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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)**

### **ANNOUNCEMENT**

#### **PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE PACKAGING BUSINESS ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

#### **DISCLOSEABLE TRANSACTION**

Reference is made to the announcements of the Company dated 29 December 2011, 2 March 2012, 25 May 2012 and 6 June 2012.

In relation to the Proposed Spin-off, the Board announces that the Proposed Spin-off is expected to be effected by way of the Distribution and the Share Offer.

The Board has conditionally approved the Distribution which is subject to the Listing becoming unconditional. Under the Distribution, each Qualifying Shareholder will be entitled to receive one Qualipak Share for every whole multiple of 20 Shares held as at the close of business on the Record Date.

Qualipak International has issued the Prospectus in relation to the Share Offer on 28 June 2012 and, based on the current expected timetable, the listing date of Qualipak Shares on the main board of the Stock Exchange is expected to be on 12 July 2012.

Qualipak International is a wholly-owned subsidiary of the Company as at the date of this announcement. Immediately after completion of the Distribution and the Share Offer, the Company will cease to have any shareholding interest in Qualipak International. Accordingly, Qualipak International will cease to be a subsidiary of the Company and the financial information of the Qualipak International Group will cease to be consolidated into the consolidated financial statements of the Company thereafter.

The Proposed Spin-off constitutes a deemed disposal of the equity interest in a subsidiary of the Company under rule 14.29 of the Listing Rules. As the applicable percentage ratio exceeds 5% but is below 25%, the Proposed Spin-off constitutes a discloseable transaction of the Company under the Listing Rules.

**The proposed listing of the Qualipak Shares pursuant to the Proposed Spin-off is subject to, among other things, the Listing Approval being granted, the underwriting agreement becoming unconditional and not being terminated in accordance with its terms or otherwise. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-off will take place. Shareholders and potential investors should exercise caution when dealing in or investing in the securities of the Company.**

Reference is made to the announcements of the Company dated 29 December 2011, 2 March 2012, 25 May 2012 and 6 June 2012.

## **STRUCTURE OF THE PROPOSED SPIN-OFF**

In relation to the Proposed Spin-off, the Board announces that the Proposed Spin-off is expected to be effected by way of the Distribution and the Share Offer.

### **Distribution**

The Board has conditionally approved the Distribution which is subject to the Listing becoming unconditional. Under the Distribution, each Qualifying Shareholder will be entitled to receive one Qualipak Share for every whole multiple of 20 Shares held as at the close of business on the Record Date.

Based on the information made available to the Directors, as at the Record Date, there was no Shareholder with a registered address outside Hong Kong as shown on the Company's register of members. On such basis, all Shareholders whose names appeared on the register of members of the Company at the close of business on the Record Date are Qualifying Shareholders and will receive Qualipak Shares under the Distribution subject to the Listing becoming unconditional.

Fractional entitlements to Qualipak Shares under the Distribution will be retained by the Company for sale in the market and the Company will keep the net proceeds of sale, after deduction of related expenses therefrom, for the benefit of the Company.

### **Share Offer**

Qualipak International has issued the Prospectus in relation to the Share Offer on 28 June 2012 and, based on the current expected timetable, the listing date of Qualipak Shares on the main board of the Stock Exchange is expected to be on 12 July 2012.

As disclosed in the Prospectus, the Share Offer comprises the Preferential Offer and the Public Offer.

#### **(i) Preferential Offer**

In order to enable the Shareholders to participate in the Share Offer on a preferential basis as to allocation only, Qualifying Shareholders will be invited by Qualipak International to apply for Qualipak Shares in the Preferential Offer on the basis of an assured entitlement of one Qualipak Share for every whole multiple of 300 Shares held by them as at the close of business on the Record Date. The Qualipak Shares to be offered to Qualifying Shareholders under the Preferential Offer represent about 60% of the Offer Shares and about 6% of the enlarged issued share capital of Qualipak International upon completion of the Share Offer.

(ii) Public Offer

Qualipak International is offering Qualipak Shares (subject to reallocation as mentioned below) representing about 40% of the total number of the Offer Shares being initially offered under the Share Offer, for subscription by members of the public in Hong Kong under the Public Offer.

The allocation of the Offer Shares between the Public Offer and the Preferential Offer is subject to re-allocation. In the event there remains any Qualipak Shares available in the Preferential Offer not taken up by the Qualifying Shareholders after satisfying in full all the excess applications for Qualipak Shares from certain Qualifying Shareholders on a fair and reasonable basis, such Qualipak Shares will be re-allocated to the Public Offer.

The offer price for each Qualipak Share offered in the Share Offer is HK\$1.59 (excluding brokerage of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%). The Prospectus is available for viewing and downloading from the website of Qualipak International at ([www.qualipakhk.com](http://www.qualipakhk.com)) and the Stock Exchange's website at ([www.hkexnews.hk](http://www.hkexnews.hk)) from 28 June 2012. Printed copies of the Prospectus are available for collection from certain branches of the receiving bank appointed by Qualipak International during normal business hours from 9:00 a.m. on Thursday, 28 June 2012 until 12:00 noon on Wednesday, 4 July 2012, details of which are set out in the announcement of Qualipak International dated 28 June 2012.

A BLUE application form for the Preferential Offer will be despatched by Qualipak International to each Qualifying Shareholder together with a copy of the Prospectus. Please refer to the Prospectus and the relevant application forms for further details of the Preferential Offer and the Public Offer.

#### **CONDITIONS OF THE PROPOSED SPIN-OFF**

The Proposed Spin-off is conditional upon, among other things:

- (i) the listing committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Qualipak Shares in issue and the Qualipak Shares to be issued pursuant to the Share Offer and any Qualipak Shares, up to 10% of the issued share capital of Qualipak International as at the date of approval of the Share Option Scheme in accordance with the Listing Rules, which may fall to be issued upon the exercise of any options which may be granted under the Share Option Scheme (and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Qualipak Shares on the Stock Exchange); and
- (ii) the underwriting agreement relating to the Share Offer becoming unconditional, and not being terminated in accordance with its terms or otherwise.

Please refer to the Prospectus for details relating to the underwriting agreement and the conditions of the Share Offer. If the conditions are not fulfilled or (if applicable) waived on or before the time specified therein, the Proposed Spin-off (including Distribution) will not proceed, in which event the Stock Exchange will be notified immediately and an announcement will be published by the Company as and when appropriate.

#### **REASONS FOR AND THE BENEFITS OF THE PROPOSED SPIN-OFF**

The Board believes that the Proposed Spin-off will be beneficial to both the Company and Qualipak International for the following reasons:

- (i) the Company and Qualipak International are believed to have different growth paths and different business strategies. The Proposed Spin-off will allow separate platforms for the businesses of the two groups;

- (ii) the Proposed Spin-off will create two groups of companies and will offer investors an opportunity to participate in the future development of the Group and Qualipak International Group by way of investment in both or either of the groups;
- (iii) through the Proposed Spin-off, the Company will be able to return value to the Shareholders in the form of liquid securities given that the shares of Qualipak International will be listed on the Stock Exchange;
- (iv) the Proposed Spin-off will enable the management team of the Company to continue to focus on building its core businesses (i.e. the property development business in Western China and treasury investment business), thereby enhancing the decision-making process and its responsiveness to market changes;
- (v) the Proposed Spin-off will provide a mechanism to attract and motivate the management of the Qualipak International Group who will be directly responsible for the financial performance of the Qualipak International Group on a standalone basis;
- (vi) the Proposed Spin-off is expected to improve the operational and financial transparency of the Qualipak International Group and provide investors, the market and rating agencies with greater clarity on the businesses as well as the respective financial status of the Group and the Qualipak International Group;
- (vii) the Proposed Spin-off will provide the Group and the Qualipak International Group with separate fundraising platforms for their respective operations and future expansion; and
- (viii) the cash proceeds to be received pursuant to the listing of Qualipak International associated with the Proposed Spin-off will provide capital to Qualipak International for its operations and new investment opportunities.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Proposed Spin-off are fair and reasonable so far as the Company and the Shareholders are concerned and in the interests of the Shareholders as a whole.

#### **INTENDED USE OF THE PROCEEDS BY QUALIPAK INTERNATIONAL**

As the Proposed Spin-off does not involve an offering or sale of shares or any other securities by the Company, no new proceeds will be raised by the Company pursuant to the Proposed Spin-off.

The intended use of the net proceeds from the Share Offer by Qualipak International of about HK\$20.6 million (after deducting the underwriting commissions and other estimated expenses payable by Qualipak International in relation to the Share Offer) is as follows:

- (i) about 40% will be used for the acquisition and replacement of machinery and equipment for enhancing the production efficiency and capability of Qualipak International Group, with an expected increase by about one-tenth of the annual production capacity from the additional machinery and equipment;
- (ii) about 40% will be used to explore new business opportunities and enhance market awareness of products manufactured by Qualipak International Group, as to about 18% for participation in various trade fairs and exhibitions, about 15% for strengthening the sales and marketing team of Qualipak International Group by recruitment of additional staff for sales and marketing, and about 7% for general use for marketing activities;
- (iii) about 10% will be used to enhance the capability of design and development of manufactured products of Qualipak International Group by, amongst others, acquisition of new computer hardware and software; and

(iv) about 10% will be used for working capital and other general corporate purposes.

## **FINANCIAL EFFECT OF THE PROPOSED SPIN-OFF**

### **Effect on net asset value**

Qualipak International is a wholly-owned subsidiary of the Company as at the date of this announcement. Upon completion of the Distribution, the Company will cease to have any shareholding interest in Qualipak International. Accordingly, Qualipak International will cease to be a subsidiary of the Company and the financial information of the Qualipak International Group will cease to be consolidated into the consolidated financial statements of the Company. The consolidated total assets, total liabilities and net assets of the Company immediately after the Distribution will be reduced by the amount of the total assets, total liabilities and net assets of the Qualipak International Group, respectively. As at 31 December 2011, the audited consolidated total assets, total liabilities and net assets of the Company were approximately HK\$35,643 million, HK\$21,037 million and HK\$14,606 million respectively. As at 31 December 2011, Qualipak International Group had total assets of approximately HK\$289 million, total liabilities of approximately HK\$123 million and net assets of approximately HK\$166 million.

### **Effect on earnings**

Upon completion of the Distribution, Qualipak International will cease to be a subsidiary of the Company and the financial information of Qualipak International Group will cease to be consolidated into the consolidated financial statements of the Company. For each of the two years ended 31 December 2011, the consolidated profits before taxation and extraordinary items of the Company amounted to approximately HK\$402 million and HK\$1,071 million respectively while Qualipak International Group recorded combined profit before taxation and extraordinary items of approximately HK\$36 million and HK\$46 million for the respective years. For each of the two years ended 31 December 2011, the consolidated net profit of the Company amounted to approximately HK\$256 million and HK\$417 million respectively while Qualipak International Group recorded combined net profit of approximately HK\$31 million and HK\$41 million for the respective years. On the assumption that the Distribution had taken place at the beginning of the year ended 31 December 2011, the consolidated profit of the Company for the year then ended would have been reduced by the amount of combined net profit of Qualipak International Group.

As the Distribution will be accounted for by the Company as a distribution in specie at carrying value, neither gain nor loss will be recognised by the Company as a result of the Distribution. As the Distribution and the Share Offer will respectively involve about 90% and 10% of the enlarged issued share capital of Qualipak International immediately upon completion of the Distribution and the Share Offer, in proportion to the ratio between the Distribution and the Share Offer, the Company and Qualipak International have agreed under the underwriting agreement that all such underwriting commission and other fees and expenses relating to the Distribution and the Share Offer shall be borne as to 90% by the Company and 10% by Qualipak International. Accordingly, about HK\$20.3 million of the total listing expenses will be borne by the Company as it is directly related to the Distribution which will be recognised as expenses in the consolidated statement of comprehensive income of the Company, while about HK\$2.3 million of the total listing expenses will be borne by Qualipak International.

## **EXPECTED TIMETABLE**

The expected timetable of the Proposed Spin-off is set out below.

Despatch of the BLUE application forms  
for the Preferential Offer together with  
the Prospectus to the Qualifying Shareholders . . . . . Thursday, 28 June 2012

Application lists of the Public Offer and the Preferential Offer open . . . . . 11:45am on Wednesday, 4 July 2012

Latest time for lodging BLUE application forms . . . . . 12:00 noon on Wednesday, 4 July 2012

Despatch of Qualipak Shares certificates on or before . . . . . Wednesday, 11 July 2012

Commencement of dealings in Qualipak Shares on the Stock Exchange . . . . . Thursday, 12 July 2012

All references to date and time contained in this announcement refer to Hong Kong date and time. Please refer to the Prospectus for further details of the expected timetable.

**INFORMATION ON THE GROUP**

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

**INFORMATION ON QUALIPAK INTERNATIONAL GROUP**

Qualipak International was incorporated in Bermuda on 24 October 2011 and is a wholly-owned subsidiary of the Company as at the date of this announcement. Qualipak International Group is principally engaged in the OEM manufacturing and sourcing of packaging products, and the principal products include watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units.

**GENERAL**

The Proposed Spin-off constitute a deemed disposal of the equity interest in a subsidiary of the Company under rule 14.29 of the Listing Rules. As the applicable percentage ratio exceeds 5% but is below 25%, the Proposed Spin-off constitutes a discloseable transaction of the Company under the Listing Rules.

**The proposed listing of the Qualipak Shares pursuant to the Proposed Spin-off is subject to, among other things, the Listing Approval being granted, the underwriting agreement becoming unconditional and not being terminated in accordance with its terms or otherwise. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-off will take place. Shareholders and potential investors should exercise caution when dealing in or investing in the securities of the Company.**

**DEFINITIONS**

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

- “Board”                    the board of Directors
- “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
- “Distribution”            the payment of a special interim dividend by the Company to Shareholders to be satisfied by way of distribution in specie of Qualipak Shares to Qualifying Shareholders conditionally approved by the Board as described in this announcement

|                                |   |
|--------------------------------|---|
| “Group”                        | the Company and its subsidiaries (excluding the Qualipak International Group after the Proposed Spin-off)   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                    | The Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Listing”                      | Listing of Qualipak Shares on the main board of the Stock Exchange  |
| “Listing Approval”             | the approval by the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Qualipak Shares on the main board of the Stock Exchange  |
| “Listing Rules”                | The Rules Governing the Listing of Securities on the Stock Exchange   |
| “Offer Price”                  | HK\$1.59 per Qualipak Share (excluding the Stock Exchange trading fee, transaction levy imposed by the SFC and brokerage fee payable thereon) at which Qualipak Shares are to be offered for subscription pursuant to the Share Offer, further details of which are set out in the Prospectus |
| “Offer Shares”                 | Qualipak Shares to be offered for subscription at the Offer Price under the Share Offer, the details of which are set out in the Prospectus   |
| “Preferential Offer”           | the preferential offer of Qualipak Shares for subscription by the Qualifying Shareholders on an assured basis, the details of which are set out in the Prospectus   |
| “Proposed Spin-off”            | the proposed separate listing of Qualipak Shares on the main board of the Stock Exchange, which is expected to be effected by way of the Distribution and the Share Offer   |
| “Prospectus”                   | the prospectus in relation to the Share Offer dated 28 June 2012 and issued by Qualipak International   |
| “Public Offer”                 | the conditional offer of Qualipak Shares by Qualipak International for subscription by members of the public in Hong Kong, the details of which are set out in the Prospectus   |
| “Qualifying Shareholders”      | Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date   |
| “Qualipak International”       | Qualipak International Holdings Limited, a company incorporated in Bermuda with limited liability, a wholly-owned subsidiary of the Company as at the date of this announcement and the proposed listing vehicle in the Proposed Spin-off   |
| “Qualipak International Group” | Qualipak International and its subsidiaries   |
| “Qualipak Shares”              | shares of HK\$0.10 each in the share capital of Qualipak International  |
| “Record Date”                  | Friday, 22 June 2012, being the record date for the purpose of determining the entitlement of Qualifying Shareholders to the Distribution and the Preferential Offer  |

|                       |   |
|-----------------------|---|
| “SFC”                 | the Securities and Futures Commission of Hong Kong  |
| “Share(s)”            | share(s) of HK\$0.10 each in the share capital of the Company   |
| “Share Offer”         | the Public Offer and the Preferential Offer, the details of which are set out in the Prospectus   |
| “Share Option Scheme” | the share option scheme conditionally approved and adopted by Qualipak International on 18 May 2012, a summary of certain principal terms of which is set out in the Prospectus |
| “Shareholder(s)”      | holder(s) of Shares   |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited   |
| “%”                   | per cent  |

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

Hong Kong, 28 June 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 and Ms. Poon Ho Yee Agnes 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.*