

CHAIRMAN'S STATEMENT

On behalf of C C Land Holdings Limited (the "Company"), I am very pleased to report that the Company and its subsidiaries (the "Group") had a remarkable performance for the year ended 31 December 2006. Profit attributable to shareholders amounted to HK\$627.9 million, representing a substantial increase of 1,424% when compared to that of the previous year.

PRC PROPERTY BUSINESS

The year 2006 was a year of transformation for the Company. In order to provide a more diversified source of income, the Group has been actively looking for opportunities for expansion and diversification. Following the Group's acquisition of the Chongqing Zhongyu Property Development Co. Ltd. ("Chongqing Zhongyu"), the PRC property business is now the major core business of the Group.

Chongqing is the fourth self-administered municipality in China, after Beijing, Shanghai and Tianjin. Following years of relaxed land supply, Chongqing's annually completed gross floor area ("GFA") doubled from 2001 to reach 22 million sq. m. in 2005. Most of the land is now in private hands and government land supply is scarce in the downtown area. Chongqing's housing-market prospects are encouraging as the local economy continues to flourish. The Group believes Chongqing has strong potential as a growth center in Western China and the Chongqing property market will be a fast-growing market for years to come.

Chongqing Zhongyu was incorporated in 1992 and is one of the largest property developers in Chongqing, with a National Class I Certification from the Ministry of Construction, the PRC. It is principally engaged in the development, sale, leasing, and management of high quality residential, commercial and retail properties. Chongqing Zhongyu has completed several property development projects totalling over 1 million sq. m. in area. Its signature local residential projects include the California Garden, California City Garden and Huijingtai.

Chongqing Zhongyu currently has a land bank with a total site area of approximately 877,500 sq. m. and a total buildable GFA of approximately 3.31 million sq. m., comprising 11 parcels of land, 10 of which are adjoining sites. These are situated right in the heart of the Yubei District of Chongqing, where the central government administration region, major highway junctions and a new rail transportation hub are located. The remaining separate parcel of land is situated close to the new train terminal. All of these parcels of land have been earmarked for development as separate but inter-linked projects, consisting of hotels, commercial and residential complexes. The development of these properties will definitely provide the growth engine for the Group in the next few years. Construction of a mega residential complex is now under way on three of these plots of land.

In terms of management expertise, both I, and our Deputy Chairman and Managing Director, Dr. Peter Lam, have over 15 years of experience in property development in the PRC and Hong Kong. Supported by long serving senior staffs, and coupled with the proven track record of Chongqing Zhongyu, the Group is confident of its ability to excel in the PRC property business, focusing on Western China.

Land bank is one of the keys to success for a property developer. The Group will keep a land bank which is sufficient for 4 to 5 years' development. In January 2007, the Group acquired a 50% interest in a company in Chengdu with a land bank of 555,000 sq. m. GFA and a plot ratio of 1.5 (the Group's interest is 277,500 sq. m.). It is situated at the Jin Quan Community District, Jin Ma Zhen, Wen Jiang District, and is zoned for residential development. As at the end of February 2007, the total land bank of the Group stood at 3.95 million sq. m. GFA.

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In order to diversify its source of income and to have a better advantage to acquire new land bank, the Group also participates in the land development business. In February 2007, the Group acquired a 60% interest in a project company in Chengdu at a consideration of HK\$171 million. The project company has the land development rights for two projects in Dujiangyan, Chengdu, with a total site area of approximately 902,000 sq.m..

Through the share placement in November 2006, net proceeds of HK\$932.8 million were raised, which will be used to finance the Group's property development, acquisition of development projects and, general working capital. In addition, the practically full conversion of the convertible note issued for the acquisition of Chongqing Zhongyu resulted in no cash outflow for the Group and created a much enlarged equity base. Together, this provided the Group with a solid financial position and a net cash position of HK\$1,312.8 million as at 31 December 2006, priming the Group for future expansion.

The Group focuses on mid to high end property development, principally in Chongqing and Chengdu, which is the market segment with strong demands from the local buyers. At the same time, the Group will seek to maintain an appropriate balance between income from property sales and recurring income derived from investment properties. Some of the projects under planning are luxury hotels, investment grade shopping malls and offices, and we will be holding some of these for rental income. The Group will gradually build up its investment property portfolio, which in the short term will generate stable income for the Group and in the long term capture the potential gain on capital appreciation.

In the past few years, a series of macroeconomic measures were introduced by the PRC central government, mainly targeting regions with an overheated property market. In May 2006, the Ministry of Land of the PRC and eight other governmental authorities jointly issued an opinion regarding adjustments in the structure of housing supplies and measures for stabilization of housing prices. The goals are to promote more balanced property development and investment activities, and these measures will benefit the PRC property market in the long run.

MANUFACTURING BUSINESS

The Group's packaging and luggage business achieved encouraging results in the year. Driven by the continuous strong performance in the key European market segment, the turnover of the packaging business grew 14% to HK\$316.3 million as compared to that of 2005. Its profit contribution to the Group amounted to HK\$18.7 million (including a share of profit of HK\$4.3 million from an associate).

With a revival in consumer spending on luggage products and the introduction of a comprehensive improvement program to our production lines, the turnover in the luggage business increased by 162.7% to HK\$446.5 million compared to that of 2005. It should be noted that Hoi Tin Universal Limited provided its first full year of contribution after the acquisition in July 2005. Its profit contribution to the Group amounted to HK\$4.2 million.

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CHANGE OF COMPANY NAME AND SHARE CONSOLIDATION

To better reflect the change in the Group's principal activities to property development and investment in the PRC, the Company's name has been changed to "C C Land Holdings Limited" and the Chinese name "中渝置地控股有限公司" adopted for identification purposes. The shares of the Company were consolidated such that every ten (10) shares of HK\$0.01 each became one (1) consolidated share of HK\$0.10. In addition, the board lot size for trading in the shares of the Company on the Hong Kong Stock Exchange was changed from 10,000 shares to 1,000 shares on 11 January 2007.

PROSPECTS

The Group's strategy is to focus on the PRC property development and investment businesses, predominantly in Western China, and continue to carry on its existing manufacturing operations. In the coming years, the Group will actively acquire, through merger and acquisitions, and direct bidding, other quality land banks and property assets in Chongqing, Chengdu, and neighbouring cities and targets to be a leading property developer in Western China. With its existing land banks located in prime locations, sufficient capital for future development and an experienced management team, the Group is well poised to generate profitable returns and future success.

On behalf of the Board, I would like to express my sincere gratitude to the Group's management and staff for their invaluable service and contribution. I also wish to thank all of our customers, shareholders and business associates for their trust and support during the year, and sincerely look forward to your continued support in future.

Cheung Chung Kiu

Chairman

Hong Kong, 30 March 2007