

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

(Stock Code: 1224)

CONNECTED TRANSACTION

Reference is made to the Company's announcement dated 1 February 2011 in relation to the First Acquisition which was completed in March 2011. On 26 April 2011, Verakin Property entered into the Second Acquisition Agreement to acquire from Verakin Group its remaining 49% interest of the registered capital in Lian Xing and the Verakin Group Loan for a total consideration of RMB128,736,000 (equivalent to approximately HK\$152,810,000).

GENERAL

As Verakin Group is a substantial shareholder of Verakin Property, it is a connected person of the Company at the level of subsidiaries and the Second Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratio, when aggregated with the First Acquisition, exceeds 1% but is below 5%, the Second Acquisition is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement.

1. THE SECOND ACQUISITION

1.1 Date of the Second Acquisition Agreement

26 April 2011

1.2 Parties

Vendor: Verakin Group

Purchaser: Verakin Property

1.3 Assets to be Acquired

Verakin Property is to acquire from Verakin Group its remaining 49% interest of the registered capital in Lian Xing and the Verakin Group Loan (as defined in paragraph 1.4 headed "Consideration" below) free from all encumbrances. Verakin Group's 49% interest of the registered capital in Lian Xing is currently subject to the Share Pledge.

As at the date of the Second Acquisition Agreement, Lian Xing has a registered capital of RMB20,000,000 (equivalent to approximately HK\$23,740,000) which has been fully paid up, and the Verakin Group Loan amounts to RMB70,665,968 (equivalent to approximately HK\$83,881,000).

1.4 Consideration

The consideration for the Second Acquisition is the aggregate sum of RMB128,736,000 (equivalent to approximately HK\$152,810,000), comprising:

- (a) a sum of RMB58,070,032 (equivalent to approximately HK\$68,929,000) being the consideration for acquiring 49% interest of the registered capital in Lian Xing; and
- (b) a sum of RMB70,665,968 (equivalent to approximately HK\$83,881,000) being the consideration for acquiring the Verakin Group Loan.

The consideration will be financed by internal resources of Verakin Property.

As announced on 1 February 2011, Verakin Group initially acquired the entire interest of the registered capital in Lian Xing together with the benefit of the then outstanding shareholder's loans of RMB99,323,924 (equivalent to approximately HK\$117,898,000) from the former owners at the aggregate consideration of RMB176,410,000 (equivalent to approximately HK\$209,399,000) pursuant to an agreement dated 30 December 2010. Pursuant to the First Acquisition Agreement, Verakin Property acquired from Verakin Group 51% interest of the registered capital in Lian Xing, and 51% share of the then outstanding shareholder's loans including a further sum of RMB30,483,019 (equivalent to approximately HK\$36,183,000) subsequently provided by Verakin Group to Lian Xing by way of shareholder's loans to procure the issue and delivery of the Land Use Certificates in respect of the remaining 67,896 sqm of the Land. Additionally, Verakin Group provided another sum of RMB7,060,566 (equivalent to approximately HK\$8,381,000) by way of shareholder's loans for Lian Xing to settle certain outstanding taxes in relation to the Land prior to completion of the First Acquisition. Accordingly, Verakin Group has in the aggregate advanced to Lian Xing shareholder's loans in the sum of RMB136,867,509 (equivalent to approximately HK\$162,462,000) and the total cost to Verakin Group for acquiring a 100% interest in Lian Xing is approximately RMB213,953,585 (equivalent to approximately HK\$253,963,000). Following completion of the First Acquisition in March 2011, Verakin Group's share of the aggregate shareholder's loans advanced to Lian Xing amounts to RMB70,665,968 (equivalent to approximately HK\$83,881,000) ("**Verakin Group Loan**").

The consideration of RMB128,736,000 (equivalent to approximately HK\$152,810,000) for the Second Acquisition, taken alone, represents a premium of approximately 19% over the cost to Verakin Group for acquiring the same proportional interest in Lian Xing. Based on the maximum plot ratio of between 1.4 and 1.7, the accommodation value of the Land to Verakin Property derived from the Second Acquisition is approximately RMB850 (equivalent to approximately HK\$1,010) per sqm. As at 31 December 2010, the market value of the Land was RMB517,600,000 (equivalent to approximately HK\$614,391,000) as determined by an independent firm of professional valuers. The consideration for the Second Acquisition therefore represents a discount of 51% to the market value of the Land as at 31 December 2010.

The total consideration for the First Acquisition and the Second Acquisition, taken together, represents a premium of approximately 10% over the cost of RMB213,953,585 (equivalent to approximately HK\$253,963,000) to Verakin Group for acquiring 100% interest in Lian Xing. Based on the maximum plot ratio of between 1.4 and 1.7, the accommodation value of the Land to Verakin Property derived from the First Acquisition and the Second Acquisition, taken together, is approximately RMB780 (equivalent to approximately HK\$930) per sqm. The total consideration for the First Acquisition and the Second Acquisition therefore represents a discount of 54% to the market value of the Land as at 31 December 2010.

The Second Acquisition Agreement was entered into following arm's length negotiation conducted between Verakin Property and Verakin Group after completion of the First Acquisition Agreement. The accommodation value of the Land to Verakin Property whether derived from the Second Acquisition taken alone, or from the First Acquisition and the Second Acquisition taken together, compares favourably to the market value of the Land. The Directors consider that the consideration is fair and reasonable.

1.5 Other Conditions

Consideration for the Second Acquisition shall be paid in the following manner:

- (a) At the time of signing the Second Acquisition Agreement, Verakin Group shall procure the holders of the Share Pledge to issue simultaneously a prescribed form of written confirmation of their consent to the sale of Verakin Group's 49% interest of the registered capital in Lian Xing and the discharge of the Share Pledge;
- (b) At the time of signing the Second Acquisition Agreement, Verakin Property and Verakin Group together with the jointly nominated escrow agent shall simultaneously enter into an escrow agreement ("**Escrow Agreement**") governing the payment and release of the consideration for the Second Acquisition on terms mutually agreeable by the parties;
- (c) Verakin Property shall arrange to pay the sum of RMB128,736,000 (equivalent to approximately HK\$152,810,000) into an escrow account held by the jointly nominated escrow agent ("**Escrow Account**") in accordance with the Escrow Agreement;
- (d) Upon discharge of the Share Pledge and confirmation of receipt from SAIC of the application for registration of the change in the particulars of Lian Xing in respect of the transfer of Verakin Group's remaining 49% interest of the registered capital in Lian Xing, the sum of RMB128,736,000 (equivalent to approximately HK\$152,810,000) shall be released from the Escrow Account to Verakin Group pursuant to the Escrow Agreement; and
- (e) If registration of the change in the particulars of Lian Xing in respect of the transfer of Verakin Group's remaining 49% interest of the registered capital in Lian Xing cannot be completed on or before 30 April 2011 due to any failure on the part of the holders to discharge the Share Pledge, Verakin Property may terminate the Second Acquisition Agreement whereupon the sum of RMB128,736,000 (equivalent to approximately HK\$152,810,000) shall be released from the Escrow Account to Verakin Property.

1.6 Completion

Upon payment of the consideration for the Second Acquisition into the Escrow Account, Verakin Group shall forthwith cause to be discharged the Share Pledge and arrange for the registration of the change in the particulars of Lian Xing in respect of the transfer of its remaining 49% interest of the registered capital in Lian Xing. Completion of the Second Acquisition shall take place on the date when registration of the change in the particulars of Lian Xing is completed.

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 VERAKIN GROUP

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

4. INFORMATION ON LIAN XING

Lian Xing is a property development company incorporated in the PRC in December 2004 with a registered capital of RMB20,000,000 (equivalent to approximately HK\$23,740,000) which has been fully paid up. Lian Xing is an abutting property owner of 同景國際城 (Verakin New Park City), a 1.3 million sqm GFA development project of the Group located in 茶園新城區 (Chayuan New District) of Chongqing.

The Land comprises 3 land plots with a total site area of 186,345 sqm lying adjacent to 重慶南岸區新城區世紀大道 (Century Road, New District, Nan'an District, Chongqing), all of which directly edge on the land plots owned by Verakin Property in the 同景國際城 (Verakin New Park City). The three Land Use Certificates in respect of the Land have all been issued and delivered to Lian Xing. The Land is currently vacant and held for development by Lian Xing. With a maximum plot ratio of between 1.4 and 1.7 for the 3 land plots, the Land can provide a maximum of approximately 301,000 sqm GFA of low density residential property with community facilities including supermarkets, clinics, schools and a sports centre.

The financial highlights and operating results of Lian Xing are as follows:

	3 months ended 31 March 2011	12 months ended 31 December 2010	12 months ended 31 December 2009
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Audited)
Turnover	-	-	-
Profit (Loss) Before Tax	(76)	-	(3,137)
Net Profit (Loss)	(76)	-	(3,137)
	As at	As at	As at
	31 March 2011	31 December 2010	31 December 2009
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Audited)
Total Assets	153,739	116,005	116,005
Total Liabilities	137,134	99,324	99,324
Net Assets	16,605	16,681	16,681

5. REASONS FOR AND BENEFITS OF THE SECOND ACQUISITION

As announced on 1 February 2011, due to its location abutting the 同景國際城 (Verakin New Park City) site, the Land can be developed as an extension of this highly successful project which is 100% owned by Verakin Property. Verakin New Park City has been designed and managed by Verakin Property, and through the Second Acquisition, the Land will be placed under the same 100% ownership and management structure as the Verakin New Park City project. The Directors consider the Second Acquisition to be of strategic importance to the Group. In addition to increasing Verakin Property's attributable interest in the Land from 51% to 100%, the Second Acquisition will further enhance and strengthen the Group's leadership position and cooperation with Verakin Group in the Verakin New Park City project.

After completion of the Second Acquisition, Lian Xing will become a 100% owned subsidiary of Verakin Property. As Verakin Property is a 61% owned indirect subsidiary of the Company, the assets and liabilities of Lian Xing will be consolidated in the financial statements of the Company, and the Company will have a 61% attributable interest in the results of Lian Xing.

The Directors (including the independent non-executive Directors) consider that the terms of the Second Acquisition 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. As no Director has a material interest in the transactions contemplated under the Second Acquisition Agreement, none of them are required to abstain from voting on the board resolutions relating thereto.

6. GENERAL

As Verakin Group is a substantial shareholder of Verakin Property, it is a connected person of the Company at the level of subsidiaries and the Second Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratio, when aggregated with the First Acquisition, exceeds 1% but is below 5%, the Second Acquisition is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement.

7. DEFINITIONS

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

“Board”	the board of Directors
“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
“First Acquisition”	the acquisition from Verakin Group by Verakin Property of 51% interest of the registered capital in Lian Xing, and 51% share of the then outstanding shareholder's loans of RMB99,323,924 (equivalent to approximately HK\$117,898,000) and a further sum of RMB30,483,019 (equivalent to approximately HK\$36,183,000) subsequently provided by Verakin Group to Lian Xing by way of shareholder's loans to procure the issue and delivery of the Land Use Certificates in respect of the remaining 67,896 sqm of the Land
“First Acquisition Agreement”	the agreement dated 1 February 2011 entered into between Verakin Group and Verakin Property in relation to the First Acquisition
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	3 land plots with a total site area of 186,345 sqm lying adjacent to 重慶南岸區新城區世紀大道(Century Road, New District, Nan'an District, Chongqing)
“Land Use Certificate(s)”	中華人民共和國國有土地使用證 (Certificate for the Use of State-owned Land in the PRC)

“Lian Xing”	重慶聯星投資有限公司 (Chongqing Lian Xing Investment Company Limited), a company incorporated in the PRC and owned as to 51% by Verakin Property and 49% by Verakin Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Second Acquisition”	the acquisition from Verakin Group by Verakin Property of Verakin Group’s remaining 49% interest of the registered capital in Lian Xing and the Verakin Group Loan
“Second Acquisition Agreement”	the agreement dated 26 April 2011 entered into between Verakin Group and Verakin Property in relation to the Second Acquisition
“Share Pledge”	a share pledge in respect of Verakin Group’s remaining 49% interest of the registered capital in Lian Xing in favour of the two former owners of Lian Xing
“sqm”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Verakin Group”	同景集團有限公司 (Verakin Group Company Limited), a privately-owned enterprise incorporated in the PRC
“Verakin Property”	重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited), a company incorporated in the PRC and indirectly owned as to 61% by the Company
“%”	percent

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

Hong Kong, 26 April 2011

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\$1.187 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*