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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 TRANSACTIONS**

On 7 April 2014 (after trading hours), Marvel Leader, Starhigh and Mr. Tsang entered into the Investment Agreement, pursuant to which Mr. Tsang would invest in Starhigh by (a) Marvel Leader conditionally agreeing to sell, and Mr. Tsang conditionally agreeing to purchase, or procure the purchase of, the Sale Shares; and (b) Starhigh conditionally agreeing to issue and allot, and Mr. Tsang conditionally agreeing to subscribe, or procure the subscription of, the Subscription Shares, at a total consideration of HK\$717,600,000, of which HK\$93,600,000 (representing approximately 13.04%) is attributable to the Share Sale and HK\$624,000,000 (representing approximately 86.96%) attributable to the Subscription.

The Sale Shares and the Subscription Shares represent approximately 5.22% and 34.78% respectively of the total issued share capital of Starhigh on a fully diluted basis. Upon the SP Completion and Subscription Completion, Starhigh will be owned as to 60% by Marvel Leader and as to 40% directly or indirectly by Mr. Tsang, with Starhigh becoming a non-wholly owned subsidiary of the Company.

#### **GENERAL**

The Share Sale will constitute a disposal by the Company while the Subscription will constitute a deemed disposal under Rule 14.29 of the Listing Rules.

Further, since Mr. Tsang is a Director and as at the date of this announcement holds 3,394,242 Shares, representing approximately 0.13% of the issued Shares, he and Mr. Tsang's Nominee (being his associate) are regarded as connected persons of the Company, and the Share Sale and Subscription will constitute connected transactions of the Company.

As the applicable percentage ratio exceeds 5% but is below 25%, the Share Sale and the Subscription when aggregated constitute discloseable and connected transactions and are subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules. A circular relating to, among other things, the Investment Agreement will be despatched to Shareholders on or before 30 April 2014.

## **1. THE INVESTMENT AGREEMENT**

### **1.1 Date**

7 April 2014

### **1.2 Parties**

- (i) **Vendor of the Sale Shares:** Marvel Leader
- (ii) **Issuer of the Subscription Shares:** Starthigh
- (iii) **Purchaser of the Sale Shares and subscriber of the Subscription Shares:** Mr. Tsang

If Mr. Tsang is to nominate Mr. Tsang's Nominee as purchaser of the Sale Shares and subscriber for the Subscription Shares, he shall notify Marvel Leader and Starthigh in writing of the nomination prior to the SP Completion Date or the First Subscription Completion Date, whichever is the earlier, and such nomination shall be irrevocable in respect of both the Share Sale and the Subscription once notified without the written consent of Marvel Leader and Starthigh.

### **1.3 Sale and Purchase of the Sale Shares**

Subject to the fulfillment (or waiver) of the Conditions Precedent, Marvel Leader shall sell as the legal and beneficial owner, and Mr. Tsang shall purchase or procure the purchase by Mr. Tsang's Nominee of, 240 Starthigh Shares free from encumbrances and together with all rights at the SP Completion and thereafter attaching thereto subject to the restrictions set out in the Articles, the terms of the Shareholders' Deed and any arrangements which may be agreed between Marvel Leader, Mr. Tsang and any other shareholders of Starthigh from time to time.

The sale and purchase of all the Sale Shares shall be completed simultaneously.

The Sale Shares will represent 8% of the then total issued share capital of Starthigh upon the SP Completion, and will represent approximately 5.22% of the total issued share capital of Starthigh on a fully diluted basis upon the SP Completion and the Subscription Completion.

### **1.4 Subscription of the Subscription Shares**

Subject to the fulfillment (or waiver) of the Conditions Precedent, Starthigh shall issue and allot, and Mr. Tsang shall subscribe, or procure the subscription by Mr. Tsang's Nominee of, the Subscription Shares as follows:

- (1) on the First Subscription Completion Date, not less than 800 Starthigh Shares; and
- (2) on the Second Subscription Completion Date, balance of the Subscription Shares not previously subscribed on the First Subscription Completion Date.

The SP Completion and the Subscription Completion are not inter-conditional on the occurrence of each other.

The Subscription Shares shall be issued and allotted by Starthigh as fully paid and free from all encumbrances.

Upon the Subscription Completion, the issued share capital of Starhigh will increase from US\$3,000 (equivalent to approximately HK\$23,280) to US\$4,600 (equivalent to approximately HK\$35,696) by the issue and allotment of the Subscription Shares. Taking into account the SP Completion, the Subscription Shares will represent approximately 34.78% of the total issued share capital of Starhigh on a fully diluted basis. Upon the SP Completion and the Subscription Completion, Starhigh will be owned as to 60% by Marvel Leader and as to 40% directly or indirectly by Mr. Tsang.

## **1.5 Consideration for the Sale Shares and for the Subscription Shares**

### ***Consideration for the Sale Shares***

The consideration for the Sale Shares shall be at the rate of HK\$390,000 per Sale Share and the total consideration for the Sale Shares shall be HK\$93,600,000, which shall be payable by Mr. Tsang to Marvel Leader in cash on the SP Completion Date.

### ***Consideration for the Subscription Shares***

The consideration for the Subscription Shares shall be at the rate of HK\$390,000 per Subscription Share and the total consideration for the Subscription Shares shall be HK\$624,000,000. On each Subscription Completion Date, the consideration for the Subscription Shares to be subscribed, being the consideration per Subscription Share multiplied by the number of Subscription Shares to be subscribed on such Subscription Completion Date, shall be payable by Mr. Tsang to Starhigh in cash.

### ***Basis of determination of the consideration***

The respective consideration for the Sale Shares and for the Subscription Shares was determined following arm's length negotiations on normal commercial terms between the parties to the Investment Agreement and represents 10% premium to the market value of Starhigh Shares as at 31 December 2013 as determined by an independent firm of professional valuers after taking into account, among other factors, the arrangement regarding Marvel Leader's sole entitlement to a distribution of RMB2.55 billion (equivalent to approximately HK\$3.24 billion) by Starhigh prior to any pro-rata distribution between Marvel Leader and Mr. Tsang pursuant to the proposed terms of the Shareholders' Deed. The amount of Marvel Leader's sole entitlement to the distribution of RMB2.55 billion (equivalent to approximately HK\$3.24 billion) was also determined following arm's length negotiations on normal commercial terms between the parties to the Investment Agreement, having regard to, among other things, the undistributed retained earnings of CQZY Group as at 31 December 2013 amounting to approximately RMB2.29 billion (equivalent to approximately HK\$2.91 billion). The Directors consider that the respective consideration for the Sale Shares and for the Subscription Shares is fair and reasonable.

## **1.6 Conditions Precedent**

Both the SP Completion and the Subscription Completion are subject to and conditional upon the fulfillment (or waiver, as the case may be) of the following conditions precedent on or prior to the SP Completion Date or the relevant Subscription Completion Date (as the case may be):

- (1) if it is required under the Listing Rules or by the Stock Exchange, the Company shall obtain all necessary approval by its Independent Shareholders in general meeting by way of an ordinary resolution approving the Investment Agreement and the transactions contemplated thereunder, and all other necessary approvals or waivers (where applicable);

- (2) the board of directors of Marvel Leader (in respect of the SP Completion only) and Starthigh (in respect of the Subscription Completion only) having approved the Investment Agreement and the transactions contemplated thereunder;
- (3) all consents and approvals of, or waivers from any bank or financial institution which is a creditor of the Company or any members of the Starthigh Group for the consummation of the transactions contemplated under the Investment Agreement and the Shareholders' Deed having been obtained or effected and remained effective, and where any such consents, approvals or waivers are subject to any condition, such condition being acceptable to Marvel Leader (in respect of the SP Completion only) or Starthigh (in respect of the Subscription Completion only) in their respective absolute discretion;
- (4) all consents and approvals of, notices to and filings or registrations with or waivers from any governmental or regulatory authority (including but not limited to the Stock Exchange and the Securities and Futures Commission in Hong Kong) for the consummation of the transactions contemplated under the Investment Agreement and the Shareholders' Deed having been obtained or effected and remained effective;
- (5) Mr. Tsang having delivered to each of Marvel Leader (in respect of the SP Completion only) and Starthigh (in respect of the Subscription Completion only) evidence to the satisfaction of each of Marvel Leader (in respect of the SP Completion only) and Starthigh (in respect of the Subscription Completion only) respectively that financial resources are available to Mr. Tsang sufficient to settle the consideration for the Sale Shares and the Subscription Shares, respectively;
- (6) Mr. Tsang having performed and complied in all respects with all of his agreements and obligations contained in the Investment Agreement or other documents to which he is a party that are required to be performed or complied with by him on or before the SP Completion Date or the relevant Subscription Completion Date (as the case may be); and
- (7) the warranties given by Mr. Tsang remaining true and correct in all respects on the SP Completion Date or the relevant Subscription Completion Date (as the case may be).

Other than the Condition Precedent set out in paragraph (1) above, Marvel Leader may waive all or any of the Conditions Precedent in respect of the SP Completion, and Starthigh may waive all or any of the Conditions Precedent in respect of the Subscription Completion.

In the event that any Condition Precedent has not been fulfilled (or has not been previously waived) by 5:30 p.m. on the Long Stop Date, Marvel Leader or Starthigh (as the case may be) may notify Mr. Tsang, at their respective option, without prejudice to their respective rights thereunder and under applicable law, amongst other things, to terminate the Investment Agreement, in which case, all rights and obligations of the parties shall cease immediately, and no party shall have any right or claim against or liabilities or obligations to the other party.

## **1.7 Proposed material terms of the Shareholders' Deed**

Pursuant to the Investment Agreement, Marvel Leader, Starthigh and Mr. Tsang have agreed, as a completion deliverable to the SP Completion and Subscription Completion (whichever is earlier), that Marvel Leader, Starthigh, Mr. Tsang (and (where applicable) Mr. Tsang's Nominee) shall enter into a shareholders' deed relating to the management and operation of Starthigh upon the SP Completion, the First Subscription Completion or the Second Subscription Completion, whichever is earlier. The main features of the proposed material terms of the Shareholders' Deed (which are subject to finalisation among Marvel Leader, Starthigh and Mr. Tsang) are set out below:

- (1) subject to the provisions mentioned in sub-paragraph (2) below and other terms and conditions in the Shareholders' Deed, all profits legally permissible and available for distribution shall be distributed by way of dividend to the shareholders of Starthigh in proportion to their respective shareholdings in Starthigh at such time as the board of directors of Starthigh may determine;
- (2) Mr. Tsang's Nominee agrees and undertakes that whenever Starthigh distributes any dividend to its shareholders, Mr. Tsang's Nominee absolutely and irrevocably, among others, (a) assigns, and directs Starthigh to pay, to Marvel Leader all such dividend to which Mr. Tsang's Nominee is entitled and (b) waives all of its entitlement and right to receive such dividend to which Mr. Tsang's Nominee is otherwise entitled, until the cumulative amount of the dividend so paid to Marvel Leader is equal to RMB2.55 billion (equivalent to approximately HK\$3.24 billion);
- (3) if and as long as its shareholdings reach or exceed 25% of the then entire issued share capital of Starthigh, Mr. Tsang's Nominee shall have the right to appoint Mr. Tsang as a director of Starthigh ("**Tsang Director**"). Any further appointment or removal of directors of Starthigh shall be determined by the board of directors of Starthigh, save and except, if at any time Mr. Tsang beneficially holds less than 25% of the then entire issued share capital of Starthigh, the Tsang Director shall be removed immediately;
- (4) the board of directors of Starthigh shall be responsible for the overall management of Starthigh Group, and may delegate its power, including daily operation of the business or such other matters relating to CQZY Group and any member of Starthigh Group, to Mr. Tsang or other committee or advisers for such period as the board of directors of Starthigh may determine;
- (5) for a period of 10 years commencing from the date of the Shareholders' Deed, Mr. Tsang's Nominee shall not, without the prior written consent of Marvel Leader or except as specifically permitted by the Shareholders' Deed, directly or indirectly sell, transfer, assign, dispose of, pledge, mortgage or charge or give the whole or any part of its legal or beneficial interest in or otherwise grant any interest of any kind or create any encumbrance in the legal or beneficial interest in any of the Starthigh Shares or the certificates representing any of the Starthigh Shares now or in the future held by it, other than pursuant to a transfer in accordance with the terms set out in the Shareholders' Deed. If Mr. Tsang's Nominee proposes to sell, transfer or otherwise dispose of all or any portion of its Starthigh Shares, Marvel Leader shall have the pre-emptive right on the Starthigh Shares proposed to be transferred by Mr. Tsang's Nominee, subject to the terms set out in the Shareholders' Deed;
- (6) Mr. Tsang shall undertake with Marvel Leader and Starthigh that during the term of the Shareholders' Deed:
  - (a) if so designated by the board of directors of Starthigh, he shall be responsible for the management of the day-to-day business and operations of CQZY Group, including the preparation of business plans and budget of CQZY Group;
  - (b) if so designated by the board of directors of Starthigh, he shall be engaged by CQZY in the current positions he is holding in CQZY, and by Yunnan Zhong Yu in the current positions he is holding in Yunnan Zhong Yu, and such other engagements and for such period as the board of directors of Starthigh may determine from time to time; and

- (c) for so long as Mr. Tsang's Nominee holds any Starhigh Shares, Mr. Tsang shall not, and shall not procure to, without the prior written consent of Marvel Leader, directly or indirectly transfer, assign or otherwise create any encumbrance in any of the shares of Mr. Tsang's Nominee or the holding company of Mr. Tsang's Nominee (where applicable) or the certificates representing any of the shares of Mr. Tsang's Nominee or the holding company of Mr. Tsang's Nominee (where applicable) now or in the future held by him;
- (7) Mr. Tsang absolutely, irrevocably and unconditionally guarantees to Marvel Leader and Starhigh as primary obligor the full, due and punctual performance, satisfaction, payment, discharge and observance of all obligations, covenants and undertakings to be performed and/or discharged by Mr. Tsang's Nominee in accordance with the Shareholders' Deed; and
- (8) each of Mr. Tsang (for so long as he continues to be beneficially interested in any Starhigh Shares) and Mr. Tsang's Nominee (for so long as it continues to be legally and/or beneficially interested in any Starhigh Shares) undertakes and covenants to and for the benefit of the Marvel Leader and Starhigh, that he/it shall not directly or indirectly on his/its own account or on behalf of any other person and whether as principal, shareholder, partner, employee, agent or otherwise, and he/it will procure his/its associates, as applicable, not to, at any time during the term of the Shareholders' Deed and for a period of one year after the date of termination of the Shareholders' Deed or the date on which Mr. Tsang or Mr. Tsang's Nominee (as the case may be) ceases to be legally and/or beneficially interested in any Starhigh Shares, whichever is earlier, among others,
  - (a) within all such territories in which CQZY Group conducts its business from time to time (including but not limited to Chongqing), carry on or be concerned or interested or engaged in or acquire or hold any right or interest in (i) any business similar to or competing with the business of Starhigh Group, (ii) the setting up, operation or management of any business similar to or competing with the business of Starhigh Group; or (iii) provision of any services in relation to any business similar to or competing with the business of Starhigh Group;
  - (b) canvass or solicit any business of Starhigh Group from any person who was at any time in the twelve-month period ending on the date in question a client or customer of Starhigh Group; or
  - (c) do any business of Starhigh Group with any person who was at any time in the twelve-month period ending on the date in question a client or customer of Starhigh Group.

## **1.8 Completion of the Share Sale and Subscription**

### ***SP Completion***

The SP Completion shall take place within 14 days after the fulfillment (or waiver, as the case may be) of the last Condition Precedent, or such other date as Marvel Leader and Mr. Tsang may agree in writing prior to the SP Completion.

### ***Subscription Completion***

The First Subscription Completion and the Second Subscription Completion shall take place within 6 months and 12 months respectively after the fulfilment (or waiver, as the case may be) of the last Condition Precedent, or such other date as Starhigh and Mr. Tsang may agree in writing prior to the First Subscription Completion or the Second Subscription Completion (as the case may be).

## 2. INFORMATION ON THE GROUP

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

## 3. INFORMATION ON MARVEL LEADER AND STARHIGH GROUP

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

Starhigh is a private limited company incorporated in the BVI on 17 March 2006. Marvel Leader originally held 1 Starhigh Share, being the then entire issued share capital of Starhigh. On 4 April 2014, Starhigh issued and allotted, and Marvel Leader subscribed, 2,999 Starhigh Shares at a total subscription price of US\$2,999 (equivalent to approximately HK\$23,272). As a result, Starhigh has a current issued share capital of US\$3,000 (equivalent to approximately HK\$23,280) which is directly wholly-owned by Marvel Leader. Starhigh is an investment holding company and the registered and beneficial owner of Charm Best. The sole business of Starhigh is the ownership of Charm Best.

Charm Best is a private limited company incorporated in Hong Kong on 30 March 2006 with a current issued share capital of HK\$1 which is directly wholly-owned by Starhigh. Charm Best is an investment holding company and the registered and beneficial owner of CQZY. The sole business of Charm Best is the ownership of CQZY.

CQZY is a privately-owned enterprise established in the PRC on 11 June 1992 with a current registered and paid-up capital of US\$131,000,000 (equivalent to approximately HK\$1,016,560,000) which is directly wholly-owned by Charm Best. The principal business of CQZY Group is property development and investment in the PRC.

During the period of 2007 to 2013, CQZY Group has completed various property development projects of over 1.3 million sqm. CQZY Group currently owns a portfolio of completed properties and developing projects with total GFA of about 3.8 million sqm consisting of residential, commercial and hotel complexes which are mainly situated right at the heart of the Yubei District of Chongqing, a district where the central government administration region, major highway junctions and a new rail transportation hub are located.

The financial highlights and consolidated operating results of the Starhigh Group included in the consolidated financial statements of the Company are as follows:

	<b>12 months ended 31 December 2013</b>	<b>12 months ended 31 December 2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	1,879,475	2,697,939
Profit Before Tax	661,395	1,014,617
Net Profit	263,908	333,021

	<u>As at</u> <u>31 December 2013</u> HK\$'000 (Unaudited)	<u>As at</u> <u>31 December 2012</u> HK\$'000 (Unaudited)
Total Assets	15,639,746	14,617,850
Total Liabilities	8,506,217	7,980,288
Net Assets	7,133,529	6,637,562

#### **4. FINANCIAL EFFECT ON THE SHARE SALE AND SUBSCRIPTION AND USE OF PROCEEDS**

Upon the SP Completion and the Subscription Completion, the interests of the Company (through Marvel Leader) in Starhigh will be diluted from 100% to 60%, with Starhigh becoming a non-wholly owned subsidiary of the Company. The assets and liabilities of Starhigh and its profits and losses will continue to be consolidated into the consolidated financial statements of the Company, with no gain or loss to be recognised in the consolidated statement of profit or loss of the Company. Upon the SP Completion and the Subscription Completion, the dilution of the Company's interests in Starhigh will give rise to a reduction of an aggregate amount of approximately HK\$1,044.7 million in the Group's owners' equity (representing approximately 7% of the Group's owners' equity of HK\$14,185.2 million as at 31 December 2013), being the difference between the total consideration for the Share Sale and the Subscription and amount of the Starhigh Group's net assets attributable to the Share Sale and the Subscription (excluding the amount of Marvel Leader's sole entitlement to the distribution of RMB2.55 billion (equivalent to approximately HK\$3.24 billion)). Taking into account the factors as explained in the paragraph headed "5. Reasons for and benefits of the Share Sale and Subscription" below, the Directors consider that such reduction is fair and reasonable. The Share Sale and the Subscription will generate an aggregate proceeds of HK\$717,600,000 in cash, of which HK\$93,600,000 (representing approximately 13.04%) is attributable to the Share Sale and HK\$624,000,000 (representing approximately 86.96%) attributable to the Subscription. The aggregate proceeds are intended by the Directors to be applied as general working capital of the Group.

#### **5. REASONS FOR AND BENEFITS OF THE SHARE SALE AND SUBSCRIPTION**

Following from the recent zoning of the Jiazhou Zone of Yubei District, Central Chongqing as a Core Commercial Zone (主城核心商圏), the Group is currently fast tracking its property development and investment in the area to build up a portfolio comprising a significant portion of high-end commercial investment properties. The Investment Agreement offers an opportunity for the Group to improve its equity structure in CQZY Group and to accelerate returns from its projects in the area. It will also provide the Group with an additional source of funding for the growth of CQZY Group as more resources can be pooled to step up the development speed of these high-end commercial investment properties and other projects to be planned in the area. The proceeds to be generated from the Share Sale and the Subscription will also strengthen the Group's general working capital enabling the Group to capture other development opportunities in Western China. Further, by preserving its entitlement to a distribution of RMB2.55 billion (equivalent to approximately HK\$3.24 billion), the Directors believe that the Group's interest and entitlement to the retained earnings of Starhigh Group prior to the SP Completion and the Subscription Completion are safeguarded.

Mr. Tsang has been serving the Group for a substantial period of time and has all along been delegated with the primary responsibility of supervising the day-to-day business operation and management of CQZY Group. Over the past few years, CQZY Group has seen continuous growth, with both its revenue and profits now accounting for a substantial part of the Group's overall revenue and profits. The Directors attribute the success of CQZY Group to, among other



things, Mr. Tsang's substantial expertise and experience in the real estate development industry in Chongqing. The proposed introduction of Mr. Tsang as an investor to Starhigh will not only confer a strategic advantage to the Group by aligning the long-term interests of Mr. Tsang with that of the Group and securing his commitment to the development of CQZY Group in the future, but will also enhance the governance structure and facilitate the steady operation of CQZY Group by preserving its development pace and strategy.

The entering into the Investment Agreement is therefore in line with the Group's prudent and cautious investment strategy. The Directors consider that the terms of the Investment 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.

## **6. GENERAL**

Upon the SP Completion and the Subscription Completion, Starhigh will be owned as to 60% by Marvel Leader and as to 40% directly or indirectly by Mr. Tsang, with Starhigh becoming a non-wholly owned subsidiary of the Company.

The Share Sale will constitute a disposal by the Company while the Subscription will constitute a deemed disposal under Rule 14.29 of the Listing Rules. Further, since Mr. Tsang is a Director and as at the date of this announcement holds 3,394,242 Shares, representing approximately 0.13% of the issued Shares, he and Mr. Tsang's Nominee (being his associate) are regarded as connected persons of the Company, and the Share Sale and the Subscription will constitute connected transactions of the Company. As the applicable percentage ratio exceeds 5% but is below 25%, the Share Sale and the Subscription when aggregated also constitute discloseable and connected transactions and are subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

A circular containing, among other things, (a) further details of the Investment Agreement, (b) the recommendation of the Independent Board Committee to the Independent Shareholders, (c) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders, (d) a property valuation report, and (e) the notice of the SGM, will be despatched to Shareholders on or before 30 April 2014.

## **7. DEFINITIONS**

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

“Articles”	articles of association of Starhigh as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Charm Best”	Charm Best Investment Limited, a company incorporated in Hong Kong with limited liability, which is directly wholly-owned by Starhigh and indirectly wholly-owned by the Company

“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
“Conditions Precedent”	conditions precedent to the SP Completion and the Subscription Completion specified in the Investment Agreement and as described under the paragraph headed “1.6 Conditions Precedent”
“connected person”	has the meaning ascribed to it under the Listing Rules
“CQZY”	重慶中渝物業發展有限公司 (Chongqing Zhong Yu Property Development Co. Ltd.), a privately-owned enterprise established in the PRC, which is directly wholly-owned by Charm Best and indirectly wholly-owned by the Company
“CQZY Group”	CQZY and its subsidiaries
“Director(s)”	the director(s) of the Company
“First Subscription Completion”	completion of the subscription of the first tranche of Subscription Shares pursuant to the terms and conditions of the Investment Agreement
“First Subscription Completion Date”	the date on which First Subscription Completion takes place, being a day within 6 months after the fulfilment or waiver of the last Condition Precedent, or such other date as Starthigh and Mr. Tsang may agree in writing prior to the First Subscription Completion
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee of the Company comprising Messrs. Lam Kin Fung Jeffrey, Leung Yu Ming Steven and Wong Lung Tak Patrick being all the independent non-executive Directors, which will be formed to advise the Independent Shareholders in relation to the Investment Agreement and the transactions thereunder
“Independent Shareholders”	any Shareholder that is not required to abstain from voting at a general meeting in relation to the approval of the Investment Agreement and the transactions thereunder (in this case, any Shareholders other than Mr. Tsang and his associates)
“Investment Agreement”	the investment agreement dated 7 April 2014 entered into between Marvel Leader, Starthigh and Mr. Tsang in relation to the Share Sale and the Subscription
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	7 July 2015
“Marvel Leader”	Marvel Leader Investments Limited, a company incorporated in the BVI with limited liability and directly wholly-owned by the Company
“Mr. Tsang”	Mr. Tsang Wai Choi, among others, a Director and deputy chairman of the Board, holding 3,394,242 Shares as at the date of this announcement (representing approximately 0.13% of the issued Shares), the legal representative (法人代表), the chairman of the board of directors (董事長) and the general manager (總經理) of CQZY, and the legal representative (法人代表) and the chairman of the board of directors (董事長) of Yunnan Zhong Yu
“Mr. Tsang’s Nominee”	such entity which is beneficially wholly-owned by Mr. Tsang and to be the purchaser of the Sale Shares and subscriber of the Subscription Shares if so nominated by Mr. Tsang
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the 240 Starthigh Shares owned by Marvel Leader, representing 8% of the entire issued share capital of Starthigh, as at the date of the Investment Agreement, and representing approximately 5.22% of the total issued share capital of Starthigh on a fully diluted basis upon the SP Completion and the Subscription Completion
“Second Subscription Completion”	completion of the subscription of the second tranche of Subscription Shares pursuant to the terms and conditions of the Investment Agreement
“Second Subscription Completion Date”	the date on which Second Subscription Completion takes place, being a day within 12 months after the fulfilment or waiver of the last Condition Precedent, or such other date as Starthigh and Mr. Tsang may agree in writing prior to the Second Subscription Completion
“SGM”	the special general meeting of the Company to be convened for approving the Investment Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Deed”	shareholders’ deed to be entered into among Marvel Leader, Starthigh and Mr. Tsang (and Mr. Tsang’s Nominee if so nominated by Mr. Tsang as the purchaser of the Sale Shares and subscriber of the Subscription Shares) relating to the management and operation of Starthigh

“Share Sale”	sale of the Sale Shares by Marvel Leader to Mr. Tsang (or Mr. Tsang’s Nominee) pursuant to the terms and conditions of the Investment Agreement
“SP Completion”	completion of the Share Sale
“SP Completion Date”	the date on which the SP Completion takes place, being a date within 14 days after the fulfilment or waiver of the last Condition Precedent, or such other date as Marvel Leader and Mr. Tsang may agree in writing prior to the SP Completion
“sqm”	square meters
“Starhigh”	Starhigh International Limited, a company incorporated in the BVI with limited liability, which is directly wholly-owned by Marvel Leader and indirectly wholly-owned by the Company, as at the date of this announcement
“Starhigh Share(s)”	the ordinary share(s) of US\$1.00 each (equivalent to approximately HK\$7.76) in the share capital of Starhigh and having the voting and other rights and benefits and being subject to the restrictions set out in the Articles, the terms of the Shareholders’ Deed and any arrangements which may be agreed between Marvel Leader, Mr. Tsang and any other shareholders of Starhigh from time to time, which shall rank pari passu in all respects with each other
“Starhigh Group”	Starhigh, Charm Best and CQZY Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of the Subscription Shares by Mr. Tsang (or Mr. Tsang’s Nominee) pursuant to the terms and conditions of the Investment Agreement
“Subscription Completion”	completion of the Subscription
“Subscription Completion Date”	the First Subscription Completion Date and/or the Second Subscription Completion Date
“Subscription Share(s)”	1,600 Starhigh Shares to be issued and allotted by Starhigh and subscribed by Mr. Tsang (or Mr. Tsang’s Nominee) pursuant to the Investment Agreement which will constitute approximately 34.78% of the issued share capital of Starhigh as enlarged by the Subscription
“US\$”	United States dollars, the lawful currency of the United States of America

“Yunnan Zhong Yu” 雲南中渝置地發展有限公司 (Yunnan Zhong Yu Land Development Company Limited), a privately-owned enterprise established in the PRC, which is directly held by CQZY as to its 70% shareholding

“%” percent

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

Hong Kong, 7 April 2014

*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 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 and US\$ have been converted to HK\$ at the rate of RMB1 = HK\$1.272 and US\$1 = HK\$7.76 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.*