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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)

CONNECTED AND DISCLOSEABLE TRANSACTIONS

On 14 December 2011, Verakin Property and Xinhua Bookstore entered into the Capital Contribution Agreement which provided for, inter alia, the Capital Contribution and provision of additional shareholder's loans to Verakin Gonghao.

GENERAL

As Xinhua Bookstore (being a substantial shareholder of Verakin Wenlong and Verakin Wenhao, both indirect subsidiaries of the Company) is a connected person of the Company at the level of subsidiaries, the transactions related to Xinhua Bookstore under the Capital Contribution Agreement constitute connected transactions under Chapter 14A of the Listing Rules. As the applicable percentage ratio for the transactions thereunder when aggregated exceeds 5% but is below 25%, the transactions are subject to the 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 Capital Contribution Agreement and the transactions thereunder and written approval has been obtained from the Majority Shareholders, the Company has applied to the Stock Exchange for a waiver pursuant to Rule 14A.43 of the Listing Rules under which written independent shareholders' approval may be accepted in lieu of holding a general meeting.

A circular containing, among other things, further details of the Capital Contribution Agreement together with the recommendations of the independent board committee of the Company and the advice from the independent financial adviser to the independent board committee and the Independent Shareholders will be dispatched to the Shareholders on or before 9 January 2012.

1. THE CAPITAL CONTRIBUTION AGREEMENT

1.1 Date

14 December 2011

1.2 Parties

- (i) Verakin Property; and
- (ii) Xinhua Bookstore

1.3 Capital Contribution

Pursuant to the Capital Contribution Agreement, the registered capital of Verakin Gonghao will be increased from the existing amount of RMB20,000,000 (equivalent to approximately HK\$24,580,000) to RMB300,000,000 (equivalent to approximately HK\$368,700,000) by way of the Capital Contribution, comprising:

- (a) the contribution by Verakin Property of an additional RMB133,000,000 (equivalent to approximately HK\$163,457,000) as consideration, when aggregated with the existing amount of RMB20,000,000 (equivalent to approximately HK\$24,580,000) owned by Verakin Property, for a 51% interest in the enlarged registered capital of Verakin Gonghao; and
- (b) the contribution by Xinhua Bookstore of RMB147,000,000 (equivalent to approximately HK\$180,663,000) as consideration for a 49% interest in the enlarged registered capital of Verakin Gonghao.

The consideration of RMB133,000,000 (equivalent to approximately HK\$163,457,000) from contribution by Verakin Property shall be satisfied by capitalizing a sum of RMB133,000,000 (equivalent to approximately HK\$163,457,000) out of the shareholder's loan (with accrued interest) it has previously advanced to Verakin Gonghao. The consideration of RMB147,000,000 (equivalent to approximately HK\$180,663,000) from contribution by Xinhua Bookstore shall be satisfied in cash and be paid to Verakin Gonghao within 3 working days of the execution of the Capital Contribution Agreement.

Upon completion of the Capital Contribution, the enlarged registered capital of Verakin Gonghao will be owned as to RMB153,000,000 (equivalent to approximately HK\$188,037,000) by Verakin Property and as to RMB147,000,000 (equivalent to approximately HK\$180,663,000) by Xinhua Bookstore.

The consideration for the Capital Contribution from each of Verakin Property and Xinhua Bookstore represents respectively a 51% and 49% pro-rata contribution and was determined following arm's length negotiations between Verakin Property and Xinhua Bookstore. The Land Site was acquired on 25 May 2011 at a consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,229,000,000) by Verakin Property on behalf of Verakin Gonghao prior to its incorporation. To the best information and knowledge of the Directors, there has been no material change in the value of the Land Site since its acquisition. Based on this and taking into account the total liabilities of Verakin Gonghao of RMB355,327,000 (equivalent to approximately HK\$436,697,000) as at 30 November 2011, the consideration from Xinhua Bookstore's portion in the Capital Contribution represents a premium of 4% over the proportional share in the net asset value of Verakin Gonghao as at 30 November 2011. The Directors consider that the consideration is fair and reasonable.

1.4 Shareholder's Loans

Pursuant to the Capital Contribution Agreement, upon completion of the Capital Contribution, there will be a sum of RMB181,782,909 (equivalent to approximately HK\$223,411,000) remaining due and owing from Verakin Gonghao to Verakin Property as a shareholder's loan together with interest accrued. Under the Capital Contribution Agreement, Xinhua Bookstore will provide a further sum of RMB174,654,167 (equivalent to approximately HK\$214,650,000) to Verakin Gonghao as its share of shareholder's loan, such that Verakin Property and Xinhua Bookstore will be providing shareholder's loans pro-rata to their respective holdings in the registered capital of Verakin Gonghao.

Pursuant to the Capital Contribution Agreement, shareholder's loans provided pro-rata to Verakin Gonghao shall carry an interest at the rate of 1% per month payable annually. The principal amount of such pro-rata shareholder's loans will be repaid at the same time when Verakin Gonghao accounts to its equity owners for profit derived from the development of the Land Site.

Any shareholder's loan made to Verakin Gonghao by Verakin Property and Xinhua Bookstore in excess of their respective pro-rated amount will also carry interest at the rate of 1% per month and will be repayable on demand.

1.5 Completion

Completion of the Capital Contribution shall take place forthwith upon satisfaction of the following conditions:

- (a) A professional firm of accountants shall be engaged to verify the payment of Xinhua Bookstore's portion in the Capital Contribution and a capital verification reported shall be provided thereon;
- (b) A professional firm of accountants shall be engaged to audit the capitalization of RMB133,000,000 (equivalent to approximately HK\$163,457,000) out of the shareholder's loan from Verakin Property and a capital verification report shall be provided thereon; and
- (c) Verakin Property and Xinhua Bookstore shall together be responsible for all formalities related to the Capital Contribution including, without limitation, shareholders and board approval, amendment of articles of association, and procuring Verakin Gonghao to carry out procedures for government approval and registration of the change in particulars of Verakin Gonghao in respect of the Capital Contribution.

Xinhua Bookstore shall provide a further sum of RMB174,654,167 (equivalent to approximately HK\$214,650,000) to Verakin Gonghao as its share of shareholder's loan to Verakin Gonghao as follows:

- (a) RMB63,000,000 (equivalent to approximately HK\$77,427,000) will be provided on or before 20 December 2011; and
- (b) the remaining RMB111,654,167 (equivalent to approximately HK\$137,223,000) will be provided on or before 15 February 2012.

The proceeds from the Capital Contribution and from the shareholder's loans will be applied to fund in part payment of the land premium payable by Verakin Gonghao for the Land Site and as working capital of Verakin Gonghao.

1.6 Representation in the board of Verakin Gonghao

Following completion of the Capital Contribution, Verakin Property and Xinhua Bookstore will be entitled to nominate 3 and 2 members respectively to the board of directors of Verakin Gonghao.

1.7 Profits sharing

Following completion of the Capital Contribution, Verakin Property and Xinhua Bookstore will be entitled to share profits of Verakin Gonghao in proportion to their respective equity interests in Verakin Gonghao.

2. 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.

3. INFORMATION ON XINHUA BOOKSTORE

To the Directors' best knowledge, Xinhua Bookstore is a subsidiary of the Chongqing branch of 重慶新華書店集團公司 (Chongqing Xinhua Bookstore Group Company), a state-owned bookstore chain in the PRC.

4. INFORMATION ON VERA KIN GONGHAO

Verakin Gonghao is a privately-owned enterprise established in the PRC on 17 June 2011 with a registered capital of RMB20,000,000 (equivalent to approximately HK\$24,580,000). The principal business of Verakin Gonghao is ownership and development of the Land Site. As at the date of this announcement, the Land Site is vacant. Construction work is expected to commence in the second quarter of 2012.

Verakin Gonghao is now proceeding with initial-stage planning of the Land Site. As such, no sales revenue has been booked for the period. The financial highlights are as follows:

	17 June 2011 to 30 November 2011 RMB'000 (unaudited)
Turnover	-
Loss before Tax	(777)
Net Loss	(777)
	<u>As at 30 November 2011</u> RMB'000 (unaudited)
Total Assets	374,550
Total Liabilities	355,327
Net Assets	19,223

5. REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION AGREEMENT

Despite uncertainties about the short term market prospect for property in the PRC, the Directors are confident of a long term growth, particularly in Western China, of the PRC property market powered by the steady economic growth. The Capital Contribution Agreement has the effect of limiting the Group's investment in the Land Site in line with the Company's policy to diversify its capital commitments as a prudent measure under the present market situation, and to reserve its cash resources for profitable opportunities offered to the Group.

After completion of the Capital Contribution, Verakin Gonghao will become a 51% owned subsidiary of Verakin Property. As Verakin Property is a 51% owned indirect subsidiary of the Company, the assets and liabilities of Verakin Gonghao will continue to be consolidated in the financial statements of the Company, and the Company will have a 26% attributable interest in the results of Verakin Gonghao.

The Directors consider that the terms of the Capital Contribution 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

As Xinhua Bookstore (being a substantial shareholder of Verakin Wenlong and Verakin Wenhao, both indirect subsidiaries of the Company) is a connected person of the Company at the level of subsidiaries, the transactions related to Xinhua Bookstore under the Capital Contribution Agreement constitute connected transactions under Chapter 14A of the Listing Rules. As the applicable percentage ratio for the transactions thereunder when aggregated exceeds 5% but is below 25%, the transactions are subject to the reporting, announcement and the independent shareholders' approval requirements.

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7. DEFINITIONS

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

“Board”	the board of Directors
“Capital Contribution”	the contribution of an aggregate sum of RMB280,000,000 (equivalent to approximately HK\$344,120,000) to the registered capital of Verakin Gonghao as provided in the Capital Contribution Agreement
“Capital Contribution Agreement”	the agreement dated 14 December 2011 entered into between Verakin Property and Xinhua Bookstore relating, inter alia, to the Capital Contribution and provision of additional shareholder's loans to Verakin Gonghao
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholder”	any Shareholder that is not required to abstain from voting at a general meeting in relation to the approval of the Capital Contribution Agreement and the transactions thereunder, in this case being all Shareholders

“Land Site”	a land site comprising two adjacent land lots in Ludao New District, Bishan County, Chongqing, the PRC with a total site area of approximately 219,000 sqm and permitted GFA of approximately 659,000 sqm acquired on 25 May 2011 at a consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,229,000,000) by Verakin Property on behalf of Verakin Gonghao prior to its incorporation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Majority Shareholders”	Thrivetrade Limited (a company wholly-owned by Mr. Cheung Chung Kiu) and Regulator Holdings Limited, a wholly-owned subsidiary of Yugang International Limited (a company beneficially owned by Mr. Cheung Chung Kiu as to 44.06%), respectively hold 1,039,925,571 shares and 254,239,636 shares, in aggregate 1,294,165,207 shares, approximately 50.87% of the issued share capital of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of shares of the Company
“sqm”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Verakin Gonghao”	重慶同景共好置地有限公司 (Chongqing Verakin Gonghao Land Company Limited), a company established in the PRC and wholly owned by Verakin Property and indirectly owned as to 51% by the Company
“Verakin Property”	重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited), a company established in the PRC and indirectly owned as to 51% by the Company
“Verakin Wenhao”	重慶同景文浩置業有限公司 (Chongqing Verakin Wenhao Real Estate Company Limited), a company established in the PRC and owned as to 51% by Verakin Property and 49% by Xinhua Bookstore
“Verakin Wenlong”	重慶同景文龍置地有限公司 (Chongqing Verakin Wenlong Real Estate Company Limited), a company established in the PRC and owned as to 51% by Verakin Property and 49% by Xinhua Bookstore
“Xinhua Bookstore”	重慶新華書店集團房地產開發公司 (Chongqing Xinhua Bookstore Group Real Estate Development Company), a company established in the PRC
“%”	Percent

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

Hong Kong, 14 December 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 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\$1.229 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.