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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 TRANSACTION

On 13 November 2013 (after trading hours), Marvel Leader (as vendor), the Purchaser (as purchaser), the Company (as Marvel Leader's guarantor) and the Purchaser's Guarantor (as the Purchaser's guarantor) entered into the Agreement, pursuant to which (a) Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire or to procure the acquisition by the Purchaser's nominee of, Marvel Leader's interest in the Sale Share, being the entire issued share capital of Ho Yeung, and (b) Marvel Leader conditionally agreed to assign, and the Purchaser conditionally agreed to take or to procure the Purchaser's nominee to take, the assignment of, all benefits and interests of and in the Sale Loan, at a total Consideration of RMB1,425,480,000 (equivalent to approximately HK\$1,801,807,000). Completion is conditional upon fulfillment of the conditions specified in the Agreement and as described under the paragraph headed "Conditions Precedent" under the section headed "The Agreement" in this announcement. Upon Completion, the Company will cease to have any interest in the Target Group, all members of which will cease to be subsidiaries of the Company and their assets and liabilities and their profits and losses will no longer be consolidated into the consolidated financial statements of the Company.

GENERAL

As the applicable percentage ratio exceeds 25% but is below 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules for the Company. As all the conditions under Rule 14.44 of the Listing Rules have been met, the written approval of the Agreement, the Disposal and the transactions contemplated thereunder obtained by the Company from the Majority Shareholders has been accepted in lieu of holding a special general meeting to approve the Agreement, the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal, is expected to be dispatched to Shareholders on or before 4 December 2013.

1. THE AGREEMENT

On 13 November 2013 (after trading hours), Marvel Leader (as vendor), the Purchaser (as purchaser), the Company (as Marvel Leader's guarantor) and the Purchaser's Guarantor (as the Purchaser's guarantor) entered into the Agreement, pursuant to which (a) Marvel Leader conditionally agreed to sell, and the Purchaser conditionally agreed to acquire or to procure the acquisition by the Purchaser's nominee of, Marvel Leader's interest in the Sale Share, being the entire issued share capital of Ho Yeung, and (b) Marvel Leader conditionally agreed to assign, and the Purchaser conditionally agreed to take or to procure the Purchaser's nominee to take, the

assignment of, all benefits and interests of and in the Sale Loan, at a total Consideration of RMB1,425,480,000 (equivalent to approximately HK\$1,801,807,000).

The principal terms of the Agreement are set out below:

1.1 Date

13 November 2013

1.2 Parties

- (i) Vendor: Marvel Leader
- (ii) Purchaser: Shimao Property Holdings (BVI) Limited
- (iii) Vendor's Guarantor: The Company
- (iv) Purchaser's Guarantor: Shimao Property Holdings Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser, the Purchaser's nominee (for the purpose of the Agreement), the Purchaser's Guarantor and the controlling shareholder(s) of the Purchaser's Guarantor are Independent Third Parties.

1.3 Assets to be disposed of

- (a) Marvel Leader's interest in the entire issued share capital of Ho Yeung, and
- (b) Marvel Leader's benefits and interests of and in the Sale Loan, being the aggregate amount of the loans and net amount due and owing by Ho Yeung to Marvel Leader as at Completion, which for reference only, as at the date of signing of the Agreement, amounted to HK\$1,550,979,415.

1.4 Consideration

The total Consideration for the Disposal amounts to RMB1,425,480,000 (equivalent to approximately HK\$1,801,807,000). For the purposes of apportionment, (a) the Loan Consideration shall be the face amount of the Sale Loan, and (b) the consideration for the Sale Share shall be the total amount of the Consideration less the Loan Consideration.

The Purchaser shall pay or cause to be paid the Consideration in the following manner:

- (a) within three (3) Business Days from the date of signing of the Agreement:
 - (i) the Purchaser shall pay to Marvel Leader or its nominee a sum of RMB300,000,000 (equivalent to approximately HK\$379,200,000), being a refundable Deposit, which shall, upon Completion, be applied as part payment of the Consideration; and
 - (ii) the Purchaser shall deliver to Marvel Leader a cheque dated the Long Stop Date in a sum of RMB1,125,480,000 (equivalent to approximately HK\$1,422,607,000) drawn on a licensed bank in Hong Kong in favour of Marvel Leader, as guarantee by the Purchaser for due payment of the balance of the Consideration payable upon Completion. Such post-dated cheque shall not be banked in by Marvel Leader but shall upon Completion be returned to the Purchaser, subject to the Purchaser having performed its obligation to pay the balance of Consideration under paragraph (b) below;

- (b) upon Completion or any other date (which shall be no later than the Long Stop Date) as Marvel Leader and the Purchaser may agree in writing, the Purchaser shall pay Marvel Leader or its nominee a sum of RMB1,125,480,000 (equivalent to approximately HK\$1,422,607,000), being the balance of the Consideration.

The Consideration was determined following arm's length negotiations between the parties by reference to the valuation of the Land of RMB2,520,000,000 (equivalent to approximately HK\$3,185,280,000) as at 31 October 2013 as determined by an independent firm of professional valuers and adjusted for the unpaid land premium of RMB1,095,000,000 (equivalent to approximately HK\$1,384,080,000). The Directors consider that the Consideration is fair and reasonable.

1.5 Conditions Precedent

Completion shall be subject to and conditional upon the satisfaction of the following conditions precedent on or prior to the Long Stop Date that:

- (i) if it is required under the Listing Rules or by the Stock Exchange, the Company shall obtain all necessary approval by the Shareholders in accordance with the requirements of the Listing Rules (by means of written Shareholders' approval or (if such written approval has not been obtained) in general meeting of an ordinary resolution) approving the Agreement and the transactions contemplated thereunder, and all other necessary approvals or waivers (where applicable); and
- (ii) Marvel Leader shall obtain all necessary consent from any third parties in relation to the Disposal (where applicable).

In the event that any of the conditions precedent mentioned above are not fulfilled by the Long Stop Date, unless the parties otherwise agree, the Agreement shall be terminated automatically and cease to have any effect, upon which Marvel Leader shall repay the Deposit without interest to the Purchaser and neither party shall have any further liability on the other party as a result of such termination.

1.6 Other Material Conditions

- (i) Should either party fail to proceed with Completion in accordance with the Agreement by its own default, the other party shall be entitled to terminate the Agreement forthwith whereupon the defaulting party shall be liable to the non-defaulting party for a sum of RMB100,000,000 (equivalent to approximately HK\$126,400,000) as liquidated damages. In the case of default by Marvel Leader, Marvel Leader shall also be liable for the return of the Deposit without interest and the Consideration if paid.
- (ii) In consideration of Marvel Leader entering into the Agreement, the Purchaser's Guarantor guarantees to Marvel Leader that the Purchaser's Guarantor shall indemnify Marvel Leader against all losses (subject to the terms of the Agreement) which Marvel Leader may suffer arising from any breach by the Purchaser of its obligations and undertakings under the Agreement (including but not limited to the Purchaser's honouring the payment made under the post-dated cheque as set out in paragraph 1.4(a)(ii) above).
- (iii) In consideration of the Purchaser entering into the Agreement, the Company guarantees to the Purchaser that the Company shall indemnify the Purchaser against all losses (subject to the terms of the Agreement) which the Purchaser may suffer arising from any breach by Marvel Leader of its obligations and undertakings under the Agreement.

1.7 Completion

Completion shall take place on the tenth (10th) Business Day after the fulfillment of the conditions precedent set out above, or any other date as Marvel Leader and the Purchaser may agree, which in any case shall be no earlier than 10 January 2014 and no later than the Long Stop Date.

Completion of the sale and purchase of the Sale Share and the assignment of the Sale Loan shall take place simultaneously.

2. INFORMATION ON THE PURCHASER AND THE PURCHASER'S GUARANTOR

To the best of the Directors' knowledge, (i) the principal business activity of the Purchaser is investment holding, and (ii) the Purchaser's Guarantor (the ultimate holding company of the Purchaser) is an investment holding company, the subsidiaries of which are principally engaged in property development, investment and hotel operation.

3. INFORMATION ON THE GROUP

The core business of the Group is property development and investment in Western China, as well as treasury investments.

4. INFORMATION ON MARVEL LEADER AND THE TARGET GROUP

Marvel Leader is a private limited company incorporated in the British Virgin Islands on 11 May 2006 with a current issued share capital of US\$50,000 (equivalent to approximately HK\$388,000) which is wholly owned by the Company. Marvel Leader is an investment holding company and the registered and beneficial owner of Ho Yeung. The principal business activity of Marvel Leader is investment holding.

Ho Yeung is a private limited company incorporated in the British Virgin Islands on 21 August 2006 with a current issued share capital of US\$1 (equivalent to approximately HK\$8) which is wholly owned by Marvel Leader. As at the date of signing of the Agreement, Marvel Leader has advanced a shareholder's loan to Ho Yeung in the aggregate sum of HK\$1,550,979,415. Ho Yeung is an investment holding company and the registered and beneficial owner of Victor Shiny. The sole business of Ho Yeung is the ownership of Victor Shiny.

Victor Shiny is a private limited company incorporated in Hong Kong on 1 August 2006 with a current issued share capital of HK\$1 which is wholly owned by Ho Yeung. The sole business of Victor Shiny is the ownership of the Project Company.

The Project Company is a privately-owned enterprise established in the PRC on 25 July 2007 with a current registered and paid-up capital of US\$200,000,000 (equivalent to approximately HK\$1,550,600,000) which is wholly owned by Victor Shiny. The principal business of the Project Company is the ownership and development of the Land, located on the northern axis of Chongqing, with the Lijia Group and Panda Exhibition Center at the North end, a large bamboo forest on the West side, Jingkai Road area on the East side, and, the New and High Technology Park, New Arch and the city center at the South end, under the Land Use Rights Contracts. The Project Company acquired the Land by bidding on 19 November 2012 at a consideration of RMB2,190,000,000 (equivalent to approximately HK\$2,768,160,000). As at the date of this announcement, land premium of RMB1,095,000,000 (equivalent to approximately HK\$1,384,080,000) has been paid. The Land has a permitted GFA of 663,284 sqm for a term of 40 years for residential use. The Land is currently vacant and held for development by the Project Company.

The financial highlights and consolidated operating results of the Target Group are as follows:

| | <u>10 months ended</u> <u>31 October 2013</u> HK\$'000 (Unaudited) | <u>12 months ended</u> <u>31 December 2012</u> HK\$'000 (Unaudited) | <u>12 months ended</u> <u>31 December 2011</u> HK\$'000 (Unaudited) |
|-------------------|---|--|--|
| Turnover | - | - | - |
| Loss Before Tax | (2,002) | (99) | (23) |
| Net Loss | (2,002) | (99) | (23) |
| | As at <u>31 October 2013</u> HK\$'000 (Unaudited) | As at <u>31 December 2012</u> HK\$'000 (Unaudited) | As at <u>31 December 2011</u> HK\$'000 (Unaudited) |
| Total Assets | 1,626,515 | 1,582,725 | 278,589 |
| Total Liabilities | 1,557,300 | 1,550,974 | 233,190 |
| Net Assets | 69,215 | 31,751 | 45,399 |

5. FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Company will cease to have any interest in the Target Group, all members of which will cease to be subsidiaries of the Company and their assets and liabilities and their profits and losses will no longer be consolidated into the consolidated financial statements of the Company.

The Company expects to realize from the Disposal a net gain before tax of approximately HK\$430,126,000. There would be a total sum of RMB1,425,480,000 (equivalent to approximately HK\$1,801,807,000) in cash generated by the Disposal. The proceeds from the Disposal will be applied as working capital of the Group.

6. REASONS FOR AND BENEFITS OF THE DISPOSAL

Around August 2013, the Chongqing Municipal Government announced the formal zoning of the Jiazhou (嘉州) area as a Core Commercial Zone (主城核心商圈) of Yubei, Chongqing (“**Jiazhou Zone**”). The Jiazhou Zone, which covers an area of approximately one square kilometre with the Group’s several projects at its centre, is the location of the Group’s core land bank in Chongqing. The features of the new zoning include the designation of the area for high-end financial services and commercial use, and the expansion of the public transport infrastructure by the government to turn the area into a major transportation hub for subway and motor traffic.

The new zoning marks a significant enhancement of the value of the Group’s land bank in the area, in which several projects of the Group are currently under development. The Group is currently fine-tuning its property portfolio in other regions of Chongqing to pool more resources in order to step up the development speed of the Group’s projects, which will consist of a significant proportion of investment properties, in the Jiazhou Zone and capitalize on the new zoning of the Jiazhou Zone. The Disposal forms part of the fine-tuning. The cash proceeds of RMB1,425,480,000 (equivalent to approximately HK\$1,801,807,000) from the Disposal will substantially strengthen the Group’s working capital for the Group’s projects and for further projects to be planned on the land bank in the Jiazhou Zone.

The Directors (including the Independent Non-executive Directors) consider that the terms of the Agreement 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.

7. GENERAL

As the applicable percentage ratio exceeds 25% but is below 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules for the Company.

The Company has obtained written approval of the Agreement, the Disposal and the transactions contemplated thereunder from the Majority Shareholders who held in the aggregate more than 50% in nominal value of the issued share capital of the Company as at the date of this announcement. Since none of the Shareholders (including the Majority Shareholders) has a material interest in the Disposal other than their interests as Shareholders, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for considering and, if thought fit, approving the Disposal. Accordingly, as all the conditions under Rule 14.44 of the Listing Rules have been met, the said written approval from the Majority Shareholders has been accepted in lieu of holding a special general meeting to approve the Agreement, the Disposal and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Disposal, is expected to be dispatched to Shareholders on or before 4 December 2013.

8. DEFINITIONS

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

| | |
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| “Agreement” | the sale and purchase agreement dated 13 November 2013 entered into between Marvel Leader, the Purchaser, the Company and the Purchaser's Guarantor in relation to the Disposal |
| “Board” | the board of Directors |
| “Business Day” | a day (other than Saturday, Sunday or other general holidays in Hong Kong) on which the major commercial licensed banks in Hong Kong are generally open for business |
| “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” | completion of the Disposal pursuant to the Agreement |
| “Consideration” | consideration for the Disposal payable by the Purchaser to Marvel Leader or its nominee pursuant to the Agreement |
| “Deposit” | RMB300,000,000 (equivalent to approximately HK\$379,200,000), being a refundable deposit payable by the Purchaser to Marvel Leader or its nominee pursuant to the Agreement and as part of the Consideration |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | (a) the proposed disposal by Marvel Leader of its interest in the Sale Share, and (b) the proposed assignment by Marvel Leader of its benefits and interests of and in the Sale Loan, to the Purchaser or its nominee pursuant to the Agreement |

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| “GFA” | gross floor area |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Ho Yeung” | Ho Yeung Group Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly-owned by the Company |
| “Independent Third Parties” | an individual(s) or a company(ies) which is/are independent of and not connected with (within the meaning of the Listing Rules), the directors, the chief executives and the substantial shareholders of the Company and its subsidiaries and their respective associates |
| “Land” | two adjacent land lots with a total site area of 265,313 sqm located in North New District Group B Standard Sub-division, Zhaomu Mountain Area, Chongqing, PRC |
| “Land Use Right Contracts” | 2 contracts for the conveyance of state-owned land use right entered into between the Project Company and Chongqing Land Resources and Housing Management Bureau (重慶市國土資源及房屋管理局) pursuant to which the Project Company has been granted the right to accept conveyance of the land use right over the Land |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Loan Consideration” | consideration for the Sale Loan payable by the Purchaser to Marvel Leader or its nominee pursuant to the Agreement |
| “Long Stop Date” | 15 January 2014 |
| “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 1,070,810,231 Shares and 260,395,559 Shares respectively, representing in aggregate approximately 51.43% of the issued share capital of the Company |
| “Marvel Leader” | Marvel Leader Investments Limited, a company incorporated in the British Virgin Islands with limited liability and directly wholly owned by the Company |
| “Mr. Cheung” | Mr. Cheung Chung Kiu, Chairman of the Board |
| “PRC” | The People’s Republic of China |
| “Project Company” | 重慶浚亮房地產開發有限公司 (Chongqing Victor Shiny Real Estate Development Co. Ltd.), a privately-owned enterprise established in the PRC which is wholly owned by Victor Shiny |
| “Purchaser” | Shimao Property Holdings (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Purchaser’s Guarantor |

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|-------------------------|---|
| “Purchaser’s Guarantor” | Shimao Property Holdings Limited, a company incorporated under the laws of Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Loan” | the aggregate amount of the loans and net amount due and owing by Ho Yeung to Marvel Leader as at Completion, which for reference only, as at the date of signing of the Agreement, amounted to HK\$1,550,979,415 |
| “Sale Share” | the one share of US\$1.00 each in the share capital of Ho Yeung, representing the entire issued capital of Ho Yeung as at the date of signing of the Agreement |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “sqm” | square meters |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Group” | Ho Yeung, Victor Shiny and Project Company |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “Victor Shiny” | Victor Shiny Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Company |
| “%” | Percent |

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

Hong Kong, 13 November 2013

As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Leung Chun Cheong and Mr. Leung Wai Fai as Executive Directors; Mr. Wong Yat Fai as Non-executive Director; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Prof. 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 and US\$ have been converted to HK\$ at the rate of RMB1 = HK\$1.264 and US\$1 = HK\$7.753 respectively for illustration purpose only. No representation is made that any amounts in RMB, US\$ or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.