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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)**

### **MAJOR TRANSACTION**

On 19 October 2015 (after trading hours), Marvel Leader and the Purchaser entered into the Agreement, pursuant to which Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire (a) the Sale Share and (b) the Loan Receivables at a total consideration of HK\$1,750,000,000. Upon Completion, the Company will cease to have any interest in Merry Full which will cease to be a subsidiary of the Company.

#### **GENERAL**

As the applicable percentage ratio exceeds 25% but is below 75%, the Disposal constitutes a major transaction of the Company and is subject to applicable notification, publication and shareholders' approval requirements under the Listing Rules.

As a written approval of the Agreement, the Disposal and the transactions contemplated thereunder has been obtained by the Company from the Majority Shareholders and that all the conditions under Rule 14.44 of the Listing Rules are met, the written approval has been accepted in lieu of holding a special general meeting to approve the Agreement, the Disposal and the transactions contemplated thereunder. A circular containing, among other things, further details of the Disposal, is expected to be dispatched to Shareholders on or before 10 November 2015.

### **1. THE AGREEMENT**

#### **1.1 Date**

19 October 2015 (after trading hours)

#### **1.2 Parties**

- (a) **Vendor:** Marvel Leader
- (b) **Purchaser:** Shengyu (BVI) Limited

The Purchaser is a wholly-owned subsidiary of the Purchaser's Guarantor. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser's Guarantor and its controlling shareholder(s) are Independent Third Parties.

### **1.3 Assets to be disposal of**

- (a) the Sale Share; and
- (b) the Loan Receivables.

### **1.4 Consideration**

The Consideration is HK\$1,750,000,000, which shall be payable in cash or by bank transfer (or by any other method as may be agreed between Marvel Leader and the Purchaser) by or on behalf of the Purchaser to Marvel Leader or as it may direct in the following manner:

- (a) HK\$262,500,000, being 15% of the Consideration, as deposit, shall be payable at or before 3:00 pm on 26 October 2015;
- (b) HK\$262,500,000, being 15% of the Consideration, shall be payable after Completion and within 6 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing);
- (c) HK\$350,000,000, being 20% of the Consideration, shall be payable after Completion and within 12 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing);
- (d) HK\$350,000,000, being 20% of the Consideration, shall be payable after Completion and within 18 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing); and
- (e) HK\$525,000,000, being 30% of the Consideration, shall be payable after Completion and within 24 months after the date of signing of the Agreement (or such other date as Marvel Leader and the Purchaser shall agree in writing).

The Consideration was determined following arm's length negotiations on normal commercial terms between Marvel Leader and the Purchaser and by reference to the unaudited consolidated net asset value of the Target Group attributable to Marvel Leader of approximately HK\$65,155,000 as at 31 August 2015, 25% share of the valuation surplus (net of deferred tax) of the preliminary result of the valuation of the properties of the Target Group performed by an independent firm of professional valuers of approximately HK\$48,534,000 and the Loan Receivables of approximately HK\$1,531,659,000. Payment arrangement of the Consideration was also determined following arm's length negotiations between Marvel Leader and the Purchaser taking into account the time which would likely be required for proceeding to Completion, the default sum payable as described under the paragraph headed "1.8 Default" below, the identity and standing of the Purchaser's Guarantor, and the guarantee to be provided by the Purchaser's Guarantor as described under the paragraph headed "1.9 Guarantee by the Purchaser's Guarantor" below. The Directors consider that the payment arrangement is on normal commercial terms and in the interest of the Company.

The Directors consider that, taking into account of the effects of the preliminary result of the valuation of the properties of the Target Group performed by an independent firm of professional valuers, the Consideration, representing a premium of approximately HK\$104,652,000 or 7% over the net asset value of the Target Group attributable to Marvel Leader of approximately HK\$113,689,000 as adjusted by the 25% share of the valuation surplus (net of deferred tax), and the Loan Receivables of approximately HK\$1,531,659,000, is fair and reasonable.

## 1.5 Conditions Precedent

Completion is subject to and conditional upon the fulfillment of the following conditions:

- (a) if required under the Listing Rules or by the Stock Exchange, the Company has obtained all necessary approval by its shareholders (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Agreement and the transactions contemplated thereunder (where applicable);
- (b) Marvel Leader has obtained all necessary approvals from any third parties in relation to the Disposal (where necessary);
- (c) the Consortium Loan has been repaid in full and all securities provided by Sino Land Company Limited, Chinese Estates Holdings Limited and the Company have been released on or before the Completion Date;
- (d) Marvel Leader has on or before 26 October 2015 obtained, and provided the Purchaser with, a written confirmation from relevant banks agreeing to release Merry Full from all its guarantee obligations in respect of any loans advanced to the Company or Marvel Leader before the Completion Date, or has provided the Purchaser with repayment documentary records and evidence satisfactory to the Purchaser showing repayment of such loans;
- (e) if required under the Listing Rules or by the Stock Exchange, the Purchaser's ultimate holding company has obtained all necessary approval by its shareholders (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Agreement and the transactions contemplated thereunder (where applicable);
- (f) the Purchaser has obtained all necessary approvals from any third parties in relation to the Disposal (where necessary);
- (g) the Purchaser's ultimate holding company has signed the guarantee as described under the paragraph headed "1.9 Guarantee by the Purchaser's Guarantor" below and if requested by Marvel Leader has provided a legal opinion from the Purchaser's legal adviser as to the sufficient standing of the Purchaser's Guarantor in giving the guarantee;
- (h) all conditions precedent to completion as contained in the Purchaser's agreements with Sino Land Company Limited and Chinese Estates Holdings Limited respectively for the purchase of their interests in Benefit East have been fulfilled and completion may also take place; and
- (i) the Purchaser has paid the deposit of 15% of the Consideration to a designated account on or before 3:00 pm on 26 October 2015.

Upon signing of the Agreement, Marvel Leader and the Purchaser shall use their respective best endeavours to procure the fulfillment of the Conditions Precedent set (by Marvel Leader in respect of those set out in sub-paragraph (a) to (d) and by the Purchaser in respect of those set out in sub-paragraph (e) to (i)) as soon as practicable and in any event by no later than the Completion Date. The Purchaser may waive all or part of the Conditions Precedent set out in sub-paragraph (c) and (d), and Marvel Leader may waive all or part of the Condition Precedent set out in sub-paragraph (h). If the Conditions Precedent are not all fulfilled or waived on or before the Long Stop Date, the Agreement shall terminate on the Long Stop Date, whereupon Marvel Leader shall return the deposit being 15% of the Consideration to the Purchaser within 5 Business Days (without interest) and either party shall not be liable for the termination save for any antecedent breaches.

## **1.6 Termination**

The Agreement shall terminate upon the occurrence of any one of the following events: (i) the Agreement having been performed in full; (ii) as in accordance with applicable law; (iii) the Agreement not being capable of performance for more than 3 months as a result of a force majeure event and the parties to the Agreement having agreed in writing confirming termination of the Agreement; or (iv) the Conditions Precedent not having all been fulfilled or waived on or before the Long Stop Date.

## **1.7 Completion**

Completion shall take place on the Completion Date after the fulfillment (or waiver) of all the Conditions Precedent.

Completion of the sale and purchase of the Sale Share and the assignment of the Loan Receivables shall take place simultaneously.

If the Conditions Precedent are not all fulfilled (or waived) on the Completion Date, the Purchaser may in writing notify Marvel Leader to terminate the Agreement, and Marvel Leader shall upon receipt of such notice return the deposit being 15% of the Consideration to the Purchaser within 5 Business Days (without interest) and either party shall have no further obligations towards the other party except for any antecedent breaches.

## **1.8 Default**

If Marvel Leader fails or is unable to perform (including without limitation, failing or being unable to fully perform) its obligations pursuant to the Agreement, it shall pay the Purchaser a default sum calculated at a daily rate of 0.03% of such part of the Consideration already paid by the Purchaser for each day of default until performance of the relevant obligations. If the Purchaser fails or is unable to perform (including without limitation, failing or being unable to fully perform) its payment obligations pursuant to the Agreement, it shall pay Marvel Leader a default sum calculated at a daily rate of 0.03% of the relevant part of the Consideration payable but unpaid by the Purchaser for each day of default until payment of the relevant part of the Consideration.

## **1.9 Guarantee by the Purchaser's Guarantor**

The Purchaser's Guarantor shall unconditionally and irrevocably guarantee the due and punctual discharge of the Purchaser's payment obligations including default sum (if payable) under the Agreement and/or damages payable to Marvel Leader arising from the Purchaser's default in duly and punctually discharging the above payment obligations, and shall forthwith upon request settle or cause to be settled all such payment obligations without any setoff or withhold.

## **2. INFORMATION ON THE PURCHASER**

To the best of the Directors' knowledge, the Purchaser is a wholly-owned subsidiary of the Purchaser's Guarantor and its principal business activity is investment holding.

## **3. INFORMATION ON THE GROUP, MARVEL LEADER AND THE TARGET GROUP**

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

Marvel Leader is a private limited company incorporated in the BVI on 11 May 2006 with a current issued share capital of US\$50,000 (equivalent to approximately HK\$387,500) which is directly wholly-owned by the Company. Marvel Leader is an investment holding company and the registered and beneficial owner of the entire issued share capital of Merry Full. The principal business activity of Marvel Leader is investment holding.

Merry Full is a private limited company incorporated in the BVI on 3 August 2007 with a current issued share capital of US\$1 (equivalent to approximately HK\$7.75) which is directly wholly-owned by Marvel Leader. Merry Full is an investment holding company and the registered and beneficial owner of 25% of the entire issued share capital of Benefit East. The sole business of Merry Full is the ownership of its interest in Benefit East.

Benefit East is a private limited company incorporated in the BVI on 19 July 2007 with a current issued share capital of US\$100 (equivalent to approximately HK\$775) which is indirectly owned as to 50% by Sino Land Company Limited (the shares of which are listed on the main board of the Stock Exchange), 25% by Chinese Estates Holdings Limited (the shares of which are listed on the main board of the Stock Exchange) and 25% by the Company. Benefit East, through its three wholly-owned subsidiaries (all of which are incorporated in Hong Kong and are investment holding companies), indirectly owns the entire interest in CQ Sino Land. The sole business of Benefit East is the ownership of its three wholly-owned subsidiaries which in turn together hold CQ Sino Land.

CQ Sino Land is a company established in the PRC in August 2007 with a current registered and paid-up capital of HK\$5,880,000,000 and is indirectly wholly-owned by Benefit East. The principal business of CQ Sino Land is the ownership of the developing project, The Coronation (御龍天峰) in Chongqing, which has a total planned construction area of about 1.5 million sqm consisting of residential, office, commercial and car park area. As at 31 August 2015, about 103,000 sqm has been completed and a further 269,000 sqm is scheduled for completion in 2016 and 2017. The remaining area is still at the planning stage. The development period of the whole project is expected to span over 12 years.

The financial highlights and operating results of Merry Full after equity accounting for its 25% share of the consolidated results of Benefit East are as follows:

	<b>8 months ended</b> <b><u>31 August 2015</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>12 months ended</b> <b><u>31 December 2014</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>12 months ended</b> <b><u>31 December 2013</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>
Revenue	-	-	-
Loss Before Tax	(6,472)	(13,335)	(4,242)
Net Loss	(6,472)	(13,335)	(4,242)
	<b>As at</b> <b><u>31 August 2015</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>As at</b> <b><u>31 December 2014</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>As at</b> <b><u>31 December 2013</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>
Total Assets	1,069,108	1,139,134	1,147,611
Total Liabilities	1,003,953	997,235	986,839
Net Assets	65,155	141,899	160,772

The financial highlights and consolidated operating results of Benefit East are as follows:

	<b>8 months ended</b> <b><u>31 August 2015</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>12 months ended</b> <b><u>31 December 2014</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>12 months ended</b> <b><u>31 December 2013</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>
Revenue	406,615	-	-
Loss Before Tax	(25,888)	(53,105)	(16,574)
Net Loss	(25,888)	(53,105)	(16,574)
	<b>As at</b> <b><u>31 August 2015</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>As at</b> <b><u>31 December 2014</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>As at</b> <b><u>31 December 2013</u></b> <b>HK\$'000</b> <b>(Unaudited)</b>
Total Assets	7,029,072	7,393,324	6,829,973
Total Liabilities	6,771,100	6,828,378	6,189,769
Net Assets	257,972	564,946	640,204

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

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

The Company expects to realize a gain on Disposal of approximately HK\$153,186,000, being the excess of the Consideration over the aggregation of the net asset value of the Target Group attributable to Marvel Leader of HK\$65,155,000 as at 31 August 2015 and the Loan Receivables of approximately HK\$1,531,659,000.

Exchange reserve in the amount of approximately HK\$113,446,000 in relation to the Target Group is required to be reclassified from other comprehensive income to profit and loss accordingly.

The above calculation is only an estimate provided for illustration purposes and the actual gain that the Company is able to realize will depend on the actual net asset value of the Target Group attributable to Marvel Leader and the Loan Receivables on Completion. The proceeds from the Disposal will be applied as working capital of the Group.

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

As a measure to combat market challenges from the downturn, the Company has already embarked on a series of strategic disposals of its portfolio of properties, joint investments and investments projects. As a 25% equity interest joint venture project, The Coronation (御龍天峰) has been an investment project earmarked for disposal. Although occupying a prime location in the main city district in Chongqing, due to the size of the project and the long development period spanning over 12 years, the investment return of the project can only be realized in the later stage of the entire development period. Given the likelihood of the depressed property market to continue, income prospects from the project would likely be uncertain.

The Disposal provided the Group with an opportunity to shorten the time to recoup in full the amounts invested in the project and further enhance the Group's cash position for future development. The 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 interests of the Group and the Shareholders as a whole.

## 6. GENERAL

As the applicable percentage ratio exceeds 25% but is below 75%, the Disposal constitutes a major transaction of the Company and is subject to applicable notification, publication and shareholders' approval requirements under the Listing Rules.

The Company has obtained a written approval from the Majority Shareholders who are a closely allied group of Shareholders holding in aggregate more than 50% in terms of voting rights of the issued share capital of the Company as at the date of this announcement. Since none of the Shareholders (including the Majority Shareholders) has a material interest in the Disposal other than their interests as Shareholders, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for considering and, if thought fit, approving the Agreement, the Disposal and the transactions contemplated thereunder. Accordingly, as all the applicable conditions under Rule 14.44 of the Listing Rules are met, the written approval has been accepted in lieu of holding a special general meeting to approve the Agreement, the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal, is expected to be dispatched to Shareholders on or before 10 November 2015.

## 7. DEFINITIONS

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

“Agreement”	the agreement dated 19 October 2015 entered into between Marvel Leader and the Purchaser in relation to the Disposal
“Benefit East”	Benefit East Investments Limited, a company incorporated in the BVI with limited liability and is indirectly and beneficially owned as to 50% by Sino Land Company Limited, 25% by Chinese Estates Holdings Limited and 25% by the Company
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday or general holidays) on which major commercial banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“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
“Completion Date”	27 October 2015 or such other date as the parties may agree in writing on which Completion takes place

“Conditions Precedent”	conditions precedent to Completion specified in the Agreement and as described under the paragraph headed “1.5 Conditions Precedent” of this announcement
“Consideration”	the total consideration for the Disposal
“Consortium Loan”	a series of loans in the aggregate principal amount of HK\$2,104,367,663.67 advanced by a consortium comprising various banks in Hong Kong to Benefit East, with securities provided by Sino Land Company Limited, Chinese Estates Holdings Limited and the Company in proportion to their respective beneficial interests in Benefit East
“CQ Sino Land”	重慶尖置房地產有限公司 (Chongqing Sino Land Company Limited), a company established in the PRC and indirectly wholly-owned by Benefit East
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Loan Receivables by Marvel Leader to the Purchaser pursuant to the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) (as defined under the Listing Rules) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Receivables”	the aggregate amount of the non-interest bearing loans due and owing by Merry Full to Marvel Leader as at the Completion Date, which, as at the date of signing of the Agreement, amounted to HK\$1,004,811,705.40 and is expected to be increased by HK\$526,847,450.36 to HK\$1,531,659,155.76 on the Completion Date (for the repayment of the Consortium Loan and the related interest on the Completion Date)
“Long Stop Date”	a day falling on the expiry of 3 months from the date of signing the Agreement
“Majority Shareholders”	Thrivetrade Limited (a company wholly-owned by Mr. Cheung) and Regulator Holdings Limited, a wholly-owned subsidiary of Yugang International Limited (a company beneficially owned by Mr. Cheung as to 44.06%) which hold 1,070,810,231 Shares and 260,395,559 Shares respectively, representing in aggregate approximately 51.43% of the issued share capital of the Company as at the date of this announcement
“Marvel Leader”	Marvel Leader Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by the Company

“Merry Full”	Merry Full Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by Marvel Leader
“Mr. Cheung”	Mr. Cheung Chung Kiu, Chairman of the Board
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Shengyu (BVI) Limited, a company incorporated in the BVI with limited liability and wholly-owned by the Purchaser’s Guarantor
“Purchaser’s Guarantor”	Evergrande Real Estate Group Limited, a company incorporated in Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“Sale Share”	the one (1) share of US\$1.00 each (equivalent to approximately HK\$7.75) in the share capital of Merry Full, representing the entire issued share capital of Merry Full
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Merry Full, Benefit East, three directly wholly-owned subsidiaries of Benefit East and CQ Sino Land
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

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

Hong Kong, 19 October 2015

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