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)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board of directors (the "Board") of C C Land Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013 together with comparative figures for the corresponding period in 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
CONTINUING OPERATIONS			
REVENUE	3,4	**1,324,721**	3,711,756
Cost of sales		**(750,837)**	(2,563,897)
Gross Profit		**573,884**	1,147,859
Other income and gains	4	**270,808**	131,401
Selling and distribution expenses		**(190,973)**	(132,234)
Administrative expenses		**(177,518)**	(179,330)
Other expenses		**(26,242)**	(88,395)
Finance costs		**(25,644)**	(25,845)
Share of profits and losses of jointly-controlled entities		**(8,922)**	(13,829)
Share of profits and losses of associates		**(4,937)**	-
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	5	**410,456**	839,627
Income tax expense	6	**(324,912)**	(556,748)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**85,544**	282,879
DISCONTINUED OPERATIONS			
Profit for the period from discontinued operations	7	**-**	12,279
PROFIT FOR THE PERIOD		**85,544**	295,158

	Note	Six months ended 30 June **2013** **(Unaudited)** **HK$'000**	 2012 (Unaudited) HK$'000
Attributable to:			
Owners of the parent		**115,506**	204,795
Non-controlling interests		**(29,962)**	90,363
		85,544	295,158
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted for profit for the period		**HK4.46 cents**	HK7.91 cents
Basic and diluted for profit from continuing operations		**HK4.46 cents**	HK7.41 cents

Details of dividends are disclosed in Note 8 to this results announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**85,544**	295,158
OTHER COMPREHENSIVE INCOME		
Items to be reclassified to profit or loss in subsequent periods when specific conditions are met:		
Available-for-sale investments:		
Changes in fair value	**(37,618)**	(23,713)
Reclassification adjustment for a loss on disposal included in the consolidated statement of profit or loss	**-**	6,593
Deferred tax	**8,467**	(571)
	(29,151)	(17,691)
Share of other comprehensive income of jointly-controlled entities	**28,016**	(4,846)
Exchange fluctuation reserve:		
Exchange differences on translation of foreign operations	**275,427**	(75,051)
Release upon disposal of subsidiaries	**(12,562)**	(4,467)
	262,865	(79,518)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods when specific conditions are met	**261,730**	(102,055)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**261,730**	(102,055)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**347,274**	193,103
Attributable to:		
Owners of the parent	**342,075**	113,315
Non-controlling interests	**5,199**	79,788
	347,274	193,103

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2013 (Unaudited) HK$'000**	31 December 2012 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**165,991**	170,685
Investment properties		**409,064**	379,946
Prepaid land lease payments		**756,450**	1,136,304
Investments in jointly-controlled entities		**1,152,016**	1,122,770
Investments in associates		**89,711**	156,646
Available-for-sale investments		**480,351**	514,207
Properties under development	10	**8,514,858**	7,736,592
Interests in land use rights for property development	10	**3,250,234**	2,737,739
Deferred tax assets		**40,718**	16,557
Total non-current assets		**14,859,393**	13,971,446
CURRENT ASSETS			
Properties under development	10	**17,604,637**	13,486,744
Completed properties held for sale		**3,263,143**	2,988,501
Prepaid land lease payments		**22,951**	22,546
Prepayments, deposits and other receivables		**2,100,993**	2,213,604
Equity investments at fair value through profit or loss		**35,537**	184,945
Tax recoverable		**274,321**	127,036
Deposits with brokerage companies		**3,781**	1,203
Pledged deposits		**414,287**	1,572,424
Restricted bank balances		**2,579,604**	2,953,902
Cash and cash equivalents		**4,051,030**	3,646,512
		30,350,284	27,197,417
Non-current asset and assets of a disposal group classified as held for sale	7	**38,792**	406,021
Total current assets		**30,389,076**	27,603,438
CURRENT LIABILITIES			
Trade and bills payables	11	**2,743,717**	2,707,350
Other payables and accruals		**13,191,072**	9,730,424
Dividends payable		**116,451**	-
Loans from non-controlling shareholders of subsidiaries		**1,302,090**	1,044,834
Interest-bearing bank and other borrowings		**4,310,852**	6,878,628
Tax payable		**1,647,218**	1,693,759
Consideration payable on acquisition of subsidiaries		**1,100**	1,100
		23,312,500	22,056,095
Liabilities directly associated with the assets classified as held for sale	7	**-**	78,355
Total current liabilities		**23,312,500**	22,134,450

	Note	**30 June 2013 (Unaudited) HK$'000**	31 December 2012 (Audited) HK$'000
NET CURRENT ASSETS		**7,076,576**	5,468,988
TOTAL ASSETS LESS CURRENT LIABILITIES		**21,935,969**	19,440,434
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**5,512,651**	2,937,669
Deferred tax liabilities		**1,502,024**	1,551,231
Total non-current liabilities		**7,014,675**	4,488,900
Net assets		**14,921,294**	14,951,534
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	**258,780**	258,780
Reserves		**13,209,651**	12,984,027
		13,468,431	13,242,807
Non-controlling interests		**1,452,863**	1,708,727
Total equity		**14,921,294**	14,951,534

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.

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012.

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the new and revised HKFRSs as disclosed in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current period's unaudited interim condensed consolidated financial statements:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

The adoption of these new and revised HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial statements. Nevertheless, certain changes in disclosures have been adopted by the Group in compliance with the following new and revised HKFRSs:

HKFRS 13 established a single source of guidance under HKFRSs for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRSs when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group. HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 *Financial Instruments: Disclosures*. Some of these disclosures are specifically required for financial instruments by HKAS 34.16A(j), thereby affecting the unaudited interim condensed consolidated financial statements period.

The HKAS 1 Amendments introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four 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 receivables, and provision of financial services
Sale of packaging products segment	–	Manufacture and sale of watch boxes, gift boxes, eyewear cases, bags and pouches, and display units (discontinued operation (note 7(a)))
Sale of travel bags segment	–	Manufacture and sale of soft luggage, travel bags, backpacks and briefcases (discontinued operation (note 7(b)))

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit 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 these reportable segments is presented below.

Reportable segment information

For the six months ended 30 June 2013 – unaudited

	Property development and investment HK$'000	Treasury investment HK$'000	Total Group HK$'000
Segment revenue			
Sales to external customers	**1,315,223**	**9,498**	**1,324,721**
Segment results	**465,548**	**(16,958)**	**448,590**
Corporate and unallocated expenses			**(12,490)**
Finance costs			**(25,644)**
Profit before tax			**410,456**

For the six months ended 30 June 2012 – unaudited

	Continuing operations			Discontinued operations			
	Property development and investment HK$'000	Treasury investment HK$'000	Total continuing operations HK$'000	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Total discontinued operations HK$'000	Total Group HK$'000
Segment revenue							
Sales to external customers	3,712,494	(738)	3,711,756	168,007	31,675	199,682	3,911,438
Segment results	891,331	15,253	906,584	15,677	(2,173)	13,504	920,088
Corporate and unallocated income			1,720			-	1,720
Corporate and unallocated expenses			(42,832)			-	(42,832)
Finance costs			(25,845)			(40)	(25,885)
Profit before tax			839,627			13,464	853,091

4. REVENUE, OTHER INCOME AND GAINS

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

	Six months ended 30 June	
	2013 (Unaudited) HK$'000	2012 (Unaudited) HK$'000
Revenue		
Sale of properties	**1,304,303**	3,699,792
Gross rental income	**9,617**	7,982
Losses on disposal of equity investments at fair value through profit or loss, net	**(2,464)**	(7,411)
Dividend income from listed investments	**9,465**	3,930
Dividend income from unlisted investments	**1,303**	916
Interest income from available-for-sale investments	**2,497**	6,547
	1,324,721	3,711,756

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Other income and gains		
Bank interest income	**45,552**	35,103
Other interest income	**23,543**	2,456
Exchange gains, net	**11,529**	-
Gain on disposal of available-for-sale investments	**-**	87,714
Gain on disposal of subsidiaries	**171,910**	-
Fair value gains on investment properties	**15,522**	5,287
Others	**2,752**	841
	270,808	131,401

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of properties sold	**748,752**	2,562,110
Depreciation	**13,692**	11,066
Less: Amount capitalised	**(1,241)**	(604)
	12,451	10,462
Amortisation of prepaid land lease payments	**11,376**	11,248
Interest on bank and other borrowings wholly repayable:		
Within five years	**316,642**	189,109
Beyond five years	**7,223**	6,803
	323,865	195,912
Less: Interest capitalised	**(298,221)**	(170,067)
	25,644	25,845
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**132,451**	129,224
Pension scheme contributions	**4,881**	3,832
Less: Amount capitalised	**(57,476)**	(54,434)
	79,856	78,622
Loss/(gain) on disposal of subsidiaries	**(171,910)**	11,935

6. INCOME TAX

No Hong Kong profits tax has been provided as the Group does not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2012: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current charge for the period		
Mainland China	**165,973**	361,929
Underprovision/(overprovision) in prior periods		
Hong Kong	**-**	1,046
Mainland China	**(1,013)**	8,158
	(1,013)	9,204
Land appreciation tax charge for the period	**252,210**	375,856
Deferred tax	**(92,258)**	(190,241)
Total tax charge for the period from continuing operations	**324,912**	556,748

7. DISCONTINUED OPERATIONS AND NON-CURRENT ASSET AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) Discontinued operation - Packaging Business

During the year ended 31 December 2012, the Group completed the spin-off of its business of manufacturing and sale of packaging products and display products (the "Packaging Business") through a separate listing of its wholly-owned subsidiary, Qualipak International Holdings Limited ("Qualipak") on the Main Board of the Stock Exchange, details of which were set out in the prospectus of Qualipak dated 28 June 2012. Upon the listing of Qualipak on 12 July 2012, the Group's entire 100% interest in Qualipak was distributed as special interim dividend to the Company's shareholders and Qualipak ceased to be a subsidiary of the Company thereafter.

The results of the Packaging Business for the six months ended 30 June 2012 which have been included in the consolidated statement of profit or loss as a discontinued operation are presented below:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Revenue	168,007
Cost of sales	(133,986)
Gross profit	34,021
Other income and gains	1,668
Selling and distribution expenses	(6,979)
Administrative expenses	(11,857)
Other expenses	(684)
Share of profits and losses of associates	(492)
Profit before tax from the discontinued operation - Packaging Business	15,677
Income tax expense	(1,188)
Profit for the period from the discontinued operation - Packaging Business	14,489
Attributable to:	
Owners of the parent	14,225
Non-controlling interests	264
	14,489

The net cash flows incurred by the Packaging Business are as follows:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Operating activities	21,449
Investing activities	(7,626)
Financing activities	(10,721)
Net cash inflow	3,102

	Six months ended 30 June 2012 (Unaudited)
Basic and diluted earnings per share from the discontinued operation - Packaging Business	HK0.55 cents

The calculations of basic and diluted earnings per share from the Packaging Business are based on:

	Six months ended 30 June 2012 (Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operation - Packaging Business	HK$14,225,000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	2,587,799,895

(b) Discontinued operation - Luggage Business

On 1 February 2012, the Group entered into a sale and purchase agreement with an independent third party and a non-controlling shareholder of Hoi Tin Universal Limited, a then 60% owned subsidiary of the Company, to dispose of its entire 100% equity interest in Ensure Success Holdings Limited ("Ensure Success") for an aggregate consideration of HK$20,000,000. Ensure Success and its subsidiaries were engaged in the manufacture and sale of soft luggage, travel bags, backpacks and briefcases (the "Luggage Business"). The Group decided to cease the Luggage Business because it planned to focus its resources on the property development and investment business. The disposal of the Luggage Business was completed on 26 March 2012.

The results of the Luggage Business for the period from 1 January 2012 to the date of completion of the disposal which have been included in the consolidated statement of profit or loss as a discontinued operation are presented below:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Revenue	31,675
Cost of sales	(30,005)
Gross profit	1,670
Other income and gains	337
Selling and distribution expenses	(714)
Administrative expenses	(3,455)
Other expenses	(11)
Finance costs	(40)
Loss before tax from the discontinued operation – Luggage Business	(2,213)
Income tax credit	3
Loss for the period from the discontinued operation – Luggage Business	(2,210)
Attributable to:	
Owners of the parent	(1,303)
Non-controlling interests	(907)
	(2,210)

The net cash flows incurred by the Luggage Business are as follows:

	Six months ended 30 June 2012 (Unaudited) HK$'000
Operating activities	2,549
Investing activities	617
Financing activities	(1,428)
Net cash inflow	1,738

	Six months ended 30 June 2012 (Unaudited)
Basic and diluted loss per share from the discontinued operation – Luggage Business	HK0.05 cents

The calculations of basic and diluted loss per share from the Luggage Business are based on:

	Six months ended 30 June 2012 (Unaudited)
Loss attributable to ordinary equity holders of the parent from the discontinued operation – Luggage Business	HK$1,303,000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	2,587,799,895

(c) Interests 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 30% equity interest in Sichuan Hengchen was completed on 30 March 2011 at a consideration of RMB30 million.

Upon completion of the first 30% disposal, the Group ceased to have control over Sichuan Hengchen thereafter. The Group had 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 of HK$38,792,000 (31 December 2012: HK$38,108,000) as at 30 June 2013. The disposal of the remaining 30% equity interest in Sichuan Hengchen is expected to be completed in 2013 pursuant to a supplementary agreement dated 9 November 2012 and the consideration is RMB30 million plus accrued interest.

(d) Disposal group classified as held for sale - Keen Star Group

On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star Limited ("Keen Star") and a shareholder's loan owed by Keen Star to the Group for a total consideration of HK$408,212,000. Keen Star and its subsidiary (collectively as "Keen Star Group") is principally engaged in property development and investment in Mainland China. The assets and liabilities of Keen Star Group had been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position as at 31 December 2012.

The disposal of Keen Star Group was completed on 3 January 2013 and a gain of HK$171,910,000 was recognised for the six months ended 30 June 2013.

The major classes of assets and liabilities of Keen Star Group classified as held for sales as at 31 December 2012 are as follows:

	31 December 2012 (Audited) HK$'000
Assets	
Property, plant and equipment	2,009
Properties under development	358,528
Prepayments, deposits and other receivables	6,660
Cash and cash equivalents	716
Assets classified as held for sale	367,913
Liabilities	
Other payables and accruals	1,744
Loans from a non-controlling shareholder	76,611
Liabilities directly associated with the assets classified as held for sale	78,355
Net assets directly associated with the disposal group – Keen Star Group	289,558
Cumulative income recognised in other comprehensive income Exchange fluctuation reserve	12,562

8. DIVIDENDS

During the six months ended 30 June 2013, the Company declared a final dividend of HK$0.045 per share amounting to HK$116,451,000 for the year ended 31 December 2012 with a scrip alternative offered to shareholders to elect to receive the final dividend by an allotment of new shares in lieu of cash. A scrip dividend of HK$1,016,000 was paid on 3 July 2013 by issuing 423,217 ordinary shares of HK$0.10 each in the Company at a market value determined to be HK$2.4 per share and a cash dividend of HK$115,435,000 was paid.

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013.

During the six months ended 30 June 2012, the Company declared a final dividend of HK$0.04 per share amounting to HK$101,757,000 for the year ended 31 December 2011 with a scrip alternative offered to shareholders to elect to receive the final dividend by an allotment of new shares in lieu of cash. A scrip dividend of HK$72,484,000 was paid on 19 June 2012 by issuing 43,876,637 ordinary shares of HK$0.10 each in the Company at a market value determined to be HK$1.652 per share and a cash dividend of HK$29,273,000 was paid.

The Company had also declared a special interim dividend during the six months ended 30 June 2012 which was satisfied by way of a distribution in specie of the entire 100% interest in the issued share capital of Qualipak to qualifying shareholders of the Company (the "Distribution"). Under the Distribution, each qualifying shareholder of the Company received one share of Qualipak for every whole multiple of twenty ordinary shares of the Company held by the qualifying shareholders.

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

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent of HK$115,506,000 (six months ended 30 June 2012: HK$204,795,000) and the weighted average number of ordinary shares of 2,587,799,895 (six months ended 30 June 2012: 2,587,799,895) in issue during the period.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2013 and 2012 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share presented.

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

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**115,506**	191,873
From discontinued operations	**-**	12,922
	115,506	204,795

	Number of shares	
	Six months ended 30 June	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	**2,587,799,895**	2,587,799,895

10. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT/ PROPERTIES UNDER DEVELOPMENT/ INTERESTS IN LAND USE RIGHTS FOR PROPERTY DEVELOPMENT

During the six months ended 30 June 2013, the Group incurred HK$8,994,000 (six months ended 30 June 2012: HK$11,979,000) on the additions of items of property, plant and equipment.

During the six months ended 30 June 2013, the Group incurred HK$2,996,531,000 (six months ended 30 June 2012: HK$2,959,259,000) on the additions of properties under development.

During the six months ended 30 June 2013, the Group incurred HK$2,576,688,000 (six months ended 30 June 2012: HK$1,354,361,000) on the additions of interests in land use rights for property development.

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:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Within 1 year	**2,743,717**	2,707,350

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

12. SHARE CAPITAL

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Authorised:		
5,000,000,000 (31 December 2012: 5,000,000,000) ordinary shares of HK$0.10 (31 December 2012: HK$0.10) each	**500,000**	500,000
Issued and fully paid:		
2,587,799,895 (31 December 2012: 2,587,799,895) ordinary shares of HK$0.10 (31 December 2012: HK$0.10) each	**258,780**	258,780

Subsequent to the period ended 30 June 2013, 423,217 ordinary shares of HK$0.10 each in the Company were issued at HK$2.4 per share as scrip dividends.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2013.

Save for the special interim dividend (see Note 8 above for details), no interim dividend was recommended during the six months ended 30 June 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the world economy remained volatile. China's economy still expanded at a GDP growth of 7.6% in the first half of 2013. The real estate market in China has maintained a stable growth with the continued urbanization process. Indeed it is full of challenges and opportunities.

Year 2013 is another growth year for the Group. The total completion area for 2013 is expected to be about 1.2 million sqm which is about 17% more than last year. As most of the projects scheduled for completion in 2013 are planned for completion in the second half year, the Group recorded only a revenue of HK$1,324.7 million during the first half of 2013 - a substantial decrease of approximately 64% from that of the same period last year. The gross floor area ("GFA") delivered during the period was 113,100 sqm which represents a drop of 74% when compared with the same period last year. During the period, two projects were completed on schedule, namely L'Ambassadeur Phase III and Villa Royale Phase II, as compared to six projects in the corresponding period last year. A net profit of HK$85.5 million for the Group was recorded during the reporting period, representing a decrease of approximately 71% from that of the same period last year. The average selling price ("ASP") of recognized sales increased by 32% to RMB9,220 per sqm. The booked gross profit margin of the property business improved to 43% which is 12 percentage points higher than that of the first half of 2012. The improvement in the ASP and gross profit margin is due to different product mixes delivered during the first half of 2012 and 2013 respectively. The two newly completed projects in the first half of 2013 are high-end residential projects which carried higher ASP and higher gross profit margin. In addition, more commercial units were delivered during the period and their selling prices were higher than those of residential property and yielded a higher gross profit margin. The gross profit margins of residential and non-residential property are about 39% and 60% respectively.

The profit attributable to shareholders for the period reached approximately HK$115.5 million (six months ended 30 June 2012: HK$204.8 million) representing a decrease of 44% as compared to the same period last year. The basic earnings per share for the period were HK4.46 cents (six months ended 30 June 2012: HK7.91 cents).

Recognized Revenue

The recognized sales revenue by projects for the six months ended 30 June 2013 is detailed as follows:

Locations	**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	Residential	40,600	314,300	7,750/sqm	100%
		Commercial	2,800	34,600	12,400/sqm	
	i-City Phases I, II & III	Residential	8,800	76,000	8,660/sqm	100%
		Commercial	600	13,900	23,180/sqm	
		Car Park	2,000	6,700	115,100/unit	
	One Central Midtown	Residential	500	3,800	7,710/sqm	100%
		Commercial	1,800	52,800	29,690/sqm	
	Mansions on the Peak	Residential	2,300	65,100	28,800/sqm	100%
	Phoenix County Phase I	Residential	4,300	46,600	10,740/sqm	100%
	Verakin New Park City – Zones J & W	Residential	2,100	20,200	9,620/sqm	51%
		Commercial	1,300	21,600	16,150/sqm	
	Others	Residential/ Office/ Commercial/ Car Park	4,600	19,200		

Chengdu	Villa Royale Phases I & II	Residential Car Park	26,500 6,800	264,900 24,000	9,980/sqm 136,230/unit	51%
	Sky Villa Phase II	Residential	3,100	49,200	16,010/sqm	51%
	Others	Residential/ Car Park	1,700	9,100		
Kunming	Silver Lining	Residential Car Park	1,100 2,200	10,100 10,400	9,800/sqm 145,970/unit	70%
TOTAL			113,100	1,042,500		

In terms of location, Chongqing accounted for 65% (six months ended 30 June 2012: 79%) and 63% (six months ended 30 June 2012: 83%) of the recognized revenue and booked area respectively, while Chengdu, and Kunming accounted for the remaining 35% (six months ended 30 June 2012: 21%) and 37% (six months ended 30 June 2012: 17%) of the recognized revenue and booked area. In terms of usage, about 83% (six months ended 30 June 2012: 94%) was for residential and the balance was for non-residential purposes.

As at 30 June 2013, the unrecognized revenue was approximately RMB13.5 billion, representing area pre-sold of 1,727,000 sqm, out of which, about RMB5.8 billion are from projects which are completed or expected to be completed in the second half of 2013. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the property delivered to the purchaser. This has laid a solid foundation for the second half of 2013.

The total GFA completed by the Group in the period under review amounted to approximately 161,700 sqm. Details are as follows:

Projects	**Usage**	**GFA** (sqm)	**Percentage of Area Sold as at 30 June 2013**	**The Group's Interest**
Chongqing				
L'Ambassadeur Phase III	Residential Others	77,800 22,500	77%	100%
Chengdu				
Villa Royale Phase II	Residential Others	51,500 9,900	59% 60%	51%
TOTAL		161,700		

Contract Sales

Facing global economic uncertainties, China has maintained its macro-economic policies in order to enhance its economic growth. The residential markets in cities where the Group operates continued to improve and home demand remained strong during the period under review. The demand for new homes for own use and/or investment rose as the urbanization drive continued to intensify. As a consequence, the Group saw increases in both the transaction volume and sales prices.

For the six months up to 30 June 2013, in spite of the uncertain economic environment, the Group still recorded contract sales of RMB4,663.2 million (six months ended 30 June 2012: RMB2,816.2 million), representing an increase of 66% from that of the corresponding period in 2012, achieving about 53% of the sales target of RMB8.8 billion for 2013. The total contract sales area reached approximately 545,500 sqm of GFA (six months ended 30 June 2012: 372,500 sqm), representing an increase of 46% from that of the corresponding period last year. The overall ASP of contract sales increased by 12% to RMB8,500 per sqm in the first half of 2013 from RMB7,600 per sqm for the same period of 2012. The increase was mainly attributed to the change in product mix as compared with the corresponding period last year, with a higher proportion of contract sales of commercial and office units which carried higher ASPs.

Sixteen projects were launched during the period, out of which, there were three new projects, namely Zhongyu Plaza in Chongqing, Sky Villa Condominiums and Residence du Paradis in Chengdu.

The breakdown of the contract sales in the first half of 2013 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	23,900	221,700	9,300/sqm
	Commercial	2,500	56,700	22,800/sqm
Verakin New Park City - Zones J, K, L, M, O & P	Residential	60,000	444,500	7,400/sqm
	Commercial	3,400	72,800	21,300/sqm
Bishan Verakin New Park City - Zones A & B	Residential	50,200	259,800	5,200/sqm
	Commercial	6,300	121,900	19,200/sqm
i-City Phases I, II & III	Residential	8,500	59,600	7,000/sqm
	Commercial	1,800	44,800	25,200/sqm
	Office	1,700	19,400	11,600/sqm
	Car Park	1,000	3,800	129,600/unit
Riverside One, Wanzhou Phases II & III	Residential	29,600	153,500	5,200/sqm
	Commercial	700	8,700	12,200/sqm
	Car Park	5,000	13,700	88,000/unit
Phoenix County Phases I, II & III	Residential	52,000	415,900	8,000/sqm
Academic Heights Phases I & II	Residential	42,800	218,100	5,100/sqm
Zhongyu Plaza	Office	39,400	648,200	16,500/sqm
Others	Residential/ Commercial/ Car park	1,200	26,300	
		330,000	2,789,400	
Chengdu				
Sky Villa Phases II & III	Residential	21,200	352,700	16,600/sqm
	Car Park	1,900	6,800	135,200/unit
Sky Villa Condominiums	Residential	23,000	228,300	9,900/sqm
Brighton Place & Plaza Phases I , II, III, IV & V	Residential	1,100	9,100	8,400/sqm
	Commercial	1,800	81,300	46,000/sqm
	Office	8,900	75,200	8,400/sqm
Villa Royale Phases I & II	Residential	19,600	200,100	10,200/sqm
	Car Park	4,900	18,300	150,000/unit
Residence du Paradis Phase I	Residential	47,300	304,300	6,400/sqm
Others	Residential	1,300	7,400	
		131,000	1,283,500	
Guiyang				
First City, Guiyang Phases I, II & III	Residential	32,300	220,800	6,800/sqm
	Commercial	3,200	57,100	17,900/sqm
	Office	14,200	135,700	9,500/sqm
		49,700	413,600	

Other Districts

Silver Lining	Residential	1,200	10,900	9,500/sqm
	Car Park	700	3,600	157,000/unit
Dazhou Project Phase I	Residential	32,900	162,200	4,900/sqm
		34,800	176,700	
TOTAL		545,500	4,663,200	

For the contract sales in the first half of 2013, about 60%, 27%, 9% and 4% came from Chongqing, Chengdu, Guiyang and other districts respectively. The ASPs breakdown by location is as follows:

ASP (RMB per sqm)	First Half of 2013	First Half of 2012	Percentage change
Chongqing	8,500	7,000	+21%
Chengdu	9,800	8,900	+10%
Guiyang	8,300	7,600	+9%
Others	5,100	5,000	+2%
Overall for the Group	8,500	7,600	+12%

In terms of usage, about 70% were for residential and 30% for non-residential properties. The ASPs breakdown by usage is as follows:

ASP (RMB)	First Half of 2013	First Half of 2012	Percentage change
Residential (per sqm)	7,300	7,600	-4%
Commercial (per sqm)	22,700	23,100	-2%
Office (per sqm)	13,700	11,500	+19%
Carparks (per unit)	121,300	104,100	+17%

As at 30 June 2013, the Group recorded RMB1,033 million of subscription sales which will be converted to contract sales in the coming months.

Land Bank

To support sustainable development, the Group continued to keep a close watch on the land market for opportunities to replenish or augment its land bank. During the period under review, the following land lots were acquired, either through public auction arranged by the government or through acquisition of project companies with land use rights from private parties. The Group's first project in Xi'an was acquired during the period. Three new sites with a total planned GFA of about 2.4 million sqm were added to the land bank of the Group for a total consideration of RMB1.8 billion. The majority of the units to be built will be small to medium-sized units which target the first time home buyers. The average GFA cost was around RMB750 per sqm.

	Land Location	Acquisition Month	Usage	Consideration (RMB million)	Planned GFA (sqm)	Unit Land Cost (RMB)	The Group's Interest
1.	Wudang Disrtrict, Guiyang	February	Residential & Commercial	330	444,000	740	85%
2.	Hefei Road, Guiyang	May	Residential & Commercial	919	1,313,000	700	85%
3.	Weiyang District, Xi'an	May	Residential & Commercial	550	640,000	860	100%
				1,799	2,397,000	750	

As at 30 June 2013, the Group has land lots in five cities, namely Chongqing, Chengdu, Guiyang, Xi'an and Dazhou. The Group's strategy to expand its business to other key cities in Western China has enabled it to benefit from the economic growth in the region and diversify.

In January 2013, the Group completed the disposal of all of its 60% interest in the Villa Splendido Project in Yutang Town, Dujiangyan District, Chengdu at a consideration of about RMB331.9 million. The disposal represented an opportunity for the Group to realize its project investment with an attractive return. The disposal resulted in a gain of approximately HK$171.9 million. The received proceeds were used to finance land bank acquisitions.

As at the report date, the Group's land bank held for development stood at 15.4 million sqm GFA (attributable GFA amounting to about 11.3 million sqm) which is sufficient for the Group's five to six years' development. The average GFA cost is around RMB1,950 per sqm.

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 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)	**Percentage of Total GFA**
				Total	**Attributable**		
Commercial	28,000	12,000	79,000	2,034,000	1,676,000	2,153,000	13.3
Residential	2,000		187,000	7,501,000	5,003,000	7,690,000	47.3
Office			2,000	1,795,000	1,471,000	1,797,000	11.0
Hotel & serviced apartment			11,000	170,000	120,000	181,000	1.1
Townhouse & villa			125,000	597,000	444,000	722,000	4.4
Others (Car park and other auxiliary facilities)	56,000	11,000	320,000	3,337,000	2,635,000	3,724,000	22.9
TOTAL	86,000	23,000	724,000	15,434,000	11,349,000	16,267,000	100.0

In terms of usage, about 53% of the land held for development is for residential, serviced apartments as well as town-house and villa development and the remaining 47% for office, commercial, hotel, and other developments. In respect of the total 312,000 sqm completed residential and townhouse & villa properties held for sale, about 56% 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	9,057,000	6,533,000	58.7
Sichuan			
- Chengdu	2,242,000	1,143,000	14.5
- Dazhou	413,000	413,000	2.7
Guizhou			
- Guiyang	3,082,000	2,620,000	20.0
Xi'an	640,000	640,000	4.1
TOTAL	15,434,000	11,349,000	100.0

Around 59% of the land bank held for development is located in Chongqing whilst 41% is in Chengdu, Dazhou, Guiyang and Xi'an.

There were 18 projects in different stages of development during the period. The new construction area for the first half of 2013 was 1.3 million sqm. The total area under construction as at 30 June 2013 was about 5.0 million sqm which is about 32% of the Group's total land bank.

As at the report date, the 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	2013 – 2016	328,000	100%
-Zhongyu Plaza	2014 – 2015	420,000	100%
-L'Ambassadeur	2014	103,000	100%
-Residence Serene	2015 or after	296,000	100%
-Lot #17-1	2015 or after	210,000	100%
-Lot #9	2015 or after	656,000	100%
-Lot #4	2015 or after	749,000	100%
-Lot #3-1	2015 or after	361,000	100%
-Xinpaifang	2015 or after	26,000	100%
-Others	2015 or after	91,000	100%
Chongqing, Jiangbei District	2014 or after	1,030,000	25%
Chongqing, Nan'an District			
-Verakin New Park City	2013 – 2017	1,189,000	51%
-Ertang Project	2015 or after	598,000	26%
Chongqing, Wanzhou District			
-Riverside One, Wanzhou	2014	237,000	100%
-Wanzhou Project	2015 or after	412,000	100%
Chongqing, Shapingba District			
-Academic Heights	2013 – 2015	509,000	100%
Chongqing, Bishan County, Ludao New District			
-Bishan Verakin New Park City	2014 or after	830,000	26%
Chongqing, Rongchang County			
-Verakin Riviera	2015	152,000	25%
Chongqing, Zhaomu Mountain Area	2015 or after	860,000	100%
Chengdu, Jinjiang District			
-Sky Villa	2013 – 2016	276,000	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	2014 – 2015	369,000	51%
Chengdu, Yizhou Avenue			
-Celestial Centre	2015 or after	117,000	51%
Chengdu, Huafu Avenue			
-Residence du Lac	2015 or after	399,000	51%
Chengdu, LongQuan Yi District			
-Residence du Paradis	2015 or after	814,000	51%
Sichuan, Dazhou, Tongchuan District			
-Dazhou Project	2013 – 2015	413,000	100%
Guiyang, Guanshanhu District			
-First City, Guiyang	2013 or after	1,325,000	85%
Guiyang, WuDang District	2015 or after	444,000	85%
Guiyang, Hefei Road	2015 or after	1,313,000	85%
Xi'an, Weiyang District	2015 or after	640,000	100%
TOTAL		15,434,000	

Investment Property

The occupancy of the Group's rental portfolio stayed at around 73%. The total attributable gross rental income from the investment properties amounted to approximately HK$9.6 million for the period ended 30 June 2013 (six months ended 30 June 2012: HK$8.0 million).

As of 30 June 2013, a portfolio of approximately 85,686 sqm in GFA of completed investment properties was held by the Group (31 December 2012: 82,923 sqm), consisting of commercial properties (33%), residential properties (2.7%), and car parks/auxiliary facilities (64.3%).

As of 30 June 2013, the book value of the investment properties of the Group totalled HK$409.1 million (31 December 2012: HK$379.9 million), of which HK$15.5 million arose from increase in fair value.

Investment Property Under Development

Due to its superior location, maturity, and other qualities, the Group's core land bank in the Yubei district is developing into one of the most important city centres in Chongqing.

Four commercial land lots are situated in the core land bank, namely, Lot Nos. 3, 4, 9 and 10 which have been earmarked for development as separate but interlinked projects, consisting of commercial, hotels, and residential complexes.

Different phases of Lot No.10 are currently under development. One Central Midtown and 9 Central Midtown were completed in 2011. All 3 office towers and the shopping mall of the remaining phases are expected to be completed by 2014. The Group has also formed a strategic partnership with New World China Land Limited ("NWCL") to jointly develop a 5-star luxury hotel and office tower on this lot. The interest of this jointly developed project is held as to 80% by the Group and 20% by NWCL. The office tower and hotel of this project has an aggregate GFA of approximately 97,000 sqm and is scheduled to be completed by the year of 2014 and 2015 respectively. The 5-star luxury hotel will be managed by a well known world-class hotel operator.

Preliminary foundation work has started for Lot No.4. This important land lot will be developed to create a top-tier integrated commercial complex, including Grade A office buildings, entertainment centres, cinemas and retail stores. The Group signed a pre-leasing agreement with a high-end department store operator, Taiwan Shin Kong Mitsukoshi, in April 2013. This marked the entry of Shin Kong Mitsukoshi with its well known brand "Shin Kong Place" into Chongqing. It is expected to commence operation in late 2016 with a total GFA of around 250,000 sqm.

The Group intends to keep the trophy commercial properties for rental purposes and is expected to build up the investment property portfolio for long term rental income in the coming years.

Treasury Investment

The treasury investments recorded a loss of HK$17.0 million after disposal part of the investments during the period (six months ended 30 June 2012: a gain of HK$14.2 million including HK$87.7 million realized on the partial disposal of available-for-sale investments held by the Group). The dividend and interest income from investment in notes receivable totalled HK$12.0 million (six months ended 30 June 2012: HK$6.7 million). The realized and unrealized loss on listed securities amounted to HK$2.5 million and HK$26.2 million respectively (six months ended 30 June 2012: realized and unrealized loss on listed securities of HK$7.4 million and HK$71.7 million respectively).

To target strategic investment with growth potential, and in view of the shrinking interest returns on deposits, the Group continued to invest its surplus cash in a portfolio of listed securities and unlisted investment funds. To maintain a prudent treasury investment portfolio, the value of the portfolio is maintained at below 10% of the total asset of the Group.

As at 30 June 2013, the value of the portfolio was HK$515.9 million which is about 1% of the total assets of the Group.

CORPORATE STRATEGY AND OUTLOOK

Despite the "Five National Regulations on the Property Market" announced by the Central Government in early March of 2013 to curb the surge of property price and speculative property investment, developers with projects focused on areas of high end-user demand should not be affected in the long term. The need for new housing and the desire for improved living environment continue to push up the transaction volume and property prices.

While the property market is expected to face certain uncertainties in 2013, the Group is optimistic about its future prospect due to the strong end-user demand from first time home buyers and upgraders as well as the policy of accelerated urbanization akin to its region of operation, namely Western China.

After years of investment, the Group has laid a solid foundation for further future growth. The Group will adhere to its prudent strategy of building up an investment property portfolio funded partly by proceeds from the sales of residential properties and keeping a balance between property sales revenue and rental income from the investment property portfolio.

As at 30 June 2013, the contract sales yet to be recognized amounted to RMB13,470 million, representing a pre-sold GFA of 1,727,000 sqm. Together with the contract sales in July 2013 of RMB730 million, representing 79,600 sqm, the total unrecognized contract sales to be delivered in 2013 and beyond amounted to RMB14,200 million.

According to the completion schedule, the Group anticipates 6 projects will be completed and delivered in the second half of 2013. The target completion areas for the second half of 2013 and year 2014 are 1,039,000 sqm and 1,538,000 sqm respectively, out of which 80% and 82% of the target completion residential areas have been pre-sold respectively as at 31 July 2013. The target completion area of 2014 is about 28% higher when compared with the 2013 target completion area of 1.2 million sqm. The high pre-sold rate for the completion area for the second half of 2013 and 2014 demonstrates the Group's strong sales capability, and the popularity of its products.

The completion schedule for the second half of 2013 and year 2014 is as follows:

Locations	**Projects**	**Residential Area** (sqm)	**Commercial/ Car park/ Other Area** (sqm)	**Total Area** (sqm)	**The Group's Interests**
Second Half of 2013					
Chongqing	Phoenix County Phase II	17,000	-	17,000	100%
	Academic Heights Phase I	104,000	34,000	138,000	100%
	Verakin New Park City–Zone K	42,000	1,000	43,000	51%
	Verakin New Park City–Zone N	174,000	59,000	233,000	51%
	Verakin New Park City–Zone P	79,000	20,000	99,000	51%
	Verakin New Park City–Zone L	67,000	21,000	88,000	51%
Chengdu	Sky Villa Phase II	45,000	16,000	61,000	51%
Dazhou	Dazhou Project Phase I	133,000	43,000	176,000	100%
Guiyang	First City, Guiyang Phase I	91,000	93,000	184,000	85%
TOTAL		752,000	287,000	1,039,000	
Year 2014					
Chongqing	Phoenix County Phase III	100,000	24,000	124,000	100%
	Zhongyu Plaza	-	247,000	247,000	100%
	L'Ambassadeur Phase IV	71,000	32,000	103,000	100%
	Riverside One, Wanzhou Phase III	182,000	55,000	237,000	100%
	Academic Heights Phase II	116,000	49,000	165,000	100%
	Verakin New Park City–Zone M	194,000	40,000	234,000	51%
	Verakin New Park City–Zone O	22,000	14,000	36,000	51%
	Bishan Verakin New Park City –Zone B	121,000	33,000	154,000	26%
Chengdu	Brighton Place & Plaza Phase I to Phase IV	169,000	69,000	238,000	51%
TOTAL		975,000	563,000	1,538,000	

As at 30 June 2013, the Group has 18 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in the second half of 2013 to be around 1.4 million sqm. Together with the area under construction of 5.0 million sqm as at 30 June 2013, the total area under development at the end of 2013 is expected to be over 6.4 million sqm – about 42% of the Group's total land bank. In order to support a healthy and sustainable growth, the Group will closely monitor the land market and make acquisition as appropriate. Besides increasing its presence in Chongqing, Chengdu, Guiyang and Kunming, the Group has entered Xi'an, and will continue to look for suitable land lots in other Western China cities for diversification. The Group will also look for joint-venture projects or takeover opportunities with an aim to enhance the Group's overall profitability in the coming years. The Group will maintain a land bank policy of keeping its land bank sufficient for the next 5 to 6 years' development.

As at 30 June 2013, the outstanding land premium is about RMB3.6 billion and about RMB1.8 billion is expected to be payable in the second half of 2013. The expected construction cost for the second half of 2013 is about RMB3.8 billion. The Group will continue to be prudent in its cash flow management and keep its gearing at a healthy level.

Looking ahead, the Group is committed to maintaining its competitive position in the property business. In order to maximize values and generate greatest returns for its shareholders, operational efficiency will continue to be enhanced. The Group is confident of achieving the sales target of RMB8.8 billion for the year.

FINANCIAL REVIEW

Investments

At 30 June 2013, 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$515.9 million (31 December 2012: HK$699.2 million). Owing to the price fluctuation in the Hong Kong stock market for the period under review, the Group recorded an unrealized fair value loss of HK$26.2 million on listed investment. The amount of dividends and interest income from investments for the period was HK$13.3 million (six months ended 30 June 2012: HK$11.4 million).

Liquidity and Financial Resources

As of 30 June 2013, the Group had maintained a sound financial position and had aggregate cash and bank balances and time deposits amounting to HK$7,044.9 million (31 December 2012; HK$8,172.8 million) which included HK$414.3 million (31 December 2012: HK$1,572.4 million) of deposit pledged to banks. Of the cash and bank balances, the carrying amount of the restricted cash was approximately HK$2,579.6 million (31 December 2012: approximately HK$2,953.9 million). Pursuant to relevant regulations, the Group was required to deposit the proceeds from the pre-sales of properties into designated bank accounts to cover payment of expenditures in relation to the respective project development.

As at 30 June 2013, the Group's working capital (current assets less current liabilities) amounted to approximately HK$7,076.6 million (31 December 2012: HK$5,469.0 million). The Group's current ratio (current assets over current liabilities) was 1.3 times (31 December 2012: 1.25 times). The unutilized banking facilities of the Group amounted to HK$1,554 million as at 30 June 2013.

The Group drew down HK$2.8 billion of the HK$3.4 billion facility during the period to repay the remaining balance of HK$1.9 billion of the syndicated loan and HK$0.9 billion bridging loan obtained in late 2012. In addition, a term loan facility of HK$500 million was concluded in June 2013 for financing land bank requisitions. Total borrowings amounted to HK$9,823.5 million (31 December 2012; HK$9,816.3 million). About 63% of the total borrowings are in RMB and the remaining 37% are in Hong Kong Dollars. About 44% are repayable within one year and the remaining 56% are long term borrowings. The average borrowing interest rate for the period ended 30 June 2013 was 6.48% (six months ended 30 June 2012: 5.26%) per annum. Finance costs charged to the consolidated statement of profit or loss for the six months ended 30 June 2013 amounted to HK$25.6 million (six months ended 30 June 2012: HK$25.8 million) after capitalization of HK$298.2 million (six months ended 30 June 2012: HK$170.1 million) into the cost of properties under development.

The structure of the Group's bank borrowings as at 30 June 2013 is summarized below:

Currency of Bank Loans	**Total**	**Due within One Year**	**Due more than One Year but not exceeding Two Years**	**Due more than Two Years but not exceeding Five Years**	**Beyond Five Years**
	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
RMB	6,201.9	3,560.2	704.0	1,875.6	62.1
HK$	3,621.6	750.7	932.5	1,938.4	-
	9,823.5	4,310.9	1,636.5	3,814.0	62.1

Secured debts accounted for approximately 67% of total borrowings as at 30 June 2013 (31 December 2012: 75%).

As at 30 June 2013, the Group was at a net borrowing position of HK$2,778.6 million (31 December 2012: HK$1,643.5 million). The details are as follows:

	30 June 2013	31 December 2012
	HK$'M	HK$'M
Cash and bank balances and time deposits	**7,044.9**	8,172.8
Less: Total bank and other borrowings	**(9,823.5)**	(9,816.3)
Net borrowing position	**(2,778.6)**	(1,643.5)

The increase in the net borrowing balance is for the payment of land premium of about RMB1.9 billion and the payment of construction costs of RMB2.3 billion in the first half of 2013. The net gearing ratio of the Group as at 30 June 2013 was 20.6% (31 December 2012: 12.4%) calculated by total borrowings less bank balances and cash divided by owners' equity. The cash collection ratio for the property business was 77% during the period under review.

The owners' equity was HK$13.5 billion (31 December 2012: HK$13.2 billion) and the net assets value per share is HK$5.20 (31 December 2012: HK$5.12).

Contingent Liabilities/Financial Guarantees

At 30 June 2013, the Group had the following contingent liabilities/financial guarantees:

1. Guarantees given to banks in connection with facilities granted to a jointly-controlled entity in the amount of HK$451.1 million (31 December 2012: HK$455.0 million).
2. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$6,109.8 million (31 December 2012: HK$5,685.9 million).

Pledge of Assets

At 30 June 2013, the Group has pledged the following assets:

1.	Leasehold properties as security for general banking facilities granted to the Group.	HK$40.3 million
2.	Fixed deposits as security for general banking facilities granted to the Group.	HK$414.3 million
3.	Properties under development, prepaid land lease payments, completed properties held for sale and investment properties pledged to secure banking facilities granted to the Group.	RMB11,637.2 million

Exchange Risks

The Group's foreign exchange exposure is considered minimal given sales transactions and all major cost items are denominated in RMB. Therefore, the directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

EMPLOYEES

At 30 June 2013, the Group had approximately 1,749 employees in China and Hong Kong. The Group remunerates its staff based on their merit, qualification, work experience, competence and the prevailing market wage level. The Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. No equity-settled share option expense was charged off to the consolidated statement of profit or loss for the six months ended on 30 June 2013 and 30 June 2012. Other benefits include contributions to mandatory provident fund and medical insurance.

CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2013, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") 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 six months ended 30 June 2013.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

REVIEW OF INTERIM RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013.

PUBLICATION OF THE RESULTS AND INTERIM 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 2013 Interim 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, 26 August 2013

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 Prof. Wong Lung Tak Patrick as Independent Non-executive Directors.