share option scheme to certain employees of the Group. Total fair value of these share options granted was approximately HK$8.6 million. For the year ended 31 December 2008, an amount of HK$59.6 million (2007: HK$69.3 million) was charged off as equity-settled share option expense to the income statement.

Pursuant to a resolution of the Board on 10 July 2008, share options granted to certain directors and eligible employees to subscribe for 16,620,000 shares with exercise prices ranging from HK$7.02 to HK$15.34 per share were replaced by the issue of options at equal number and terms at an exercise price of HK$5.27.

CORPORATE GOVERNANCE

During the year under review, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for a slight deviation from Code Provision A.4.1 of the Code, which stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing non-executive directors of the Company are appointed for a specific term. Nevertheless, the length of tenure of non-executive directors is governed by the Company's Bye-laws which require every director to retire by rotation at the annual general meeting at least once every three years. A retiring director is eligible for re-election. This stipulation is consistent with the requirements of Code Provision A.4.1 of the Code. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are on terms no less exacting than the required standard set out in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules (as amended from time to time) as its own codes of conduct regarding securities transactions by directors. Following specific enquiries made, all directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

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

During the year, the Company repurchased 22,724,000 shares of HK$0.10 each on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK$31,571,940. All of the repurchased shares were subsequently cancelled. The repurchases were effected by the directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	**Total number of the shares repurchased**	**Highest price paid per share** *HK$*	**Lowest price paid per share** *HK$*	**Aggregate consideration** *HK$*
September 2008	10,000,000	2.22	1.60	19,448,360
October 2008	1,000,000	1.12	0.98	1,028,540
November 2008	11,724,000	1.35	0.83	11,095,040
	22,724,000			31,571,940

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The Audit Committee has discussed with the management and external auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's consolidated results for the year ended 31 December 2008.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company at www.ccland.com.hk and the Stock Exchange at www.hkexnews.hk. The 2008 Annual Report will be despatched to the shareholders and will also be available at the websites of the Company and the Stock Exchange in due course.

By order of the Board
Lam How Mun Peter
Deputy Chairman and Managing Director

Hong Kong, 27 March 2009

As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Lam Hiu Lo, Mr. Leung Chun Cheong, Mr. Leung Wai Fai, Ms. Poon Ho Yee Agnes, Dr. Wong Kim Wing and Mr. Wu Hong Cho as Executive Directors; Mr. Wong Yat Fai as Non-executive Director; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.