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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

(Stock Code: 1224)

MAJOR TRANSACTIONS

On 27 January 2017 (United Kingdom time), the Company through its two wholly owned subsidiaries entered into the Agreements to acquire indirectly the freehold interest and leasehold interest of the London Property for an aggregate consideration of approximately GBP290,028,121 (equivalent to approximately HK\$2,856,777,000) subject to adjustment in accordance with the Agreements.

Completion of the Agreements took place simultaneously on 27 January 2017 (United Kingdom time) immediately following the entry into the Agreements.

GENERAL

As one or more of the applicable percentage ratios exceed 25% but all are below 100%, the Agreements and the transactions contemplated thereunder constitute major transactions of the Company and are subject to applicable notification, publication and shareholders' approval requirements under the Listing Rules.

As the Company has already obtained a written approval of the entry into the Agreements and the transactions contemplated thereunder from the Majority Shareholders and that all the conditions under Rule 14.44 of the Listing Rules have been met, the written approval has been accepted by the Company in lieu of holding a special general meeting to approve the entry into the Agreements and the transactions contemplated thereunder. A circular will be dispatched by the Company to Shareholders on or before 21 February 2017.

The Board is pleased to announce that on 27 January 2017 (United Kingdom time) the Company through its two wholly owned subsidiaries entered into the Agreements, the material terms of which are summarized below.

1. THE AGREEMENTS

A. The Units Acquisition Agreement

1.1 Date

27 January 2017 (United Kingdom time)

1.2 Parties

- Buyers:** Fortune Point Holdings Limited and City Planner Investments Limited
- Sellers:** KS Freehold S.à r.l. and Cityhold Participations S.à r.l.
- Trustees:** Kingdom Trustee 1 Limited and Kingdom Trustee 2 Limited, acting in their capacity as the joint trustees of the Unit Trust

1.3 Assets to be acquired

The legal and beneficial title to the 19,515,571 issued units in the Unit Trust, being the entire issued units in the Unit Trust, free from all Encumbrances

1.4 Consideration

The Units Consideration shall be the Estimated NAV of the Unit Trust in the sum of approximately GBP147,824,795 (equivalent to approximately HK\$1,456,074,000) payable in cash and subject to the following adjustment and in accordance with the Units Acquisition Agreement:

- (a) plus the amount (if any) by which the NAV of the Unit Trust as shown in the Final Completion Accounts of the Unit Trust exceeds the Estimated NAV of the Unit Trust calculated in accordance with the Units Acquisition Agreement; or
- (b) alternatively, less the amount (if any) by which the NAV of the Unit Trust as shown in the Final Completion Accounts of the Unit Trust is less than the Estimated NAV of the Unit Trust calculated in accordance with the Units Acquisition Agreement.

Within 45 days following the Completion Date, Seller 1 shall prepare and deliver to Buyer 1 a draft of the Final Completion Accounts of the Unit Trust. Once the Final Completion Accounts of the Unit Trust have been agreed or determined, the parties shall settle any difference between the NAV and the Estimated NAV of the Unit Trust either as a reduction or as an increase of the Units Consideration (as the case may be) in accordance with the Units Acquisition Agreement within 5 business days of the date on which the Final Completion Accounts of the Unit Trust are agreed or determined.

Subject to adjustment, the Units Consideration was paid in full on the Completion Date in accordance with the Units Acquisition Agreement.

B. The Shares Acquisition Agreement

1.5 Date

27 January 2017 (United Kingdom time)

1.6 Parties

- Buyer:** Fortune Point Holdings Limited
- Seller:** Cityhold Sterling S.à r.l.

1.7 Assets to be acquired

The legal and beneficial title to the 5,000,000 shares in KS Leasehold, being the entire issued shares in KS Leasehold, free from all Encumbrances

1.8 Consideration

The Shares Consideration shall be approximately GBP142,203,326 (equivalent to approximately HK\$1,400,703,000), being the sum of the Estimated NAV of KS Leasehold in the sum of approximately GBP51,104,000 (equivalent to approximately HK\$503,374,000) plus the Senior Debt (Net Amount) in the sum of approximately GBP63,246,055 (equivalent to approximately HK\$622,974,000) and the Intra-Group Debt in the sum of approximately GBP27,853,271 (equivalent to approximately HK\$274,355,000), payable in cash and subject to the following adjustment and in accordance with the Shares Acquisition Agreement:

- (a) plus the amount (if any) by which the NAV of KS Leasehold as shown in the Final Completion Accounts of KS Leasehold exceeds the Estimated NAV of KS Leasehold calculated in accordance with the Shares Acquisition Agreement; or
- (b) alternatively, less the amount (if any) by which the NAV of KS Leasehold as shown in the Final Completion Accounts of KS Leasehold is less than the Estimated NAV of KS Leasehold calculated in accordance with the Shares Acquisition Agreement.

Within 45 days following the Completion Date, Seller 3 shall prepare and deliver to Buyer 1 a draft of the Final Completion Accounts of KS Leasehold. Once the Final Completion Accounts of KS Leasehold have been agreed or determined, Seller 3 and Buyer 1 shall settle any difference between the NAV and the Estimated NAV of KS Leasehold either as a reduction or as an increase of the Shares Consideration (as the case may be) in accordance with the Shares Acquisition Agreement within 5 business days of the date on which the Final Completion Accounts of KS Leasehold are agreed or determined.

Subject to adjustment, the Shares Consideration was paid in full on the Completion Date in accordance with the Shares Acquisition Agreement.

C. Completion

Completion of the Agreements took place simultaneously on the Completion Date immediately following the entry into the Agreements, following which:

- (1) Buyer 1 and Buyer 2 hold in aggregate 19,515,571 issued units in the Unit Trust, being the entire issued units in the Unit Trust, with Buyer 1 holding 19,465,571 issued units and Buyer 2 holding 50,000 issued units; and
- (2) Buyer 1 holds 5,000,000 shares in KS Leasehold, representing the entire issued shares in KS Leasehold.

After completion of the Agreements, the Unit Trust and KS Leasehold have become wholly-owned subsidiaries of the Company, with their assets and liabilities and profits and losses to be consolidated into the consolidated financial statements of the Company.

D. Basis for determination of the consideration

The London Property comprises a freehold interest held by the Trustees on trust for the Unit Trust and a leasehold interest owned by KS Leasehold. The aggregate consideration of the Agreements for acquiring the London Property as a whole was approximately GBP290,028,121 (equivalent to approximately HK\$2,856,777,000) subject to adjustment, which was determined following arm's length negotiations between the parties to the Agreements. The aggregate consideration was determined by reference to the preliminary result of the valuation of the London Property performed by an independent professional valuer of GBP292,000,000 (equivalent to approximately HK\$2,876,200,000) and the value of other assets/liabilities as shown in the Draft Completion Accounts of the Unit Trust and KS Leasehold. The Directors consider that the aggregate consideration of the Agreements is fair and reasonable.

The Units Consideration and Shares Consideration were all satisfied by the Group's internal resources.

2. INFORMATION ON THE SELLERS, LONDON PROPERTY, UNIT TRUST, TRUSTEES AND KS LEASEHOLD

Each of Seller 1, Seller 2 and Seller 3 is a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg, and their principal business activities are investments holding. Seller 1 and Seller 2 are wholly-owned by Seller 3. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Seller 1, Seller 2, Seller 3, the Trustees, and their respective ultimate beneficial owner(s) are Independent Third Parties.

The London Property comprises approximately 265,000 square feet of net internal area spreading over two basement floors plus nine upper storeys of Grade A office accommodation. It forms part of Paddington Central, which is a unique managed estate within the Paddington Waterside development, set between the Grand Union Canal and Paddington Station in the West End of London.

The Unit Trust is a unit trust constituted in Jersey. Immediately prior to the completion of the Units Acquisition Agreement, there were 19,515,571 issued units in the Unit Trust, with Seller 1 holding 19,465,571 issued units and Seller 2 holding 50,000 issued units. The Unit Trust was administered by the Trustees, who will continue to administer the Unit Trust following completion of the Units Acquisition Agreement. The Trustees are both special purpose vehicles incorporated and registered in Jersey, and were appointed as trustees of the Unit Trust pursuant to the terms of an instrument of retirement and appointment dated 12 January 2012. The freehold interest of the London Property is the principal asset of the Unit Trust and is held by the Trustees on trust for the Unit Trust.

KS Leasehold is a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg on 29 September 2011. Immediately prior to completion of the Shares Acquisition Agreement, KS Leasehold was a wholly-owned subsidiary of Seller 3, which legally and beneficially held all 5,000,000 shares of GBP1.00 (equivalent to approximately HK\$9.85) each in the issued share capital of KS Leasehold. Prior to completion of the Shares Acquisition Agreement, the principal business of KS Leasehold was the holding of the leasehold interest of the London Property, which was granted by the original parties pursuant to a lease dated 31 March 2006 for a term of 250 years starting on 31 March 2006 and expiring on 30 March 2256 for high quality office use or such other use as the landlord and tenant may agree. The Trustees and KS Leasehold are the current landlord and tenant respectively under the lease. The Trustees are entitled to 50% (subject to adjustment) of the net rents, calculated as gross rents received by KS Leasehold from occupational tenants and notional rent for property occupied by KS Leasehold less deductible expenses as more particularly stipulated in the lease. The London Property is currently fully multi-let and generated a current net rent in the region of approximately GBP14,441,000 (equivalent to approximately HK\$142,244,000) per annum, representing an initial yield of 4.95% based on the preliminary result of the valuation of the London Property of GBP292,000,000 (equivalent to approximately

HK\$2,876,200,000). The aggregate rental income to be generated from the London Property will be accounted for in the consolidated financial statements of the Company as rental income of the Group following completion of the Agreements.

The financial highlights and consolidated operating results of the Unit Trust and KS Leasehold are as follows:

	6 months ended 30 June 2016 GBP'000 <i>(HK\$'000 equivalent)</i> (Unaudited)	12 months ended 31 December 2015 GBP'000 <i>(HK\$'000 equivalent)</i> (Unaudited)	12 months ended 31 December 2014 GBP'000 <i>(HK\$'000 equivalent)</i> (Unaudited)
Revenue	8,701 <i>(85,705)</i>	17,208 <i>(169,499)</i>	17,191 <i>(169,331)</i>
Profit Before Tax	4,455 <i>(43,882)</i>	36,792 <i>(362,401)</i>	19,329 <i>(190,391)</i>
Net Profit	4,262 <i>(41,981)</i>	36,402 <i>(358,560)</i>	18,981 <i>(186,963)</i>
	As at 30 June 2016 GBP'000 <i>(HK\$'000 equivalent)</i> (Unaudited)	As at 31 December 2015 GBP'000 <i>(HK\$'000 equivalent)</i> (Unaudited)	As at 31 December 2014 GBP'000 <i>(HK\$'000 equivalent)</i> (Unaudited)
Total Assets	309,534 <i>(3,048,910)</i>	308,547 <i>(3,039,188)</i>	271,214 <i>(2,671,458)</i>
Total Liabilities	110,573 <i>(1,089,144)</i>	109,175 <i>(1,075,374)</i>	100,704 <i>(991,934)</i>
Net Assets	198,961 <i>(1,959,766)</i>	199,372 <i>(1,963,814)</i>	170,510 <i>(1,679,524)</i>

3. INFORMATION ON THE GROUP

Each of Buyer 1 and Buyer 2 is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. Both Buyer 1 and Buyer 2 are principally engaged in investment holding and property investment.

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

4. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Board considers that, in line with its investment strategies, the successful completion of the acquisition of the London Property has offered the Group with the opportunity to diversify its investment portfolio into key gateway international cities such as London. The London Property is a prime commercial property located in the West End of London. The Board currently intends to hold the London Property for long-term investment purposes, which will enable the Group to generate a stable and recurring cash flow of rental income and to capture the upside benefit from any medium-to-long term potential capital growth.

The Directors consider that the terms of the Agreements 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.

5. GENERAL

As one or more of the applicable percentage ratios exceed 25% but all are below 100%, the Agreements and the transactions contemplated thereunder constitute major transactions of the Company and are subject to applicable notification, publication and shareholders' approval requirements under the Listing Rules.

As a written approval of the entry into the Agreements 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 have been met, the written approval has been accepted by the Company in lieu of holding a special general meeting to approve the entry into the Agreements and the transactions contemplated thereunder. A circular will be dispatched by the Company to Shareholders on or before 21 February 2017.

6. DEFINITIONS

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

“Agreements”	the Units Acquisition Agreement and the Shares Acquisition Agreement
“Board”	the board of Directors
“Buyer 1”	Fortune Point Holdings Limited, a company incorporated and registered in the British Virgin Islands with limited liability and indirectly wholly-owned by the Company
“Buyer 2”	City Planner Investments Limited, a company incorporated and registered in the British Virgin Islands with limited liability and 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 Date”	27 January 2017 (United Kingdom time)
“Director(s)”	the director(s) of the Company
“Draft Completion Accounts”	the draft completion accounts as at the Completion Date comprising a draft unaudited balance sheet prepared in accordance with the terms of the Units Acquisition Agreement or the Shares Acquisition Agreement (as the case may be)

“Encumbrance”	any mortgage, charge, pledge, lien, assignment, option, restriction, claim, right of pre-emption, right of first refusal, third party right or interest, other encumbrance or security interest of any kind, and any other preferential arrangement (including title transfer and retention arrangements) having a similar effect
“Estimated NAV”	the NAV as shown in the Draft Completion Accounts
“Final Completion Accounts”	the final completion accounts as at the Completion Date comprising the final unaudited balance sheet prepared in accordance with the terms of the Units Acquisition Agreement or the Shares Acquisition Agreement (as the case may be)
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland
“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)
“Intra-Group Debt”	the aggregate of the sums owed by KS Leasehold to Seller 3 or any of Seller 3’s affiliates at the Completion Date pursuant to the full and final settlement of the liabilities of KS Leasehold under all loan agreements between KS Leasehold (as borrower) and Seller 3 or any of Seller 3’s affiliates (as lender)
“KS Leasehold”	KS Leasehold S.à r.l, a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Property”	the land and buildings known as 1 Kingdom Street, London W2 6BD, United Kingdom

“Majority Shareholders”	Thrivetrade Limited, Fame Seeker Holdings Limited (both directly wholly-owned by Mr. Cheung Chung Kiu, Chairman of the Board) and Regulator Holdings Limited, a wholly-owned subsidiary of Yugang International Limited (a company beneficially owned by Mr. Cheung Chung Kiu as to 44.06%) which hold 1,070,810,231 Shares, 233,915,707 Shares and 260,395,559 Shares respectively, representing in aggregate approximately 60.47% of the issued Shares as at the date of this announcement
“NAV”	the value of the net assets (being the aggregate of the assets less the aggregate of liabilities)
“Seller 1”	KS Freehold S.à r.l., a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg
“Seller 2”	Cityhold Participations S.à r.l., a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg
“Seller 3”	Cityhold Sterling S.à r.l., a private limited liability company incorporated and registered in the Grand Duchy of Luxembourg
“Senior Debt (Net Amount)”	the aggregate of those sums owed by KS Leasehold, including the principal amounts, accrued interest and all associated costs and payment fees in relation to the full and final settlement of the liabilities of the obligors under a senior loan agreement dated 2 May 2012 made between (among others) KS Leasehold, the Trustees and an external financial institution as amended by an amendment deed dated 17 November 2015 less the net cash in the sum of GBP6,940,874 (equivalent to approximately HK\$68,368,000) which KS Leasehold may utilize to part repay and discharge such liabilities of the obligors
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of Share(s)
“Shares Acquisition Agreement”	the agreement dated 27 January 2017 entered into between Seller 3 and Buyer 1 for the sale and purchase of the entire issued shares in KS Leasehold
“Shares Consideration”	the consideration for the sale and purchase of the entire issued shares in KS Leasehold as described under the paragraph headed “1.8 Consideration” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustees”	Kingdom Trustee 1 Limited and Kingdom Trustee 2 Limited, both incorporated in Jersey, the joint trustees of the Unit Trust

“Units Acquisition Agreement”	the agreement dated 27 January 2017 entered into among the Buyer 1, Buyer 2, Seller 1, Seller 2 and the Trustees for the sale and purchase of the entire issued units in the Unit Trust
“Units Consideration”	the consideration for the sale and purchase of the entire issued units in the Unit Trust as described under the paragraph headed “1.4 Consideration ” of this announcement
“Unit Trust”	the Paddington Central III Unit Trust, a unit trust constituted in Jersey
“%”	per cent

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

Hong Kong, 27 January 2017

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.

In this announcement, GBP has been converted to HK\$ at the rate of GBP1 = HK\$9.85 for illustration purpose only. No representation is made that any amounts in GBP or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.