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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)

### **CONNECTED TRANSACTION**

Reference is made to the Company's announcement dated 8 December 2009 in relation to the Acquisition Agreement between Guojia JV and the Vendors, whereby Guojia JV agreed to acquire from the Vendors a total of 96.5% of the registered capital in the Target Company. Under the Acquisition Agreement, Guojia JV has been granted the Call Option which may be exercised at any time to require the Second Vendor to transfer to Guojia JV the remaining 3.5% of the registered capital in the Target Company together with the Second Vendor's 3.5% Land Premium Contribution at the consideration of RMB21,546,000 (equivalent to approximately HK\$24,455,000). Completion of the Acquisition took place on 7 December 2009.

On 2 March 2010, Guojia JV and the Second Vendor entered into the Exercise Agreement pursuant to which Guojia JV exercised the Call Option in accordance with the terms of the Acquisition Agreement.

#### **GENERAL**

As the Second Vendor was a director of the Target Company within the period of 12 months preceding the date of the Exercise Agreement and the Target Company has become an indirect subsidiary of the Company following completion of the Acquisition, the Second Vendor is a connected person of the Company under Chapter 14A of the Listing Rules and the exercise of the Call Option under the Exercise Agreement constitutes a connected transaction of the Company. As the applicable percentage ratio for this transaction exceeds 0.1% but is below 2.5%, the transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements.

### **1. EXERCISE AGREEMENT**

#### **1.1 Date**

2 March 2010

#### **1.2 Parties**

Transferor: Second Vendor

Transferee: Guojia JV

### **1.3 Assets to be acquired**

3.5% of the registered capital in the Target Company together with the Second Vendor's 3.5% Land Premium Contribution

### **1.4 Consideration**

A total consideration of RMB21,546,000 (equivalent to approximately HK\$24,455,000) as provided in the Acquisition Agreement and representing the aggregate of:

- (i) an amount of RMB2,583,000 (equivalent to approximately HK\$2,932,000), being the value attributed to 3.5% of the registered capital in the Target Company. The amount is calculated based on the same percentage price paid by Guojia JV for the Acquisition, namely, RMB71,217,000 (equivalent to approximately HK\$80,831,000) for 96.5% of the registered capital in the Target Company; and
- (ii) an amount of RMB18,963,000 (equivalent to approximately HK\$21,523,000), representing the Second Vendor's 3.5% Land Premium Contribution.

An amount of RMB21,546,000 (equivalent to approximately HK\$24,455,000) has been deposited with the Second Vendor which will be applied as payment of the consideration upon completion of registration of the transfer of 3.5% registered capital and handover of the Lands by the Xinjin Land Resources Bureau, Chengdu. Payment of the consideration is provided by Guojia JV through its currently available internal resources.

### **1.5 Completion**

Completion of the exercise of the Call Option is expected to take place on or about 5 March 2010 upon completion of the registration with SAIC of the transfer of 3.5% of the registered capital in the Target Company. Upon exercise of the Call Option, the Put Option granted to the Second Vendor under the Acquisition Agreement to require Guojia JV to accept transfer of the remaining 3.5% of the registered capital in the Target Company together with 3.5% Land Premium Contribution shall be terminated.

## **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 THE TARGET COMPANY**

The Target Company is a company incorporated in Chengdu, the PRC on 19 November 2009 by the Vendors, with a registered capital of RMB5,000,000 (equivalent to approximately HK\$5,675,000) fully paid up. The principal assets of the Target Company comprise the Lands under the Land Use Right Contracts. Pursuant to the Acquisition Agreement, Guojia JV has acquired from the Vendors a total of 96.5% of the registered capital in the Target Company for an aggregate consideration of RMB71,217,000 (equivalent to approximately HK\$80,831,000), with the remaining 3.5% of the registered capital owned by the Second Vendor. Completion of the Acquisition took place on 7 December 2009. Under the Acquisition Agreement, Guojia JV has been granted the Call Option which may be exercised at any time to require the Second Vendor to transfer to Guojia JV the remaining 3.5% of the registered capital in the Target Company together with the Second Vendor's 3.5% Land Premium Contribution at the consideration of RMB21,546,000 (equivalent to approximately HK\$24,455,000). Taking into account of: (i) the total land premium of RMB541,800,000 (equivalent to approximately HK\$614,943,000) before tax and auction expenses for the Lands which, if not for the

Acquisition, would have to be borne by the Vendors; and (ii) the registered capital in the Target Company of RMB5,000,000 (equivalent to approximately HK\$5,675,000) paid up by the Vendors, the original cost to the Vendors for 100% interest of the Target Company (including land premium contributions by the Vendors) would be RMB546,800,000 (equivalent to approximately HK\$620,618,000), and the original cost to the Second Vendor for the remaining 3.5% interest together with 3.5% Land Premium Contribution would be RMB19,138,000 (equivalent to approximately HK\$21,722,000). The acquisition represents a premium of approximately RMB2,408,000 (equivalent to HK\$2,733,000) to the Second Vendor's 3.5% share of the net assets of the Target Company as at 31 December 2009.

The Target Company is now proceeding with initial-stage planning of the Lands. As such, no sales revenue has been booked for the period. The financial highlights are as follows:

	<b>From 19 November 2009 to 31 December 2009 RMB'000 (Unaudited)</b>
Turnover	-
Loss before Tax	(9)
Net Loss	(9)
	<b>As at 31 December 2009 RMB'000 (Unaudited)</b>
Total Assets	334,308
Total Liabilities	329,317
Net Assets	4,991

The Lands comprise the land use right over three land parcels with a total site area of 430 mu located at the Baiyun Village, Huayuan Town, Xinjin County, Chengdu (成都新津縣花源鎮白雲村), a suburban district approximately 15 kilometers South-West of Chengdu. The site on which the Lands are located has been cleared and upgraded by the local government from rural land into land for low-density residential property development. Located in the scenic Mumashan (牧馬山) district South-West of Chengdu and a mere 10 kilometers from the Shuangliu International Airport (雙流國際機場), the Lands and the districts around them are well suited for development of high-end villas and town-houses. Based on the maximum plot ratio of 1.2 stipulated in the Land Use Right Contracts, the Lands will provide a maximum of about 344,000 sqm GFA of residential property for development over the next 3 years.

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

Following the completion of the Acquisition, the Target Company paid up the land premium for the Lands in full and proceeded with the planning and development of the Lands to take advantage of the strong rebound in the property market in Western China, particularly in the up-market sector. Under the current plan, the Lands will be applied for high-end property development that will include villas and town-houses. Exercise of the Call Option increases the Group's holding in the Target Company from 96.5% to 100% and reflects the value that the Group has attached to the Lands. Further, after completion of the Exercise Agreement, the Group's interest in the Target Company will not be subject to any dilution by minority interest in the Target Company and its holding structure will be streamlined.

The Directors (including the independent non-executive directors) consider that the terms for the exercise of the Call Option as provided in the Acquisition Agreement and the Exercise Agreement had 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.

## 5. GENERAL

As the Second Vendor was a director of the Target Company within the period of 12 months preceding the date of the Exercise Agreement and the Target Company has become an indirect subsidiary of the Company following completion of the Acquisition, the Second Vendor is a connected person of the Company under Chapter 14A of the Listing Rules and the exercise of the Call Option under the Exercise Agreement constitutes a connected transaction of the Company. As the applicable percentage ratio for this transaction exceeds 0.1% but is below 2.5%, the transaction is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements.

## 6. DEFINITIONS

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

“3.5% Land Premium Contribution”	the pro-rata land premium payment of RMB18,963,000 (equivalent to approximately HK\$21,523,000) attributable to 3.5% of the registered capital in the Target Company which the Second Vendor has to contribute following the successful bidding of the Land, payment of which had been made from the Second Vendor's share of consideration under the Acquisition Agreement
“Acquisition”	the acquisition by Guojia JV of 96.5% of the registered capital in the Target Company from the Vendors pursuant to the Acquisition Agreement
“Acquisition Agreement”	the equity transfer agreement dated 4 December 2009 entered into between the Vendors and Guojia JV in relation to the Acquisition
“Board”	the board of Directors
“Call Option”	an option granted to Guojia JV under the Acquisition Agreement, which is exercisable at any time to require the Second Vendor to transfer to Guojia JV the remaining 3.5% of the registered capital in the Target Company together with 3.5% Land Premium Contribution at the consideration of RMB21,546,000 (equivalent to approximately HK\$24,455,000)
“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
“Exercise Agreement”	the agreement dated 2 March 2010 entered into between Guojia JV and the Second Vendor in relation to the exercise of the Call Option in accordance with the terms of the Acquisition Agreement
“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 is owned respectively as to 51% and 49% by Cheer Gain Development Limited (an indirect wholly-owned subsidiary of the Company) and 四川省國嘉地產有限公司 (Sichuan Guojia Property Company Limited, a company established in the PRC)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land Use Right Contracts”	3 contracts for the conveyance of state-owned land use right entered into between the Target Company and the Xinjin Land Resources Bureau, Chengdu pursuant to which the Target Company 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
“PRC”	the People’s Republic of China
“Put Option”	an option granted to the Second Vendor under the Acquisition Agreement to require Guojia JV to accept transfer of the remaining 3.5% of the registered capital in the Target Company together with 3.5% Land Premium Contribution at the consideration of RMB21,546,000 (equivalent to approximately HK\$24,455,000) upon fulfillment of certain conditions
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	State Administration for Industry and Commerce of the PRC, including its branches and delegated authorities
“Second Vendor”	one of the Vendors under the Acquisition Agreement, being the Chinese national who held 49% of the registered capital in the Target Company prior to the Acquisition, and 3.5% after the Acquisition and at the time of the Exercise Agreement
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	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 incorporated by the Vendors in Chengdu, the PRC

“Vendors”	the two vendors under the Acquisition Agreement, being two Chinese nationals who had succeeded in bidding for the Lands at a public auction held by the Xinjin Land Resources Bureau, Chengdu on 3 November 2009 and who, prior to the Acquisition, respectively held 51% and 49% of the registered capital in the Target company
“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
“sqm”	square meters
“%”	per cent

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

Hong Kong, 2 March 2010

*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*