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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)**

### **DISCLOSEABLE TRANSACTION**

On 24 November 2014 (after trading hours), CQ Lucky Boom and the Purchaser entered into the Agreement, pursuant to which (a) CQ Lucky Boom conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the entire equity interest in the Target Company, and (b) CQ Lucky Boom conditionally agreed to assign, and the Purchaser conditionally agreed to take the assignment of all benefits and interests of and in the Shareholder's Loan, at a total consideration of RMB459,000,000 (equivalent to approximately HK\$578,340,000). Upon the request of the Purchaser, 5% of the entire equity interest in the Target Company may be transferred to the Purchaser's nominee(s), with the remaining 95% to the Purchaser. Completion is conditional upon fulfillment of the Conditions. Upon Completion, the Company will cease to have any interest in the Target Company.

#### **GENERAL**

As the applicable percentage ratio exceeds 5% but is below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **1. THE AGREEMENT**

#### **1.1 Date**

24 November 2014

#### **1.2 Parties**

- (a) Vendor: CQ Lucky Boom
- (b) Purchaser: Chongqing Yi Xin Real Estate Development Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser's nominee(s) (for the purpose of the Agreement) and the ultimate beneficial owners of each of them are Independent Third Parties.

#### **1.3 Assets to be disposed of**

- (a) the entire equity interest in the Target Company, and
- (b) all benefits and interests of and in the Shareholder's Loan.

Upon the request of the Purchaser, 5% of the entire equity interest in the Target Company may be transferred to such person(s) as may be nominated in writing by the Purchaser, with the remaining 95% to the Purchaser. Irrespective of whether the Purchaser has made such a request, all benefits and interests of and in the Shareholder's Loan shall be assigned to the Purchaser solely pursuant to the Agreement.

#### **1.4 Consideration**

The total Consideration is the sum of RMB459,000,000 (equivalent to approximately HK\$578,340,000), of which an amount equal to the principal amount of the Shareholder's Loan at Completion shall be attributable as the Loan Consideration and the remainder as consideration of the entire equity interest in the Target Company. The parties acknowledge that the Consideration is an amount agreed upon between the parties and no adjustment shall be made to the Consideration.

Subject to the provisions governing late payment of the balance of the Consideration as set out in paragraph 1.7 headed "Late payment of Consideration in full" below, within 10 days from the Conditions Fulfillment Date, which shall be no later than the Long Stop Date, the Purchaser and/or the Purchaser's nominee(s) shall pay the Consideration to CQ Lucky Boom by bank transfer.

The Consideration was determined following arm's length negotiations between the parties by reference to CQ Lucky Boom's net investment in the Target Company of approximately RMB387,999,000 (equivalent to approximately HK\$488,879,000) as at 19 November 2014 and represented a premium of approximately RMB71,001,000 (equivalent to approximately HK\$89,461,000), or approximately 18% over CQ Lucky Boom's net investment in the Target Company. The Directors consider that the Consideration is fair and reasonable.

#### **1.5 Conditions Precedent**

Completion shall be subject to and conditional upon the fulfillment of the following Conditions:

- (a) if it is required under the Listing Rules or by the Stock Exchange, the Company shall obtain all necessary approval by the shareholders of the Company in accordance with the requirements of the Listing Rules (by means of written shareholders' approval or (if such written approval has not been obtained) in general meeting of an ordinary resolution) approving the Agreement and the transactions contemplated thereunder, and all other necessary approvals or waivers (where applicable);
- (b) CQ Lucky Boom shall obtain all necessary consent from any third parties in relation to the Disposal (where applicable); and
- (c) in respect of any agreement, contract, instrument or deed to which the Target Company is a party and is legally binding requiring consent to be obtained from the other contracting party on the change of shareholding of the Target Company, and such agreement, contract, instrument or deed has or will have an effect on the ordinary course of business of the Target Company, such written consent and/or approval of the other contracting party shall have been obtained (if applicable).

In the event that the Conditions are not fulfilled by the Long Stop Date, unless the parties otherwise agree, the Agreement shall be terminated automatically, and neither party shall have any liability to the other party as a result of such termination.

## **1.6 Completion**

Within three Working Days after receipt of the full amount of the Consideration by CQ Lucky Boom, (a) CQ Lucky Boom shall deliver to the Purchaser or its nominee(s) the relevant corporate documents and items of the Target Company (including title documents of the Land) to enable the Purchaser to complete all filings with the relevant authority regarding the transfer of the entire equity interest in the Target Company; and (b) CQ Lucky Boom shall procure the Target Company to pass resolutions and obtain all necessary approvals (if applicable) approving the resignation of the legal representative (if any), chairman (if any), general manager (if any), directors and supervisors (if any) of the Target Company.

## **1.7 Late payment of Consideration in full**

In the event that the Purchaser fails to pay the full amount of the Consideration when due but has nevertheless paid not less than RMB229,500,000 (equivalent to approximately HK\$289,170,000) (which shall comprise the Loan Consideration and consideration for the equity interest in the Target Company being an amount of not less than RMB207,496,330.24 (equivalent to approximately HK\$261,445,000)), CQ Lucky Boom agreed not to enforce its rights to claim against the Purchaser for breach of the Agreement and that CQ Lucky Boom and the Purchaser shall instead comply with the following terms, among others:

- (a) the Purchaser (as debtor) and each shareholder of the Purchaser (as guarantors of the Purchaser) shall deliver a payment undertaking and guarantee executed by each of them in favour of CQ Lucky Boom guaranteeing on a joint and several basis that each shareholder of the Purchaser shall indemnify CQ Lucky Boom against the balance of the Consideration, surcharge, liquidated damages and all losses (subject to the terms of the Agreement) which CQ Lucky Boom may suffer arising from any breach by the Purchaser of its obligations and undertakings under the Agreement;
- (b) within three Working Days upon receipt of the payment undertaking and guarantee mentioned in sub-paragraph (a) above, CQ Lucky Boom shall deliver to the Purchaser the relevant corporate documents and items of the Target Company (including title documents of the Land) to enable the Purchaser to complete all filings with the relevant authority regarding the transfer of the entire equity interest in the Target Company and the benefits and interests of and in the Shareholder's Loan;
- (c) on the same day upon the completion of the filings with the relevant authority mentioned in sub-paragraph (b) above (being the date on which the Target Company has received its new business registration certificate),
  - (i) the Purchaser and/or its nominee(s) shall forthwith pledge in favour of CQ Lucky Boom all their interests in the entire equity interest in the Target Company as security for the payment of the balance of the Consideration and arrange for the completion of all necessary registration of the equity interest pledge; and
  - (ii) the Purchaser shall procure the Target Company to execute a payment undertaking and guarantee in favour of CQ Lucky Boom guaranteeing that the Target Company (as guarantor of the Purchaser) shall indemnify CQ Lucky Boom against the balance of the Consideration, surcharge, liquidated damages and all losses (subject to the terms of the Agreement) which CQ Lucky Boom may suffer arising from any breach by the Purchaser of its obligations and undertakings under the Agreement;

- (d) for so long as the Consideration is not fully paid when due, the Purchaser shall be liable to pay CQ Lucky Boom a surcharge at a monthly rate of 1.25% over the balance of the Consideration remaining outstanding, payable on a quarterly basis;
- (e) for so long as the Consideration is not fully paid when due, and after the completion of all necessary registration of the equity interest pledge over the entire equity interest in the Target Company, the Target Company shall be placed under the supervision of CQ Lucky Boom in the following manner, among other things:
  - (i) CQ Lucky Boom may designate its representative to the Target Company for the purpose of supervising the operation and management of the Target Company;
  - (ii) the company chop and financial chop of the Target Company shall be placed under the joint custody of and joint supervision for its use by the representative authorised by CQ Lucky Boom and the Purchaser;
  - (iii) the Target Company shall pledge the land use right over the Land to CQ Lucky Boom in favour of CQ Lucky Boom for guaranteeing the payment of the balance of the Consideration;
  - (iv) 80% of the revenue from sales of development projects of the Target Company shall be used by the Purchaser to pay CQ Lucky Boom the balance of the Consideration, and the remaining revenue shall be used in the manner as may be agreed by CQ Lucky Boom or its representative; and
  - (v) the Purchaser or the Target Company may utilize all land use rights of the Target Company as security for financing arrangement, with proceeds therefrom be used first for the Purchaser to pay CQ Lucky Boom the balance of the Consideration;
- (f) the balance of the Consideration and the surcharge shall be paid to CQ Lucky Boom within twenty four months after the date of Completion; and
- (g) upon the occurrence of any of the following events, CQ Lucky Boom shall be entitled to terminate the Agreement forthwith, and the Purchaser shall, within three Working Days from the date of receipt of a written notice of termination issued by CQ Lucky Boom, undertake registration with the relevant authority to transfer the entire equity interest in the Target Company and all benefits and interests of and in the Shareholder's Loan to CQ Lucky Boom and its nominee(s):
  - (i) the Purchaser fails to pay the balance of the Consideration and/or surcharge in accordance with the terms of the Agreement;
  - (ii) the business condition of the Purchaser has become worsen in which event the Purchaser is unable to perform its obligations under the Agreement or serious claims for liabilities have been made against the Purchaser;
  - (iii) the Purchaser is soon facing the process of liquidation or is declared liquidated;
  - (iv) during the course of operation of the Target Company by the Purchaser, situation occurs that causes or is likely to cause a serious threat to CQ Lucky Boom's right to liabilities; and
  - (v) for such time as the balance of the Consideration and surcharge remain outstanding from the Purchaser, the Purchaser has changed the company chop and licences without authorisation of CQ Lucky Boom.

Any part payment of the Consideration and surcharge paid by the Purchaser are not refundable by CQ Lucky Boom. If the part payment of the Consideration and surcharge paid by the Purchaser are insufficient to cover such losses incurred by CQ Lucky Boom and the Target Company as a result of the termination of the Agreement, the Purchaser shall be responsible for the shortfall.

## 1.8 Termination and Indemnities

- (a) Any variation or termination of the Agreement shall be recorded in a written supplemental agreement which shall be duly entered into by the legal representatives of, or the representatives duly authorized in writing by, all parties to the Agreement in order to be binding on the parties. The Agreement may be terminated upon the occurrence of the following event:
- (i) the Agreement having been performed;
  - (ii) the Agreement having been rescinded or terminated according to applicable law;
  - (iii) the performance of the Agreement having been suspended for more than 30 days as a result of a force majeure event and upon mutual agreement in writing by the parties to the Agreement to terminate the Agreement.
- (b) Should either party be in breach of any provisions of the Agreement, the other party shall be entitled to terminate the Agreement forthwith, whereupon the defaulting party shall be liable to the non-defaulting party for a sum of RMB100,000,000 (equivalent to approximately HK\$126,000,000) as liquidated damages.

## 2. INFORMATION ON THE PURCHASER

To the best of the Directors' knowledge, the Purchaser is principally engaged in property development and investment in the PRC.

## 3. INFORMATION ON THE GROUP

The core businesses of the Group are property development and investment in Western China, as well as treasury investments.

## 4. INFORMATION ON CQ LUCKY BOOM AND THE TARGET COMPANY

CQ Lucky Boom is a privately-owned enterprise established in the PRC on 9 November 2007 with a current registered and paid-up capital of US\$50,000,000 (equivalent to approximately HK\$387,500,000) which is beneficially and indirectly wholly-owned by the Company. The principal business of the CQ Lucky Boom is property development and investment and the ownership of the Target Company.

The Target Company is a privately-owned enterprise established in the PRC on 14 April 2014 with a current registered and paid-up capital of RMB360,000,000 (equivalent to approximately HK\$453,600,000) which is directly wholly-owned by CQ Lucky Boom. The principal business of the Target Company is the ownership and development of the Land. Land premium of RMB297,728,750 (equivalent to approximately HK\$375,138,000) has been fully paid. The Land has a total permitted GFA of 270,662 sqm for a term of 70 years for residential and 40 years for commercial use. As at the date of this announcement, the construction works over the Land have commenced.

The financial highlights and operating results of the Target Company are as follows:

**From 14 April 2014**  
**to 19 November 2014**  
**RMB'000**  
**(Unaudited)**

Turnover	-
Loss Before Tax	(810)
Net Loss	(810)

**As at**  
**19 November 2014**  
**RMB'000**  
**(Unaudited)**

Total Assets	387,999
Total Liabilities	22,004
Net Assets	365,995

## **5. FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS**

Upon Completion, the Company will cease to have any interest in the Target Company which will cease to be a subsidiary of the Company and its assets and liabilities and profits and losses will no longer be consolidated into the consolidated financial statements of the Company.

The Company expects to realize from the Disposal a net gain before tax of approximately RMB71,001,000 (equivalent to approximately HK\$89,461,000). There would be a total sum of RMB459,000,000 (equivalent to approximately HK\$578,340,000) in cash generated by the Disposal. The proceeds from the Disposal will be applied as working capital of the Group.

## **6. REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors consider that the entering into of the Agreement offers an opportunity for the Group to accelerate returns from its investment in the Target Company and the development of the Land, and provides the Group with an additional source of funding enabling it to step up the speed of its development in other projects and/or to capture other development opportunities in Western China.

The Directors (including the Independent Non-executive Directors) consider that the terms of the Agreement have been negotiated on an arm's length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the best interests of the Group and the shareholders of the Company as a whole.

## **7. GENERAL**

As the applicable percentage ratio exceeds 5% but is below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **8. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Agreement”	the equity and shareholder's loan transfer agreement dated 24 November 2014 entered into between CQ Lucky Boom and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“CQ Lucky Boom”	重慶瑞昌房地產有限公司 (Chongqing Lucky Boom Realty Company), a privately-owned enterprise established in the PRC which is indirectly wholly-owned by the Company

“Company”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Agreement
“Conditions”	conditions precedent specified in the Agreement and as described under the paragraph headed “Conditions Precedent” under the section headed “The Agreement” in this announcement
“Conditions Fulfillment Date”	the date on which the last Condition is fulfilled and the relevant legal document is obtained
“Consideration”	consideration for the Disposal payable by the Purchaser to CQ Lucky Boom or its nominee(s) pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	(a) the proposed disposal by CQ Lucky Boom of the entire equity interest in the Target Company to the Purchaser and/or its nominee(s), and (b) the proposed assignment by CQ Lucky Boom of all benefits and interests of and in the Shareholder’s Loan to the Purchaser pursuant to the Agreement
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	an individual(s) or a company(ies) which is/are independent of and not connected with (within the meaning of the Listing Rules), the directors, the chief executives and the substantial shareholders of the Company and its subsidiaries and their respective associates
“Land”	three land lots with a total site area of 119,425 sqm located in Group No. 1.2.3.7.11, Xinxing Society, Chenjiaba Jiedao, Jiangnan New District, Wanzhou District, Chongqing, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Consideration”	consideration for the Shareholder’s Loan payable by the Purchaser to CQ Lucky Boom or its nominee(s) pursuant to the Agreement
“Long Stop Date”	5 December 2014
“PRC”	The People’s Republic of China
“Purchaser”	重慶市驛鑫房地產開發有限公司(Chongqing Yi Xin Real Estate Development Limited), a privately-owned enterprise established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder’s Loan”	the aggregate amount of loans due and owing by the Target Company to CQ Lucky Boom as at Completion, comprising a loan in an amount of RMB13,874,831.57 (equivalent to approximately HK\$17,482,000) as at the date of the Agreement and a loan in an amount of RMB8,128,838.19 (equivalent to approximately HK\$10,243,000) anticipated to be advanced to the Target Company for repayment of other construction costs payable, amounting to a total sum of RMB22,003,669.76 (equivalent to approximately HK\$27,725,000)
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	重慶瑞繁實業有限公司 (Chongqing Rui Fan Enterprises Limited), a privately-owned enterprise established in the PRC which is directly wholly-owned by CQ Lucky Boom and indirectly wholly-owned by the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“Working Day”	a day on which the commercial licensed banks in the PRC are generally open for service (excluding Saturdays, Sundays and public holidays)
“%”	percent

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

Hong Kong, 24 November 2014

*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 Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.*

*The English names / translations of the companies established in the PRC, relevant authorities in the PRC and other Chinese terms used in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*

*In this announcement, RMB and US\$ have been converted to HK\$ at the rate of RMB1 = HK\$1.26 and US\$1 = HK\$7.75 respectively for illustration purpose only. No representation is made that any amounts in RMB, US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*