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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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

The Board is pleased to announce that on 1 February 2012, the Vendor and the Purchasers entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell the Chau Sale Shares to Ms. Chau and the Wang Sale Shares to Mr. Wang and Ms. Chau and Mr. Wang conditionally agreed to purchase the same at the Chau Share Consideration of HK\$17,000,000 and the Wang Share Consideration of HK\$3,000,000 respectively subject to the terms and conditions therein contained.

Immediately after Completion, Ensure Success will cease to be an indirectly wholly-owned subsidiary of the Company. The Directors intend to apply the net proceeds from the Disposal of approximately HK\$19,500,000 as general working capital of the Group.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As Ms. Chau (being one of the shareholders of Hoi Tin (HK) holding 20.8% of the issued share capital of Hoi Tin (HK), a director of Hoi Tin (HK), PRC Co and HK Co, the legal representative of PRC Co and the company secretary of Hoi Tin (HK) and HK Co) is a connected person of the Company at the level of subsidiaries, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in the Listing Rules) for the Disposal exceed 5% but are below 25%, the Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Therefore, the Disposal is subject to reporting, announcement and the independent Shareholders' approval requirements.

Since no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Disposal and written approval has been obtained from the Majority Shareholders, the Company has made an application to the Stock Exchange applying for a waiver pursuant to Rule 14A.43 of the Listing Rules that written independent Shareholders' approval may be acceptable for approval of the Disposal in lieu of holding a physical Shareholders' meeting.

The Independent Board Committee has been formed to advise the independent Shareholders in respect of the Disposal and an independent financial adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this regard.

A circular containing, among other things, further details of the Disposal, the recommendation of the Independent Board Committee to the independent Shareholders and the advice of the independent financial adviser to the Independent Board Committee and the independent Shareholders will be despatched to the Shareholders on or before 22 February 2012.

## **THE AGREEMENT**

### **Date**

1 February 2012

### **Parties**

Vendor : Mighty Gain Enterprises Limited, a wholly-owned subsidiary of the Company

Purchasers : Ms. Chau and Mr. Wang

### **Assets to be disposed of**

Pursuant to the terms and conditions of the Agreement, the Vendor conditionally agreed to sell the Chau Sale Shares to Ms. Chau and the Wang Sale Shares to Mr. Wang and Ms. Chau and Mr. Wang conditionally agreed to purchase the same at the Chau Share Consideration of HK\$17,000,000 and the Wang Share Consideration of HK\$3,000,000 respectively. The Sale Shares represent the entire issued share capital of Ensure Success. As at the date of the Agreement, Ensure Success is the registered and beneficial owner of 60% of the issued share capital of Hoi Tin (HK) which in turn is the registered owner of (i) the entire equity interest in PRC Co; and (ii) the entire issued share capital of HK Co.

The Bank Loan has been granted to Hoi Tin (HK) which is secured by, among others, the Guarantee.

### **Consideration**

The Chau Share Consideration of HK\$17,000,000 and the Wang Share Consideration of HK\$3,000,000 shall be paid in cash by Ms. Chau and Mr. Wang respectively to the Vendor in the following manner :-

#### *Chau Share Consideration*

1. A sum of HK\$8,500,000 (the "Chau Deposit") has been paid upon the signing of the Agreement; and
2. the balance thereof in the sum of HK\$8,500,000 shall be paid upon Completion.

#### *Wang Share Consideration*

1. A sum of HK\$1,500,000 (the "Wang Deposit") has been paid upon the signing of the Agreement; and
2. the balance thereof in the sum of HK\$1,500,000 shall be paid upon Completion.

The Chau Share Consideration and the Wang Share Consideration were determined after arm's length negotiations between the Vendor and the Purchasers, after taking into account the Group's net investment in the Disposal Group in the amount of approximately HK\$33,402,000, its recent financial performance, and the accumulated losses of approximately HK\$33,113,000 standing in the accounts of the Disposal Group. The Directors consider that the terms of the Agreement are fair and reasonable, on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

### **Conditions precedent**

Completion shall be conditional upon:-

- (a) the obtaining of a written consent from the bank or such other written evidence to the Vendor's satisfaction showing that the Guarantee shall be released on Completion;
- (b) all necessary governmental and regulatory approvals or consents (or waivers) required by the parties to the Agreement or any of them for the consummation of the transactions contemplated therein having been obtained;
- (c) all necessary third party approvals or consents (or waivers) required by the parties to the Agreement or any of them for the consummation of the transactions contemplated therein (including those persons entitled to any pre-emption rights) having been obtained; and
- (d) if required, the obtaining of an ordinary resolution by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) passed either at a general meeting of the Company or by way of written resolutions approving the entering into of the Agreement and the performance of all the transactions contemplated thereunder by the Vendor.

All the above conditions precedent are not waivable. If any of the above conditions precedent has not been fulfilled by the Long Stop Date, the Vendor and the Purchasers shall be entitled to rescind the Agreement by giving written notice to the other, whereupon, subject to the provision mentioned below, the provisions of the Agreement shall from such date have no further force and effect and no party to the Agreement shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches). It is provided in the Agreement that if any of the conditions precedent set out in paragraphs (b) to (d) above has not been fulfilled by the Long Stop Date, the Vendor shall refund the Chau Deposit and the Wang Deposit (both without interest) to Ms. Chau and Mr. Wang respectively. If the condition precedent set out in paragraph (a) above has not been fulfilled by the Long Stop Date, the Vendor shall be entitled to forfeit the Chau Deposit and the Wang Deposit (together with interest accrued thereon (if any)) absolutely.

### **Completion**

Completion shall take place on the third Business Day after the fulfillment of all the conditions precedent set out above, or such other date as the Vendor and the Purchasers may agree in writing.

Upon Completion, Ensure Success will cease to be an indirectly wholly-owned subsidiary of the Company and the results of the Disposal Group will not be consolidated into the consolidated financial statements of the Group after Completion.

## INFORMATION ON THE GROUP

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

## INFORMATION ON THE DISPOSAL GROUP

Ensure Success is a company incorporated under the laws of the British Virgin Islands with limited liability and is legally and beneficially owned by the Vendor. Ensure Success is an investment holding company and the registered and beneficial owner of 60% of the issued share capital of Hoi Tin (HK). The sole business of Ensure Success is the investment and holding of 60% interest in Hoi Tin (HK).

Hoi Tin (HK) is a company incorporated under the laws of Hong Kong with limited liability and is legally and beneficially owned as to 60% by Ensure Success and as to 20.8% by Ms. Chau. Hoi Tin (HK) is the registered owner of (i) the entire equity interest in PRC Co, a company established under the laws of the PRC with limited liability; and (ii) the entire issued share capital of HK Co, a company incorporated under the laws of Hong Kong with limited liability. HK Co is dormant. Hoi Tin (HK) and PRC Co are engaged in the manufacturing and sale of luggage products.

## FINANCIAL INFORMATION ON ENSURE SUCCESS

The following sets forth certain financial information on the Disposal Group for the three years ended 31 December 2011 which was prepared in accordance with Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 December 2009 (HK\$'000)</b>	<b>For the year ended 31 December 2010 (HK\$'000)</b>	<b>For the year ended 31 December 2011 (HK\$'000)</b>
Revenue	132,438	175,573	157,681
Profit / (Loss) before tax	(4,594)	1,566	(6,049)
Profit / (Loss) after tax	(4,547)	1,576	(6,040)

The net liabilities and the accumulated losses of the Disposal Group were approximately HK\$27,882,000 and HK\$33,113,000 respectively as of 31 December 2011.

## REASONS FOR THE DISPOSAL

Over the years, the Group has sought to expand its core business from manufacturing and sale of packaging products and display products into other businesses, with property development in Western China as its main focus. With the fast growing economy and continuous urbanization in China, the Group's business of property development in Western China is now contributing the bulk of the profit attributable to the Shareholders. In view of this performance of the property development business and given the Disposal Group had recorded an accumulated losses of approximately HK\$33,113,000 as of 31 December 2011, the Group's business of manufacturing and sale of luggage products contributed a relatively less significant portion of the revenue of the Group. The Disposal, along with the proposed spin-off and separate listing of the Group's business of manufacturing and sale of packaging products and display products announced on 29 December 2011, follows the Company's plan to maintain a clear business focus on property development in Western China. The Directors consider that the Disposal would enable the Group to further streamline its business and commit the available resources of the Group to its principal business of property development in Western China.

The Directors consider that the terms of the Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### **FINANCIAL EFFECT OF THE DISPOSAL**

The Group expects that the Disposal will result in an estimated loss before tax of approximately HK\$13,902,000 based on the Group's net investment in the Disposal Group as at 31 December 2011. Such calculation is only an estimate provided for illustrative purposes and the actual loss to be booked by the Group will depend on the actual net investment in the Disposal Group on the Completion Date.

The Directors intend to apply the net proceeds from the Disposal of approximately HK\$19,500,000 as general working capital of the Group.

Immediately after Completion, Ensure Success will cease to be an indirect wholly-owned subsidiary of the Company and the accounts of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group.

### **IMPLICATIONS UNDER THE LISTING RULES**

As Ms. Chau (being one of the shareholders of Hoi Tin (HK) holding 20.8% of the issued share capital of Hoi Tin (HK), a director of Hoi Tin (HK), PRC Co and HK Co, the legal representative of PRC Co and the company secretary of Hoi Tin (HK) and HK Co) is a connected person of the Company at the level of subsidiaries, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in the Listing Rules) for the Disposal exceed 5% but are below 25%, the Disposal also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Therefore, the Disposal is subject to reporting, announcement and the independent Shareholders' approval requirements.

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A circular containing, among other things, further details of the Disposal, the recommendation of the Independent Board Committee to the independent Shareholders and the advice of the independent financial adviser to the Independent Board Committee and the independent Shareholders will be despatched to the Shareholders on or before 22 February 2012.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the conditional sale and purchase agreement dated 1 February 2012 entered into between the Vendor and the Purchasers in relation to the sale and purchase of the Sale Shares
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“Bank Loan”	all amounts, including principal and interest, owing by Hoi Tin (HK) under the banking facilities granted by a bank to Hoi Tin (HK), the outstanding amount of which as at 13 January 2012 was US\$1,573,646.32
“Board”	the board of the Directors
“Business Day”	a day (other than Saturday or other general holidays in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“Chau Sale Shares”	85% of the issued share capital of Ensure Success
“Chau Share Consideration”	HK\$17,000,000, being the consideration for the sale of the Chau Sale Shares
“Company”	C C Land Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the main board of the Stock Exchange (stock code:1224)
“Completion”	completion of the Disposal
“Completion Date”	the third Business Day after the fulfillment of all the conditions precedent set out in the Agreement, or such other date as the Vendor and the Purchasers may agree in writing upon which Completion shall take place
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchasers in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement
“Disposal Group”	Ensure Success and its subsidiaries
“Ensure Success”	Ensure Success Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries (other than the Disposal Group)
“Guarantee”	the deeds of guarantee and indemnity executed by the Company in favour of the bank as part of the security for the Bank Loan
“HK Co”	Young Comfort Development Limited, a company incorporated under the laws of Hong Kong with limited liability and wholly-owned by Hoi Tin (HK)

“Hoi Tin (HK)”	Hoi Tin Universal Limited, a company incorporated under the laws of Hong Kong with limited liability and owned as to 60% by the Vendor and as to 20.8% by Ms. Chau
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company, comprising Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick, all being the independent non-executive Directors
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 May 2012 or such later date as the Vendor and the Purchasers may agree in writing
“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 1,039,925,571 Shares and 254,239,636 Shares respectively, representing in aggregate approximately 50.87% of the issued share capital of the Company
“Ms. Chau”	Ms. Chau Tin Ping, one of the shareholders of Hoi Tin (HK) holding 20.8% of the issued share capital of Hoi Tin (HK), a director of Hoi Tin (HK), PRC Co and HK Co, the legal representative of PRC Co and the company secretary of Hoi Tin (HK) and HK Co
“Mr. Cheung”	Mr. Cheung Chung Kiu, a Director, is the sole and beneficial owner of Thrivetrade Limited and one of the shareholders of Yugang International Limited
“Mr. Wang”	Mr. Wang Zhe, a former assistant marketing manager of Hoi Tin (HK)
“PRC”	the People’s Republic of China
“PRC Co”	海天環球旅游用品(蘇州)有限公司 (Hoi Tin Universal Travel Goods (Suzhou) Limited), a company established under the laws of the PRC with limited liability and wholly-owned by Hoi Tin (HK)
“Purchasers”	Ms. Chau and Mr. Wang
“Sale Shares”	the Chau Sale Shares and the Wang Sale Shares collectively, representing the entire issued share capital of Ensure Success
“Shareholder(s)”	holder(s) of the Share(s)

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mighty Gain Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Wang Sale Shares”	15% of the issued share capital of Ensure Success
“Wang Share Consideration”	HK\$3,000,000, being the consideration for the sale of the Wang Sale Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**C C Land Holdings Limited**  
**Lam How Mun Peter**  
*Deputy Chairman and Managing Director*

Hong Kong, 1 February 2012

*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 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.*