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## **C C Land Holdings Limited**

**中渝置地控股有限公司**

*(Incorporated in Bermuda with limited liability)*

Website: [www.ccland.com.hk](http://www.ccland.com.hk)

(Stock Code: 1224)

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

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 2016 together with comparative figures for the corresponding period in 2015 as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

		<b>Six months ended 30 June</b>	
		<b>2016</b>	<b>2015</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	Notes	<b>HK\$'000</b>	<b>HK\$'000</b>
REVENUE	3, 4	<b>752,463</b>	4,100,009
Cost of sales		<b>(498,722)</b>	(2,906,878)
Gross profit		<b>253,741</b>	1,193,131
Other income and gains	4	<b>82,995</b>	441,748
Selling and distribution expenses		<b>(10,747)</b>	(161,774)
Administrative expenses		<b>(96,399)</b>	(212,134)
Other expenses		<b>(158,235)</b>	(7,043)
Finance costs		<b>(9,193)</b>	(76,454)
Share of profits and losses of:			
Joint ventures		<b>(15,817)</b>	(23,228)
Associates		<b>478</b>	18,186
<b>PROFIT BEFORE TAX</b>	5	<b>46,823</b>	1,172,432
Income tax expense	6	<b>(14,328)</b>	(404,674)
<b>PROFIT FOR THE PERIOD</b>		<b>32,495</b>	767,758

		<b>Six months ended 30 June</b>	
		<b>2016</b>	2015
		<b>(Unaudited)</b>	(Unaudited)
	Note	<b>HK\$'000</b>	HK\$'000
Attributable to:			
Owners of the parent		<b>32,495</b>	587,650
Non-controlling interests		<u>-</u>	<u>180,108</u>
		<b><u>32,495</u></b>	<b><u>767,758</u></b>
 <b>EARNINGS PER SHARE ATTRIBUTABLE TO</b>			
<b>ORDINARY EQUITY HOLDERS OF THE</b>			
<b>PARENT</b>			
Basic and diluted	8	<b><u>HK1.26 cents</u></b>	<b><u>HK22.70 cents</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>PROFIT FOR THE PERIOD</b>	<b>32,495</b>	<b>767,758</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Available-for-sale investments:		
Changes in fair value	(693,289)	173,722
Deferred tax	-	(16,689)
	<u>(693,289)</u>	<u>157,033</u>
Exchange fluctuation reserve:		
Exchange differences on translation of foreign operations	(10,444)	1,491
Share of other comprehensive income of joint ventures	(4,429)	122
Share of other comprehensive income of associates	(1,060)	566
	<u>(709,222)</u>	<u>159,212</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(709,222)	159,212
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(709,222)</b>	<b>159,212</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(676,727)</b>	<b>926,970</b>
Attributable to:		
Owners of the parent	(676,727)	746,004
Non-controlling interests	-	180,966
	<u>(676,727)</u>	<u>926,970</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2016 (Unaudited) HK\$'000	31 December 2015 (Audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property and equipment	9	21,522	21,977
Golf club membership		10,540	10,540
Investments in joint ventures		111,403	125,992
Investments in associates		213,526	283,550
Available-for-sale investments		2,910,998	3,489,172
Properties under development	9	392,957	671,340
Consideration receivable on disposal of subsidiaries		493,859	1,140,382
Deferred tax assets		-	12,440
Total non-current assets		4,154,805	5,755,393
<b>CURRENT ASSETS</b>			
Properties under development	9	468,680	997,117
Completed properties held for sale		833,301	300,935
Prepayments, deposits and other receivables		2,606,123	6,113,444
Equity investments at fair value through profit or loss		865,276	756,456
Prepaid income tax and land appreciation tax		29,685	15,927
Deposits with brokerage companies		32,146	3,916
Pledged deposits		-	303,522
Restricted bank balances		62,448	65,009
Cash and cash equivalents		6,023,038	2,774,285
Total current assets		10,920,697	11,330,611
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	243,589	269,441
Other payables and accruals		468,411	830,527
Interest-bearing bank borrowings		-	450,000
Tax payable		1,033,096	1,033,887
Total current liabilities		1,745,096	2,583,855
<b>NET CURRENT ASSETS</b>		<b>9,175,601</b>	<b>8,746,756</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,330,406</b>	<b>14,502,149</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		-	350,000
Deferred tax liabilities		18,283	20,947
Total non-current liabilities		18,283	370,947
Net assets		<b>13,312,123</b>	<b>14,131,202</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital	11	258,822	258,822
Reserves		13,053,301	13,872,380
Total equity		<b>13,312,123</b>	<b>14,131,202</b>

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 applicable 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 consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2015.

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 2015, 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 and accounting principles generally accepted in Hong Kong, 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 amendments to HKFRSs for the first time for the current period’s unaudited interim condensed consolidated financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11 HKFRS 14	<i>Accounting for Acquisitions of Interests in Joint Operations Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs

The adoption of these HKFRSs has had no significant financial effect on the unaudited interim condensed consolidated financial statements.

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 two reportable operating segments as follows:

- Property development and investment segment – Development and investment of properties
- Treasury investment segment – Investments in securities and notes receivables, and provision of financial services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Information regarding these reportable segments is presented below.

#### Reportable segment information

##### For the six months ended 30 June 2016 – unaudited

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Sales to external customers	594,621	157,842	752,463
<b>Segment results</b>	<b>73,843</b>	<b>(712)</b>	<b>73,131</b>
Corporate and unallocated expenses			(17,115)
Finance costs			(9,193)
Profit before tax			<b>46,823</b>

##### For the six months ended 30 June 2015 – unaudited

	Property development and investment HK\$'000	Treasury investment HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Sales to external customers	3,870,525	229,484	4,100,009
<b>Segment results</b>	<b>734,729</b>	<b>528,408</b>	1,263,137
Corporate and unallocated income			319
Corporate and unallocated expenses			(14,570)
Finance costs			(76,454)
Profit before tax			<b>1,172,432</b>

#### 4. REVENUE, OTHER INCOME AND GAINS

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

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<u>Revenue</u>		
Sale of properties	594,621	3,858,589
Gross rental income	-	11,936
Gains on disposal of equity investments at fair value through profit or loss, net	5,449	217,726
Dividend income from listed equity investments	81,931	11,711
Interest income from a perpetual security	60,605	-
Interest income from loan receivables and debt investments	9,857	47
	<u>752,463</u>	<u>4,100,009</u>
<u>Other income and gains</u>		
Bank interest income	13,346	52,696
Other interest income	27,463	51,298
Exchange gains, net	38,765	-
Compensation for termination of a joint venture project	-	22,797
Gain on disposal of investment properties	-	5,525
Fair value gains on equity investments at fair value through profit or loss, net	-	302,559
Others	3,421	6,873
	<u>82,995</u>	<u>441,748</u>

#### 5. PROFIT BEFORE TAX

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

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of properties sold	498,722	2,904,929
Depreciation	2,206	14,454
Less: Amount capitalised	(226)	(1,339)
	<u>1,980</u>	<u>13,115</u>
Fair value losses/(gains) on equity investments at fair value through profit or loss, net	158,234	(302,559)
Amortisation of prepaid land lease payments	-	1,280
Interest on bank and other borrowings	14,924	371,558
Less: Interest capitalised	(5,731)	(295,104)
	<u>9,193</u>	<u>76,454</u>

Employee benefit expense (including directors' remuneration):		
Wages and salaries	46,550	172,245
Pension scheme contributions	2,086	6,331
Less: Amount capitalised	(3,833)	(64,230)
	<u>44,803</u>	<u>114,346</u>

## 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 2015: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current charge for the period		
Mainland China	<b>18,453</b>	193,349
Underprovision in prior periods		
Mainland China	<b>354</b>	298
Land appreciation tax charge / (credit) for the period	<b>(14,492)</b>	234,093
Deferred tax	<u>10,013</u>	<u>(23,066)</u>
Total tax charge for the period	<u><b>14,328</b></u>	<u>404,674</u>

## 7. DIVIDENDS

During the six months ended 30 June 2016, the Company declared a final dividend of HK\$0.055 per ordinary share amounting to HK\$142,352,000 for the year ended 31 December 2015 which was paid on 8 June 2016.

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

During the six months ended 30 June 2015, the Company declared a final dividend of HK\$0.05 per ordinary share amounting to HK\$129,411,000 for the year ended 31 December 2014 which was paid on 10 June 2015.

## 8. 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 and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2016 and 2015 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share presented.



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

	<b>Six months ended 30 June 2016 (Unaudited) HK\$'000</b>	<b>2015 (Unaudited) HK\$'000</b>
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u><u>32,495</u></u>	<u><u>587,650</u></u>
	<b>Number of shares Six months ended 30 June 2016</b>	<b>2015</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<u><u>2,588,223,112</u></u>	<u><u>2,588,223,112</u></u>

## 9. ADDITIONS TO PROPERTY AND EQUIPMENT / PROPERTIES UNDER DEVELOPMENT

During the six months ended 30 June 2016, the Group incurred HK\$1,796,000 (six months ended 30 June 2015: HK\$7,519,000) on the additions of items of property and equipment.

During the six months ended 30 June 2016, the Group incurred HK\$235,493,000 (six months ended 30 June 2015: HK\$4,270,174,000) on the additions of properties under development.

## 10. 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:

	<b>30 June 2016 (Unaudited) HK\$'000</b>	<b>31 December 2015 (Audited) HK\$'000</b>
Within 1 year	<u><u>243,589</u></u>	<u><u>269,441</u></u>

## 11. SHARE CAPITAL

	<b>30 June 2016 (Unaudited) HK\$'000</b>	<b>31 December 2015 (Audited) HK\$'000</b>
Authorised: 5,000,000,000 (31 December 2015: 5,000,000,000) ordinary shares of HK\$0.10 (31 December 2015: HK\$0.10) each	<u><u>500,000</u></u>	<u><u>500,000</u></u>
Issued and fully paid: 2,588,223,112 (31 December 2015: 2,588,223,112) ordinary shares of HK\$0.10 (31 December 2015: HK\$0.10) each	<u><u>258,822</u></u>	<u><u>258,822</u></u>

## INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Boosted by government support including interest rate cuts and lower deposit requirements, China's housing market started to recover in the second half of 2015 after having cooled for more than a year. The pace of recovery, however, was slow in non-top-tier cities, and varied from city to city. The developers in economically less developed cities are still carrying inventories at a high level, and may resort to price cuts to stimulate sales.

The year 2016 has been a year of change for the Group after the strategic disposal of the majority of its property projects in 2015. These strategic disposals, timely made under then satisfactory financial conditions, allowed the Group to repay all outstanding loans, leading to a debt free financial position and a powerful war chest as at 30 June 2016. The Group is now sourcing actively potential investment opportunities in tier one cities of China, in Hong Kong, and beyond.

On the other hand, the disposals will inevitably have a negative effect on the revenue and contract sales of the Group as only two projects, in Xi'an and Dazhou respectively, remain in the portfolio. Understandably, during this transitional period, and until new investments are in place, the Group cannot maintain the same level of revenue and profit as in the corresponding period.

For the first half of 2016, the Group recorded a revenue of HK\$752.5 million, a decrease of 81.6% compared to HK\$4,100 million in the first half of 2015. The net profit was HK\$32.5 million, representing a decrease of 95.8% compared to HK\$767.8 million during the same period in 2015. Apart from the decrease in recognized revenue, the decrease in profit was also attributed to the treasury investment segment recording fair value losses of HK\$158.2 million and a realized gain on disposal of equity investment of HK\$5.4 million only as a result of the volatility in the equity market in Hong Kong during the period, against a total of HK\$520.3 million of realized gains and fair value gains in the corresponding period last year.

The profit attributable to shareholders for the period amounted to HK\$32.5 million (six months ended 30 June 2015: HK\$587.7 million), representing a decrease of 94.5% when compared with the same period of last year. The basic earnings per share for the period were HK1.26 cents (six months ended 30 June 2015: HK22.70 cents).

### Recognized Revenue

During the six months ended 30 June 2016, the property sales revenue was HK\$594.6 million (RMB503.0 million) (six months ended 30 June 2015: HK\$3,858.6 million (RMB3,047.8 million)) against a total booked gross floor area ("GFA") sales of 111,500 sqm (six months ended 30 June 2015: 458,600 sqm). The revenue from property sales and booked GFA represented a decrease of 84.6% and 75.7% respectively from those of the corresponding period of 2015. The Average Selling Price ("ASP") was RMB4,510 per sqm (six months ended 30 June 2015: RMB6,650 per sqm), representing a decrease of 32.2% due to all delivered units being residential in nature which carries lower ASP and gross profit margin. The booked gross profit margin for the period was 16% (six months ended 30 June 2015: 25%).

The recognized revenue and booked area for the six months ended 30 June 2016 were contributed by the projects of Zhongyu Metropol in Xi'an and Radiant Bay in Dazhou with a total completion area of 233,600 sqm during the period.

As at 30 June 2016, the unrecognized revenue was approximately RMB423.6 million, against a pre-sold area of 85,900 sqm. All of them are from projects which are completed or expected to be completed in the second half of 2016 and in 2017. The revenue can be recognized only when the relevant property unit has been completed, occupation permit issued and the finished product delivered to the purchaser.

## **Contract Sales**

The contract sales was RMB275.2 million in the period (six months ended 30 June 2015: RMB2,797.6 million). A total of 55,100 sqm were pre-sold at an ASP of RMB5,000 per sqm, a decrease of 21.1% compared to that in the corresponding period in 2015 due to changes in the projects' location and in the mix of product within the project. The decrease in contract sales was due to the disposal of projects in 2015 which substantially reduced the number of projects available for sale.

## **Land Bank**

As at the date of this announcement, the Group's land bank stood at 618,000 sqm GFA which are located in two cities, Xi'an and Dazhou in Western China. The average accommodation value was RMB700 per sqm.

## **Treasury Investment Business**

The treasury investment segment recorded a profit of HK\$5.6 million (six months ended 30 June 2015: HK\$528.4 million). The dividends and interests earned from investments and loan receivables totalled HK\$152.4 million (six months ended 30 June 2015: HK\$11.8 million). The realized gains and unrealized losses on listed securities amounted to HK\$5.4 million and HK\$158.2 million respectively (six months ended 30 June 2015: realized and unrealized gains on listed securities amounted to HK\$217.7 million and HK\$302.6 million respectively).

## **Financial Position**

The Group continues to maintain a high level of liquidity. At 30 June 2016, cash and cash equivalents balances held at major banks and financial institutions in Hong Kong totalled HK\$6.1 billion, compared to HK\$3.1 billion at 31 December 2015. The increase in cash and cash equivalents during the period was principally due to proceeds of approximately HK\$5.0 billion received from the disposal of projects. As at the date of this announcement, the Group has outstanding consideration receivables of approximately HK\$2.3 billion in aggregate.

At 30 June 2016, the Group had no gearing.

Trade and other payables stood at HK\$712 million at 30 June 2016 (31 December 2015: HK\$1,100 million). These include HK\$430.9 million (31 December 2015: HK\$742.0 million) of deposits received from presales of properties, and HK\$281.1 million (31 December 2015: HK\$358.0 million) of other provisions arising in the ordinary course of business.

The cash collection ratio for the property business was 91% during the period.

## **CORPORATE STRATEGY AND OUTLOOK**

The China's housing market has been accompanied by strong growth in personal income. The rapid personal income growth helped support the steady participation by households in the housing market. Mortgage loans were more readily available to homebuyers. These are positive factors, and together with accelerated urbanization, enabled the PRC housing market to remain stable in the long term. Although China's economy is now in a process of transformation, future growth should be more sustainable.

The Group's total completion areas from its two projects in Xi'an and Dazhou in 2017 will be 168,000 sqm, out of which 26% of the residential areas have been pre-sold as at 31 July 2016.

The Group is currently actively looking for acquisition opportunities, and focuses on investing selectively in tier one cities in China, and mature cities globally. The Group has a rigorous internal appraisal process to assess the opportunities and risks of potential acquisitions. Through the management's extensive property business experience and the Group's financial strength, the Group should arrive at purchase decisions smartly, which will enhance the competitiveness of the Group and, in turn, drive growth. The cash position amounted to HK\$6.1 billion as at 30 June 2016, giving the Group the resources to secure potential investment opportunities, which may take the form of equity partnership, joint ventures or otherwise.

## FINANCIAL REVIEW

### Investments

The objectives of investment policy are to minimize risk while retaining liquidity, and to achieve a competitive rate of return.

We invested surplus cash in a diversified portfolio of listed equity securities, perpetual security and unlisted investment funds. At 30 June 2016, the portfolio of investments comprised of listed equity securities, perpetual security and unlisted investment funds with an aggregate carrying value of HK\$3,776.3 million (31 December 2015: HK\$4,245.6 million) which is analyzed in the table below:

	30 June 2016 HK\$'M	31 December 2015 HK\$'M
<b>Equity investments at fair value through profit or loss</b>		
Listed equity securities	...865.3	...756.5
<b>Available-for-sale investments</b>		
Listed equity securities	1,047.4	1,571.1
Perpetual security	1,317.5	1,305.0
Unlisted investment funds	<u>546.1</u>	<u>613.0</u>
	<u>2,911.0</u>	<u>3,489.1</u>
<b>Total</b>	<u>3,776.3</u>	<u>4,245.6</u>

The perpetual security in the principal amount of US\$170 million was issued by China Evergrande Group (formerly known as Evergrande Real Estate Group Limited), a leading PRC property developer listed on the main board of the Stock Exchange. The perpetual security has no fixed redemption date and carries an annual interest of 9%, providing not only a steady investment return to the Group but also the flexibility of realizing the perpetual security in cash from disposing of or transferring it to other investors at any time with the prior written consent of the issuer. In terms of performance, the Group recognized from its portfolio of investments during the period unrealized fair value losses of HK\$158.2 million (30 June 2015: unrealized fair value gains of HK\$302.6 million) in the consolidated statement of profit or loss and HK\$693.3 million (30 June 2015: unrealized fair value gains of HK\$173.7 million) in the consolidated statement of other comprehensive income. The realized gains on listed equity securities for the period was HK\$5.4 million (30 June 2015: HK\$217.7 million), whereas the amount of dividends and interest income from investments for the period was HK\$142.5 million (30 June 2015: HK\$11.8 million). In terms of future prospects of the Group's investments, the performance of the listed equity securities and unlisted investment funds held is to a large extent subject to the corresponding performances of the relevant financial markets which are liable to change rapidly and unpredictably. As to the perpetual security held, the Group will continue to enjoy a steady annual investment return until its disposal, transfer or redemption by the issuer.

The Group will continuously adopt a prudent and cautious investment strategy and will from time to time assess the performance of its portfolio of investments and make timely and appropriate adjustments to fine-tune its investments holding with a view to generating favourable returns for its shareholders.

### Liquidity and Financial Resources

The Group maintained a sound financial and cash position. The Group has no borrowings as at 30 June 2016 (31 December 2015: HK\$800 million).

As at 30 June 2016, the Group's cash and cash equivalents (including pledged and restricted deposits) amounted to HK\$6.1 billion (31 December 2015: HK\$3.1 billion). Of the Group's cash and cash equivalents (including pledged and restricted deposits), 8.3% were denominated in RMB and 91.7% were denominated in US dollars and Hong Kong dollars.

The owners' equity was HK\$13.3 billion (31 December 2015: HK\$14.1 billion) and the net assets value per share was HK\$5.14 (31 December 2015: HK\$5.46).

### **Contingent Liabilities/Financial Guarantees**

At 30 June 2016, the Group had contingent liabilities/financial guarantee in respect of guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK\$820.6 million (31 December 2015: HK\$695.0 million).

### **Pledge of Assets**

At 31 December 2015, cash and bank balances and time deposits in the aggregate amount of HK\$303.5 million has been pledged as security for general banking facilities granted to the Group. The subject security was released upon the full repayment of all bank borrowings as at 30 June 2016.

### **Exchange Risks**

The revenue from the Group's property business in the PRC is denominated in RMB, and most of its expenses are also denominated in RMB. As a result, the property business is not exposed to material foreign exchange risk. A portion of the Group's outstanding consideration receivables from the disposal of subsidiaries in 2015 is denominated in RMB. To the extent this portion of consideration receivables may be converted into Hong Kong or other currencies, there is exposure to fluctuations in foreign exchange rates. As at 30 June 2016, the Group has not entered into any currency swaps hedge of RMB against Hong Kong dollars.

### **EMPLOYEES**

As at 30 June 2016, the Group had a total of 284 employees in Hong Kong and China and incurred employee costs in the amount of approximately HK\$48.6 million for the period under review. The Group remunerates its staff based on their merit, qualifications, performance, competence and the prevailing market wage level. In order to attract, retain and motivate employees, an incentive bonus scheme has been established 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. For the six months ended 30 June 2016 and 30 June 2015, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other benefits include contributions of mandatory provident funds, medical insurance, on-the-job training and external seminars organized by professional bodies.

### **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2016.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on 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 2016.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

## REVIEW OF INTERIM RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2016.

## PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company's website at [www.ccland.com.hk](http://www.ccland.com.hk) and the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk). The Company's 2016 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, 25 August 2016

*As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Wong Chi Keung, Mr. Leung Chun Cheong and Mr. Leung Wai Fai as Executive Directors; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.*