

[For Immediate Release]



C C LAND ANNOUNCES 2015 ANNUAL RESULTS

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Achieved Record High Net Profit of HK\$1,641.6 Million

Financial Highlights

HK\$'000	For the year ended 31 December		Change
	2015	2014	
Revenue	6,620,237	10,299,888	-35.7%
Gross profit	1,862,161	2,712,444	-31.3%
Other income and gains	2,679,940	844,041	+217.5%
Profit before tax	3,323,920	2,479,035	+34.1%
Profit attributable to shareholders	1,366,665	1,068,280	+27.9%
Earnings per share (HK cents) — Basic and Diluted	52.80	41.27	+27.9%
Final dividend (HK cents per share)	5.5	5.0	+10.0%

Operation Highlights

	For the year ended 31 December		Change
	2015	2014	
Booked property sales (RMB'000)	5,109,200	8,110,900	-37.0%
Booked gross floor area (sqm)	683,500	1,135,500	-39.8%
ASP for booked sales (RMB per sqm)	7,480	7,140	+4.8%
Gross profit margin for booked sales	25.8%	29.1%	-3.3p.p

(24 March 2016 – Hong Kong) **C C Land Holdings Limited** (“C C Land” or the “Company”, together with its subsidiaries collectively known as the “Group”; stock code: 1224) is pleased to announce its annual results for the year ended 31 December 2015.

For the year of 2015, the Group's revenue was HK\$6,620.2 million, representing a decrease of approximately 35.7%. Profit attributable to shareholders for the year reached approximately HK\$1,366.7 million (2014: HK\$1,068.3 million) representing an increase of 27.9%. Basic earnings per share for the year was HK52.80 cents (2014: HK41.27 cents). The Board recommends the payment of a final dividend of HK5.5 cents per share for the year ended 31 December 2015 (2014: HK5.0 cents).

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The property markets in many non-Tier 1 cities in the PRC during the year have remained generally weak despite the various measures adopted by the PRC government to support the industry. This uncertainty presents a particular challenge to the Group. To meet the challenges of a possible prolonged “winter” in the Western China property market, the Group sped up its efforts at inventory clearance in 2015. As a result, the following strategic disposals were completed in the year:

1. In June 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$6.9 billion (RMB5.5 billion), of its entire 92% interest in Starhigh International Limited which, through Chongqing Zhong Yu Property Development Company Limited (重慶中渝物業發展有限公司), held a property portfolio with a gross floor area (“GFA”) of approximately 3.4 million sqm in the Yubei and other districts in Chongqing and Yunnan. The transaction was completed in July 2015, and provided a gain on disposal of approximately HK\$741.5 million.
2. In July 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$2.6 billion (RMB2.1 billion), of all its entire interest in Joyview Group Limited which, through its 51% indirect beneficial interest in Chengdu Guojia Cheer Gain Property Company Limited (成都國嘉志得置業有限公司), held most of the Group’s Chengdu projects (“CDGJ Projects”). The CDGJ Projects comprised of 7 projects under different stages of development, with a GFA of 1.9 million sqm for mixed uses. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK\$800.8 million.
3. In September 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$542 million (RMB450 million), of all its entire interest in Win Peak Group Limited which, through its 51% indirectly beneficial interest in Chongqing Verakin Real Estate Company Limited (重慶同景置業有限公司), held most of the Group’s projects in Nan’an District, Bishan County and Shapingba District of Chongqing (“Verakin Projects”). The Verakin Projects, with a GFA of 2.3 million sqm, were under different stages of development consisting of residential, commercial, office and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK\$252.9 million.
4. In October 2015, the Group entered into an agreement to dispose, at a total consideration of HK\$1.75 billion, of all its entire interest in Merry Full Investments Limited which, through its 25% indirectly beneficial interest in Chongqing Sino Land Company Limited (重慶尖置房地產有限公司), held the joint venture project of The Coronation in Chongqing. The Coronation has a total planned construction area of about 1.3 million sqm consisting of residential, office, commercial and car parks. The transaction was completed in October 2015, and provided a gain on disposal of approximately HK\$205.3 million.
5. In November 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$1.3 billion (RMB1.1 billion), of all its entire interest in Full Jolly Investments Limited which, through its 85% indirect beneficial interest in Guiyang Zhongyu Real Estate Development Company Limited (貴陽中渝置地房地產開發有限公司), held all the Group’s projects in Guiyang (“Guiyang Projects”). The Guiyang Projects have a total completed and planned GFA of 3.0 million sqm consisting of residential, commercial, office and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK\$126.7 million.

6. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$708 million (RMB600 million), of all its entire interest in Harbour Crest Holdings Limited which, through Chongqing Juxin Property Development (Group) Company Limited (重慶聚信房地產開發(集團)有限公司), held the project, Phoenix County, in Chongqing. Phoenix County has a total completed and planned GFA of 96,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and provided a gain on disposal of approximately HK\$177.5 million.
7. In December 2015, the Group entered into an agreement to dispose, at a total consideration of approximately HK\$622 million (RMB530 million), of all its entire interest in Wealthy New Limited which, through Chongqing Lucky Boom Realty Company (重慶瑞昌房地產有限公司), held the completed project, Riverside One, Wanzhou, Chongqing. Riverside One has a total GFA of 28,000 sqm consisting of residential, commercial and car parks. The transaction was completed in December 2015, and recorded a gain on disposal of approximately HK\$0.6 million.

Details of the above-mentioned transactions were already disclosed in the relevant announcements and circulars issued by the Company in 2015. These transactions will generate total cash inflow equivalent to approximately HK\$14.4 billion in aggregate for the Group. As of to date, the Group has outstanding consideration receivables of approximately HK\$2.9 billion in aggregate.

The property sales revenue was HK\$6,370.8 million (RMB5,109.2 million) (2014: HK\$10,244.1 million (RMB8,110.9 million)) against a total booked GFA sales of 683,500 sqm (2014: 1,135,500 sqm). The revenue from property sales and booked GFA represented a decrease of 37.8% and 39.8% respectively from those of last year due to the disposals mentioned above. The ASP of recognized sales in 2015 slightly increased by 4.8% from RMB7,140 per sqm in 2014 to RMB7,480 per sqm. The booked gross profit margin for 2015 was 25.8% (2014: 29.1%). The booked gross profit margin in 2015 would be 25.3% (2014: 26.0%) after the provision for impairment of HK\$28.4 million made in respect of certain development properties.

As at 31 December 2015, the unrecognized revenue was approximately RMB681 million, against a pre-sold area of 142,000 sqm. All of them are from projects which are completed or expected to be completed in 2016. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the finished products delivered to the purchasers.

The Group's contract sales was RMB5,089.0 million in the year (2014: RMB5,753.7 million). The accumulated GFA pre-sold was 756,400 sqm, and the corresponding ASP was RMB6,730 per sqm, representing a decrease of 11.4% compared to RMB7,600 per sqm in 2014. The decrease in contract sales was due to the disposal of projects during the year which substantially reduced the number of projects available for sale.

As of to date, the Group's land bank stood at 850,000 sqm GFA which are located in two cities, Xi'an and Dazhou in Western China. The average accommodation value was RMB700 per sqm.

As at 31 December 2015, the Group held cash and bank balances and time deposits amounting to HK\$3,142.8 million. The Group has a net cash balance of HK\$2,342.8 million as at 31 December 2015 (31 December 2014: net borrowings of HK\$2,563.0 million, and a gearing ratio of 17.3%). The average borrowing interest rate for the year was 6.81% (2014: 6.58%). As a result of the optimization of the capital structure following the disposal of the properties portfolios in the year, the Group's financing costs in 2016 will be substantially decreased from HK\$158.5 million in 2015.

Dr. Peter Lam, Deputy Chairman and Managing Director of C C Land, concluded, “With the proceeds of the disposal transactions received up to date, the cash balance as of to date increased to a total of approximately HK\$7.3 billion. This cash rich position enables the Group to look at potential investment opportunities with a keener eye, and to cherry pick the right ones, which may take the form of equity partnership, joint ventures or otherwise. Such investments will not be limited to second tier cities in Western China, as the Group has been making since 2006, and nor to China for that matter. The Group believes that greener pastures lie in mature projects in first tier cities, or other well developed countries globally.”

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About C C Land

C C Land is principally engaged in the property development and investment business. Capitalizing on its management expertise and solid financial position, C C Land is well positioned to develop into one of the leading property developers. The Company is a constituent stock of the MSCI Small Cap China Index Series.

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