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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 TRANSACTION**

On 17 November 2009, at a meeting of the board of Guojia JV, a resolution was passed to approve the contribution by Cheer Gain of the amount RMB300,000,000 (equivalent to approximately HK\$340,500,000) in the registered capital of Guojia JV. After the Capital Contribution, Cheer Gain's ownership interest in Guojia JV will increase to 80%, and Guojia JV will become a subsidiary of Cheer Gain.

The Capital Contribution will result in consolidation of the assets and liabilities of Guojia JV in the financial statements of the Company. Under Rule 14.28 of the Listing Rules, the relevant percentage ratio for the Capital Contribution will therefore exceed 5% but will be below 25%, and the Capital Contribution constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **1. THE CAPITAL CONTRIBUTION**

##### **1.1 Date**

17 November 2009, being the date a resolution was passed by the board of Guojia JV approving the Capital Contribution. (Under the articles of association of Guojia JV, all its powers, including the power to issue new capital, are vested in its board.)

##### **1.2 Parties to the Capital Contribution**

- (i) Cheer Gain, an indirect wholly-owned subsidiary of the Company, as the subscriber; and
- (ii) Guojia JV, a jointly-controlled entity in which Cheer Gain has a 50% ownership interest, as the issuer of new capital.

##### **1.3 Amount of Capital Contribution**

RMB300,000,000 (equivalent to approximately HK\$340,500,000) to be contributed in cash and be applied in its entirety in paying up an equal sum in the registered capital

of Guojia JV. Following the Capital Contribution, Guojia JV will have a registered capital of RMB1,000,000,000 (equivalent to approximately HK\$1,135,000,000), fully paid up, which will be owned as to 80% by Cheer Gain and 20% by Guojia Property.

The amount of the Capital Contribution was arrived at after arm's length negotiation between Cheer Gain and Guojia JV and is equal to the corresponding increase in Cheer Gain's ownership interest in Guojia JV. The Group will fund the Capital Contribution out of its internal resources.

#### **1.4 Registration with SAIC**

It is expected that the Capital Contribution will be made by Cheer Gain and registered with SAIC on or about 30 December 2009.

#### **1.5 Cheer Gain's Funding Obligation after the Capital Contribution**

After the Capital Contribution, Cheer Gain will provide 80% of the funding for Guojia JV in accordance with its increased ownership interest in Guojia JV.

#### **1.6 Representation in the board of Guojia JV**

Cheer Gain shall be entitled to nominate two directors to the board of Guojia JV in addition to the one existing director nominated by Cheer Gain and the two existing directors nominated by Guojia Property.

### **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 GUOJIA JV**

Guojia JV is a Chinese-foreign equity joint venture established in Chengdu, the PRC in 2007. The principal business of Guojia JV is ownership and development of the Sky Villa Project, a residential development located in the Jinjiang District (錦江區) in Chengdu comprising two adjacent land sites with site areas of approximately 56,000 sq. m. and 82,000 sq. m. respectively. Construction of the Sky Villa Project has commenced and out of the approximately 88,000 sq. m. total saleable area planned for Phase I development of the first land site, about 54,000 sq. m. have been pre-sold. Phase II development of the first land site, which is also underway, will provide approximately 139,000 sq. m. saleable area. Construction of the second land site is at the planning stage and is expected to provide approximately 331,000 sq. m. saleable area.

In July 2009 Guojia JV acquired 100% of Chengdu Zhongyi, a property development company the principal business of which is ownership and development of two land sites located in Wenxing Township, Shuangliu County (雙流縣文星鎮) in Chengdu with an aggregate site area of approximately 205,000 sq. m. The Wenxing Township sites are currently under development and the planned GFA is about 312,000 sq. m.

The consolidated financial highlights of Guojia JV for the 9 months ended 30 September 2009 and the 12 months ended 31 December 2008 are as follows. As the Sky Villa Project is still under construction and the Wenxing Township sites have just commenced development, no sales revenue has been booked for these periods:

	<b><u>9 months ended</u></b> <b><u>30 September 2009</u></b> <b>RMB'000</b> <b>(unaudited)</b>	<b><u>12 months ended</u></b> <b><u>31 December 2008</u></b> <b>RMB'000</b> <b>(audited)</b>
Turnover	-	-
Net Loss	(11,956)	(10,960)
	<b><u>As at</u></b> <b><u>30 September 2009</u></b> <b>RMB'000</b> <b>(unaudited)</b>	<b><u>As at</u></b> <b><u>31 December 2008</u></b> <b>RMB'000</b> <b>(audited)</b>
Total Assets	1,779,174	784,946
Total Liabilities	1,104,549	298,365
Net Assets	674,625	486,581

#### **4. REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION**

Pursuant to the agreement entered into on 23 October 2007 for the establishment of Guojia JV, its initial registered capital was contributed as to RMB400,000,000 (equivalent to approximately HK\$454,000,000) by Cheer Gain and RMB100,000,000 (equivalent to approximately HK\$113,500,000) by Guojia Property. Under the terms of the agreement, Guojia JV would be a jointly-controlled entity and it was contemplated that the capital of Guojia JV (included but not limited to its registered capital) would be increased so that Cheer Gain and Guojia Property would each contribute in aggregate 50% of the amount required for the acquisition and development of the first land site of the Sky Villa Project. To facilitate the increase of capital, approval was obtained from the relevant authorities in November 2008 to raise the registered capital of Guojia JV to RMB1,000,000,000 (equivalent to approximately HK\$1,135,000,000), and subsequently Cheer Gain and Guojia Property had each contributed an amount of RMB100,000,000 (equivalent to approximately HK\$113,500,000) in the registered capital of Guojia JV.

Due to the rapid progress in the development of the Sky Villa Project and also to meet Guojia JV's new funding requirement for the acquisition and development of 100% of Chengdu Zhongyi, at the meeting of the board of Guojia JV referred to in paragraph 1 headed "The Capital Contribution", a resolution was passed to approve the additional contribution by Cheer Gain of the amount RMB300,000,000 (equivalent to approximately HK\$340,500,000) in the registered capital of Guojia JV. This amount, aggregated together with the capital contributions of RMB400,000,000 (equivalent to approximately HK\$454,000,000) and RMB100,000,000 (equivalent to approximately HK\$113,500,000) by Cheer Gain described in the preceding paragraph, will result in Cheer Gain contributing a total of 80% of the enlarged registered capital of Guojia JV of RMB1,000,000,000 (equivalent to approximately HK\$1,135,000,000).

In previous accounting periods, Guojia JV has been accounted for in the Company's books as a jointly-controlled entity by equity accounting method, that is, assets and liabilities of Guojia JV were not consolidated in the financial statements of the Company. After the Capital Contribution and on implementation of the matters approved at the board meeting of Guojia JV referred to in the above, Guojia JV will become a 80% owned indirect subsidiary of the Company with its assets and liabilities consolidated in the Group's consolidated financial statements.

The Capital Contribution will further expand the Group's investment in the Chengdu market. It is consistent with the business strategy of the Company to expand its quality land bank and real estate development in Western China.

The Board considers the Capital Contribution is fair and reasonable and in the best interests of the Group and the shareholders of the Company as a whole.

## **5. GENERAL**

The Capital Contribution will result in consolidation of the assets and liabilities of Guojia JV in the financial statements of the Company. Under Rule 14.28 of the Listing Rules, the relevant percentage ratio for the Capital Contribution will therefore exceed 5% but will be below 25%, and the Capital Contribution constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## **6. DEFINITIONS**

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

“Board”	the board of Directors
“Capital Contribution”	the contribution by Cheer Gain of the amount RMB300,000,000 (equivalent to approximately HK\$340,500,000) in the registered capital of Guojia JV pursuant to a board resolution of Guojia JV passed on 17 November 2009
“Cheer Gain”	Cheer Gain Development Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Chengdu Zhongyi”	成都眾怡房地產開發有限公司 (Chengdu Zhongyi Property Development Company Limited), a company established in the PRC and a wholly-owned subsidiary of Guojia JV
“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

“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Guojia JV”	成都國嘉志得置業有限公司 (Chengdu Guojia Cheer Gain Property Company Limited), a jointly-controlled entity of the Group in which each of Cheer Gain and Guojia Property has a 50% ownership interest
“Guojia Property”	四川省國嘉地產有限公司(Sichuan Guojia Property Company Limited), a company established in the PRC and currently has a 50% ownership interest in Guojia JV
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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, being the relevant authority for registration of the Capital Contribution
“SkyVilla Project”	a residential development located in the Jinjiang District (錦江區) in Chengdu comprising two adjacent sites having an aggregate site area of approximately 138,000 sq. m.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. m.”	square meters
“%”	per cent

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

Hong Kong, 17 November 2009

*As at the date of this announcement, the Board comprises Mr. Cheung Chung Kiu, Dr. Lam How Mun Peter, Mr. Tsang Wai Choi, Mr. Lam Hiu Lo, Mr. Leung Chun Cheong, Mr. Leung Wai Fai, Ms. Poon Ho Yee Agnes, Dr. Wong Kim Wing and Mr. Wu Hong Cho as Executive Directors; Mr. Wong Yat Fai as Non-executive Director; and Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick as Independent Non-executive Directors.*

*The English names / translations of the companies established in the PRC, relevant authorities in the PRC and other Chinese terms used in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*

*In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.135 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

*\* For identification purposes only*