

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)*

### **CONNECTED TRANSACTION**

On 21 December 2009, at a meeting of the board of Guojia JV, a resolution was passed to approve the contribution by Guojia Property of the amount RMB271,800,000 (equivalent to approximately HK\$308,493,000) in cash to the capital of Guojia JV and be applied to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi as announced by the Company on 8 December 2009.

The Guojia Property Capital Contribution will be made in tandem with the Cheer Gain Capital Contribution approved by the board of Guojia JV on 17 November 2009 as announced by the Company on that day. Following the Capital Contributions, Guojia JV will have a total capital contribution of RMB1,411,800,000 (equivalent to approximately HK\$1,602,393,000), of which RMB720,000,000 (equivalent to approximately HK\$817,200,000) will be provided by Cheer Gain, representing 51% of the total capital contribution and RMB691,800,000 (equivalent to approximately HK\$785,193,000) will be provided by Guojia Property, representing 49% of the total capital contribution.

#### **GENERAL**

Following the Guojia Property Capital Contribution, Cheer Gain's ownership interest in Guojia JV will be reduced from 80% to 51% which will constitute a deemed disposal pursuant to Rule 14.29 of the Listing Rules. Guojia JV will continue to be accounted for as a subsidiary of Cheer Gain. Since Guojia Property is a substantial shareholder of Guojia JV, it is a connected person of the Company and the transactions contemplated under the Guojia Property Capital Contribution will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the relevant percentage ratio exceeds 2.5% but is below 25%, the transactions are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Guojia Property Capital Contribution and written approval has been obtained from the Majority Shareholders, the Company has applied to the Stock Exchange for a waiver pursuant to Rule 14A.43 of the Listing Rules under which written independent shareholders' approval may be accepted in lieu of holding a general meeting.

A circular containing, among other things, further details of the Guojia Property Capital Contribution together with the recommendations of the independent board committee of the Company and the advice from the independent financial adviser to the independent board committee and the Independent Shareholders will be dispatched to the Shareholders as soon as practicable.

## **1. THE GUOJIA PROPERTY CAPITAL CONTRIBUTION**

### **1.1 Date**

21 December 2009, being the date a resolution was passed by the board of Guojia JV approving the Guojia Property Capital Contribution.

### **1.2 Parties**

- (i) Guojia Property, a substantial shareholder of Guojia JV, as the subscriber; and
- (ii) Guojia JV, upon completion of the Cheer Gain Capital Contribution as announced by the Company on 17 November 2009, an indirect subsidiary of the Company, as the issuer of new capital.

### **1.3 Amount**

RMB271,800,000 (equivalent to approximately HK\$308,493,000) to be contributed in cash to the capital of Guojia JV and applied to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi as announced by the Company on 8 December 2009.

As described in the sub-paragraph headed “Capital Contributions by Cheer Gain and Guojia Property” in the paragraph headed “Information on Guojia JV” below, immediately prior to the Capital Contributions, Guojia JV had a total capital contribution of RMB840,000,000 (equivalent to approximately HK\$953,400,000) provided by Cheer Gain and Guojia Property in equal shares. Immediately following the Cheer Gain Capital Contribution, Cheer Gain had contributed in aggregate RMB720,000,000 (equivalent to approximately HK\$817,200,000) to the capital of Guojia JV and an amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) from the capital previously contributed by Guojia Property would be subject to repatriation to Guojia Property in order to achieve the adjusted ownership interest of Cheer Gain and Guojia Property in Guojia JV of 80% and 20% respectively. The Guojia Property Capital Contribution will be made in tandem with the Cheer Gain Capital Contribution. Following the Capital Contributions, Guojia JV will have a total capital contribution of RMB1,411,800,000 (equivalent to approximately HK\$1,602,393,000), of which RMB720,000,000 (equivalent to approximately HK\$817,200,000) will be provided by Cheer Gain, representing 51% of the total capital contribution and RMB691,800,000 (equivalent to approximately HK\$785,193,000) will be provided by Guojia Property, representing 49% of the total capital contribution.

The amount of the Guojia Property Capital Contribution was arrived at after arm’s length negotiation between Guojia Property and Guojia JV, and equals an amount of RMB271,800,000 (equivalent to approximately HK\$308,493,000) required for Guojia Property to achieve a 49% ownership interest in Guojia JV, calculated by taking into account:

- (i) the total capital contribution of Guojia JV in the amount of RMB840,000,000 (equivalent to approximately HK\$953,400,000) immediately prior to the Capital Contributions;
- (ii) the capital contribution by Cheer Gain in the amount of RMB300,000,000 (equivalent to approximately HK\$340,500,000) under the Cheer Gain Capital Contribution; and
- (iii) the amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) contributed by Guojia Property which Guojia Property could, but for the Guojia Property Capital Contribution, be withdrawn by Guojia Property following the Cheer Gain Capital

Contribution if Guojia JV does not choose to compensate Guojia Property by way of interest charges at market lending rate on such amount.

#### **1.4 Completion of the Guojia Property Capital Contribution**

The Guojia Property Capital Contribution will be made on a date not later than the date of registering the Cheer Gain Capital Contribution with SAIC, which is expected to be completed on or about 30 December 2009.

#### **1.5 Funding Obligation after the Capital Contributions**

After the Capital Contributions, Cheer Gain and Guojia Property will provide 51% and 49% of the funding for Guojia JV respectively in accordance with their adjusted ownership interest in Guojia JV.

#### **1.6 Representation in the board of Guojia JV**

After the Capital Contributions, Cheer Gain and Guojia Property will remain entitled to nominate respectively three and two directors to the board of Guojia JV.

### **2. INFORMATION ON THE GROUP**

The core business of the Group is property development and investment in Western China, manufacturing and trading of packaging and luggage products, as well as treasury investment.

### **3. INFORMATION ON GUOJIA JV**

#### **3.1 Formation**

Guojia JV is a Chinese-foreign equity joint venture established in Chengdu, the PRC in 2007 as a vehicle for joint venture property development by the Group in Chengdu, taking advantage of Guojia Property's local experience and network. At the time of establishing Guojia JV, Guojia Property already had over 10 years' property development experience in the Chengdu market and had marked success in sourcing well located land sites in the city and suburban regions. Apart from its participation in the Sky Villa Project, Guojia Property has a track record of 11 projects in progress or successfully completed.

#### **3.2 Business**

At the time of incorporation, the principal business of Guojia JV was ownership and development of the Sky Villa Project, a residential development located in the Jinjiang District (錦江區) in Chengdu comprising two adjacent land sites with site areas of approximately 56,000 sq. m. and 82,000 sq. m. respectively. Construction of the Sky Villa Project has commenced and out of the approximately 88,000 sq. m. total saleable area planned for Phase I development of the first land site, about 54,000 sq. m. have been pre-sold. Phase II development of the first land site, which is also underway, will provide approximately 139,000 sq. m. saleable area. Construction of the second land site is at the planning stage and is expected to provide approximately 331,000 sq. m. saleable area.

In pursuance of the objects for the establishment of Guojia JV, in July 2009 the Group acquired 100% of Chengdu Zhongyi, a property development company, the principal business of which is ownership and development of two land sites located in Wenxing Township and Shuangliu County (雙流縣文星鎮) in Chengdu with an aggregate site area of approximately 205,000 sq. m. The Wenxing Township Site is currently under development and the planned saleable area is about 312,000 sq. m.

As announced by the Company on 8 December 2009, Guojia JV acquired 96.5% of Chengdu Shengshi, another property development company, the principal business of which is the ownership and development of three land parcels located in the Mumashan (牧馬山) district of Chengdu at Baiyun Village, Huayuan Township, Xinjin County (新津縣花源鎮白雲村) with an aggregate site area of approximately 287,000 sq.m. The Mumashan site is currently at the initial planning stage and the planned GFA is about 344,000 sq. m.

### **3.3 Capital Contributions by Cheer Gain and Guojia Property**

In line with the principle of the JV Agreement, funding to Guojia JV provided by Cheer Gain and Guojia Property, whether in the form of contribution to registered capital or amount advanced, will be equally treated as capital contribution. As the JV Agreement contemplates undertaking of multiple projects by Guojia JV and the possibility of different funding cycles for each project, it allows for repatriation of any temporary excess funds to Cheer Gain and Guojia Property at the same ratio as their capital contribution, or, if pro-rata repatriation is not desirable, appropriate compensation by way of interest charges at market lending rate on such funds not repatriated. Immediately prior to the Capital Contributions, and after netting off against such capital repatriations, Guojia JV had a total capital contribution of RMB840,000,000 (equivalent to approximately HK\$953,400,000) provided by Cheer Gain and Guojia Property in equal shares.

The Capital Contributions were proposed after the successful pre-sale of the Sky Villa Project, when the opportunity to invest in the Wenxing Township Site and the Huayuan Township Site presented themselves in quick succession. The effect of the Capital Contributions taken individually is as follows:

- (i) As announced by the Company on 17 November 2009, immediately after the Cheer Gain Capital Contribution (and assuming registration with SAIC is completed as scheduled) the capital of Guojia JV would be owned as to 80% by Cheer Gain and 20% by Guojia Property. Cheer Gain had contributed in aggregate RMB720,000,000 (equivalent to approximately HK\$817,200,000) and Guojia Property had contributed in aggregate RMB420,000,000 (equivalent to approximately HK\$476,700,000) representing a total capital contribution of RMB1,140,000,000 (equivalent to approximately HK\$1,293,900,000). The change in ownership interest ratio if taken individually would therefore trigger an excess funding of RMB240,000,000 (equivalent to approximately HK\$272,400,000) subject to repatriation to Guojia Property but this amount has since been retained in Guojia JV; and
- (ii) Immediately after the Guojia Property Capital Contribution, the capital of Guojia JV will be owned as to 51% by Cheer Gain and 49% by Guojia Property and the amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) retained in Guojia JV will no longer be subject to repatriation to Guojia Property.

The combined effect of the Capital Contributions taken together is that Guojia JV will have a total capital contribution of RMB1,411,800,000 (equivalent to approximately HK\$1,602,393,000), of which RMB720,000,000 (equivalent to approximately HK\$817,200,000) will be provided by Cheer Gain, representing 51% of the total capital contribution and RMB691,800,000 (equivalent to approximately HK\$785,193,000) will be provided by Guojia Property, representing 49% of the total capital contribution.

The following shows the movements in capital contributions for the period leading up to the Capital Contributions:

	As at 31 December 2007	As at 31 December 2008	As at 31 October 2009	Immediately after the Cheer Gain Capital Contribution	After completion of the Guojia Property Capital Contribution in tandem
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cheer Gain:</b>					
Registered Capital	400,000	400,000	500,000	800,000	800,000
Advance (Note 1)	-	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>
Total	400,000	320,000	420,000	720,000	720,000
<b>Guojia Property:</b>					
Registered Capital	100,000	100,000	200,000	200,000	200,000
Advance (Note 1)	<u>300,000</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>491,800</u>
Total	400,000	320,000	420,000	420,000	691,800
<b>Total Capital Contributions</b>	<b>800,000</b>	<b>640,000</b>	<b>840,000</b>	<b>1,140,000</b> (Note 2)	<b>1,411,800</b>

Note 1: During 2008, unutilized funds of RMB80,000,000 (equivalent to approximately HK\$90,800,000) was returned to Guojia Property. An equal amount of funds was returned to Cheer Gain in the form of inter-company drawings by a wholly owned subsidiary of the Company made on behalf of Cheer Gain.

Note 2: The total capital contribution of RMB1,140,000,000 (equivalent to approximately HK\$1,293,900,000) immediately after the Cheer Gain Capital Contribution comprised the excess funding of RMB240,000,000 (equivalent to approximately HK\$272,400,000) subject to repatriation to Guojia Property but has since been retained by Guojia JV.

### 3.4 Financial highlights

The consolidated financial highlights of Guojia JV are as follows. As the Sky Villa Project is still under construction and the Wenxing Township Site and the Huayuan Township Site are respectively in the development commencement stage and initial planning stage, no sales revenue has been booked for these periods:

	<b>9 months ended 30 September 2009</b>	<b>12 months ended 31 December 2008</b>	<b>25 October 2007 to 31 December 2007</b>
	<b>RMB'000 (unaudited)</b>	<b>RMB'000 (audited)</b>	<b>RMB'000 (audited)</b>
Turnover	-	-	-
Net Loss	(11,956)	(10,960)	(2,459)

	<b>As at 30 September 2009 RMB'000 (unaudited)</b>	<b>As at 31 December 2008 RMB'000 (audited)</b>	<b>As at 31 December 2007 RMB'000 (audited)</b>
Total Assets	1,779,174	784,946	511,484
Total Liabilities	1,104,549	298,365	13,943
Net Assets	674,625	486,581	497,541

#### **4. REASONS FOR AND BENEFITS OF THE TRANSACTION**

The purpose of the Guojia Property Capital Contribution is to fund, in part, payment of the land premium payable by Guojia JV for the Lands under the Land Use Right Contracts following the acquisition of 96.5% of the registered capital in Chengdu Shengshi as announced by the Company on 8 December 2009. As stated in the aforesaid announcement, due to the continuing improvement in the Chinese economy and the growth of the affluent class, there is a constant demand for high quality, low density property and the Lands are well suited for such development. In view of Guojia JV's such new funding requirement, a resolution was passed to approve the Guojia Property Capital Contribution so that Guojia JV can be best positioned to capture this growing market potential in the region.

Under the terms of the Guojia Property Capital Contribution, funding for Guojia JV will be provided by Cheer Gain and Guojia Property in the proportion of 51% and 49% respectively. This will mean that, in addition to the amount of RMB271,800,000 (equivalent to approximately HK\$308,493,000) to be contributed by Guojia Property, the amount of RMB240,000,000 (equivalent to approximately HK\$272,400,000) previously contributed by Guojia Property but subject to repatriation as explained in sub-paragraph 3.3 headed "Capital Contributions by Cheer Gain and Guojia Property", will be retained by Guojia JV as part of Guojia Property's 49% capital contribution. As a result, successful completion of the acquisition of Chengdu Shengshi will be ensured and the working capital of Guojia JV will be further strengthened. After completion of the Capital Contributions, Guojia JV will become a 51% owned subsidiary of Cheer Gain with its assets and liabilities consolidated in the financial statements of the Company.

Notwithstanding the recently adjusted ownership interest in Guojia JV and given the growing market potential in the region, the Guojia Property Capital Contribution will strengthen the strategic alliance between Guojia Property and the Group and ensure that the Huayuan Township Site, considered one of the best sites currently available in the Mumashan district, Chengdu, will be added to Guojia JV's development portfolio. Taking all relevant factors into consideration, the Board considers that the terms of the Guojia Property Capital Contribution 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 as a whole.

#### **5. GENERAL**

To our best knowledge, Guojia Property is principally engaged in property development and investment in the PRC.

Following the Guojia Property Capital Contribution, Cheer Gain's ownership interest in Guojia JV will be reduced from 80% to 51% which will constitute a deemed disposal pursuant to Rule 14.29 of the Listing Rules. Guojia JV will continue to be accounted for as a subsidiary of Cheer Gain. Since Guojia Property is a substantial shareholder of Guojia JV, it is a connected person of the Company and the transactions contemplated under the Guojia Property Capital Contribution will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratio exceeds 2.5% but below 25%, the transactions are subject to the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Guojia Property Capital Contribution and written approval has been obtained from the Majority Shareholders, the Company has applied to the Stock Exchange for a waiver pursuant to Rule 14A.43 of the Listing Rules under which written independent shareholders' approval may be accepted in lieu of holding a general meeting.

A circular containing, among other things, further details of the Guojia Property Capital Contribution together with the recommendations of the independent board committee of the Company and the advice from the independent financial adviser to the independent board committee and the Independent Shareholders will be dispatched to the Shareholders as soon as practicable.

## 6. DEFINITIONS

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

“Board”	the board of Directors
“Capital Contributions”	Cheer Gain Capital Contribution and Guojia Property Capital Contribution
“Cheer Gain”	Cheer Gain Development Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Cheer Gain Capital Contribution”	the contribution by Cheer Gain of the amount RMB300,000,000 (equivalent to approximately HK\$340,500,000) in the registered capital of Guojia JV pursuant to a board resolution of Guojia JV passed on 17 November 2009
“Chengdu Zhongyi”	成都眾怡房地產開發有限公司 (Chengdu Zhongyi Property Development Company Limited), a company established in the PRC and a wholly-owned subsidiary of Guojia JV
“Chengdu Shengshi”	成都盛世經緯房地產投資有限公司 (Chengdu Shengshi Jingwei Real Estate Investment Company Limited), a company established in the PRC
“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
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guojia JV”	成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited), a company established in the PRC and upon completion of the Cheer Gain Capital Contribution as announced by the

	Company on 17 November 2009, an indirect subsidiary of the Company with the remaining 20% being owned by Guojia Property
“Guojia Property”	四川省國嘉地產有限公司(Sichuan Guojia Property Company Limited), a company established in the PRC
“Guojia Property Capital Contribution”	the contribution by Guojia Property of the amount RMB271,800,000 (equivalent to approximately HK\$308,493,000) to the capital of Guojia JV pursuant to a board resolution of Guojia JV passed on 21 December 2009
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huayuan Township Site”	site located in Baiyun Village, Huayuan Township, Xinjin County (新津縣花源鎮白雲村) in Chengdu
“Independent Shareholders”	all the Shareholders as no Shareholder is required to abstain from voting in relation to the approval of the Guojia Property Capital Contribution
“JV Agreement”	the agreement dated 23 October 2007 entered into between Guojia Property and Cheer Gain relating, among other things, to the formation of Guojia JV
“Land Use Right Contracts”	3 contracts for the conveyance of state-owned land use right entered into between Chengdu Shengshi and the Xinjin Land Resources Bureau, Chengdu pursuant to which Chengdu Shengshi has been granted the right to accept conveyance of the land use right over the Lands
“Lands”	the state-owned land use right over a low-density residential site comprising three land parcels with a total site area of 430 mu located in Huayuan Town, Xinjin County, Chengdu (成都新津縣花源鎮) and designated as Groups 7 and 8, Baiyun Village, Huayuan Town, Xinjin County, Chengdu (成都新津縣花源鎮白雲村七、八組)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Majority Shareholders”	Thrivetrade Limited (a company wholly-owned by Mr. Cheung Chung Kiu) 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%), respectively hold 1,039,925,571 Shares and 254,239,636 Shares, in aggregate 1,294,165,207 Shares, approximately 50.31% of the issued share capital of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	State Administration for Industry and Commerce of the PRC, including its branches and delegated authorities
“Sky Villa Project”	a residential development located in the Jinjiang District (錦江區) in Chengdu comprising two adjacent sites having an aggregate site area of

	approximately 138,000 sq. m.
“Shares”	shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wenxing Township Site”	site located in Wenxing Township, Shuangliu County (雙流縣文星鎮) in Chengdu
“Xinjin Land Resources Bureau, Chengdu”	成都新津縣國土資源局(Xinjin Land Resources Bureau, Chengdu), a branch of the Chengdu Municipal Land Resources Bureau, Chengdu
“sq. m.”	square meters
“%”	per cent

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

Hong Kong, 21 December 2009

*As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Lam Hiu Lo, Mr. Leung Chun Cheong, Mr. Leung Wai Fai, Ms. Poon Ho Yee Agnes, Dr. Wong Kim Wing and Mr. Wu Hong Cho 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 has been converted to HK\$ at the rate of RMB1 = HK\$1.135 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

*\* For identification purposes only*